

GRANT AGREEMENT
on implementation of the project EUTF05-HoA-KE-18/04: “Enhancement of livelihoods in the Kenyan Coastal Region by supporting Organic and Fair Trade certification of smallholders”

č: 3/1/2018

between

Slovak Agency for International Development Cooperation
represented by (legal representative) Dr. Ing. Zuzana Letková
address: Pražská 7, 811 04 Bratislava, Slovak Republic

hereinafter referred to as “**coordinator**”;

and

Foundation Science for Development
represented by (legal representative) Wiesław Ptach and Maciej Klockiewicz
address: Etiudy Rewolucyjnej Str. 44/57, 02-643 Warsaw, Poland

hereinafter referred to as “**partner**”
(hereinafter collectively referred to as the “**partners**”)

1. Subject of the Grant Agreement

- 1.1. The subject of this Grant Agreement is to define the partnership by regulating the rights and obligations of the coordinator and the partner in order to successfully implement the project **EUTF05-HoA-KE-18/04: “Enhancement of livelihoods in the Kenyan Coastal Region by supporting Organic and Fair Trade certification of smallholders”** (hereinafter referred to as “Project”), stipulated in the respective Grant Contract, signed between the coordinator and the European Union, represented by the European Commission on 11 September 2017 (hereinafter referred to as “Grant Contract”), which constitutes including its annexes cited in the Article 6 of the Grant Contract legal basis for terms and conditions for this Grant Agreement.
- 1.2. On the basis of the present Grant Agreement, the coordinator and the partner shall contribute to the achievement of the requirements of the Grant Contract together with the other parties (co-beneficiaries) performing project actions in accordance with the terms and conditions as stated in the Grant Contract.
- 1.3. Partner shall conduct activities arising from the Annex I of the Grant Contract as follows:
 - 1.3.1. Support increase of income for 15 000 farmers through training in good agricultural practices for cashew and sesame, distribution of seeds of improved varieties of cashew and sesame.
- 1.4. The parties to the present Grant Agreement shall carry out the work in accordance with the Annex I of the Grant Contract: Description of the action (including the Logical Framework of the Project and the Concept Note), part “2.1.3. Indicative action plan for implementing the action” using their best efforts to achieve the results specified therein. They shall carry out all of their responsibilities under the present Grant Agreement in accordance with recognised professional standards.

2. Specifications of activities

- 2.1. Partner shall implement an activity cited in the paragraph 1.3.1. of this Grant Agreement which includes trainings of small holder farmers in good agriculture practices for cashew and sesame.

3. Payment of funds and modalities

- 3.1. The Coordinator shall transfer the funds in total of **12 300 Euros** to the partner’s account for eligible activities listed in the Article 2 that fully comply with the Annex I par. 2.1.3. introducing Indicative action plan for implementing the action and the Annex III, in accordance with the Grant Contract and project performance. The grant received by the partner has to be strictly and solely dedicated to the project funding in accordance with the guidelines and regulations of the Grant Contract, Slovak Government resolution Nr. 362/2016 with reference to the Act 392/2015 Coll. on development cooperation and Supplement and amendment to other individual acts (with specific reference to §6). The funds to be paid to the partner shall be paid into the following institutional bank account:

Name and Address of the Account Holder:	Fundacja Nauka dla Rozwoju, ul. Etiudy Rewolucyjnej 44/57, 02-643 Warszawa, Poland
Name of Bank:	

Address of Bank:	
IBAN - International Bank or Account Number:	
Bank or Swift Code:	

- 3.2. The partner is obliged to use the given funds exclusively for the purposes defined by the Project, and in accordance with terms and provisions of this Grant Agreement and the Grant Contract.
- 3.3. Expenses written in the Annex III introducing the Budget for the Action of the Grant Contract should be eligible costs. At the end of the Project, the spent amounts may be lower than the ones initially planned, in case the real expenses are less than expected ones. They shall under no circumstances exceed the stated expenses.
- 3.4. The coordinator shall pay the partner for work completed satisfactorily according to the Grant Contract including its Annexes cited in its Article 6. Payment to the partner shall be made according to the following planned schedule:
 - 3.4.1. First instalment of pre-financing: The coordinator shall transfer the amount of **4 100 Euros** of the partner's total direct costs budget, after the signing of the present contract, provided that bank details are correctly provided by the partner.
 - 3.4.2. Second instalment of pre-financing (in expected amount of 4 100 euros): The coordinator will transfer of partner's direct costs budget, provided that the partner provides eligible and full supporting documentation on project expenditure of the first instalment.
 - 3.4.3. Balance payment (in expected amount of 4 100 euros): All outstanding payments to cover actual eligible expenditures that have not been received in previous instalments, shall be paid to the partner within 30 days after the partner has provided to the coordinator the requested eligible supporting documentation and submitted the financial table to the coordinator within the foreseen deadline. In case that actual eligible expenditure is lower than previously received instalments and parts of the funds have not been consumed until the end of the project, these funds are to be reimbursed to the coordinator at the end of the project.
 - 3.4.4. Only expenditure in accordance with the project, for which supporting documents have been provided, shall be financed.
- 3.5. The final amount of the funds given to the Partner shall be determined in accordance with Articles 14 and 17 of Annex II of the Grant Contract. The given funds may not produce a profit for the Partner, unless specified otherwise in Article 7 of the Grant Contract and in Article 17 of Annex II of the Grant Contract.

4. Specific obligations of the coordinator

- 4.1. The coordinator shall take all the steps needed to correctly manage the project in accordance with Grant Contract including Annexes cited in its Article 6.
- 4.2. In addition the coordinator shall:
 - 4.2.1. keep the partner informed on a regular basis about all relevant information;
 - 4.2.2. inform the partner about all essential issues connected to the project implementation without any delay;
 - 4.2.3. be responsible for the verification that the expenditure declared by the partner has been incurred only for the purpose of implementing the project and corresponds to the activities agreed in the Grant Contract;
 - 4.2.4. transfer funds to the partner in accordance with the Article 3 of this Grant Agreement.

5. Specific obligations of the partner

- 5.1. The partner shall respect all rules and obligations set forth in this Grant Agreement, the Grant Contract including its Annexes cited in the Article 6.
- 5.2. In addition the partner shall:
 - 5.2.1. commit themselves to do everything in their power to carry out the activities as specified in the Annex I of the Grant Contract and foster the implementation of the project;
 - 5.2.2. provide the staff, facilities, equipment and material necessary to perform the project activities;
 - 5.2.3. support the coordinator to fulfil its tasks according to the Grant Contract;
 - 5.2.4. ensure adequate communication with the coordinator;
 - 5.2.5. ensure that interaction with other partners takes place in continuous and smooth way;
 - 5.2.6. provide the coordinator without any delay with any information needed to draw up the Annual Narrative Report (form for Annual Narrative Report is provided in Annex X), or provide with any further information needed by the coordinator. Annual Narrative Report should be submitted latest 30 days after completion of the respective activity specified in the Article 1.3.;
 - 5.2.7. inform the coordinator immediately about any delay in the performance of the activities or any circumstance that could lead to a temporary or final discontinuation of the Project;
 - 5.2.8. inform the coordinator about any change in personnel, tasks or procedures of its Project team;

- 5.2.9. maintain either a separate accounting system or an adequate accounting code for all transactions relating to the Project;
- 5.2.10. complete the activities foreseen for each reporting period of the project implementation;
- 5.2.11. have the expenditures incurred and paid in the given annual reporting period and submit the supporting documents on validation of expenditure to the coordinator every 12 months. The expenditure of the partner not covered by supporting documents on validation of expenditure in the given reporting period can be requested only for the next reporting deadline following to the reporting period concerned.

6. Obligations of the coordinator and the partners

- 6.1. The partner is directly and exclusively responsible towards the coordinator for the due implementation of its respective contribution to the Project and for the proper fulfilment of its obligations as set out in this Grant Agreement. Should a partner not fulfil its obligations under this Grant Agreement in due time, the coordinator shall admonish him to fulfil them within a reasonable period of time. The partner will undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the coordinator may decide to debar the partner concerned from the project. The European Commission shall be promptly informed of such an intended decision by the coordinator and the change in the partnership has to be approved by the European Commission according to the provisions of the Grant Contract .
- 6.2. The partner shall take the financial responsibility for the contribution.
- 6.3. In case of irregularities the coordinator bears the overall responsibility towards the European Commission for the repayment of the amounts unduly paid. By way of the derogation from this principle if the irregularity is committed by a partner, the concerned partner shall repay to the coordinator the amounts unduly paid.

7. Accounting, Record Keeping and Reporting

- 7.1. Original invoices, debit notes, receipts, bank statements for every item of expense have to be thoroughly documented and kept by the institution and can only be financed by Project funding if they are in compliance with eligibility of expenditure. The partner is fully responsible for the correct delivery of the declaration of expenses and the appropriate application of accounting system. In more detail, the partner shall comply with the following:
 - 7.1.1. to accept the liability for the adequate and orderly accounting of this project according to the rules and regulations of the Grant Contract for this Project,
 - 7.1.2. to be aware of the fact that the coordinator will not compensate for the ineligibility of costs caused by any violation of the Grant Contract or this Grant Agreement, for which the partner is responsible. Any costs which would be assessed as ineligible by the European Commission within their final report assessment need to be reimbursed by the partner to the coordinator who confirms to forward the ineligible amount to the European Commission,
 - 7.1.3. to make available any documentation on project finance and activities required by the European Commission,
 - 7.1.4. to keep a record of any expenditure incurred under the Project and all proofs and related documents for five years after the end of the period covered by the present Grant Agreement.
- 7.2. The coordinator will provide the partner with the appropriate forms for the declaration of expenses and the respective instructions for their completion. Only the coordinator can submit technical implementation reports and financial statements to the European Commission by providing proof of progress of the Project. Therefore, in order to provide adequate information on the progress of the project, the partner has to submit a Report to the coordinator consisting of an activity report describing the activities carried out and their outputs and results during the reporting period, and a financial report presenting the costs incurred in accordance with the approved Annex I of the Grant Contract. Deadlines for Partner Reports are the following:
 - 7.2.1. The partner has to respect the reporting deadlines of the Grant Contract, and submit their Partner Report and supporting documents on validation of expenditure to the coordinator in due time as requested by the coordinator. Partner Reports and supporting documents on validation of expenditure not submitted to the coordinator within the set deadline will not be included in the progress report of the coordinator to be submitted to the European Commission. The coordinator may reject any item of expenditure which cannot be justified under the Project and are not in line with the rules set out in the Grant Contract.
 - 7.2.2. The Partner Reports should be drawn up in Euro. In case partner from countries which have not adopted the Euro as their currency are participating in the Project, the partner shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for validation. The expenditures shall be converted into Euro using the accounting exchange rate established by the European Commission, of the month in which the transfers from the European Commission are received in the coordinator account. Practically this means that:
 - 7.2.2.1. from the start of the eligibility period until the date that the second pre-financing is received, the rate of the month in which the first pre-financing was received should be applied,
 - 7.2.2.2. from the date that the second pre-financing is received until the end of the eligibility period, the rate of the month in which the second pre-financing was received should be applied.

8. Audits

8.1. For audit purposes the partner shall:

- 8.1.1 keep at the coordinator's disposal all original documents, especially accounting and tax records, or in exceptional and duly justified cases, certified copies of original documents relating to the Grant Agreement for a period of 5 years from the date of payment of the balance specified in the Article 3 par. 3.4.3. of this Grant Agreement;
- 8.1.2 enable the responsible auditing bodies of the coordinator and any other outside body authorized by the European Commission to audit of the use made of the grant;
- 8.1.3 give these authorities any information about the project they request;
- 8.1.4 give them access to the accounting books and accounting documents and other documentation related to the project, whereby the auditing bodies decide on this relation. Such audits may be carried out throughout the period of implementation of the Grant Contract until the balance is paid and for a period of 5 years from the date of payment of balance;
- 8.1.5 give them access to their sites and business premises during the ordinary business hours and also beyond these hours by arrangement;
- 8.1.6 provide the coordinator with any information needed related to such an audit without any delay.

9. Information and Publicity

- 9.1. Any publicity measure undertaken by the partner must follow the rules applicable to the visibility in accordance to the Annex I par. 2.1.2. of the Grant Contract and Article 6 of the Annex II of the Grant Contract.
- 9.2. Information and publicity measures will be coordinated among the partners. The partner is equally responsible to promote the fact that financing is provided from the European Union funds to ensure the adequate publicity of the Project.
- 9.3. The partner takes note of the fact that the results of the Project as well as any study or analysis produced in the course of the Project will be made available to the public and they agree that the results of the project shall be available for all partners and for the public free of charge.

10. Changes in the Project Partnership

Being aware of the fact that all changes in the partnership must be notified and requires prior approval by the – European Commission. The following requirements are necessary for the different modifications of project partnership:

- Addition of a project partner requires endorsement from the new member (signed by the legal representative), and a mandate signed between the coordinator and the new partner. These will be forwarded by the coordinator with the request;
- Withdrawal of a Project Partner requires written explanation from the coordinator and a withdrawing Project Partner, signed by the legal representative. Where the minimum partnership requirements are no longer fulfilled the European Commission reserves the right to decide on the continuation of the Grant Contract;
- Changes of contact person for the partner require written confirmation signed by the new contact person and by the legal representative of partner and by the former contact person.
- In case a partner withdraws from the project or is debarred from it the remaining partners will undertake to find a rapid and efficient solution to ensure the further proper project implementation without any delay. Consequently, the project partners will endeavour to cover the contribution of the withdrawing project partner, either by assuming its tasks by one or more of the present project partners or by asking one or more new participants to join the project partnership, regarding the respective programme provisions.
- The provisions set for audits in Article 8 remain applicable to the partner that backed out of the project or was debarred from the project.

11. Duration of the Agreement

This Grant Agreement shall come into force on the day when it has been signed by both parties and shall come into effect on the day of signing the contract by both contractual parties and it will come in force on a day after the day of disclosing in accordance with provision § 47a the Act No.40/1964 Coll. Civil code as amended in the Act. This Grant Agreement must be disclosed compulsorily in accordance with the Act 211/2000 Coll. on free access to information and on change and supplement of certain acts. It shall remain in force until the Grant Contract and Annexes cited in its Article 6.

12. Language

The working language of the partnership shall be English. Any official internal document of the operation shall be made available in the language of the Grant Contract, i.e. in English.

13. Competent and applicable law

13.1. This Grant Agreement is governed by the Slovak law, being the law of the country of the coordinator and all legal relationships which arise from this Grant Agreement shall be governed by the applicable provisions of the Act No.40/1964 Coll. Civil code as amended in the Act and related legal regulations.

13.2. This Grant Agreement is concluded in English. In case of a translation of this Grant Agreement and its annexes into another language than English, the English version shall prevail.

13.3. The parties will make an effort to settle any disputes arising from this Grant Agreement out of the court. In case an agreement cannot be made in due time, the parties herewith agree that disputes arising from this Grant Agreement shall fall within the jurisdiction of the Slovak courts to resolve the dispute under the Slovak law and Slovak courts thus shall be the venue for all resolving any legal dispute.

14. Other provisions

14.1. Any amendments to this Grant Agreement shall be in writing signed by the coordinator and the partner.

14.2. Amendments and supplements to the present Grant Agreement and any waiver of the requirement of the written form must be in written form and have to be indicated as such.

14.3. If any provision in this Grant Agreement should be wholly or partly ineffective, the remaining provisions remain binding for the parties. In this case the parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.

14.4. The coordinator and the partner commit themselves to taking measures to ensure that all staff members carrying out the work respect the confidential nature of information regarded as such, and do not disseminate it, pass it on to third parties or use it without prior written consent of the coordinator and the partner.

14.5. Three original copies will be made of this Grant Agreement; of which each party keeps one original and one original is attached to the Grant Contract.

15. Annexes

15.1. The following documents are annexed to this Grant Agreement and form an integral part of it:

15.1.1. A copy of the Grant Contract,

15.1.2. Annex I of the Grant Agreement: Description of the action (including the Logical Framework of the Project and the Concept Note),

15.1.3. Annex II of the Grant Contract: General Conditions,

15.1.4. Annex III of the Grant Agreement: Budget for the Action (worksheets 1, 2 and 3),

15.1.5. Annex X: Annual Narrative Report form.

15.2. In case of a conflict between the provisions of the present Grant Agreement and any Annex thereto, the Annexes provisions shall take precedence.

16. Termination

16.1. In the event that the partner fails to perform any obligations under the Grant Agreement or the Grant Contract, the coordinator may terminate or cancel this Grant Agreement.

16.2. The coordinator shall have the right to terminate the present Grant Agreement if the partner has made false declarations to the coordinator on work carried out or on expenditure. If the present Grant Agreement is so terminated, the coordinator may require the partner to reimburse all or part of the payments made under this Grant Agreement.

16.3. The project is governed by the terms of the Grant Contract and the applicable rules of the European Union.

Signatures

We, the undersigned, declare that we have read and accepted the terms and conditions of this Grant Agreement as described here before, including the annexes thereto.

For the coordinator

Dr. Ing. Zuzana Letková

.....
Name of the legal representative

Director

.....
Position

Bratislava, December 14, 2017

.....
Date and Place

.....
Signature

Stamp of the institution

For the partner

Wiesław Ptach and Maciej Klockiewicz

.....
Names of the legal representatives

President and Deputy President of the Board

.....
Positions

Bratislava, December 14, 2017

.....
Date and Place

.....
Signatures

Stamp of the Institution