

PART B¹

GENERAL CONDITIONS APPLICABLE TO THE GRANT AGREEMENT

ARTICLE 1 – GENERAL OBLIGATIONS

The purpose of these General Conditions is to define the provisions generally applicable to a Grant Agreement with one or more Beneficiaries.

Any derogations from the General Conditions shall be specified in **the Special** Conditions.

The General Conditions, the Special Conditions and their annexes shall together constitute the Grant Agreement.

In the event of any conflict between the General Conditions and the Special Conditions, the provisions of the Special Conditions shall prevail.

1.1 Responsibility of the Contracting Beneficiary and the Co-beneficiary

- 1) They shall provide reasonable assurance of sound financial management (supported, where applicable, by the findings of the organisational assessment) by demonstrating the existence and proper functioning of the following:
 - an effective and efficient internal control system;
 - a sound accounting system capable of ensuring the proper use of the funds transferred;
 - transparent and non-discriminatory procedures that prevent any conflict of interest in public procurement or the management of third-party financing;
 - a system enabling compliance with the exclusion criteria governing access to funding.

Accordingly, subject to any ad hoc *provisions stipulated in* Article 8 of the Special Conditions, the Contracting Beneficiary and the Co-beneficiaries shall apply their own accounting, internal control, procurement management, third-party financing and audit procedures, provided that those procedures have been assessed as sufficiently robust and do not conflict with the provisions of this Agreement.

- 2) They shall ensure that the funds granted under this Agreement are used solely for the purposes for which the grant is awarded and that the listed award conditions are complied with. They shall ensure that the object of the Agreement described in Article 1 of the Special Conditions is properly implemented and shall, where necessary, take appropriate measures to remedy any problems identified during the implementation period of the activities.
- 3) They shall ensure that the Action is implemented diligently and transparently, in accordance with the principles of economy, efficiency and sound use of resources, and shall **carry** out the necessary controls in accordance with the terms and conditions laid down in the Agreement.
- 4) They shall inform Enabel without delay, through the Contracting Beneficiary, of any significant change in their procedures or systems and of any other circumstance likely to affect, delay or compromise implementation of the Action.
- 5) They shall inform Enabel without delay, through the Contracting Beneficiary, of any significant change in their legal, financial, technical or organisational situation that could call into question their eligibility as a Beneficiary or materially affect all or part of the requirements with which they must comply. Enabel reserves the right to require additional measures to remedy the situation or to terminate the Agreement.

¹ This document may not be amended.

- 6) Without Enabel's prior written authorisation, they may not subcontract to a third party all or part of their tasks relating to implementation of the grant, nor assign, transfer or delegate to a third party all or part of the rights and obligations arising from this Agreement.
- 7) They shall cooperate fully in the event of an audit, verification or investigation and undertake to provide all necessary information.

1.2 Obligations of the Contracting Beneficiary

- 1) It undertakes to take, and where applicable to require all Co-beneficiaries and Sub-beneficiaries of the grant to take, appropriate measures to prevent irregularities, fraud, corruption or any other illegal activity in the management of the activities. All suspected or established cases of irregularity, fraud or corruption related to this Agreement, together with the measures taken in that regard by the Contracting Beneficiary, must be reported immediately to Enabel through the following platform: www.enabel.be/who-we-are/integrity/
- 2) It undertakes to take, and where applicable to require all Co-beneficiaries and Sub-beneficiaries of the grant to take, all necessary precautions to prevent conflicts of interest, and shall immediately inform Enabel of any situation that constitutes or is likely to lead to a conflict of interest. A conflict of interest arises where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.
- 3) It undertakes to comply, and where applicable to ensure that all Co-beneficiaries and Sub-beneficiaries of the grant comply, with the applicable environmental legislation, including multilateral environmental agreements, and with internationally agreed core labour standards. Enabel reserves the right to request from the Contracting Beneficiary a report on the environmental and social conditions in which the activity will be carried out.
- 4) It shall not support, and shall ensure that Co-beneficiaries and Sub-beneficiaries do not support, activities that contribute to money laundering, terrorist financing, tax avoidance, tax fraud or tax evasion. To that end, it shall, as a minimum, carry out checks against the sanctions lists published by the United Nations (UN), the European Union (EU) and Belgium (BE), as well as any other applicable list specified in the Special Conditions, where relevant. It shall ensure that these checks are also carried out by the Co-beneficiaries and Sub-beneficiaries.
- 5) It undertakes to take, and where applicable to require all Co-beneficiaries and Sub-beneficiaries of the grant to take, all reasonable measures to prevent sexual exploitation, abuse and/or harassment, and shall promptly report to Enabel any allegations in that regard that are sufficiently credible to warrant an investigation.
- 6) It shall ensure that the Action is implemented with respect for human dignity, freedom, democracy, equality, the rule of law and human rights.
- 7) It shall inform Enabel of any change in the security situation that could jeopardise implementation of the Action in any of the areas of intervention.

1.3 Other obligations of the Contracting Beneficiary concerning coordination and management of the Action

- 1) In addition to the obligations already set out, the Contracting Beneficiary shall coordinate and, where applicable, represent the Co-beneficiaries in connection with implementation of the Action.
- 2) It shall act as the intermediary for all communications between the Co-beneficiaries, the Sub-beneficiaries and Enabel.
- 3) The Contracting Beneficiary shall not delegate or subcontract all or part of its functions to the Co-beneficiary or any other entity.
- 4) The Contracting Beneficiary shall establish mechanisms for monitoring the Co-beneficiary that enable adequate reporting and shall take all necessary and reasonable measures to achieve the results of the Action.
- 5) It shall assume full financial responsibility towards Enabel for all funds, including funds unduly paid to or misused by Co-beneficiaries or Sub-beneficiaries.

- 6) The Contracting Beneficiary shall be the sole recipient of payments made by Enabel on behalf of all Beneficiaries and shall, where applicable, ensure that they are transferred to the Co-beneficiaries without undue delay.
- 7) Where applicable, the Contracting Beneficiary shall reimburse Enabel for all funds not used or misused in connection with the Action as a whole, including funds transferred to the Co-beneficiaries.

1.4 Specific obligations of the Co-beneficiary

The Co-beneficiary shall:

- 1) implement the activities assigned to it in the Description of the Action and take all necessary and reasonable measures to ensure that the Action is carried out;
- 2) provide the Contracting Beneficiary without delay with all supporting documents and information required to substantiate expenditure and for the reporting and control of the Action;
- 3) inform the Contracting Beneficiary without delay of any significant change in its procedures or systems and of any legal, financial, technical or organisational situation that could call into question its eligibility or materially affect all or part of the requirements with which it must comply.

ARTICLE 2 – INFORMATION AND REPORTING OBLIGATIONS

The Contracting Beneficiary shall provide Enabel with complete information on implementation of the Action by submitting **six-monthly interim reports and** a final report using the templates set out in Annexes II A and II B.

2.1 Each interim report shall describe at least the following:

A. A narrative report comprising:

- a summary of the Action and the extent to which the specific objective has been achieved;
- the concrete results, including an updated table of the results framework and its monitoring indicators measured against the baseline;
- progress in implementing the Action in accordance with the activity schedule set out in Annex I;
- information on difficulties encountered and the measures taken to overcome them, as well as any changes introduced;
- an analysis of relations with the various partners and beneficiaries;
- visibility activities for the donor(s);
- where financial support is provided to third parties or sub-grants are awarded, the information referred to in Article 5.2 shall also be supplied.

B. A financial report setting out:

- budget implementation for the period, together with the supporting documents listed in Article 6 of the Special Conditions;
- a summary of the controls carried out and the available audit reports; where applicable, the corrective measures envisaged shall also be shared.

C. Operational and financial planning for the following reporting period.

D. Where applicable, a request for payment using the template in Annex III.

2.2 The final report shall cover the entire implementation period of the activities and shall include:

all information required under Article 2.1 (except point C), together with:

- an analysis of the manner in which cross-cutting issues have been addressed;
- a summary of the monitoring and evaluation activities carried out in connection with the Action;
- lessons learned and the manner in which they have been consolidated and disseminated (capitalisation);

- a description of the mechanisms for sustaining or replicating certain activities or components beyond Enabel's financial support;
- a summary of payments received, eligible costs incurred and, where applicable, the Action's revenue;
- where applicable, a breakdown of funds unduly paid or not recovered;
- where applicable, detailed information on transfers of equipment.

Any alternative or additional reporting requirement shall be specified in the Special Conditions of the Grant Agreement.

Enabel may request additional information at any time, stating the reasons for its request. The Contracting Beneficiary undertakes to provide the requested information within 30 days.

2.3 Reporting deadlines:

- The Contracting Beneficiary shall submit an interim report for each period specified in the Special Conditions. Each report shall be due **within 30 days** following the end of the period covered by that interim report.
- The final report shall be submitted no later than 30 days before the end of the closing period of the Agreement.
- If the Contracting Beneficiary is unable to submit the reports by the prescribed deadlines, it shall inform Enabel in writing in advance, stating the reasons for the delay. Enabel may, where appropriate, notify its agreement to an extension of the deadline. Failure to comply with this information requirement may result in Enabel terminating the Grant Agreement, refusing payment of outstanding amounts and recovering any unjustified amount.

2.4 Implementation period of the activities and closing period

During the implementation period of the activities, the Contracting Beneficiary and, where applicable, the Co-beneficiaries shall implement the Action and enter into the legal and financial commitments necessary for its implementation in accordance with the provisions of the Agreement.

The closing period shall begin on the day following the end of the implementation period of the activities. It shall be used exclusively for the administrative, financial and contractual finalisation of the Action, including the receipt and verification of supporting documents, the preparation and submission of the final report, payment of expenditure validly committed during the implementation period of the activities, and the closing operations provided for in the Agreement.

Expiry of the closing period shall not discharge the Contracting Beneficiary from its obligations. Any obligation that remains unperformed, unregularised, unsubstantiated or unpaid on that date shall remain fully enforceable until it has been completely fulfilled.

2.5 Reporting currency and exchange rate:

- Reports shall be submitted in euros. Where applicable, the Contracting Beneficiary shall convert expenditure incurred in currencies other than the euro in accordance with its usual procedures and systems approved by Enabel.
- If the Contracting Beneficiary does not have its own system, the weighted average exchange-rate method shall be used.

2.6 Interest received

Bank interest earned in connection with this Agreement shall be considered revenue. It shall be recorded as financial income and shown as such in the financial reports. These amounts shall be added to the available budget of the Action.

ARTICLE 3 – ELIGIBLE COSTS

3.1 Eligible costs

The costs that Enabel may finance through the grant are:

1° operational costs;	}	Direct costs
2° management costs;		
3° structural costs.		Indirect costs

‘Operational costs’ are the costs necessary and indispensable to achieving the objectives and results of the Action, including the cost of producing verifiable deliverables;

‘Management costs’ are separately identifiable costs relating to the management, supervision, coordination, monitoring, control, evaluation or financial audit specifically generated by implementation of the Action or substantiation of the grant;

‘Structural costs’ are costs linked to the fulfilment of the statutory purpose of the Contracting Beneficiary which, although influenced by implementation of the Action, are neither separately identifiable nor chargeable to the budget of that Action.

Within this framework, the following direct costs shall be eligible:

- 1) the costs of personnel assigned to the Action, corresponding to actual gross remuneration and salaries, including social security charges and other costs forming part of *remuneration*. They must not exceed the salaries and costs normally borne by the Contracting Beneficiary unless justification is provided showing that the excess is indispensable to carrying out the activity;
- 2) travel and subsistence costs, provided that they are in line with the Contracting Beneficiary’s usual practices or do not exceed the scales applicable within Enabel;
- 3) the costs of services, works and equipment purchased specifically for the purposes of the Action (public contracts within the meaning of Article 7);
- 4) costs arising from other contracts concluded by the Contracting Beneficiary for the purposes of implementing the activity and supported by documentary evidence; costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the activity, audits, translations, reproduction, insurance, etc.), including the costs of financial services (in particular the cost of transfers and financial guarantees where required under the Agreement);
- 5) duties, taxes and any other charges, including value added tax, paid and not recoverable by the Contracting Beneficiary (this must be demonstrated);
- 6) meals, non-alcoholic beverages and snacks shall be accepted for activities in the partner country where they form part of, and are necessary for, those activities, are justified and are of a reasonable amount.

Structural costs shall be calculated as a flat rate and may not exceed 7% of operational costs. These structural costs **must be subject to prior** verification **by** Enabel, assisted where appropriate by an independent body.

Structural costs may, where applicable, be shared between the Contracting Beneficiary and a Co-beneficiary or Sub-beneficiary, provided that the maximum of 7% of the grant’s operational costs is respected.

3.2 Ineligible costs

The following costs shall always be considered ineligible:

- 1) accounting entries that do not result in disbursement;
- 2) provisions for liabilities and charges, losses, debts or possible future debts;
- 3) debts and debit interest;
- 4) doubtful debts;
- 5) exchange-rate losses;

- 6) loans to third parties;
- 7) guarantees and securities (*unless the objective of the Action is to provide guarantees*);
- 8) costs already financed by another grant;
- 9) invoices issued by other organisations for products and services already grant-funded;
- 10) subcontracting through service or consultancy contracts to staff members, members of the board of directors or members of the general assembly of the grant-funded organisation;
- 11) subletting of any kind to oneself;
- 12) purchases of land or buildings (unless it is demonstrated that such purchases are indispensable to direct implementation of the Action);
- 13) costs relating to compensation for a loss arising from the organisation's civil liability;
- 14) termination payments in respect of an unworked notice period;
- 15) the purchase of alcoholic beverages, tobacco and tobacco-related products;
- 16) sub-grants to Sub-beneficiaries unless provided for and expressly authorised in Article 4.2 of the Special Conditions and described in Annex I;
- 17) financial support to final beneficiaries, unless provided for and expressly authorised in Article 4.2 of the Special Conditions and described in Annex I);
- 18) bonuses² (unless authorised in Article 4.2 of the Special Conditions);
- 19) VAT³ where it is deductible or recoverable by the Beneficiaries.

3.3 Eligibility criteria for expenditure:

Expenditure may be charged to the grant as an operational or management cost if it meets all of the following conditions:

- i. it is supported by documentary evidence and is identifiable and verifiable, or it relates to an identifiable and verifiable deliverable;
- ii. it is necessary to achieve the results of the Action;
- iii. it is committed in accordance with the approved budget of the Action;
- iv. it is actually incurred during the duration of the Action; that is, the expenditure must be committed during the implementation period defined in Article 3 of the Special Conditions and paid before the end of the closing period. However, any expenditure relating to the final audit and final evaluation may be committed and paid during the closing period;
- v. it complies with the applicable tax and social security regulations and public procurement rules;
- vi. it does not relate to an ineligible cost.

During the implementation period of the activities, the Contracting Beneficiary and, where applicable, the Co-beneficiaries shall implement the Action and enter into the legal and financial commitments necessary for its implementation in accordance with the provisions of the Agreement.

ARTICLE 4 – CO-FINANCING

4.1 General principle

The Contracting Beneficiary undertakes to inform Enabel of any additional funding obtained for the Action.

Where co-financing is required by Enabel, it shall be expressed as a percentage of the eligible direct costs of the Action (operational and management costs). Structural costs shall not be included in the basis for calculating the minimum co-financing required. It shall constitute the Contracting Beneficiary's own financial contribution, which must be identifiable, traceable and verifiable, to the exclusion of any funding provided by Enabel.

Contributions in kind (for which no actual cost has been recorded in the Contracting Beneficiary's accounts) shall not be accepted as co-financing.

² A 'bonus' means a payment triggered by a staff member's participation in the Action financed by Enabel or linked in any way to that person's performance in implementing the Action. A bonus is not an eligible cost. However, payments referred to as 'bonuses' may remain eligible where they form part of the normal remuneration package (i.e. variable components of salary) and are paid irrespective of the staff member's participation in the Action financed by Enabel.

³ An official document issued by the competent authorities must be provided to Enabel to demonstrate that VAT is not recoverable.

4.2 Complementarity with Enabel funding

Co-financing shall be additional to the funding provided by Enabel. It shall be included in the budget of the Action and used exclusively to implement that Action.

The Contracting Beneficiary undertakes to ensure that any own funds invested in the Action are not of unlawful origin.

The Contracting Beneficiary undertakes to obtain the third-party donor's prior written authorisation where that donor's funding is used to co-finance the Action.

4.3 Substantiation and traceability

The Contracting Beneficiary undertakes to retain and provide, upon first request, all supporting documents required to demonstrate the origin and use of the co-financing. Enabel reserves the right to verify at any time the compliance of expenditure relating to the co-financing, where appropriate with the assistance of an independent third party.

ARTICLE 5 – THIRD-PARTY FINANCING

In order to support achievement of the objectives of the Action, particularly where its implementation requires third-party financing through sub-grants or financial support to final beneficiaries, the Contracting Beneficiary or Contracting Beneficiaries may provide such financing, provided that this is permitted under Article 4 of the Special Conditions.

5.1 Sub-grants to Sub-beneficiaries

For the purposes of this Agreement, a **sub-grant** means financing awarded by the Contracting Beneficiary or, where applicable, a Co-beneficiary to a Sub-beneficiary for the implementation of a specific action, sub-project or activities contributing to the objectives of the financed Action.

The award and management of such sub-grants shall be subject to the following conditions:

- 1) Where the Contracting Beneficiary is a legal person governed by private law, the maximum amount of each sub-grant shall be EUR 60,000 per sub beneficiary, unless otherwise provided in the Special Conditions.
- 2) Only one tier of Sub-beneficiaries shall be permitted. Sub-beneficiaries may never use the sub-grants received to award grants to a second tier of sub-beneficiaries. Sub-beneficiaries must be among the Contracting Beneficiary's natural beneficiaries or partners, consistently with its mandate and mission.
- 3) The Contracting Beneficiaries shall award sub-grants to Sub-beneficiaries in accordance with the arrangements established **in Annex I**, which shall specify:
 1. the entity responsible for implementation;
 2. the description of the objectives and results to be achieved with the sub-grants, the actors involved and their role in the management process, with a link to the relevant activity or activities;
 3. the procedure for selecting and awarding the sub-grants, the eligibility conditions applicable to Sub-beneficiaries, the admissibility conditions for sub-projects, and the eligibility conditions applicable to activities, costs and expenditure;
 4. the maximum amount that may be awarded to each Sub-beneficiary;
 5. the arrangements for contracting with Sub-beneficiaries;
 6. the arrangements for disbursing the resources;
 7. the arrangements for technical and financial monitoring;
 8. the control arrangements.

5.2 Financial support to final beneficiaries

For the purposes of this Agreement, financial support to final beneficiaries means financial assistance provided by the Contracting Beneficiary or, where applicable, by a Co-beneficiary to a final beneficiary of the Action in order to meet an identified financing need consistent with the objectives of the financed Action.

The award and management of such financial support shall be subject to the following conditions:

- 1) The amount of each financial support award, which must remain reasonable and proportionate to the identified needs, shall be capped unless otherwise provided in the Special Conditions.
- 2) The Contracting Beneficiary shall provide such financial support in accordance with the arrangements established in the Description of the Action **in Annex I**, namely:
 1. the entity responsible for implementation;
 2. the description of the objectives and results to be achieved through the financial support, the actors involved and their role in the management process, with a link to the relevant activity or activities;
 3. the procedure for selecting and awarding financial support, including:
 - the eligibility conditions applicable to beneficiaries (for example: legal status, location, sector, management capacity, etc.);
 - the admissibility conditions applicable to funding applications (for example: economic and social impact, youth employment, own contribution, innovation, environmental impact, etc.);
 - the eligibility conditions applicable to activities, costs and expenditure (for example: equipment, technology acquisition, product development, training, certification, etc.);
 4. the maximum amount that may be awarded to each beneficiary;
 5. the arrangements for concluding an agreement or contract with beneficiaries;
 6. the arrangements for disbursing the resources;
 7. the arrangements for technical and financial monitoring (where applicable);
 8. the control arrangements (where applicable).

5.3 Additional obligations

- 1) In its narrative and financial reports to Enabel, the Contracting Beneficiary shall provide a complete and detailed description of the award and implementation of any *Third-party Financing* provided, including:
 - a. the selection procedure;
 - b. the recipients (categories of recipients in the case of natural persons, or the recipients' full legal name in the case of legal persons);
 - c. the amounts of the legal commitments signed and payments made (including details of any prefinancing or advances paid);
 - d. the results achieved;
 - e. the problems encountered and the solutions adopted;
 - f. in the case of a sub-grant, the activities carried out and a schedule of the activities still to be implemented.
- 2) In the case of a sub-grant, payments made by the Contracting Beneficiary to Sub-beneficiaries shall not be considered actual costs incurred at the time of payment and therefore may not be reported as such in the financial report. Only after the Sub-beneficiaries have submitted their financial reports to the Contracting Beneficiary, and after the latter has validated the documents and supporting evidence relating to the expenditure, may those costs be included in the Contracting Beneficiary's financial report under the corresponding budget line.
- 3) In the case of financial support, the payment made by the Contracting Beneficiary to the final beneficiary must be documented in writing and may be recorded directly as an expense in the financial report. Any supporting documents required shall be specifically agreed in the contractual document binding the two parties.

- 4) The Contracting Beneficiary and, where applicable, the Co-beneficiary shall ensure that the conditions applicable to them under Article 1.2 of these General Conditions also apply to recipients of Third-party Financing.

ARTICLE 6 – PAYMENT ARRANGEMENTS

Article 5 of the Special Conditions shall specify the payment arrangement applicable to the grant.

In the case of advances:

Advances shall be paid in six-monthly instalments on the basis of a request for funds using the template in Annex III.

With the exception of the first instalment, each request for funds shall be accompanied by an updated financial report and its annexes, as stipulated in Article 5 of the Special Conditions.

The advance shall be paid in instalments up to a maximum of 90% of the grant budget.

A final instalment of 10% may be paid only after submission of the final implementation report substantiating the total amount of the grant.

With the exception of the first instalment, payment of an instalment shall be conditional upon use of at least 75% of the previous instalment and all earlier instalments.

For results-based payments, a single advance of 20% may be paid upon signature of the Agreement.

In the case of prefinancing by the Contracting Beneficiary:

Reimbursement shall be made after verification of the costs actually paid to a third party, in accordance with the provisions agreed in Article 5 of the Special Conditions.

For results-based payments, payment shall be made after verification of the results achieved.

Bank account:

Where advances are paid, the funds shall be transferred to the dedicated bank account specified in the Special Conditions and/or in the Financial Identification Form in Annex V.

In the case of reimbursements, a dedicated bank account shall not be mandatory.

Payments shall be made in euros, both for funds transferred to the Contracting Beneficiary and for any recovery.

Annex V (Financial Identification Form), accompanied by bank account details, must be attached to the Agreement.

ARTICLE 7 – PROCUREMENT AND TRANSFER OF EQUIPMENT

7.1 Procurement

Public Beneficiaries undertake to comply with the public procurement rules applicable to them.

Beneficiaries governed by private law that are not subject to public procurement legislation shall apply the following principles when procuring works, supplies and services financed by the grant:

- 1) award on the basis of the most economically advantageous tender (best price-quality ratio or, where appropriate, the lowest price, duly justified);
- 2) compliance with the principles of transparency, adequate competition, equal treatment and proportionality;
- 3) compliance with the principles of sound financial management (economy, efficiency and effectiveness).

They shall ensure that they:

- 1) select a procedure appropriate to the nature and value of the contract and, where a procedure other than an open procedure is used, ensure sufficient competition and justify the choice made;
- 2) define and apply objective and non-discriminatory exclusion, selection and award criteria;

- 3) ensure the traceability of procedures and retain the necessary supporting documents.

In the event of non-compliance with these principles, the expenditure concerned may be declared ineligible.

A private Contracting Beneficiary may not subcontract the entire financed Action. Furthermore, contracts concluded in connection with the Action may cover only a limited proportion of the total grant amount.

7.2 Transfer of equipment

- 1) Unless otherwise provided in the Special Conditions: Beneficiaries with their headquarters in the country where the Action is implemented may retain the assets acquired under the grant.
- 2) Beneficiaries that do not have their headquarters in the country where the Action is implemented shall transfer the equipment and materials financed from the Action budget before submission of the final report.
- 3) Transfers under this Article may be made only to entities that:
 - i. are legally separate from and effectively independent of the Beneficiaries;
 - ii. have sufficient legal, decision-making and operational autonomy;
 - iii. are not controlled, directly or indirectly, by the Beneficiaries and are not under common control with them;
 - iv. are capable of ensuring the sustainable and appropriate management of the transferred assets.
- 4) For any transfer of equipment or vehicles with a unit purchase value exceeding EUR 5,000, a copy of the transfer certificates shall be attached to the final report. The Beneficiary shall retain the supporting documents for control purposes for the period specified in Article 16.
- 5) Equipment and materials financed from the Action budget shall be used, including after the end of the Agreement, in accordance with the rule of law and human rights.

ARTICLE 8 – REJECTION OF REQUESTS FOR PAYMENT

Enabel reserves the right to defer or definitively reject any request for payment where:

- 1) the Contracting Beneficiary fails to provide the supporting information referred to in Article 2 of the General Conditions and Article 6 of the Special Conditions, or fails to submit to the control provided for in Article 9 of the General Conditions;
- 2) the Contracting Beneficiary does not use the grant for the purposes for which it was awarded;
- 3) it is or becomes unlawful or impossible for the Contracting Beneficiary to perform any of its obligations under this Agreement;
- 4) the activity is abandoned or suspended;
- 5) acts of corruption or fraud are committed or an illegal activity is carried out;
- 6) a change in the situation of the Contracting Beneficiary or, where applicable, the Co-beneficiary results in a loss of eligibility as a Beneficiary under the Grant Agreement
- 7) the Contracting Beneficiary fails to comply with the grant award conditions or any provision of this Agreement.
- 8) The Contracting Beneficiary or, where applicable, the Co-beneficiary no longer complies with one of the exclusion criteria set out in Annex VII.

ARTICLE 9 – CONTROL ARRANGEMENTS

Enabel shall verify whether the grant has been used in accordance with the provisions of the Grant Agreement and the award decision. To that end, Enabel shall examine all components of the required supporting information. Both the technical and financial aspects, as well as their consistency with one another, shall be verified during the control.

Enabel may, at any time and on its own initiative, arrange for the grant-funded Action to be controlled. By the sole fact of accepting the grant, the Contracting Beneficiary acknowledges Enabel's right to carry out or arrange for such control to be carried out on site.

When controlling the supporting information relating to the grants it awards, Enabel may request supporting documents in addition to those required for reporting purposes.

The Contracting Beneficiary shall cooperate with any control carried out on Enabel's behalf, whether in the country where the Action is implemented or at the organisation's headquarters.

For the purposes of such controls, it shall make available its accounts and any other documents demonstrating compliance with the conditions under which the grant was awarded, in accordance with the award decision and the Grant Agreement.

For the purposes of controls, Enabel may engage third parties, including recognised audit firms and organisations specialising in external evaluations.

Enabel shall inform the Contracting Beneficiary in writing of the results of the controls and any consequences arising from them.

Where applicable, the ex ante controls for which Enabel must issue a notice of no objection shall be specified in Article 8 of the Special Conditions.

ARTICLE 10 – AMENDMENT OF THE AGREEMENT

Any modification to the Agreement, including its annexes, must be formalised by means of an amendment. However, budgetary flexibility shall be permitted without an amendment in the following cases:

- 1) a transfer between results that does not result in a variation exceeding 15% of the amounts initially budgeted;
- 2) a transfer between activities under the same result that does not result in a variation exceeding a maximum of 25% of the amounts initially budgeted.

Such changes must be clearly indicated and justified in the report following their entry into effect.

Transfers between operational costs and management costs shall not be permitted without an amendment.

The percentage fixed for structural costs may not be amended.

Any amendment to the Agreement must be made before the end of the closing period of the Agreement.

Where an amendment is requested by one or more Beneficiaries, the Contracting Beneficiary shall submit a prior written and duly justified request to Enabel at least 30 days before the proposed effective date of the amendment, except in duly substantiated special circumstances accepted by Enabel.

Where a grant has been awarded following a call for proposals, the requested amendment may not have the purpose or effect of introducing changes to the Agreement that could call the grant award decision into question or breach the principle of equal treatment of applicants.

ARTICLE 11 – LIMITATION OF LIABILITY

Under no circumstances and on no grounds whatsoever may Enabel be held liable for damage of any kind arising during implementation of this Agreement.

Enabel may not be held liable for any damage, loss or harm suffered by the personnel or property of the Contracting Beneficiary, or for damage caused to third parties, whether during or as a result of implementation of the Action. No claim for compensation may be made against Enabel in that regard.

ARTICLE 12 – FORCE MAJEURE

Force majeure means any event that is unforeseeable, unavoidable and beyond the control of the Parties and that renders full or partial implementation temporarily or permanently impossible or undesirable. Events of force majeure include, but are not limited to, natural disasters, armed conflicts, pandemics, strikes, insurrections, floods, civil unrest, and unforeseen administrative or governmental decisions or restrictions.

A decision to suspend, adapt or wholly or partially discontinue the Intervention pursuant to Article 32, § 2, 7° of the Law defining the missions and functioning of Enabel, or a donor decision to suspend funding or cooperation with the partner country, shall constitute an event of force majeure.

ARTICLE 13 – SUSPENSION

In addition to the situations referred to in Article 9 of these General Conditions, Enabel may suspend implementation of all or part of the Action in the following cases:

- 1) where it has evidence of serious breaches, irregularities, fraud, acts of corruption, any other illegal activity or breaches of essential obligations;
- 2) where the Contracting Beneficiary encounters difficulties ~~in implementing~~ the Action in accordance with the technical conditions and deadlines set out in Annex I.

The decision to suspend implementation of the Action shall be notified in writing to the Contracting Beneficiary, stating the reasons. The Contracting Beneficiary shall have 15 days to remedy the reported breach. If no response is received within that period, termination shall take effect automatically.

The award decision, the Grant Agreement and, where applicable, the budget shall be amended accordingly and in consultation between the Parties.

Amounts committed and substantiated by the Contracting Beneficiary before the suspension decision shall not be called into question by Enabel, provided that they meet the conditions stipulated in Article [reference missing in the source].

Amounts already disbursed by the Contracting Beneficiary at the time of the communication referred to in the first paragraph shall not be recovered by Enabel, provided that such expenditure satisfies the conditions laid down in Article 3 of these General Conditions and is duly substantiated.

Suspension due to exceptional circumstances

The Contracting Beneficiary may temporarily suspend implementation of all or part of the Action if exceptional and unforeseen circumstances beyond its control render implementation impossible or extremely difficult, particularly in cases of force majeure. The Contracting Beneficiary shall inform Enabel without delay, specifying the nature of the circumstances, the expected duration of the suspension, its implications and the corrective measures envisaged.

Enabel may also notify the suspension of implementation of the Agreement where required by exceptional circumstances, particularly in the event of force majeure as described in Article 12.

Neither Party shall be held liable in the event of suspension due to force majeure.

The Parties undertake to keep the suspension period as short as possible and to resume implementation of the Action as soon as circumstances permit.

During the suspension, the Contracting Beneficiary shall be entitled to reimbursement of the minimum costs to be agreed between the Parties.

ARTICLE 14 – TERMINATION

14.1 Enabel reserves the right to terminate the Agreement in the situations provided for in Article 9 and where an event of force majeure, as defined in Article 12 of this Agreement, occurs and it is not foreseeable that the activities can resume within a reasonable period.

14.2 The decision to terminate the Agreement shall be notified in writing to the Contracting Beneficiary, stating the reasons.

The Contracting Beneficiary shall have 30 days from receipt of the notification to submit its observations and propose corrective measures. In the absence of a response, or where Enabel considers the proposed measures insufficient, termination shall take effect automatically five working days later.

14.3 In the event of termination, a final report and, where applicable, a request for payment of the balance shall be submitted in accordance with Article 5 of the Special Conditions. Enabel shall reimburse only after validation of the final report.

Where applicable, Enabel shall recover amounts already paid to the Contracting Beneficiary, with the exception of expenditure committed before termination took effect that is duly substantiated and complies with the contractual conditions.

ARTICLE 15 – RECOVERY

Where an amount is to be recovered by Enabel under the provisions of the Agreement, the Contracting Beneficiary shall reimburse Enabel within **a maximum** of 30 days following receipt of the recovery notice.

In the event of late payment, the Belgian statutory interest rate shall apply. Interest shall be calculated as follows: [amount due × statutory interest rate × (number of days of delay / 365)].

ARTICLE 16 – RECORD KEEPING

16.1 The Contracting Beneficiary undertakes to retain all documents relating to this Agreement for 10 years after the final payment.

16.2 The Contracting Beneficiary shall allow Enabel or any other representative to carry out documentary reviews.

16.3 The Contracting Beneficiary accepts that this Grant Agreement may be subject to control by the Belgian Court of Audit, the European Court of Auditors or the European Anti-Fraud Office (OLAF).

ARTICLE 17 – APPLICABLE LAW AND REGULATIONS

17.1 In the event of a dispute relating to implementation of this Agreement, the Parties shall make every effort to reach an amicable settlement.

17.2 Failing an amicable settlement, this Agreement shall be governed by Belgian law and the courts of Brussels shall have exclusive jurisdiction.

ARTICLE 18 – CONFIDENTIALITY

Enabel and the Contracting Beneficiary undertake to preserve the confidentiality of any document, information or other material, in whatever form, disclosed in writing or orally, that relates to performance of the Agreement and is identified as confidential in writing or, by its nature or context, must reasonably be considered confidential.

The Contracting Beneficiary shall not use such confidential information for any purpose other than the performance of its obligations under this Agreement, unless Enabel has given its prior written consent.

This obligation shall not apply to information that:

- is made public pursuant to a legal or regulatory obligation;
- is already publicly available at the time of disclosure, or subsequently becomes publicly available without any breach of this clause;
- must be disclosed to a competent authority in the performance of its official duties;
- was already lawfully in the possession of the receiving Party before disclosure.

This obligation shall remain in force at least until the end of a period of 10 years from payment of the final balance, unless otherwise provided in the Special Conditions.

ARTICLE 19 – INTELLECTUAL PROPERTY RIGHTS

19.1 Unless otherwise provided in the Special Conditions, the Contracting Beneficiary shall acquire all intellectual and industrial property rights relating to the results, products, services, ideas, methods and know-how developed by it in connection with performance of this Agreement and directly related to implementation of the Action, irrespective of the medium or form concerned (hereinafter referred to as the 'Intellectual Property Rights').

19.2 Where the Contracting Beneficiary uses pre-existing intellectual property rights for the performance of this Agreement, it certifies that it owns those rights or otherwise holds the necessary exploitation rights. The Contracting Beneficiary shall remain solely liable for any third-party claim or action relating to the use of those rights.

ARTICLE 20 – VISIBILITY

The Contracting Beneficiary undertakes to mention the *Belgian State (to be replaced, where applicable, by the third-party donor)* as donor or as co-donor in public communications relating to the grant-funded Action.