



Agenzia Italiana per la Cooperazione allo Sviluppo
Ufficio di Gerusalemme

The Italian Agency for Cooperation and Development - Jerusalem Office, Mujeer Eddin street
2-Sheik Jarrah, Jerusalem, fiscal code 97871890584

And

Sawa Organization – All the Women Together Today and Tomorrow, [REDACTED]
[REDACTED]

have agreed as follows:

Project: SI-GEWE – AID 11279.04.1

Contract title - Provision of Helpline Services for Survivors of violence, especially Gender-Based Violence, in Palestine

CUP H29E18000350001

CIG 7904845474

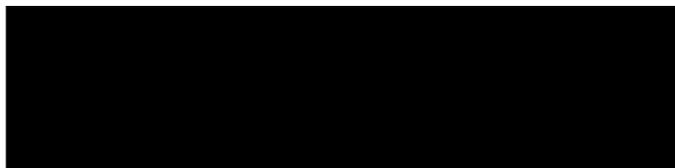
Subject

- 1.1 The subject of this Contract with identification number 7904845474: is the provision of referral, emergency and psycho-social support to survivors of violence, especially to GBV victims, through a toll-free Helpline.
- 1.2 The contractor shall execute the tasks assigned to him in accordance with the Terms of Reference annexed to the Contract

Contract value and price revision

- 2.1 Contract Value: EURO 70.000,00
- 2.2 The prices shall be fixed and shall not be revised.
- 2.3 The contractor shall comply with all the obligations on finance tracking as specified by Art. 3 of the Italian law n.136 (13/08/2010) and subsequent amendment.

For such a purpose the contractor uses the following Bank Account:



Order of precedence of contract documents

The following documents shall be deemed to form and be read and construed as part of this Contract, in the following order of precedence:

- the contract agreement;
- the Special Conditions (Annex I)
- the General Conditions (Annex II);
- Technical and financial offer – Project proposal (Annex III) including budget breakdown

The various documents making up the contract shall be deemed to be mutually explanatory; in cases of ambiguity or divergence, they shall prevail in the order in which they appear above. Addenda shall have the order of precedence of the document they are amending.

Language of the contract

The language of the contract and of all written communications between the Contractor and the Contracting Authority shall be English.

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

For the Contractor

Name: Ohaila Shomar

Title: Sawa CEO

Signature: 

Date: 16.5.2019



For the Contracting Authority

Name: Cristina Natoli

Title: Representative AICS Jerusalem

Signature: 

Date:

15 -05- 2019



ANNEX III:

***TECHNICAL AND FINANCIAL OFFER
PROJECT PROPOSAL INCLUDING BUDGET BREAKDOWN***

Helpline Services for Women Survivors of Gender-Based Violence in Palestine

Under Programme Title:

Support to the Institutionalization of Gender Mainstreaming and Women's Empowerment in the NPA 2017-2022 (SI-GEWE) – AID n. 11279

Concept note

1. Organizational and project information

Organizational information	
Name of organisation:	Sawa Organization – All the Women Together Today and Tomorrow
Registration number:	RA-22261-55
Address and contact information:	
Name of authorised person to sign the contract:	
Project information	
Location(s) of project / implementation:	Palestine (West Bank)
Duration of project (in months):	16 months
Estimated start date:	May 1, 2019
Estimated end date:	September 30, 2020
Amount requested from the Italian Development Cooperation in EUR:	70,000 EUR

2. Background and project context

Sexual, gender-based and domestic violence (SGBV) against women remain widespread in Palestine. Palestinian women, regardless of location or background, are harmed and constrained by many traditional attitudes and practices related to gender roles and expectations, sex, and violence. These women and their families are often also beset by economic struggle, conflicts within their communities, and by the restrictions and violence imposed by the occupation. Palestinian culture still largely accepts rigid and stereotyped ideas about proper gender roles, which confine women to childcare and home-making. As such, women are not expected to be primary breadwinners which often put them in an economically dependent position. As a result, Palestinian women may be unable to escape a violent or unstable home situation, due to having no means to support themselves and their children.

SGBV against women go unreported. A 2011 national survey found that more than 60% of the victims remain silent, by which we mean that they do not report SGBV incidents and do not come forward to ask for help. There are a number of reasons for that. One of the reasons is that many women, especially in marginalized and conservative communities, are not aware of their rights, the dangers of SGBV, and the services potentially available to them. Another reason is the importance of the preservation of family honor for which women and girls in Palestine bear the brunt of responsibility. The concept of family honor is centered largely on the sexual "purity" of the family's female members. Women who have experienced SGBV are reluctant to report, and often blame themselves. They fear blame, disbelief

and stigmatization from the surrounding society, and further violence from perpetrators and/or family members. This only adds to the psychological damage already suffered by survivors of SGBV.

Finally, the high percentage of unreported SGBV cases can be accounted for the social norms. In Palestine, violence within the family or by husbands against their wives is often accepted as a way of “keeping order”. Further, there is a preference for settling problems of family violence privately, rather than reporting a perpetrator to the police or seeking counseling to build a healthier family or marital dynamic. Professionals (such as social workers, policemen, doctors, nurses, or counselors) themselves may prioritize a family’s privacy and reputation over the needs of victims of SGBV. They also may refrain from intervention due to fear of retribution from the family and/or the perpetrator.

Uneven quality of SGBV services available for women. Even when women feel empowered to report cases of SGBV the support system available for them in Palestine (including psycho-social support, legal or medical services) is of uneven quality; without the type of across-the-board standards of practice and confidentiality observed in some communities. For example victims have complained that certain service providers insist on involving family or mediating with them even against the wishes of the client, when dealing with SGBV cases. Women who have accessed these services also complain of service providers sharing their personal information with others without permission, a breach of basic principles of confidentiality and privacy.

From this analysis it is apparent that in order to successfully challenge and combat SGBV in Palestine multifaceted strategies are needed, addressing women and girls, the victims and service providers at once.

3. Project objectives

The overall objective of this project is to (O1) “to contribute to a Palestinian society in which all forms of SGBV against women and children are prevented and eliminated, and in which victims of SGBV have unconditional access to support, healing, and redress.”

The specific objectives of the project are:

(SO1) “To enable victims of SGBV to have unconditional access to gender-sensitive, and victim-centered support, healing and redress.”

(SO2) “To contribute towards the improved protection of SGBV victims in Palestine by increasing the capacity of service providers to identify and properly attend cases of SGBV.”

4. Anticipated results and activities foreseen

(R1) Increased number of women, especially victims of SGBV, have access to prompt, appropriate and confidential emergency support and advice

A1.1 Provide emergency and psycho-social support to women, especially to SGBV victims, through Sawa’s toll-free Helpline. The Helpline is available 7 days a week, 16 hours a day, and it offers psychological support, basic legal and medical guidance, and referral to other qualified service providers, depending on the victims’ needs. Ten trained operators and psycho-social counselors will answer calls, identify and document cases, provide emergency support and refer cases when necessary.

- Output: At least 5000 women receive prompt, appropriate and confidential emergency support, counseling and referral through the Helpline.
- Outcome: The protection of women, especially SGBV victims, improves.

A1.2 Provide Helpline operators with support through weekly individual and group supervision. Providing quality support to victims of SGBV is an emotionally demanding task. To preserve the well-being of the counselors, prevent them from repeating their trauma or burning out, Sawa developed a professional guidance system, under which operators take part in individual and group sessions with the Counseling Supervisor, process cases and debrief together. This support activity also allows Sawa to maintain the high quality of its emergency and counseling services, provided to the callers.

- Output: Ten operators will take part in weekly individual and group sessions.
- Outcome: Sawa's Helpline operators maintain their well-being, avoid retraumatization, burning out and dropping out from the program.

A1.3 Promote the services of the Helpline. To make sure that as many women as possible are aware of the Helpline's support, promotion will occur through the radio, and social media such as Facebook, and Youtube.

- Output: Monthly advertisements of the Helpline's services such as Facebook posts, radio spots.
- Outcome: There is an increase in the visibility of the Helpline.

A1.4 Provide Free Legal Counseling through Sawa's Toll Free Helpline, for women in need for legal support.

- Output: At least 400 women receive legal support through Sawa's Helpline.
- Outcome: The awareness of women towards their legal rights, improves.

A1.5 Conduct training for the counselors about Chat Counseling conducted through Sawa's new Whatsapp Counseling Feature at +970-59-4040-121.

- Output: Ten counselors receive training on chat counseling.
- Outcome: Women are able to share with their personal issues through chat counseling.

5. Beneficiaries

Direct beneficiaries of the proposed project include:

- At least 5000 women will access prompt, appropriate and confidential emergency support and advice through Sawa's Helpline.
- Ten Helpline operators will benefit from weekly guidance, individual and group supervision. Thus operators will be able to maintain their well-being, avoid retraumatization and provide quality support for the callers.
- 400 Women will receive legal counseling and support through Sawa's Toll Free Helpline.
- Ten counselors will be able to manage chat counseling.

Indirect beneficiaries will include:

- The Palestinian community at large.

6. Monitoring and evaluation

Sawa will base the monitoring and evaluation of the project on the following mechanisms and tools:

- Call Center Database: cases of callers are documented anonymously on Sawa database, allowing Sawa to extract daily and monthly data about the number of calls, the profile of callers and the reasons for calling, and to provide regular updated reports to partners. All SGVB cases receiving support through the Helpline will be documented in the system.
- Satisfaction surveys: questionnaires are distributed after each workshop to assess their relevance and effectiveness, and the participants' satisfaction rate of participants. Questionnaires mix closed-ended and opened-ended questions to allow a quantitative and qualitative analysis of the results.
- Operators' feedback on cases: weekly meetings with the Helpline operators enable Sawa to discuss professional issues, to assess qualitatively the psychological and physical conditions of employees and to find solutions for improvement.
- Professional committee: weekly meetings of the professional committee enable Sawa to identify and discuss difficult cases received at the Call Centre and to take decisions about them. It is also the opportunity to discuss any psychosocial issues that might affect any employees and take actions accordingly.
- Employees' monthly report: this report enables management team to get a feedback from the employees, about their accomplished and on-going work, their difficulties and recommendations for improvements.

7. Budget

Please see attached Sawa's proposed project budget.

Project Work Plan

1. Project Implementation: List implemented activities by time-frame

Activity	2019 / Month												2020				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept
1 Women access prompt support and advice through Sawa's Helpline (7 days a week, 16 hours a day)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2 Supervision of Helpline operators: Ongoing, on a weekly basis	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3 Monthly advertisement via Facebook/Radio spots	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
4 Legal services: Once a week	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
5 Training Refresher for Chat Counseling with Sawa's Ten Counselors	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

BUDGET: Helpline Services for Women Survivors of Gender-Based Violence in Palestine

Sawa Organization: All the Women Together Today and Tomorrow

Budget Period: 1 May 2019 to 30 September 2020 (16 months)

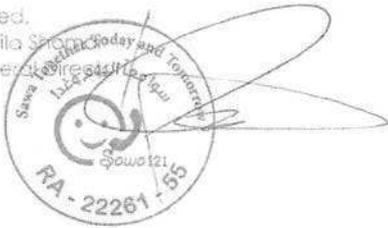
Currency: Euro

	Unit	Cost per Unit EURO	# of units	Approved Budget (Euro)
1.1 Helpline Salaries				
Project Coordinator	month	500.00	16	8,000.00
Media Coordinator	month	280.00	16	4,480.00
Helpline Coordinator	month	355.00	16	5,680.00
Facilitator	month	300.00	16	4,800.00
Finance/admin Assistant	month	350.00	16	5,600.00
Subtotal Personnel		1785.00		28,560.00
1.2 Direct Cost for Helpline				
Helpline Operators (10)	month	700.00	16	11,200.00
Legal Support Worker	month	200.00	16	3,200.00
Monthly supervision meetings	month	150.00	16	2,400.00
Refreshments	month	100.00	16	1,600.00
Transportation	month	120.00	16	1,920.00
Advertisement of Helpline Services	month	100.00	16	1,600.00
Chat Counselling professional training	month	900.00	16	14,400.00
Stationery and Supplies	month	120.00	16	1,920.00
Hall Rent	month	100.00	16	1,600.00
Bills for Helpline	month	100.00	16	1,600.00
Total Direct Costs		2590.00		41,440.00
Total Budget				70,000.00

Signed:

Chaila Shom

General Director



ANNEX I: SPECIAL CONDITIONS

These conditions amplify and supplement the General Conditions governing the Contract. Unless the Special Conditions provide otherwise, the General Conditions remain fully applicable. The numbering of the Articles of the Special Conditions is not consecutive but follows the numbering of the General Conditions. Other Special Conditions should be indicated afterwards.

Article 2 Communications

- 2.1 The contractor shall submit reports as specified in the Terms of Reference.
 Reports shall be submitted to the Contracting Authority in electronic copy in English.

Article 3 Assignment

- 3.1 Contracts may not be assigned to a third party. In case of assignment, the Contract shall be automatically terminated.

Article 4 Subcontracting

- 4.9 According to the Service Contract Notice, art. 10.g - Conditions of participation:
 Subcontract is allowed up to an amount of 30% of the total contract amount. Bidders must declare which supplies/services/works they intend to subcontract. Contractors must deposit subcontracts with the contracting authority at least 20 days before commencing the execution of the subcontracts.

Article 19 Implementation of the tasks and delays

- 19.1 The start date for implementation shall be date of signature of the contract by both parties.
19.2 The maximum period for implementing the tasks is:
 - 16 months starting from the contract effectiveness.

Article 20 Amendment to the Contract

- 20.7
 Modifications of supply and service contracts shall be effective upon AICS Jerusalem prior authorization, which may only be granted in the following cases:
- a) modifications of applicable laws and regulations;
 - b) unforeseen and unforeseeable circumstances, including the implementation of new materials, components or technology not existing when the award procedure was commenced, provided that the modifications ameliorate the quality of the performance, without increasing the contract total amount;
 - c) events related to the nature or the quality of the goods or places where the contract activities take place, which occur during the contract execution and were unforeseeable when the contract was made;
 - d) unless otherwise provided, the above-mentioned modifications may not increase or reduce the total contract amount beyond 20%, provided if budget is available;
 - e) modifications, which, in the interest of the contracting authority, increase or reduce the total contract amount, necessary to improve the quality and performance of the project are allowed up to 5%, provided that the funding is available and no

- substantial modification is made; the modifications shall be only due to objective reasons, unforseeable when the contract was made;
- f) contractors may not refuse the above-mentioned modifications; such modifications shall be executed at the same contractual conditions;
 - g) contractors shall execute any non-substantial modification that the contracting authority may see fit, provided that the nature of the activity is not fundamentally altered and no additional costs are imposed.

Article 26 Interim and Final Reports

The Contractor shall submit progress reports as specified in Article 29: two interim reports (narrative and financial) after 5 and 10 months of implementation and one final report (narrative and financial) upon completion of activities.

Article 27 Approval of Reports and Documents

27.5 The Contracting Authority shall, within 15 days of receipt, notify the Contractor of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. If the Contracting Authority does not give any comments on the documents or reports within the time limit, the Contractor may request written acceptance of them. The documents or reports shall be deemed to have been approved by the Contracting Authority if it does not expressly inform the Contractor of any comments within 45 days of the receipt of the report.

Article 29 Payment and interest on late payment

29.1 Payments will be made in accordance with the following the Schedule:

Except for their amounts and timing, the payments of the Global Price will follow respectively the procedure indicated in Article 29.1. option 2 "Global price contract". The amounts and the instalments of the payments of the Global Price will be as follows:

Instalments		EUR
1	Within 1 months after signature of the contract and approval of detailed 16 months workplan of activities and upon submission of payment request 1 st payment of the Global Price	10% of the Global Price
2	After approval of advancement reports (narrative and financial), after 3 months of implementation and upon submission of payment request 2 nd payment of the Global Price	20% of the Global Price
3	After approval of advancement reports (narrative and financial), after 8 months of implementation and upon submission of payment request 3 rd payment of the Global Price	30% of the Global Price
4	After approval of advancement reports (narrative and financial), after 12 months of implementation and upon submission of payment request 4 th payment of the Global Price	30% of the Global Price

5	Upon completion of activities and after approval of final reports (narrative and financial) concerning the overall implementation of activities and upon submission of final payment request 5 th payment of the Global Price	10% of the Global Price
	Total	100%

29.3 Payment and interest on late payment

By derogation from Article 29.3 of the General Conditions, once the deadline laid down in Article 29.1 has expired, the Consultant shall upon demand, submitted within two months of receiving late payment, be entitled to late-payment interest in accordance with article 29.3

29.5 Payments will be made in EURO in accordance with Articles 20.6 and 29.4 of the General Conditions into the bank account notified by the Contractor to the Contracting Authority.

Article 32 Revision of Prices

32.1 See Article 2 of the contract agreement.

Article 35 Suspension of the contract

No additional expanses foreseen for the suspension of the contract.

Article 40 Settlement of disputes

40.4 Any disputes arising out of or relating to this Contract which cannot be settled otherwise shall be referred to the exclusive jurisdiction of the Palestinian Authority applying the national legislation of the Contracting Authority.

* * *

ANNEX II:
GENERAL CONDITIONS FOR SERVICE CONTRACTS

PRELIMINARY PROVISIONS

ARTICLE 1. DEFINITIONS

- 1.1. The headings and titles in these General Conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the contract.
- 1.2. Where the context so permits, words in the singular shall be deemed to include the plural and vice versa, and words in the masculine shall be deemed to include the feminine and vice versa.
- 1.3. The word "country" shall be deemed to include State or Territory.
- 1.4. Words designating persons or parties shall include firms and companies and any organization having legal capacity.
- 1.5. The definitions of the terms used throughout this General Conditions are laid down in the "Glossary of terms", annex A1a to the Practical Guide, which forms an integral part of the contract.

ARTICLE 2. COMMUNICATIONS

- 2.1. Unless otherwise specified in the Special Conditions, any written communication relating to this contract between the Contracting Authority or the Project Manager, and the Contractor shall state the contract title and identification number, and shall be sent by post, cable, telex, facsimile transmission, e-mail or personal delivery to the appropriate addresses designated by the Parties for that purpose in the Special Conditions.
- 2.2. If the sender requires evidence of receipt, it shall state such requirement in its communication and shall demand such evidence of receipt whenever there is a deadline for the receipt of the communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of its communication.
- 2.3. Wherever the contract provides for the giving or issue of any notice, consent, approval, certificate or decision, unless otherwise specified such notice, consent, approval, certificate or decision shall be in writing and the words 'notify', 'consent', 'certify', 'approve' or 'decide' shall be construed accordingly. Any such consent, approval, certificate or decision shall not unreasonably be withheld or delayed.
- 2.4. Any oral instructions or orders shall be confirmed in writing.

ARTICLE 3. ASSIGNMENT

- 3.1. An assignment shall be valid only if it is a written agreement by which the Contractor transfers its contract or part thereof to a third party.
- 3.2. The Contractor shall not, without the prior consent of the Contracting Authority, assign the contract or any part thereof, or any benefit or interest thereunder, except in the following cases:
 - (a) a charge, in favour of the Contractor's bankers, of any monies due or to become due under the contract; or
 - (b) the assignment to the Contractor's insurers of the Contractor's right to obtain relief against any other person liable in cases where the insurers have discharged the Contractor's loss or liability.

3.3. For the purpose of article 3.2, the approval of an assignment by the Contracting Authority shall not relieve the Contractor of its obligations for the part of the contract already performed or the part not assigned.

3.4. If the Contractor has assigned the contract without authorisation, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

3.5. Assignees shall satisfy the eligibility criteria applicable for the award of the contract and they shall not fall under the exclusion criteria described in the tender dossier.

ARTICLE 4. SUBCONTRACTING

4.1. A subcontract shall be valid only if it is a written agreement by which the Contractor entrusts performance of a part of the contract to a third party. For this purpose, individual experts recruited for the project as key or non-key experts are not regarded as subcontractors.

4.2. The Contractor shall request to the Contracting Authority the authorization to subcontract. The request must indicate the elements of the contract to be subcontracted and the identity of the subcontractors. The Contracting Authority shall notify the Contractor of its decision, within 30 days of receipt of the request, stating reasons should it withhold such authorization.

4.3. No subcontract creates contractual relations between any subcontractor and the Contracting Authority.

4.4. The Contractor shall be responsible for the acts, defaults and negligence of its subcontractors and its experts, agents or employees, as if they were the acts, defaults or negligence of the Contractor, its experts, agents or employees. The approval by the Contracting Authority of the subcontracting of any part of the contract or of the subcontractor to perform any part of the services shall not relieve the Contractor of any of its obligations under the contract.

4.5. If a subcontractor is found by the Contracting Authority or the Project Manager to be incompetent in discharging its duties, the Contracting Authority or the Project Manager may request the Contractor forthwith, either to provide a subcontractor with qualifications and experience acceptable to the Contracting Authority as a replacement, or to resume the implementation of the tasks itself.

4.6. Subcontractors shall satisfy the eligibility criteria applicable to the award of the contract and they shall not fall under the exclusion criteria described in the tender dossier.

4.7. Those services entrusted to a subcontractor by the Contractor shall not be entrusted to third parties by the subcontractor, unless otherwise agreed by the Contracting Authority.

4.8. If the Contractor enters into a subcontract without approval, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

OBLIGATIONS OF THE CONTRACTING AUTHORITY

ARTICLE 5. SUPPLY OF INFORMATION

5.1. The Contracting Authority shall supply the Contractor promptly with any information and/or documentation at its disposal which may be relevant to the performance of the contract. Such documents shall be returned to the Contracting Authority at the end of the period of implementation of the tasks.

5.2. The Contracting Authority shall co-operate with the Contractor to provide information that the latter may reasonably request in order to perform the contract.

5.3. The Contracting Authority shall give notification to the Contractor of the name and address of the Project Manager.

ARTICLE 6. ASSISTANCE WITH LOCAL REGULATIONS

6.1. The Contractor may request the assistance of the Contracting Authority in obtaining copies of laws, regulations, and information on local customs, orders or by-laws of the country in which the services are to be performed, which may affect the Contractor in the performance of its obligations under the contract. The Contracting Authority may provide the assistance requested to the Contractor at the Contractor's cost.

6.2. Subject to the provisions of the laws and regulations on foreign labour of the country in which the services have to be rendered, the Contracting Authority provides reasonable assistance to the Contractor, at its request, for its application for any visas and permits required by the law of the Country in which the services are rendered, including work and residence permits, for the staff whose services the Contractor and the Contracting Authority consider necessary, as well as residence permits for their families.

OBLIGATIONS OF THE CONTRACTOR

ARTICLE 7. GENERAL OBLIGATIONS

7.1. The Contractor shall execute the contract with due care, efficiency and diligence in accordance with the best professional practice.

7.2. The Contractor shall comply with any administrative orders given by the Project Manager. Where the Contractor considers that the requirements of an administrative order go beyond the authority of the Project Manager or of the scope of the contract he shall give notice, with reasons, to the Project Manager. If the Contractor fails to notify within the 30 day period after receipt thereof, he shall be barred from so doing. Execution of administrative order should not be suspended because of this notice.

7.3. The Contractor shall supply, without delay, any information and documents to the Contracting Authority and the European Commission upon request, regarding the conditions in which the contract is being executed.

7.4. The Contractor shall respect and abide by all laws and regulations in force in the partner country and shall ensure that its staff, their dependants, and its local employees also respect and abide by all such laws and regulations. The Contractor shall indemnify the Contracting Authority against any claims and proceedings arising from any infringement by the Contractor, its employees and their dependants of such laws and regulations.

7.5. Should any unforeseen event, action or omission directly or indirectly hamper performance of the contract, either partially or totally, the Contractor shall immediately and at its own initiative record it and report it to the Contracting Authority. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with its obligations under the contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.

7.6. Subject to Article 7.8, the Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to the performance of the contract without the prior consent of the Contracting Authority. The Contractor shall continue to be bound by this undertaking after completion of the tasks and shall obtain from each member of its staff the same undertaking. However, use of the contract's reference for marketing or tendering purposes does not require prior approval of the Contracting Authority, except where the Contracting Authority declares the contract to be confidential.

7.7. If the Contractor is a joint venture or a consortium of two or more persons, all such persons shall be jointly and severally bound in respect of the obligations under the contract, including any recoverable amount. The person designated by the consortium to act on its

behalf for the purposes of the contract shall have the authority to bind the consortium and is the sole interlocutor for all contractual and financial aspects. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the Contracting Authority. Any alteration of the composition of the consortium without the prior consent of the Contracting Authority may result in the termination of the contract.

7.8. Save where the European Commission requests or agrees otherwise, the Contractor shall ensure the highest visibility to the financial contribution of the European Union. To ensure such publicity the Contractor shall implement among other actions the specific activities described in the Special Conditions. All measures must comply with the rules in the Communication and Visibility Manual for EU External Actions published by the European Commission.

7.9. Any records shall be kept for a 7-year period after the final payment made under the contract as laid down in Article 24. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips or invoices for the remuneration paid to the experts and invoices or receipts for incidental expenditure. In case of failure to maintain such records, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

ARTICLE 8. CODE OF CONDUCT

8.1. The Contractor shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the project or the services without the prior approval of the Contracting Authority. It shall not commit the Contracting Authority in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.

8.2. The Contractor and its staff shall respect human rights and undertake not to offend the political, cultural and religious practices prevailing in the country where the services have to be rendered.

8.3. The Contractor shall respect environmental legislation applicable in the country where the services have to be rendered and internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.

8.4. The Contractor or any of its subcontractors, agents or staff shall not abuse of its entrusted power for private gain. The Contractor or any of its subcontractors, agents or staff shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to the contract. The Contractor shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.

8.5. The payments to the Contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The Contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.

8.6. The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not

stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The Contracting Authority and the European Commission may carry out documentary or on-the-spot checks they deem necessary to find evidence in case of suspected unusual commercial expenses.

ARTICLE 9. CONFLICT OF INTEREST

9.1. The Contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the contract. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests which may arise during performance of the contract shall be notified to the Contracting Authority without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.

9.2. The Contracting Authority reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Contractor shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligations under the contract, the Contractor shall replace, immediately and without compensation from the Contracting Authority, any member of its staff exposed to such a situation.

9.3. The Contractor shall refrain from any contact which would compromise its independence or that of its staff.

9.4. The Contractor shall limit its role in connection with the project to the provision of the services described in the contract.

9.5. The Contractor and anyone working under its authority or control in the performance of the contract or on any other activity shall be excluded from access to other Contracting Authority funds available under the same project. However, the Contractor may participate after approval of the Contracting Authority if it the Contractor is able to prove that its involvement in previous stages of the project does not constitute unfair competition.

9.6. Civil servants and other staff of the public administration of the country where the services have to be rendered, regardless of their administrative situation, shall not be recruited as experts unless the prior approval has been granted by the European Commission.

ARTICLE 10. ADMINISTRATIVE AND FINANCIAL PENALTIES

10.1. Without prejudice to the application of other remedies laid down in the contract, a Contractor 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 the contracts procedure.

10.2. In addition, or in alternative to the administrative penalty laid down in Article 10.1, the Contractor may also be subject to financial penalties representing 2-10% of the total value of the contract. This rate may be increased to 4-20% in the event of a repeat offence within five years of the first infringement.

10.3. Where the Contracting Authority is entitled to impose financial penalties, it may deduct such financial penalties from any sums due to the Contractor or call on the appropriate guarantee.

ARTICLE 11. SPECIFICATIONS AND DESIGNS

11.1. The Contractor shall prepare all specifications and designs using accepted and generally recognized systems acceptable to the Contracting Authority and taking into account the latest design criteria.

11.2. The Contractor shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for the project are prepared on an impartial basis so as to promote competitive tendering.

ARTICLE 12. LIABILITIES

12.1. Liability for damage to services

Without prejudice to Article 30 (financial guarantee) and Article 38 (force majeure), the Contractor shall assume (i) full responsibility for maintaining the integrity of services and (ii) the risk of loss and damage, whatever their cause, until the completion of the implementation of the tasks and approval of reports and documents under Articles 26 and 27.

After the completion of the implementation of the tasks, the Contractor shall be responsible for and shall indemnify the Contracting Authority for any damage caused to the services by the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable, during any operation performed to complete any work left, as the case may be, pending or to comply with its obligations under Articles 26 and 27, particularly if the contract is performed in phases. Compensation for damage to the services resulting from the Contractor's liability in respect of the Contracting Authority is capped at the contract value. However, compensation for loss or damage resulting from fraud or gross negligence of the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable, can in no case be capped.

The Contractor shall remain responsible for any breach of its obligations under the contract for such period after the services have been performed as may be determined by the law governing the contract, even after approval of the reports and documents, or by default for a period of 10 years.

12.2. Contractor's liability in respect of the Contracting Authority

At any time, the Contractor shall be responsible for and shall indemnify the Contracting Authority for any damage caused during the performance of the services, to the Contracting Authority by the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable.

Compensation for damage resulting from the Contractor's liability in respect of the Contracting Authority is capped at an amount equal to one million Euros if the contract value is less than or equal to one million Euros. If the contract value is greater than one million Euros, compensation for damages resulting from the Contractor's liability shall be capped to the contract value.

However, compensation for loss or damage resulting from the Contractor's liability in case of bodily injury, including death, can in no case be capped. The same applies to compensation for any damages of any kind resulting from fraud or gross negligence of the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable.

12.3. Contractor's liability in respect of third parties

Without prejudice to Article 14.9, the Contractor shall, at its own expense, indemnify, protect and defend, the Contracting Authority, its agents and employees, from and against all actions, claims, losses or damage, direct or indirect, of whatever nature (hereinafter "claim(s)") arising from any act or omission by the Contractor, its staff, its subcontractors

and/or any person for which the Contractor is answerable, in the performance of the services, including any violation of any legal provisions, or rights of third parties, in respect of patents, trademarks and other forms of intellectual property such as copyrights.

The Contracting Authority must notify any third-party claim to the Contractor as soon as possible after the Contracting Authority becomes aware of them. If the Contracting Authority chooses to challenge and defend itself against the claim(s), the Contractor shall bear the reasonable costs of defense incurred by the Contracting Authority, its agents and employees.

Under these general conditions, the agents and employees of the Contracting Authority, as well as the Contractor's staff, its subcontractors and any person for which the Contractor is answerable are considered to be third parties.

12.4. The Contractor shall treat all claims in close consultation with the Contracting Authority

12.5. Any settlement or agreement settling a claim requires the prior express written consent of the Contracting Authority and the Contractor.

ARTICLE 13. MEDICAL, INSURANCE AND SECURITY ARRANGEMENTS

13.1. Medical arrangement

The Contracting Authority may condition the performance of the services to the production, by the Contractor, of a recent medical certificate attesting that the Contractor itself, its staff, its subcontractors and/or any person for which the Contractor is answerable, are fit to implement the services required under this contract.

13.2. Insurance – general issues

a) At the latest together with the return of the countersigned contract, and for the period of implementation of the tasks, the Contractor shall ensure that itself, its staff, its subcontractors and any person for which the Contractor is answerable, are adequately insured with insurance companies recognized on the international insurance market, unless the Contracting Authority has given its express written consent on a specific insurance company.

b) At the latest together with the return of the countersigned contract, the Contractor shall provide the Contracting Authority with all cover notes and/or certificates of insurance showing that the Contractor's obligations relating to insurance are fully respected. The Contractor shall submit without delay, whenever the Contracting Authority or the Project Manager so requests, an updated version of the cover notes and/or certificates of insurance. The Contractor shall obtain from the insurers that they commit to personally and directly inform the Contracting Authority of any event likely to reduce, cancel or alter in any manner whatsoever, that coverage. The insurers shall deliver this information as quickly as possible, and in any event at least thirty (30) days before the reduction, cancellation or alteration of the cover is effective.

c) Whenever possible, the Contractor shall ensure that the subscribed insurance contracts contain a waiver of recourse in favour of the Contracting Authority, its agents and employees.

d) The purchase of adequate insurances by the Contractor shall in no case exempt it from its statutory and/or contractual liabilities.

e) The Contractor shall fully bear the consequences of a total or partial lack of coverage, and to the full discharge of the Contracting Authority.

f) The Contractor shall ensure that its staff, its subcontractors and any person for whom the Contractor is answerable comply with the same insurance requirements imposed to it under this contract. In case of default of insurance or inadequate insurance of its staff, its

subcontractors or any person for which the Contractor is answerable, the Contractor shall indemnify the Contracting Authority from all consequences resulting there from.

g) Under its own responsibility and without prejudice to the obligation to take out all insurance covering its obligations under this contract, the Contractor shall ensure that all compulsory insurances are subscribed in compliance with the laws and regulations in force in the country in which the services are to be performed. It shall also ensure that all possible statutory obligations applying to the coverage are complied with.

h) The Contracting Authority shall not bear any liability for the assessment and adequacy of insurance policies taken out by the Contractor with its contractual and/or statutory obligations.

i) In any event, the Contractor shall take out the insurance referred to below.

13.3. Insurance – Specific issues

a) The Contractor shall take out all insurance necessary to cover its liability, both with regard to its professional liability and its liability as provided under Article 12.

b) The contractor shall ensure that itself, its staff, its subcontractors and any person for which the Contractor is answerable, are covered by an insurance policy covering, in addition to the possible intervention of any statutory insurance:

i. all medical expenses, including hospital expenses;

ii. the full cost of repatriation in case of illness, accident, or in the event of death by disease or accident;

iii. accidental death or permanent disability resulting from bodily injury incurred in connection with the contract.

In the absence of adequate insurance, the Contracting Authority may bear such costs to the benefit of the Contractor itself, its staff, its subcontractors and any person for which the Contractor is answerable. This bearing of the costs by the Contracting Authority shall be subsidiary and may be claimed against the Contractor, its subcontractors and any person who should have taken out this insurance, without prejudice to the compensation of the Contracting Authority's possibly resulting damage.

c) The Contractor shall take out insurance policies providing coverage of the Contractor itself, its staff, its subcontractors and any person for which the Contractor is answerable, in case of an accident at work or on the way to work. It shall ensure that its subcontractors do the same.

It indemnifies the Contracting Authority against any claims that its employees or those of its subcontractors could have in this regard. For its permanent expatriate staff, where appropriate, the Contractor shall in addition comply with the laws and regulations applicable in the country of origin.

d) The Contractor shall also insure the personal effects of its employees, experts and their families located in the partner country against loss or damage.

13.4. Security arrangements

The Contractor shall put in place security measures for its employees, experts and their families located in the partner country commensurate with the physical danger (possibly) facing them. The Contractor shall also be responsible for monitoring the level of physical risk to which its employees, experts and their families located in the partner country are exposed and for keeping the Contracting Authority informed of the situation. If the Contracting Authority or the Contractor becomes aware of an imminent threat to the life or health of any of its employees, experts or their families, the Contractor must take immediate emergency action to remove the individuals concerned to safety. If the

Contractor takes such action, he must communicate this immediately to the Project Manager and this may lead to suspension of the contract in accordance with Article 35.

ARTICLE 14. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

14.1. A "result" shall be any outcome of the implementation of the contract and provided as such by the Contractor.

14.2. The ownership of all the results or rights thereon as listed in the tender specification and the tender attached to the contract, including copyright and other intellectual or industrial property rights, and all technological solutions and information embodied therein, obtained in performance of the contract, shall be irrevocably and fully vested to the Contracting Authority from the moment these results or rights are delivered to it and accepted by it. The Contracting Authority may use them as it sees fit and in particular may store, modify, translate, display, reproduce, publish or communicate by any medium, as well as, assign, transfer them as it sees fit.

14.3. For the avoidance of doubt and where applicable, any such vesting of rights is also deemed to constitute an effective transfer of the rights from the Contractor to the Contracting Authority.

14.4. The above vesting of rights in the Contracting Authority under this contract covers all territories worldwide and is valid for the whole duration of intellectual or industrial property rights protection, unless stipulated otherwise by the Contracting Authority and the Contractor.

14.5. The Contractor shall ensure that delivered results are free of rights or claims from third parties including in relation to pre-existing rights, for any use envisaged by the Contracting Authority. If the Contracting Authority so requires, the Contractor shall provide exhaustive proof of ownership or rights to use all necessary rights, as well as, of all relevant agreements of the creator(s).

14.6. All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, computations, databases format and data, software and any supporting records or materials acquired, compiled or prepared by the Contractor in the performance of the contract, as well as, any outcome of the implementation of the contract, shall be the absolute property of the Contracting Authority unless otherwise specified. The Contractor shall, upon completion of the contract, deliver all such documents and data to the Contracting Authority. The Contractor must not retain copies of such documents and data and must not use them for purposes unrelated to the contract without the prior consent of the Contracting Authority.

14.7. The Contractor shall not publish articles relating to the services or refer to them when carrying out any services for others, or divulge information obtained by the Contractor in the course of the contract for purposes other than its performance, without the prior consent of the Contracting Authority.

14.8. By delivering the results the Contractor warrants that the above transfer of rights does not violate any law or infringe any rights of others and that it possesses the relevant rights or powers to execute the transfer. It also warrants that it has paid or has verified payment of all fees including fees to collecting societies, related to the final results.

14.9. The Contractor shall indemnify and hold the Contracting Authority harmless for all damages and cost incurred due to any claim brought by any third party including creators and intermediaries for any alleged breach of any intellectual, industrial or other property right based on the Contracting Authority's use as specified in the contract of patents, licenses, drawings, designs, models, or brand or trade-marks, except where such

infringement results from compliance with the design or specification provided by the Contracting Authority.

NATURE OF THE SERVICES

ARTICLE 15. THE SCOPE OF THE SERVICES

15.1. The scope of the services is specified in Annex II and Annex III.

15.2. Where the contract is for an advisory function for the benefit of the Contracting Authority and/or Project Manager in respect of all the technical aspects of the project which may arise out of its implementation, the Contractor shall not have decision-making responsibility.

15.3. Where the contract is for management of the implementation of the project, the Contractor shall assume all the duties of management inherent in supervising the implementation of a project, subject to the Project Manager's authority.

15.4. If the Contractor is required to prepare a tender dossier, the dossier shall contain all documents necessary for consulting suitable Contractors, manufacturers and suppliers, and for preparing tender procedures with a view to carrying out the works or providing the supplies or services covered by an invitation to tender. The Contracting Authority shall provide the Contractor with the information necessary for drawing up the administrative part of the tender dossier.

ARTICLE 16. STAFF

16.1. For fee-based contracts, the Contractor must inform the Contracting Authority of all staff which the Contractor intends to use for the implementation of the tasks, other than the key experts whose CVs are included in Annex IV. Annex II and/or Annex III shall specify the minimum level of training, qualifications and experience of the staff and, where appropriate, the specialization required. The Contracting Authority shall have the right to oppose the Contractor's choice of staff.

16.2. All those working on the project with the approval of the Contracting Authority shall commence their duties on the date or within the period laid down in Annex II and/or Annex III, or, failing this, on the date or within the periods notified to the Contractor by the Contracting Authority or the Project Manager.

16.3. Save as otherwise provided in the contract, those working on the contract shall reside close to their normal place of posting. Where part of the services is to be performed outside the partner country, the Contractor shall keep the Project Manager informed of the names and qualifications of staff assigned to that part of the services.

16.4. The Contractor shall:

- (a) forward to the Project Manager within 30 days of the signature of the contract by both parties, the timetable proposed for placement of the staff;
- (b) inform the Project Manager of the date of arrival and departure of each member of staff;
- (c) submit to the Project Manager for its approval a timely request for the appointment of any non-key experts.

16.5. The Contractor shall provide its staff with all financial and technical means needed to enable them to carry out their tasks described under this contract efficiently.

16.6. No recruitment of an expert by the Contractor can create contractual relations between the expert and the Contracting Authority.

ARTICLE 17. REPLACEMENT OF STAFF

17.1. The Contractor shall not make changes to the agreed staff without the prior approval of the Contracting Authority. The Contractor must on its own initiative propose a replacement in the following cases:

(a) In the event of death, in the event of illness or in the event of accident of an agreed staff; (b) If it becomes necessary to replace an agreed staff for any other reasons beyond the Contractor's control (e.g. resignation, etc.).

17.2. Moreover, in the course of performance, and on the basis of a written and justified request to which the Contractor shall provide its own and the agreed staff's observations, the Contracting Authority can order an agreed staff to be replaced.

17.3. Where an agreed staff must be replaced, the replacement must possess at least equivalent qualifications and experience, and the remuneration to be paid to the replacement cannot exceed that received by the agreed staff who has been replaced. Where the Contractor is unable to provide a replacement with equivalent qualifications and/or experience, the Contracting Authority may either decide to terminate the contract, if the proper performance of it is jeopardized, or, if it considers that this is not the case, accept the replacement, provided that the fees of the latter are renegotiated to reflect the appropriate remuneration level.

17.4. Additional costs incurred by the replacement of an agreed staff are the responsibility of the Contractor. The Contracting Authority makes no payment for the period when the agreed staff to be replaced is absent. The replacement of any agreed staff, whose name is listed in Annex IV of the contract, must be proposed by the Contractor within 15 calendar days from the first day of the agreed staff's absence. If after this period the Contractor fails to propose a replacement in accordance with Article 17.3 above, the Contracting Authority may apply liquidated damages up to 10% of the remaining fees of that expert to be replaced. The Contracting Authority must approve or reject the proposed replacement within 30 days.

17.5. The partner country may be notified of the identity of the agreed staff proposed to be added or replaced in the contract to obtain its approval. The partner country must not withhold its approval unless it submits duly substantiated and justified objections to the proposed experts in writing to the Contracting Authority within 15 days of the date of the request for approval.

ARTICLE 18. TRAINEES

18.1. If required in the terms of reference, the Contractor shall provide training for the period of implementation of the tasks for trainees assigned to it by the Contracting Authority under the terms of the contract.

18.2. Instruction by the Contractor of such trainees shall not confer on them the status of employees of the Contractor. However, they must comply with the Contractor's instructions, and with the provisions of article 8, as if they were employees of the Contractor. The Contractor may on reasoned request in writing obtain the replacement of any trainee whose work or conduct is unsatisfactory.

18.3. Unless otherwise provided in the contract, allowance for trainees covering notably travel, accommodation and all other expenses incurred by the trainees, shall be borne by the Contracting Authority.

18.4. The Contractor shall report at quarterly intervals to the Contracting Authority on the training assignment. Immediately prior to the end of the period of implementation of the tasks, the Contractor shall draw up a report on the result of the training and an assessment of the qualifications obtained by the trainees with a view to their future employment. The form of such reports and the procedure for presenting them shall be as laid down in the terms of reference.

PERFORMANCE OF THE CONTRACT

ARTICLE 19. IMPLEMENTATION OF THE TASKS AND DELAYS

19.1. The Special Conditions fix the date on which implementation of the tasks is to commence.

19.2. The period of implementation of tasks shall commence on the date fixed in accordance with Article 19.1 and shall be as laid down in the Special Conditions, without prejudice to extensions of the period which may be granted.

19.3. If the Contractor fails to perform the services within the period of implementation of the tasks specified in the contract, the Contracting Authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day which shall elapse between the end of the period of implementation of the tasks specified in the contract and the actual date of completion of these tasks.

19.4. The daily rate for liquidated damages is calculated by dividing the contract value by the number of days of the period of implementation of the tasks, up to a maximum of 15% of the total value of the contract.

19.5. If the Contracting Authority has become entitled to claim 15% of the contract value, it may, after giving notice to the Contractor:

- (a) terminate the contract, and;
- (b) enter into a contract with a third party to complete the services, at the Contractor's cost.

ARTICLE 20. AMENDMENT TO THE CONTRACT

20.1. Any amendment to the contract affecting its object or scope, such as amendment to the total contract amount, replacement of an agreed staff the Curriculum Vitae of which is part of the contract and change of the period of implementation shall be formalised by means of an addendum. Both parties may request an addendum for amendment to the contract according to the following principles:

- (a) An addendum for amendment may be requested only during the period of execution of the contract;
- (b) Any request for an addendum shall be submitted in writing to the other party at least thirty days before the date on which the intended addendum is required to enter into force. In case of special circumstances duly substantiated by the Contractor, the Contracting Authority may accept a different notice period.

The requested party shall notify the requesting party of its decision concerning the request within 30 days from its receipt. There is no automatic amendment without written confirmation by the requested party.

20.2. Additionally, the Project Manager has the power to issue administrative orders requesting an amendment to the contract not affecting its object or scope, including on request of the Contractor, according to the following principles:

- a) The requested contract amendment may take the form of additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timetable of implementation of the services;
- b) Prior to the issuance of any administrative order, the Project Manager shall notify the Contractor of the nature and the form of the proposed amendment. The Contractor shall then, without delay, submit to the Project Manager a written proposal containing:
 - (i) all measures required to comply with the requested amendment,
 - (ii) an updated timetable for implementation of the tasks, and,
 - (iii) if necessary, a proposed financial adjustment to the contract, using the contractual fee rates when the tasks are similar. When the tasks are not similar, the contractual fee rates shall be applied when reasonable.

Following receipt of the Contractor's proposal, the Project Manager shall decide as soon as possible whether or not the amendment shall be carried out.

If the Project Manager decides that the amendment shall be carried out, it shall notify the Contractor through an administrative order stating that the Contractor shall carry out the amendment at the prices and under the conditions given in the Contractor's proposal or as modified by the Project Manager in agreement with the Contractor.

c) On receipt of the administrative order, the Contractor shall carry out the amendments detailed in that administrative order as if such amendments were stated in the contract.

d) For fee based contracts, administrative orders that have an impact on the contractual budget are limited to transfers within the fees, or transfers from the fees to the Incidental Expenditures, within the limits of Article 20.3.

e) For global price contracts, administrative orders cannot have an impact on the contractual budget.

20.3. No amendment either by means of addendum or through administrative order shall lead to decreasing the amount within the contractual budget allocated to expenditure verification, or change the award conditions prevailing at the time the contract was awarded.

20.4. Any amendment carried out by the Contractor without an administrative order or without an addendum to the contract is not allowed and made at the Contractor's own financial risk.

20.5. Where an amendment is required by a default or breach of contract by the Contractor, any additional cost attributable to such amendment shall be borne by the Contractor.

20.6. The Contractor shall notify the Contracting Authority of any change of address and bank account using the form in Annex VI to notify any change in its bank account. The Contracting Authority shall have the right to oppose the Contractor's change of bank account. The Contractor shall notify the Contracting Authority of any change of auditor which the Contracting Authority needs to approve.

ARTICLE 21. WORKING HOURS

21.1. The days and hours of work of the Contractor or the Contractor's staff shall respect the laws, regulations and customs of the country where the services have to be rendered and the requirements of the services.

ARTICLE 22. LEAVE ENTITLEMENT

22.1. For fee-based contracts, the annual leave to be taken during the period of Implementation of the tasks shall be at a time approved by the Project Manager.

22.2. For fee-based contracts, the fee rates are deemed to take into account the annual leave of up to 2 months for the Contractor's staff during the period of implementation of the tasks. Consequently, days taken as annual leave shall not be considered to be working days.

22.3. The Contractor shall only be paid for the days actually worked. Any cost related to sick or casual leave shall be covered by the Contractor. The Contractor shall inform the Project Manager of any impact of such leave on the period of implementation of the tasks.

ARTICLE 23. INFORMATION

23.1. The Contractor shall provide any information relating to the services and the project to the Project Manager, the European Commission, the European Court of Auditors or any person authorized by the Contracting Authority.

23.2. The Contractor shall allow the Project Manager or any person authorised by the Contracting Authority or the Contracting Authority itself to inspect or audit the records and

accounts relating to the services and to make copies thereof both during and after provision of the services.

ARTICLE 24. RECORDS

24.1. The Contractor shall keep full accurate and systematic records and accounts in respect of the services in such form and detail as is sufficient to establish accurately that the number of working days and the actual incidental expenditure identified in the Contractor's invoice(s) have been duly incurred for the performance of the services.

24.2. For fee-based contracts, timesheets recording the days or hours worked by the Contractor's staff shall be maintained by the Contractor. The timesheets filled in by the experts shall be confirmed on a monthly basis by the Contractor and shall be approved by the Project Manager or any person authorized by the Contracting Authority or the Contracting authority itself. The amounts invoiced by the Contractor must correspond to these timesheets. Time spent travelling exclusively and necessarily for the purpose of the implementation of the contract, by the most direct route, may be included in the numbers of days or hours, as appropriate, recorded in these timesheets. Travel undertaken by the expert for mobilization and demobilization as well as for leave purposes shall not be considered as working days. A minimum of 7 hours worked are deemed to be equivalent to one day worked. For all experts, their time input shall be rounded to the nearest whole number of days worked for the purposes of invoicing.

24.3. Any records must be kept for a seven-year period after the final payment made under the contract. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips for the remuneration paid to the experts and invoices or receipts for incidental expenditure. In case of failure to maintain such records, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

ARTICLE 26. INTERIM AND FINAL REPORTS

26.1. Unless otherwise provided in the Terms of Reference, the Contractor shall draw up interim reports and a final report during the period of implementation of the tasks. These reports shall consist of a narrative section and a financial section. The format of such reports is as notified to the Contractor by the Project Manager during the period of implementation of the tasks.

26.2. All invoices must be accompanied by an interim or final report. All invoices for fee-based contracts must also be accompanied by an up to date financial report. The structure of the interim or final financial report shall be the same as that of the contractually approved budget (Annex V).

26.3. Immediately prior to the end of the period of implementation of the tasks, the Contractor shall draw up a final progress report together which must include, if appropriate, a critical study of any major problems which may have arisen during the performance of the contract.

26.4. This final progress report shall be forwarded to the Project Manager not later than 60 days after the end of the period of implementation of the tasks. Such report shall not bind the Contracting Authority.

26.5. Where the contract is performed in phases, the implementation of each phase shall give rise to the preparation of a final progress report by the Contractor.

26.6. Interim and final progress reports are covered by the provisions of Article 14.

ARTICLE 27. APPROVAL OF REPORTS AND DOCUMENTS

27.1. The approval by the Contracting Authority of reports and documents drawn up and forwarded by the Contractor shall certify that they comply with the terms of the contract.

27.2. Where a report or document is approved by the Contracting Authority subject to amendments to be made by the Contractor, the Contracting Authority shall prescribe a period for making the amendments requested.

27.3. Where the final progress report is not approved, the dispute settlement procedure is automatically invoked.

27.4. Where the contract is performed in phases, the implementation of each phase shall be subject to the approval, by the Contracting Authority, of the preceding phase except where the phases are carried out concurrently.

27.5. The Contracting Authority's time limit for accepting reports or documents shall be considered included in the time limit for payments indicated in Article 29, unless otherwise specified in the Special Conditions.

PAYMENTS & DEBT RECOVERY

ARTICLE 29. PAYMENT AND INTEREST ON LATE PAYMENT

29.1. Payments will be made in accordance with one of the options below, as identified in the Special Conditions.

Option 1: Fee-based contract:

The Contracting Authority will make payments to the Contractor in the following manner:

1. A first payment of pre-financing, if requested by the Contractor, of an amount up to maximum 20% of the maximum contract value stated in point 2 of the contract, within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 30.

2. Six-monthly further interim payments, as indicated in the Special Conditions, within 60 days of the Contracting Authority receiving an invoice accompanied by an interim progress report, subject to approval of those reports in accordance with Article 27.

When 80 % of the maximum contract value stated in point 2 of the contract has been paid (pre-financing and interim payments) the amounts due to the contractor shall be deducted from the pre-financing payment until it is completely reimbursed before any additional payment is made.

3. The invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in point 2 of the contract; the 10% being the minimum final payment.

4. The balance of the final value of the contract after verification, subject to the maximum contract value stated in point 2 of the contract, after deduction of the amounts already paid, within 90 days of the Contracting Authority receiving a final invoice, subject to approval of those reports in accordance with Article 27.

Option 2: Global price contract:

If the contract is not divided between different outputs that the Contracting Authority can approve independently, or has a duration of less than two years, the Contracting Authority will make payments to the Contractor in the following manner:

1. a pre-financing payment if requested by the Contractor, of an amount up to 40% of the contract value stated in point 2 of the contract within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 30;

2. the balance of the contract value stated in point 2 of the contract within 90 days of the Contracting Authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 27.

If the contract has a duration of at least two years and if the budget is divided between different outputs that the Contracting Authority can approve independently, the Contracting Authority will make payments to the Contractor in the following manner:

1. a pre-financing payment if requested by the Contractor, of an amount up to 40% of the contract value stated in point 2 of the contract within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 30;
2. one interim payment at the end of each 12 months of implementation of the contract, of an amount corresponding to the outputs delivered, within 60 days of the Contracting Authority receiving an invoice accompanied by an interim progress report, subject to approval of this report in accordance with Article 27;
3. The invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in point 2 of the contract; the 10% being the minimum final payment.
4. the balance of the contract value stated in point 2 of the contract within 90 days of the Contracting Authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 27.

29.2. The date of payment shall be the date on which the paying account is debited. The invoice shall not be admissible if one or more essential requirements are not met. Without prejudice to Article 36.2, the Contracting Authority may halt the countdown towards this deadline for any part of the invoiced amount disputed by the Project Manager by notifying the Contractor that part of the invoice is inadmissible, either because the amount in question is not due or because the relevant report cannot be approved and the Contracting Authority thinks it necessary to conduct further checks. In such cases, the Contracting Authority shall not unreasonably withhold any undisputed part of the invoiced amount but may request clarification, alteration or additional information, which shall be produced within 30 days of the request. The countdown towards the deadline shall resume on the date on which a correctly formulated invoice is received by the Contracting Authority. If part of the invoice is disputed, the undisputed amount of the invoice shall not be withheld and must be paid according to the payment schedule set in Article 29.1.

29.3. Once the deadline referred to above has expired, the Contractor - unless it is a government department or public body in an EU Member State - shall, within two months of receiving late payment, receive default interest:

- 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,

- 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, on the first day of the month in which the time-limit expired, plus eight percentage points. The interest be payable for the time elapses between the expiry of the payment deadline (exclusive) and the date on which the Contracting Authority's account is debited (inclusive).

By way of exception, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.

29.4. Payments due by the Contracting Authority shall be made into the bank account mentioned on the financial identification form completed by the Contractor. A new financial identification form must be used to report any change of bank account and must be attached to the invoice.

29.5. Payments shall be made in euro or in the national currency as specified in the Special Conditions.

The Special Conditions shall lay down the administrative or technical conditions governing payments of pre-financing, interim and/or final payments made in accordance with the General Conditions. Where payment is in euro, for the purposes of the Provision for incidental expenditure, actual expenditure shall be converted into euro at the rate published on the Infor-Euro on the first working day of the month in which the invoice is dated. Where payment is in the national currency, it shall be converted into the national currency at the rate published on the Infor-Euro on the first working day of the month in which the payment is made.

29.6. For fee-based contracts, invoices shall be accompanied by copies of, or extracts from, the corresponding approved timesheets referred to in Article 24.2 to verify the amount invoiced for the time input of the experts. A minimum of 7 hours worked are deemed to be equivalent to one day worked. For all experts, their time input must be rounded to the nearest whole number of days worked for the purposes of invoicing.

29.7. Payment of the final balance shall be subject to performance by the Contractor of all its obligations relating to the implementation of all phases or parts of the services and to the approval by the Contracting Authority of the final phase or part of the services. Final payment shall be made only after the final progress report and a final statement, identified as such, shall have been submitted by the Contractor and approved as satisfactory by the Contracting Authority.

29.8. The payment obligations of the Contracting Authority under the contract shall cease at most 18 months after the end of the period of implementation of the tasks, unless the contract is terminated in accordance with these General Conditions.

29.9. Prior to, or instead of, terminating the contract as provided for in Article 36, the Contracting Authority may suspend payments as a precautionary measure without prior notice.

29.10. Where the award procedure or the performance of the contract proves to have been subject to substantial errors, irregularities or fraud attributable to the Contractor, the Contracting Authority may in addition to the possibility to suspend the performance of the contract in accordance with Article 35.2 and terminate the contract as provided for in Article 36, refuse to make payments and/or recover amounts already paid, in proportion to the seriousness of the errors irregularities or fraud.

29.11. 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 Contractor, and the guarantor shall not delay payment or raise objection for any reason whatever.

ARTICLE 30. FINANCIAL GUARANTEE

30.1. Unless otherwise provided for in the Special Conditions, the Contractor shall provide a financial guarantee for the full amount of the pre-financing payment. The financial guarantee shall be in the format provided for in the contract and may be provided in the form of a bank guarantee, a banker's draft, a certified cheque, a bond provided by an insurance and/or bonding company, an irrevocable letter of credit or a cash deposit made with the Contracting Authority. If the financial guarantee is to be provided in the form of

a bank guarantee, a banker's draft, a certified cheque or a bond, it shall be issued by a bank or bonding and/or insurance company approved by the Contracting Authority. This financial guarantee shall remain valid until it is released by the Contracting Authority in accordance with Article 30.5 or Article 30.6, as appropriate. Where the Contractor is a public body the obligation for a financial guarantee may be waived depending on a risk assessment made.

30.2. The financial guarantee shall be provided on the letterhead of the financial institution using the template provided in Annex VI.

30.3. Should the financial guarantee cease to be valid and the Contractor fail to re-validate it, either a deduction equal to the amount of the pre-financing may be made by the Contracting Authority from future payments due to the Contractor under the contract, or the Contracting Authority shall give formal notice to the Contractor to provide a new guarantee on the same terms as the previous one. Should the Contractor fail to provide a new guarantee, the Contracting Authority may terminate the contract.

30.4. If the contract is terminated for any reason whatsoever, the financial guarantee may be invoked forthwith in order to repay any balance still owed to the Contracting Authority by the Contractor, and the guarantor shall not delay payment or raise objection for any reason whatsoever.

30.5. For fee-based contracts, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 29.1.

30.6. For global price contracts,

(i) if the contract is not divided between different outputs that the Contracting Authority can approve independently, or has a duration of less than two years, the financial guarantee shall remain in force until the final payment has been made, and

(ii) if the contract has a duration of at least two years and if the budget is divided between different outputs that the Contracting Authority can approve independently, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 29.1.

ARTICLE 31. RECOVERY OF DEBTS FROM THE CONTRACTOR

31.1. The Contractor undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority before the deadline indicated in the debit note which is 45 days from the issuing of that note.

31.2. Should the Contractor fail to make repayment within the above deadline; the Contracting Authority may (unless the Contractor is a government department or public body of an EU Member State) increase the amounts due by adding interest:

(a) 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,

(b) 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 eight percentage points.

The default interest shall be incurred over the time which elapses between the date of the payment deadline, and the date on which the payment is actually made. Any partial payments shall first cover the interest thus established.

31.3. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Contractor. This shall not affect the party's right to agree on payment in instalments.

31.4. Bank charges arising from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Contractor.

31.5. Without prejudice to the prerogative of the Contracting Authority, if necessary, the European Union may as a donor proceed itself to the recovery by any means.

ARTICLE 32. REVISION OF PRICES

32.1. Unless otherwise stipulated in the Special Conditions, the contract shall be at fixed prices, which shall not be revised.

ARTICLE 33. PAYMENT TO THIRD PARTIES

33.1. Orders for payments to third parties may be carried out only after an assignment made in accordance with Article 3. The assignment shall be notified to the Contracting Authority.

33.2. Notification of beneficiaries of the assignment shall be the sole responsibility of the Contractor.

33.3. In the event of a legally binding attachment of the property of the Contractor affecting payments due to it under the contract and without prejudice to the time limit laid down in Article 29, the Contracting Authority shall have 30 days, starting from the day when it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the Contractor.

BREACH OF CONTRACT, SUSPENSION AND TERMINATION

ARTICLE 34. BREACH OF CONTRACT

34.1. Either party commits a breach of contract where it fails to perform its obligations in accordance with the provisions of the contract.

34.2. Where a breach of contract occurs, the party injured by the breach is entitled to the following remedies:

- a) damages; and/or
- b) termination of the contract.

34.3. Damages may be either:

- a) general damages; or
- b) liquidated damages.

34.4. Should the Contractor fail to perform any of its obligations in accordance with the provisions of the contract, the Contracting Authority is without prejudice to its right under article 34.2, also entitled to the following remedies;

- a) suspension of payments; and/or
- b) reduction or recovery of payments in proportion to the failure's extent.

34.5. Where the Contracting Authority is entitled to damages, it may deduct such damages from any sums due to the Contractor or call on the appropriate guarantee.

34.6. The Contracting Authority shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.

ARTICLE 35. SUSPENSION OF THE CONTRACT

35.1. The Contractor shall, on the order of the Contracting Authority, suspend the execution of the contract or any part thereof for such time or times and in such manner as the Contracting Authority may consider necessary. The suspension shall take effect on the day the Contractor receives the order or at a later date when the order so provides.

35.2. Suspension of the contract in the event of presumed substantial errors or irregularities or fraud:

The contract may be suspended in order to verify whether presumed substantial errors or irregularities or fraud occurred during the award procedure or the performance of the contract. If these are not confirmed, performance of the contract shall resume as soon as possible.

35.3. During the period of suspension, the Contractor shall take such protective measures as may be necessary.

35.4. Additional expenses incurred in connection with such protective measures may be added to the contract price, unless:

- a) otherwise provided for in the contract; or
- b) such suspension is necessary by reason of some breach or default of the Contractor; or
- c) the presumed substantial errors or irregularities or fraud mentioned in article 35.2 are confirmed and attributable to the Contractor.

35.5. The Contractor shall only be entitled to such additions to the contract price if it notifies the Project Manager, within 30 days after receipt of the order to suspend execution of the contract, of its intention to claim them.

35.6. The Contracting Authority, after consulting the Contractor, shall determine such additions to the contract price and/or extension of the period of performance to be granted to the Contractor in

respect of such claim as shall, in the opinion of the Contracting Authority be fair and reasonable.

35.7. The Contracting Authority shall, as soon as possible, order the Contractor to resume the contract suspended or inform the Contractor that it terminates the contract. If the period of suspension exceeds 90 days and the suspension is not due to the Contractor's breach or default, the Contractor may, by notice to the Contracting Authority, request to proceed with the contract within 30 days, or terminate the contract.

ARTICLE 36. TERMINATION BY THE CONTRACTING AUTHORITY

36.1. The Contracting Authority may, at any time and with immediate effect, subject to Article 36.8, terminate the contract, except as provided for under Article 36.2.

36.2. Subject to any other provision of these General Conditions the Contracting Authority may, after giving seven days' notice to the Contractor, terminate the contract in any of the following cases where:

- (a) the Contractor is in serious breach of contract for failure to perform its contractual obligations;
- (b) the Contractor fails to comply within a reasonable time with the notice given by the Project Manager requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely performance of the services;
- (c) the Contractor refuses or neglects to carry out any administrative orders given by the Project Manager;
- (d) the Contractor assigns the contract or subcontracts without the authorization of the Contracting Authority;
- (e) the Contractor 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;
- (f) any organizational modification occurs involving a change in the legal personality, nature or control of the Contractor, unless such modification is recorded in an addendum to the contract;

- (g) any other legal disability hindering performance of the contract occurs;
- (h) the Contractor fails to provide the required guarantees or insurance, or the person providing the earlier guarantee or insurance is not able to abide by its commitments;
- (i) the Contractor has been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- (j) the Contractor has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the European Union's financial interests;
- (k) the Contractor, in the performance of another contract financed by the EU budget/EDF funds, has been declared to be in serious breach of contract;
- (l) after the award of the contract, the award procedure or the performance of the contract proves to have been subject to substantial errors, irregularities or fraud;
- (m) the award procedure or the performance of another contract financed by the EU budget/EDF funds proves to have been subject to substantial errors, irregularities or fraud which are likely to affect the performance of the present contract;
- (n) the Contractor fails to perform its obligation in accordance with Article 8 and Article 9;
- (o) the Contractor is unable to provide a suitable replacement to an expert, the absence of which affects the proper performance of the contract.

36.3. Termination shall be without prejudice to any other rights or powers under the contract of the Contracting Authority and the Contractor. The Contracting Authority may, thereafter, complete the services itself, or conclude any other contract with a third party, at the Contractor's own expense.

The Contractor's liability for delay in completion shall immediately cease when the Contracting Authority terminates the contract without prejudice to any liability thereunder that may already have arisen.

36.4. Upon termination of the contract or when it has received notice thereof, the Contractor shall take immediate steps to bring the services to a close in a prompt and orderly manner and to reduce expenditure to a minimum.

36.5. The Project Manager shall, as soon as possible after termination, certify the value of the services and all sums due to the Contractor as at the date of termination.

36.6. The Contracting Authority shall not be obliged to make any further payments to the Contractor until the services are completed. After the services are completed, the Contracting Authority shall recover from the Contractor the extra costs, if any, of completing the services, or shall pay any balance still due to the Contractor.

36.7. If the Contracting Authority terminates the contract pursuant to Article 36.2, it shall, in addition to the extra costs for completion of the contract and without prejudice to its other remedies under the contract, be entitled to recover from the Contractor any loss it has suffered up to the value of the services which have not been satisfactorily completed unless otherwise provided for in the Special Conditions.

36.8. Where the termination is not due to an act or omission of the Contractor, force majeure or other circumstances beyond the control of the Contracting Authority, the Contractor shall be entitled to claim in addition to sums owed to it for work already performed, an indemnity for loss suffered.

36.9. This contract shall be automatically terminated if it has not given rise to any payment in the two years following its signing by both parties.

ARTICLE 37. TERMINATION BY THE CONTRACTOR

37.1. The Contractor may, after giving 14 days' notice to the Contracting Authority, terminate the contract if the Contracting Authority:

a) fails for more than 120 days to pay the Contractor the amounts due after the expiry of the time

limit stated in Article 29; or

b) consistently fails to meet its obligations after repeated reminders; or

c) suspends the progress of the services or any part thereof for more than 90 days for reasons not

specified in the contract, or not attributable to the Contractor's breach or default.

37.2. Such termination shall be without prejudice to any other rights of the Contracting Authority or the Contractor acquired under the contract.

37.3. In the event of such termination, the Contracting Authority shall pay the Contractor for any loss or damage the Contractor may have suffered. Such additional payment must not be such that the total payments exceed the amount specified in Article 2 of the contract.

ARTICLE 38. FORCE MAJEURE

38.1. Neither party shall be considered to be in default or in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of notification of award or the date when the contract becomes effective.

38.2. The term force majeure, as used herein covers any unforeseeable events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storm, lightning, floods, washouts, civil disturbances, explosions. A decision of the European Union to suspend the cooperation with the partner country is considered to be a case of force majeure when it implies suspension of funding the contract.

38.3. Notwithstanding the provisions of Article 19 and Article 36, the Contractor shall not be liable for liquidated damages or termination for breach or default if, and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure. The Contracting Authority shall similarly not be liable, notwithstanding the provisions of Article 29 and Article 37, for payment of interest on delayed payments, for non-performance or for termination by the Contractor for breach or default, if, and to the extent that, the Contracting Authority's delay or other failure to perform its obligations is the result of force majeure.

38.4. If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall promptly notify the other party and the Project Manager giving details of the nature, the probable duration and the likely effect of the circumstances. Unless otherwise directed by the Project Manager in writing, the Contractor shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the force majeure event. The Contractor shall not put into effect such alternative means unless directed so to do by the Project Manager.

38.5. For a fee-based contract, if the Contractor incurs additional costs in complying with the Project Manager's directions or using alternative means under Article 38.4 the amount thereof shall be certified by the Project Manager.

38.6. If circumstances of force majeure have occurred and continue for a period of 180 days then, notwithstanding any extension of time for completion of the contract that the

Contractor may by reason thereof have been granted, either party shall be entitled to serve upon the other 30 days' notice to terminate the contract. If at the expiry of the period of 30 days the situation of force majeure persists, the contract shall be terminated and, in consequence thereof under the law governing the contract, the parties shall be released from further performance of the contract.

ARTICLE 39. DECEASE

39.1. If the Contractor is a natural person, the contract shall be automatically terminated if that person dies. However, the Contracting Authority shall examine any proposal made by its heirs or beneficiaries if they have notified their wish to continue the contract.

39.2. Where the Contractor consists of a number of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the contract and the Contracting Authority shall decide whether to terminate or continue the contract in accordance with the undertaking given by the survivors and by the heirs or beneficiaries, as the case may be.

39.3. In the cases provided for in Articles 39.1 and 39.2, persons offering to continue to implement the contract shall notify the Contracting Authority thereof within 15 days of the date of decease. The decision of the Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal

39.4. Such persons shall be jointly and severally liable for the proper implementation of the contract to the same extent as the deceased Contractor. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

SETTLEMENT OF DISPUTES AND APPLICABLE LAW

ARTICLE 40. SETTLEMENT OF DISPUTES

40.1. The parties shall make every effort to settle amicably any dispute relating to the contract which may arise between them.

40.2. Once a dispute has arisen, a party shall notify the other party of the dispute, stating its position on the dispute and any solution which it envisages, and requesting an amicable settlement. The other party shall respond to this request for amicable settlement within 30 days, stating its position on the dispute. Unless the parties agree otherwise, the maximum time period laid down for reaching an amicable settlement shall be 120 days from the date of the notification requesting such a procedure. Should a party not agree to the other party's request for amicable settlement, should a party not respond in time to that request or should no amicable settlement be reached within the maximum time period, the amicable settlement procedure is considered to have failed.

40.3. In the absence of an amicable settlement, a party may notify the other party requesting a settlement through conciliation by a third person. If the European Commission is not a party to the contract, it may accept to intervene as conciliator. The other party shall respond to the request for conciliation within 30 days. Unless the parties agree otherwise, the maximum time period laid down for reaching a settlement through conciliation shall be 120 days from the notification requesting such a procedure. Should a party not agree to the other party's request for conciliation, should a party not respond in time to that request or should no settlement be reached within the maximum time period, the conciliation procedure is considered to have failed.

40.4. If the amicable settlement procedure and, if so requested, the conciliation procedure fails, each party may refer the dispute to either the decision of a national jurisdiction or arbitration, as specified in the Special Conditions.

ARTICLE 41. APPLICABLE LAW

41.1. This contract shall be governed by the law of the country of the Contracting Authority or, where the Contracting Authority is the European Commission, by the European Union law supplemented as appropriate by Belgian law.

DATA PROTECTION

ARTICLE 42. DATA PROTECTION

42.1. 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 Community 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 monitoring or inspection in application of EU law. The Contractor shall have the right to access his/her personal data and to rectify any such data. Should the Contractor have any queries concerning the processing of his/her personal data, s/he shall address them to the Contracting Authority. The Contractor shall have right of recourse at any time to the European Data Protection Supervisor.

42.2. Where the contract requires processing personal data, the Contractor may act only under the supervision of the data controller, in particular with regard to the purposes of 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.

42.3. 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 Contractor shall limit access to the data to staff strictly needed to perform, manage and monitor the contract.

42.4. The Contractor undertakes to adopt technical and organizational security measures to address the risks inherent in processing and in the nature of the personal data concerned in order to:

- a) prevent any unauthorized person from having access to computer systems processing personal data, and especially:
 - aa) unauthorized reading, copying, alteration or removal of storage media;
 - ab) unauthorized data input, unauthorized disclosure, alteration or erasure of stored personal data;
 - ac) unauthorized persons from using data-processing systems by means of data transmission facilities;
- b) ensure that authorized 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 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 authorization;
- f) design its organizational structure in such a way that it meets data protection requirements.

* * *

ANNEX Ia
SER = SERVICE
SUP = SUPPLY
W = WORKS
G = GRANTS

Where not specified the definition applies to all type of contracts.

ACP States	The Africa, Caribbean and Pacific States signatories of the ACP-EC Partnership Agreement.
Addendum	A document modifying the terms and conditions of a contract.
Action document (previously known as Action Fiche)	Document describing each action planned in the Annual Action Programme (AAP).
Administrative order	Any instruction or order issued in writing by the Supervisor (W) or Project Manager (SER, SUP) to the Contractor regarding the execution of the contract.
Admissible	An application or tender which is suitable, not irregular or unacceptable.
Ancillary services	All related services which the Contractor is required to implement in a supply contract in addition to deliver the goods procured. Where they are necessary they are specified in the contract and may include for example services such as unloading, installation, testing, commissioning, provision of expertise, supervision, maintenance, repair, training and other such obligations connected with the goods to be provided under the contract (SUP).
Annual Action Programme (AAP)	The Annual Action Programme constitutes the financing decision adopted at the formulation stage and required to finance a project/programme with EU/EDF resources. It consists of several Action documents – one for each action.
Appropriate media	Publication in the Official Journal of the European Union and on the EuropeAid website is obligatory for most contracts covered by this Guide. Publication in the press of partner countries and, if need be, specialised publications may be necessary or advisable.
Assessor	An independent individual expert with an in-depth knowledge of the issues covered by a grant programme who is engaged by a Contracting Authority to carry out a detailed written assessment of a grant application using the published evaluation grids. He/she cannot be a member of the Evaluation Committee but may attend its meetings as observer. (G)
Beneficiary of a grant	Any natural or legal person who receives a grant (G).
Best value for money	See "most economically advantageous offer".

Bill of quantities	The document containing an itemized breakdown of the works to be carried out in a unit price contract, indicating a quantity for each item and the corresponding unit price. (W).
Budget breakdown	The schedule which breaks down the contract value according to the different items or services, stating out fee rate, unit prices and lump sums for each item provided (W, SER, SUP).
Call for proposals	A public invitation by the Contracting Authority, addressed to clearly identified categories of applicant, to propose operations within the framework of a specific EU programme.
Candidate	Any natural or legal person that has sought an invitation to take part in a restricted or negotiated procedure.
Clearance	The amount of expenditure incurred in accordance with the Contract which the Contracting Authority, after examination of the expenditure verification report or the supporting documents, accepts for deduction from the total sum of pre-financing under the Contract.
Commercial warranty	The warranty the manufacturer provides for a defined period that the supply will be free from structural defects due to substandard material or workmanship, under conditions of normal commercial use and service. The Commercial warranty should not be confused with - and might go beyond - the warranty period of the contract (SUP).
Commission	The European Commission
Competitive Dialogue	Procedure only used for particularly complex contracts. A contract notice sets out the needs and requirements and the Contracting Authority opens a dialogue with candidates satisfying the selection criteria announced in the contract notice.
Competitive negotiated procedure	Procedure without prior publication of a procurement notice, in which only candidates invited by the Contracting Authority may submit tenders.

Conflict of interests	Any event influencing the capacity of a candidate, tenderer, applicant or contractor or grant beneficiary to give an objective and impartial professional opinion, or preventing it, at any moment, from giving priority to the interests of the Contracting Authority. Any event that compromises the impartial and objective exercise of the functions or the Contracting Authority, or the respect to the principles of competition, non-discrimination or equality of treatment of candidates/tenderers/applicants with regards to the award procedure or contract. Any consideration relating to possible contracts in the future or conflict with other commitments, past or present, of a candidate, tenderer, applicant or contractor. These restrictions also apply to any sub-contractors and employees of the candidate, tenderer, applicant or contractor. There is also a conflict of interests where the impartial and objective exercise of the functions of a player in the implementation of the budget or an internal auditor is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the beneficiary.
Consortium	A grouping of eligible natural and legal persons or public entities which submits a tender or an application, under a tender procedure or in response to a Call for Proposals. It may be a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure or Call for Proposals. All members of a consortium (i.e., the leader and all other partners) are jointly and severally liable to the Contracting Authority.
Contract	An agreement, between two or more persons or entities, with specific terms and an undertaking to provide services, supplies and/or works in return for a financial consideration (SER, SUP, W).
Contract budget	A summary of the costs of performing the contract. The total of these costs is the contract value or contract price. In the case of works the sum represents the initial estimate payable for the execution of the works or such other sum as ascertained by the final statement of account as due to the contractor under the contract. In the case of grants the budget shows the eligible costs for funding and the total costs. The income must also be detailed.
Contract price	See "Contract budget".
Contract value	See "Contract budget".

Contracting Authority	Entity referred to in Article 190.2 of Regulation (EU, Euratom) No 966/2012, i.e., (i) in case of direct management: the European Commission on behalf of and for the account of the partner country/countries, (ii) in case of indirect management: the State or the entity concluding the contract as provided for (where appropriate) in the Financing Agreement.
Contractor	Any natural or legal person or public entity or consortium of such persons and/or bodies selected at the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract.
Contribution in kind	Provision of goods or services to the grant beneficiary free of charge by a third party. Contributions in kind do not therefore involve any expenditure for the grant beneficiary and are not entered in his accounts (G).
Corrigendum	Correction of a notice or guidelines already published in the Official Journal of the European Union and/or equivalent local publication and on the EuropeAid website.
Cost-plus contract	A <u>contract</u> where the contractor, when finished the agreed-upon work, receives <u>compensation</u> equal to their expenses plus a <u>profit</u> .
Day	Calendar day unless otherwise specified.
Dayworks	Varied work inputs subject to payment on an hourly basis for the Contractor's employees and plants (W).
Defects liability period	The period stated in the contract immediately following the date of provisional acceptance, during which the Contractor is required to complete the works and to remedy defects or faults as instructed by the Supervisor (W).
Direct award	The award of one or more grants without organising a call for proposals. A direct award is only appropriate under certain, special circumstances and must always be the subject of an evaluation report.
Drawings	Drawings provided by the Contracting Authority and/or the Supervisor, and/or drawings provided by the Contractor and approved by the Supervisor, for the carrying out of the works (W), for the provisions of the supplies (SUP), or for performance of the services (SER).
Dynamic purchasing system	An electronic procedure used for making commonly used purchases. It is limited in duration and open throughout its validity. For each individual contract a contract notice is published inviting all the contractors admitted to the system.
EC	The European Commission.
EDF	The European Development Fund.
EU	The European Union.
Economic operator	Covers contractors, suppliers and service providers.
Equipment	Machinery, apparatus, components and any other articles intended for use in the works (W).
EuropeAid Web site	http://ec.europa.eu/europeaid/home_en

Evaluation committee	A committee made up of a non-voting Chairperson, a non-voting secretary and an odd number (at least three) of voting members (the evaluators) with the technical and administrative expertise capacities necessary to give an informed opinion on tenders or grant applications.
Execution period	The period from contract signature until final payment for services, or until release of the performance guarantee after final acceptance for supplies and works. The period from contract signature until final payment and in no event later than 18 months after the end of the implementation period (SER, G).
Expenditure verification	The expenditure verification refers both to the process and the report by which an auditor verifies according to agreed-upon procedures contained in the relevant Terms of Reference that the Financial Report submitted by the contractor/beneficiary can be reconciled to the latter's accounting and bookkeeping system and to the underlying accounts and records. The auditor also verifies that the contractor/beneficiary complies with the relevant provision of the contract signed with the Commission.
Expert	A natural person employed or otherwise legally contracted by an eligible contractor, or where applicable subcontractor, engaged to provide the expertise required for the proper performance of a contract.
Explanatory note	A summary at the beginning of a contract dossier or addendum dossier explaining to the reader the purpose and essential features of the proposed contract or addendum.
Fee-based contract	A contract under which the services are provided on the basis of fixed fee rates for each day worked by experts (SER).
Final beneficiaries of a grant	Those who will benefit from the project in the long term at the level of the society or sector at large (G).
Final acceptance certificate	Certificate(s) issued by the Supervisor (W) or Project Manager (SUP) to the Contractor at the end of the defects liability period (W) or warranty period (SUP) stating that the Contractor has completed its obligations. (W, SUP).
Financing Agreement	An agreement between the European Commission and the partner country which determines the objectives and scale of a future programme of assistance.
Financial offer	The part of a tender which contains all the financial elements of the tender, including its summary budget and any detailed price breakdown or cash-flow forecast required by the tender dossier.
Financing Memorandum	See Financing Agreement.
Foreign currency	Any currency permissible under the applicable provisions and regulations other than the Euro, which has been indicated in the tender.

Framework contract	<p>A framework contract is a contract concluded between a Contracting Authority and an economic operator for the purpose of laying down the essential terms governing a series of specific contracts to be awarded during a given period, in particular as regards the duration, subject, prices, conditions of performance and the quantities envisaged. The Contracting Authority may also conclude multiple framework contracts, which are separate contracts with identical terms awarded to a number of suppliers or service providers.</p> <p>Not to be confused with framework partnership agreements, through which the Commission establishes long-term cooperation with grant beneficiaries (used by ECHO).</p>
General conditions	The general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of all contracts of a particular type.
General damages	Damages which have not been agreed beforehand by the parties and awarded by a court or arbitration tribunal, or agreed between the parties, as compensation payable to an injured party for a breach of the contract by the other party.
Global price contract	A contract under which the services provided are paid on the basis of the delivery of the specified outputs (SER).
Goods	A tangible physical product where the property of what is purchased is transferred from the contractor to the contracting authority (in the case of procurement contracts) or to the designated local partners of the beneficiary and/or final recipients of the action (in the case of grant agreements).
Grant	A direct payment of a non-commercial nature by the Contracting Authority to a specific beneficiary in order to implement an operation (or in some cases to finance part of its budget) in order to promote an EU policy aim (G).
Grant programme	A programme which determines the objectives and scale of assistance in the form of grants for operations promoting EU policy aims (G).
Guidelines for grant applicants	Document explaining the purpose of a Call for Proposals for grants. It sets out the rules regarding who may apply, the types of operations and costs which may be financed, and the evaluation (selection and award) criteria. It also provides practical information on how to complete the application form, what documents must be annexed, and rules and procedures for applying. (G)
Head of Delegation	The representative of the European Union in third countries.
Hybrid contract	A contract between the Contracting Authority and a service provider, supplier or construction firm covering two or more of the following: works, supplies and services.

Implementation period	The period from the signature, or alternative date if specified in the Special Conditions, until the provisional acceptance of the works (W) or until the provisional acceptance for the last lot has been issued (SUP) or until all tasks have been carried out (SER) or until all project activities have been carried out (G).
InforEuro	http://ec.europa.eu/budget/inforeuro Website necessary to make any conversion into euro of the real costs borne by a contractor or grant beneficiary in other currencies.
Incidental expenditure	The provision for incidental expenditure covers the ancillary and exceptional eligible expenditure incurred under a service contract and the type of eligible expenditure is specified in each contract. It cannot be used for costs which should be covered by the Contractor as part of its fee rates. (SER)
Invitation to tender	Letter sent to shortlisted candidates in a restricted procedure or competitive negotiated procedure inviting them to submit a tender.
In writing	This includes any hand-written, typed or printed communication, including telex, cable, e-mail and fax transmissions.
Irregular	A tender which does not comply with the minimum requirements specified in the procurement documents or with the requirements for submission, or a tender which is rejected by cause of misrepresented/omitted information or conflict of interest, or an abnormally low tender.
Irregularity	Any infringement of a provision of EU law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the EU or budgets managed by it, either by reducing or losing revenue accruing from own resources collected directly on behalf of the EU, or by an unjustified item of expenditure.
Key expert	Expert who is defined as instrumental in the Terms of Reference and who are subject to evaluation as part of the tender. (SER)
Liquidated damages	Liquidated damages are damages which have been agreed beforehand by the parties, and recorded in the contract, as being a genuine estimate of the loss suffered by the injured party (e.g. compensation payable by the Contractor to the Contracting Authority for failure to complete the contract or part of the contract within the contractual periods / compensation payable by the Contracting Authority to the Contractor for failure to pay within the contractual periods shall be calculated in accordance with the method(s) outlined in the general conditions).
Mixed contract	See "Hybrid contract".
Month	Calendar month.

Most economically advantageous tender	The tender proposal judged best in terms of the criteria laid down for the contract, e.g. quality, technical properties, aesthetic and functional qualities, after-sales service and technical assistance in relation to the price offered. These criteria must be announced in the tender dossier.
National currency	The currency of the partner country.
Negotiated procedure	Procedure without prior publication of a contract notice, in which the Contracting Authority consults the candidate or candidates of its choice and negotiates the terms of the contract with one or more of them. This procedure may only be used exceptionally and when duly justified.
Non key expert	Expert who is not defined as instrumental in the Terms of Reference and who is approved by the Project Manager by administrative order. (SER)
Open procedure	Calls for tender are open where all interested economic operators may submit a tender. Calls for proposals are open when the concept paper and full proposal are submitted at the same time.
Operating grant	Direct financial contribution, by way of donation, in order to finance the functioning of a body which pursues an aim of general European interest or has an objective forming part of a European Union policy (G).
PADOR	Potential Applicant Data On-line Registration https://ec.europa.eu/europeaid/tags/pador_en
Partner country	The country or state outside the European Union with which the European Union has an agreed programme of cooperation.
Period	A period begins the day after the act or event chosen as its starting point. Where the last day of a period is not a working day, the period expires at the end of the next working day.
Plant	Appliances and other machinery, and, where applicable under the law and/or practice of the state of the Contracting Authority, the temporary structures on the site required to carry out the works but excluding equipment or other items required to form part of the permanent works (W).
Preferences (EDF only)	Term used for describing the preferences given during the evaluation process to tenderers from ACP countries, when their tenders are technically and economically equivalent with tenders submitted by tenderers of non-ACP nationality (see article 26 of the Annex IV to the Cotonou Agreement).
Price schedule	The completed schedule of prices, including the breakdown of the overall price, submitted by the contractor with his tender, modified as necessary and forming a part of the unit price contract (W).
Procurement procedure	The procedure followed by a Contracting Authority to identify, and conclude a contract with, a suitable contractor to provide defined goods, works or services.

Project	The project in relation to which the services/works/supplies are to be provided under the contract, and the project in relation to which the grant contract is awarded.
Project manager	The person responsible for monitoring the implementation of a project on behalf of the Contracting Authority.
Provisional sum	A sum included in the contract and so designated for the implementation of works or the supply of goods, materials, plant or services, or for contingencies, which sum may be used in whole or in part, or not at all, as instructed by the Supervisor (W).
Restricted procedure	Calls for tender are restricted where all economic operators may ask to take part but only candidates satisfying the selection criteria and invited simultaneously and in writing by the Contracting Authorities may submit a tender (applicable for services and works). Calls for proposals are restricted where all applicants may ask to take part but only the applicants who have been shortlisted are invited to submit a full proposal.
Service contract	A contract between a service provider and the Contracting Authority for the provision of services such as technical assistance or studies (SER).
Service provider	Any natural or legal person or public entity or consortium of such persons and/or bodies offering services (SER).
Services	Activities to be performed by the Contractor under the contract such as technical assistance, studies, training and designs (SER).
Site	The places provided by the Contracting Authority where the works are to be carried out and other places stated in the contract as forming part of the site (W).
Special Conditions	The special conditions laid down by the Contracting Authority as an integral part of the tender or call for proposals dossier, including amendments to the General Conditions, clauses specific to the contract and the terms of reference (SER) or technical specifications (SUP, W).
Staff	Any personnel, employee or expert working for a contractor regardless of their contractual link (SER)
Study contract	A service contract between a service provider and the Contracting Authority concerning, for example, identification and preparatory studies for projects, feasibility studies, economic and market studies, technical studies, evaluations and audits (SER).
Successful applicant	The applicant selected at the end of a call for proposals procedure for the award of contract (G).
Successful Tenderer	The tenderer selected at the end of a tender procedure for the award of contract.

Supervisor (Engineer as per FIDIC rules)	The legal or natural person responsible for monitoring the execution of the contract on behalf of the Contracting Authority and/or the Commission, where the latter is not the Contracting Authority (W).
Supervisor's representative	Any natural or legal person, designated by the Supervisor as such under the contract, and empowered to represent the Supervisor in the performance of its functions, and in exercising such rights and/or powers as have been delegated to it. In this case, references to the Supervisor will include its representative (W).
Supplier	Any natural or legal person or public entity or consortium of such persons and/or bodies offering to supply products.
Supplies	All goods the Contractor are required to supply to the Contracting Authority and where the property of what is purchased, is transferred from the contractor to the contracting authority (in the case of procurement contracts) or to the designated local partners of the beneficiary and/or final recipients of the action (in the case of grant contracts).
Supply contract	Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products. A contract for the supply of products and, incidentally, for siting and installation shall be considered a supply contract.
Target groups	The groups/entities that will be directly positively affected by the project at the Project Purpose level.
Taxes	Include indirect taxes such as value added taxes, customs and import duties, other fiscal charges and duties in partner countries* (*except under the ENPI Regulation, which does not specify country(ies)).
Technical assistance contract	A contract between a service provider and the Contracting Authority, under which the service provider exercises an advisory role, manages or supervises a project, provides the experts specified in the contract.
Technical offer	The part of a tender which contains all non-financial elements of the tender, i.e., all elements other than the financial offer which are required by the tender dossier. The technical offer must not contain any financial indications.
Tender	A written or formal offer to supply goods, perform services or execute works for an agreed price.
Tender dossier	The dossier which contains all the documents needed to prepare and submit a tender.
Tender Price	The sum stated by the tenderer in its tender for carrying out the contract.
Tender procedure	The overall process of putting a contract out for tender, starting with the publication of a procurement notice and ending with the award of the tendered contract.
Tenderer	A natural or legal person or consortium thereof submitting a tender with a view to concluding a contract.

Technical specifications	The document drawn up by the Contracting Authority setting out its requirements and/or objectives in respect of the provision of supplies or works, specifying, where relevant, the methods and resources to be used and/or results to be achieved (SUP, W).
Terms of reference	The document drawn up by the Contracting Authority setting out its requirements and/or objectives in respect of the provision of services, specifying, where relevant, the methods and resources to be used and/or results to be achieved (SER).
Time limits	Those periods in the contract which shall begin to run from the day following the act or event which serves as the starting point for those periods. Where the last day of the period is not a working day, the period expires at the end of the next working day.
Unacceptable	A tender which does not comply with the maximum available budget or with the minimum quality levels.
Unsuitable	A tender which is irrelevant to the subject matter of the contract, or an application which is submitted by an economic operator that is in an exclusion situation or does not meet the selection criteria.
Warranty obligations	The warranty of the Contractor that the supplies are new, unused, without defects, of the most recent models and incorporate all recent improvements in design and materials. This warranty must remain valid for a maximum of 1 year after provisional acceptance. See article 32 of the General Conditions (SUP).
Works contract	Works contracts cover either the execution, or both the design and execution, of works or a work related to one of the activities referred to in Annex II to Directive 2014/24/EU or the realisation, by whatever means, of a work corresponding to the requirements specified by the Contracting Authority exercising a decisive influence on the type or design of the work. A 'work' means the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function (W).
Written communications	Certificates, notices, orders and instructions issued in writing under the contract.