**Agreement for Financial Support to a Third Party**

**Project:**

**(EU reference number: )**

(the “Agreement”)

Deutsche Welle (DW), Kurt-Schumacher-Strasse 3, 53113 Bonn, Germany,

represented by NN

* hereinafter referred to as “DW”

and

…………………………..

* hereinafter referred to as “Recipient”

(the “Parties”)

have agreed as follows:

**Preamble**

The following terms are used in this Agreement:

**The European Commission (EC)** – representing the European Union – provides the grant to the consortium ………………… and determines the overall objectives as defined. The EC does not act as direct Contracting Partner for the Recipient.

**The Federal Ministry for Economic Cooperation and Development (BMZ)** provides the .. contribution of Deutsche Welle (DW) to the project *……….*. The BMZ does not act as direct Contracting Partner for the Recipient.

**DW** – Deutsche Welle – forwards the financial support, the objectives and terms received by the EC respectively to the Recipient. DW serves as main point of contact for the recipient.

**The Recipient** – …. **–** accepts the financial support and undertakes to be responsible for implementing its activities in accordance with this Agreement.

**Article 1 – Purpose of the Agreement**

1. This Agreement is based on the Grant Contract ……….. (the “Main Contract”) between the EC and the consortium of ……………….., signed on xxxxxx.
2. The purpose of this Agreement is the forwarding of a financial support to the Recipient to finance the implementation of the Recipient’s activities within the action *…………………….*. The Recipient’s activities are described in **Annex 3 Timetable/Workplan** to this Agreement.

**Article 2 – Implementation period of the Action**

1. The period for implementing the Action, as laid down in Annex 1, shall begin retroactively on ………. and will end on ……………….
2. The execution period of this Agreement shall end when the payment of the balance is made by DW and after final approval of the narrative and financial project reports of the Recipient.

**Article 3 – Financing the Action**

1. DW undertakes to forward a financial support of up to **…… Euro** to the Recipient, as set out in **Annex 2** “Project Budget Expense Description”, dated …...
2. Budget reallocations between the main budget lines may not exceed 25% and are subject to prior announcement to and approval by DW.
3. In case the Action is implemented poorly or partially, DW may reduce the initial financial support in line with the actual implementation of the Action. The same applies with regards to the visibility obligations (Article 11 and 12).
4. The financial support may not produce a profit for the Recipient. Profit is defined as a surplus of the receipts over the eligible costs approved by DW when the request for payment of the balance is made.

**Article 4 – Responsibilities and rights of the Parties**

**The Recipient**The Recipient shall

* take all necessary and reasonable measures to ensure that the Action is carried out in accordance with Annex 1 and the terms and conditions of this Agreement
* Forward to DW the data needed to draw up the reports, including originals or copies of financial supporting documents, such as bank statements, contracts, invoices, and timesheets, as well as other information or documents required for reports communicated to the EC and the BMZ
* Forward to DW any information needed in the event of audits, checks, monitoring or evaluation
* Undertake to disburse the funds in line with the budget allocated as described in Annex 2.
* Inform DW as soon as changes in the Action and Budget are forseeable and necessary.
* Grant access to DW to all project-related documents at any time
* Remain solely responsible towards DW for the correct use of the financial support.

**Deutsche Welle:**
DW shall

* Be the only intermediary for all communications between the Parties, as well as the BMZ.
* Monitor that the Action is implemented in accordance with this Contract and ensure the coordination with all parties involved in the implementation of the Action
* Be responsible for supplying all documents and information to the EC which may be required under this Agreement, in particular in relation to the narrative and financial reports.
* Be responsible for obtaining, verifying and consolidating all documents required before passing it to the EU and the BMZ.
* Inform EU and the BMZ of any event likely to affect or delay the implementation of the Action.
* Ensure that the appropriate payments are made to the Recipient without unjustified delay.

**Article 5 – Payment and Reporting arrangements**

1. Recipient shall set up an expenditure plan that covers the whole project duration. The expenditure plan shall be structured according to the project budget lines in Annex 2.
2. Payments will be done in six installments as follows:
3. First payment according to the expenditure plan. The amount requested shall not exceed % of the total of the grant. The amount will be transferred to the Recipient’s account. The initial payment is subject to:
* signature of this Agreement
* written request for payment by the Recipient to DW
* DW’s approval.
1. Following payments:
* Second payment earliest after six months after first payment and when 80 % of the initial payment according to the expenditure plan have been spent. The amount of the interim payment shall not exceed xy% of the total of the grant.
* Third to fifths payments following six months after previous payment with same conditions.
* Payments are subject to:
1. a detailed activity report that covers the period between project inception and date of request of interim payment
2. a financial report (detailed list of expenditures) proving the spending of at least 80 % of the initial/interim payment(s)
3. written request for payment by the Recipient to DW
4. DW’s approval.

c. The last payment (6th payment) of xy % of financial support shall be paid by 31st July 2023 and shall be subject to

* 1. a detailed activity report to be provided to and approved by the Coordinator.
	2. Documentation of the activities conducted
	3. Detailed list of expenditures with breakdown per cost category
	4. Originals or copies of financial documents, such as contracts, invoices, or receipts (following provisions record keeping of this agreement)
	5. A payment request

(3) The Recipient shall confirm the receipt of each payment to DW in writing and by providing the respective bank statement and/or credit advice.

(4) Reports (activity reports and financial reports) shall cover the following periods and shall be submitted on the following dates:

* …………: First report and financial report covering the first six months after contract signature
* ………….: Interim narrative report and interim financial report covering the period …………..(first six months)
* …………..: Final narrative report and final financial report covering the remaining period ………………

(5) Financial reports may be drawn from financial statements denominated in other currencies, on the basis of the Recipient’s applicable legislation and accounting standards. In such case and for the purpose of reporting, conversion into the currency set in Article 3 (EUR) shall be made using the rate of exchange of the bank at which the respective payment by DW was recorded in the Recipient’s account. In case part of that the expense is pre-financed by the Recipient, the conversion rate to be applied to this balance is the exchange rate of the last instalment received from DW. With each financial report or each payment request, Recipient shall send all supporting documents like invoices etc. in digital form to DW.

(6) Costs incurred in other currencies than the one used in the Recipient’s accounts for the Action shall be converted according to exchange rate of the instalment.

**Article 6 – Eligibility of Direct Costs**

1. Eligible costs are costs actually incurred by the Recipient, which meet all the following criteria:
	1. They are incurred during the implementation of the Action as specified in article 2 of this Agreement;
	2. They are indicated in the overall budget for the Action (Annex 2);
	3. They are necessary for the implementation of the Action;
	4. They are identifiable and verifiable, in particular being recorded in the accounting records of the Recipient and determined according to the applicable accounting standards;
	5. They comply with the requirements of applicable tax and social legislation;
	6. They are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.
2. Subject to the above, the following direct costs of the Recipient shall be eligible:
* Contribution to personnel costs
* Costs for local travel (car rental, public transport, in-country flights,…)
* Costs for hotel and subsistence (per diem)
* Equipment (small items only, such as camera)
* Costs for infrastructure in relation to project proportion: electricity, internet, tel/fax
* Other Costs, services, such as publications (layout and print), visibility, financial services
* Costs for activities, such trainer and consultants, who receive fees/daily rates, costs for software, room rent for offline events

Non-eligible costs:

* Purchase of bigger items, vehicles or furniture, land or buildings
* Debts and debt service charges (interests)
* Provisions for losses or potential future liabilities
* Costs declared by the recipient and financed by another action or work programme receiving a European Union grant (including through the European Development Fund)
* Currency exchange losses
* Office rent, unless the applicant can demonstrate that additional and specific office rental is necessary for the purpose of the action implementation;
* Taxes, including VAT, unless the Recipient can demonstrate they cannot reclaim them
* Credit to third parties
* In kind contributions (e.g. valorisation of existing equipment, donations, volunteer works etc.)
* Salary costs of the personnel of national administrations, unless otherwise specified in the special conditions and only to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the action were not undertaken
* Performance-based bonuses included in costs of staff

**Article 7 – Procurement rules and implementation contracts**

1. If the Recipient has to conclude implementation contracts (e.g. service contracts) with contractors in order to carry out the Action, these may only cover a limited portion of the Action and shall respect the contract-award rules and rules of nationality and origin set out in **Annex 3**.
2. If the implementation of an Action requires procurement by the Recipient, the contract must be awarded to the most economically advantageous tender (i.e. the tender offering the best price-quality ratio), taking care to avoid any conflicts of interest. Supporting documents shall be kept to provide evidence of the accountability of the process.
3. To the extent relevant, the Recipient shall ensure that the excerpt of the General Conditions (**Annex 4**) is also applicable to contractors awarded an implementation contract.

**Article 8 – Accounts and technical and financial checks**

**Accounts**

1. The Recipient shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and bookkeeping system.
2. The accounts:
	* may be an integrated part of or an adjunct to the Recipient’s regular system;
	* shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
	* shall enable income and expenditure relating to the Action to be easily traced, identified and verified.
3. The Recipient shall prepare, keep and forward appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification in order to enable DW to ensure that any financial report can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records.

**Right of access**

1. The Recipient shall allow verifications to be carried out by DW, the EC, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorized by DW or the EC. The Recipient has to take all steps to facilitate their work.
2. The Recipient shall allow the above entities to:
3. access the sites and locations at which the Action is implemented,
4. examine its accounting and information systems, documents and databases concerning the technical and financial management of the Action,
5. take copies of documents,
6. carry out on the-spot-checks,
7. conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Action.
8. Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the EC legislation for the protection of the financial interests of the EC against fraud and other irregularities. In case the findings of verifications carried out by the entities mentioned in Art. 8.4. lead to a recovery claim to DW as solely responsible towards the EC and the BMZ for the correct use of the total grant funds, DW reserves its right to claim repayment of the related costs through the Recipient within 90 working days.
9. Access given to agents of DW, EC, European Anti-Fraud Office and the European Court of Auditors or the BMZ and the German Federal Audit Office and to any external auditor authorized by DW carrying out verifications as provided for by this Article shall be on the basis of confidentiality with respect to the Recipient and third parties, without prejudice to the obligations of public law to which they are subject.

**Record keeping**

1. The Recipient shall keep all records, accounting and supporting documents related to this Agreement 5 years after approval of the final report by DW, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of. If originals are provided to DWA the obligation to keep documents for 5 years if with DWA.

They shall be easily accessible and filed so as to facilitate their examination and the Recipient shall inform DW of their precise location.

1. All the supporting documents shall be available in the original form, including in electronic form. The recipient shall provide originals or at least copies to DWA.
2. In addition to the reports mentioned in Article 6, the documents referred to in this Article include:
3. Accounting records (computerized or manual) from the Recipient’s accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information,
4. Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports,
5. Proof of commitments such as contracts and order forms,
6. Proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc.,
7. Proof of receipt of goods such as delivery slips from suppliers,
8. Proof of completion of works, such as acceptance certificates,
9. Proof of purchase such as invoices and receipts,
10. Proof of payment such as bank statements, debit notices, proof of settlement by the contractor,
11. Proof that taxes and/or VAT that have been paid cannot actually be reclaimed,
12. For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs,
13. Staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary.

**Article 9 – Obligations to provide narrative reports**

1. The Recipient shall provide DW with all required information on the implementation of the Action. The reports shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed, the results expected and obtained and the budget details for the Action. The templates provided as **Annex 5** shall be used for the reports.
2. DW may request additional information at any time. The Recipient shall provide this information within 10 days of the request, in the language of the Agreement.
3. The reports regarding the Recipient’s activities shall be submitted with the financial reports as stated in Article 5, (2) and (4).

**Article 10 – Visibility**

1. Unless the EC, the BMZ and DW agrees or requests otherwise in writing, the Recipient shall take all necessary steps to publicize the fact that the EC, the BMZ and DW has financed or co-financed the Action. Such measures shall comply with the Communication and Visibility Requirements for EU External Actions and special requirements from the European Delegation to Armenia, January 1st, 2018 laid down and published by the EC that can be found at:

https://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions\_en

and with the guidelines agreed between the DW and the Recipient (**Annex 6**).

1. In particular, the Recipient shall mention the Action and the EC’s and BMZ’s financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the logo of the European Delegation to Armenia https://ec.europa.eu/info/sites/info/files/use-emblem\_en.pdf, as well as the logos provided by DW.
2. Any notice or publication by the Recipient concerning the Action, including those given at conferences or seminars, shall specify that the Action has received EC and BMZ funding. Any publication by the Recipient, in whatever form and by whatever medium, including the internet or social media, shall include the following statement: “This document has been produced with the financial assistance of the European Commission, following templates provided by the European Delegation to Armenia. The contents of this document are the sole responsibility of *this project* and can under no circumstances be regarded as reflecting the position of the European Commission or the project partners”.
3. The Recipient authorizes DW, the EC and BMZ to publish its name and address, nationality, the purpose of the financial support, duration and location as well as the amount of the financial support. Derogation from this publication of this information may be granted if it could endanger the Recipient or harm its interests. Such a derogation must be agreed in advance in writing.
4. The Recipient shall collect and document press articles (radio, TV, print, online) related to the project activities and shall provide related links and material to DW.
5. Exceptions to the guidelines above shall be discussed with and approved by DW.

**Article 11 – Ownership/Use of results and assets**

1. Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it will be vested in the Recipient.
2. Without prejudice to the above paragraph, the Recipient grants DW the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Action whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
3. The Recipient shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this contract. The Recipient must establish a list of all pre-existing rights to the communication and visibility results of the action, identifying the owners of those rights. The Recipient must provide DW with this list at the latest when they submit their balance payment requests.
4. Unless otherwise clearly specified in the description of the action in Annex 1, the equipment and supplies paid for by the budget for the action shall be transferred to the Recipient of the action, at the latest when submitting the final report.

The recipient shall submit an inventory listing the items and a proposal concerning their use, in due time and at the latest with the submission of the final report, to DW.

In no event may the end use jeopardize the sustainability of the action or result in a profit for the Recipient.

1. Copies of the proofs of transfer of any equipment for which the purchase cost was more than EUR 5000 per item, shall be attached to the final report. Proofs of transfer of equipment and vehicles whose purchase cost was less than EUR 5000 per item shall be kept by the Recipient for control purposes.
2. The Recipient must grant the EC, the BMZ and DW a royalty-free, non-exclusive and irrevocable licence to use all communication and visibility materials and products (“results”) developed in support of this project for the purposes listed in Article 3.6.2 of the Communication and Visibility Requirements for EU External Actions, January 1st, 2018.
3. In case natural, recognizable persons are depicted in a photograph or film, the Recipient shall ensure that these persons have given written permission for the described use of their image. In the case of minors, written permission of the legal representatives should be collected. This principle does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.

**Article 12 – Evaluation/ Monitoring of the Action**

1. If the EC, the BMZ or DW carries out an interim or ex post evaluation or a monitoring mission, the Recipient shall undertake to provide it and/or the persons authorized by it with the documents or information necessary for the evaluation or monitoring mission.

Representatives of the EC or DW shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action performed by the Recipient.

1. If either the Recipient or DW, the EC or the BMZ carries out or commissions an evaluation in the course of the Action, it shall provide the other with a copy of the evaluation report.

**Article 13 – Liability**

1. Neither the EC nor the BMZ nor DW can under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Recipient while the Action is being carried out or as a consequence of the Action. The EC, the BMZ and DW cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.
2. The Recipient shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Recipient shall discharge DW, the EC and the BMZ of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the Recipient or the Recipient’s employees or individuals for whom those employees are responsible, or as a result of violation of a third party’s rights. For the purpose of this Article employees of the Recipient shall be considered third parties.

**Article 14 – Conflict of interests and good conduct**

1. The Recipient shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Agreement. Such conflict of interests may 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.
2. Any conflict of interests which may arise during the performance of this Agreement must be notified in writing to DW without delay. In the event of such conflict, the Recipient shall immediately take all necessary steps to resolve it.
3. The EC, the BMZ and DW reserve the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.
4. The Recipient 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 obligation under this Agreement, the Recipient shall replace, immediately and without compensation from DW or the EC and BMZ, any member of its staff in such a situation.
5. The Recipient shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

**Article 15 – Confidentiality**

1. Subject to Article 13 DW and the Recipient undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Agreement and identified in writing as confidential until at least 10 years after approval of the final report by DW.
2. The Recipient shall not use confidential information for any aim other than fulfilling their obligations under this Agreement unless otherwise agreed with DW.

**Article 16 – Amendment of the Agreement**

1. Any amendment to this Agreement, including the annexes thereto, shall be set out in writing.
2. This Agreement can be modified only during its execution period. If the Recipient wants to amend to the budget or the Action Plan the Recipient shall in any case inform DW accordingly, in writing and at least one month before the change will be acted.

**Article 17 – Suspension by DW**

1. DW may suspend implementation of the action, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous or if the EC terminates the Grant Contract. DW shall inform EU without delay, stating the nature, probable duration and foreseeable effects of the suspension.
2. DW may then terminate this contract in accordance with Art. 18 (2). If the contract is not terminated, the Recipient shall endeavour to minimize the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing DW accordingly.

**Article 18 – Termination of the Agreement**

1. DW may terminate this Agreement, by giving a seven day notice and without paying compensation of any kind:
	1. Where the Recipient fails, without justification, to fulfil any of the obligations incumbent on it and, after being given notice in writing to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the written communication;
	2. Where the Recipient is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspend business activities, or is in any analogous situation arising from a similar procedure provided for under any national law or regulations relevant to the Recipient
	3. Where DW has evidence on the Recipient or any related entity or person, of grave professional misconduct; this also applies to staff and agents of the Recipient;
	4. Where DW has evidence on the Recipient or any related entity or person, of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labour or other forms of trafficking in human beings or circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose
	5. Where DW has evidence on the Recipient or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the European Union's and the BMZ’s financial interests; this also applies to staff and agents of the Recipient;
	6. Where the Recipient changes legal personality, in case of a change to a Recipient’s legal, financial, technical, organisational or ownership situation or the termination of the participation of a Recipient that substantially affects the implementation of the Agreement or calls into question the decision awarding the sub-grants, without informing DW;
	7. Where the Recipient is guilty of misinterpretation in supplying the information required in the award procedure or in the implementation of the action or fail to supply – or fail to supply within the deadlines set under this contract -any information related to the action required by the contracting authority;
	8. Where the Recipient makes false or incomplete statements to obtain the sub-grant provided for in the Agreement or provides reports that do not reflect reality;
	9. Where the Recipient has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
	10. Where DW has evidence on the Recipient or any related entity or person,of breach of obligations, substantial errors, irregularities or fraud in the award procedure or the performance of the grant;
	11. Where DW has evidence that a Recipient is subject to a conflict of interest.
2. In the cases foreseen in Art. 17 (2), if DW believes that this contract can no longer be executed effectively or appropriately it shall duly consult the Recipient. Failing agreement on a solution, DW may terminate this contract without being required to pay indemnity.
3. The Recipient shall be entitled to payment only for the part of the action carried out, excluding costs relating to current commitments that are due to be executed after termination.

**Article 19 – Contact addresses and Communication to DW**

1. Any communication relating to this Agreement shall be in writing, state the number and title of the activities and be sent to the following addresses:

**For DW**

Deutsche Welle, DW Akademie

For the attention of Werner Nowak

Voltastrasse 6

D-13355 Berlin, Germany

Tel.: +49.30 4646 8584

Email: werner.nowak@dw.com

 **For the Recipient**

………………………..

**Article 21 – Annexes**

1. The following documents are annexed to this Agreement and form an integral part of the Agreement:
	1. **Annex 1: Activity Plan & Project Outline (…..)**
	2. **Annex 2: Project Budget Expense Description (……)**
	3. **Annex 3: Annex IV of the Main Contract**
	4. **Annex 4: Financial Report Template**
	5. **Annex 5: Narrative Report Template**
	6. **Annex 6: Visibility Guidelines**
2. In the event of conflict between the provisions of this Agreement and any Annex thereto, this Agreement shall take precedence.

**Article 22 – Applicable law and dispute settlement**

1. This Agreement shall be governed by German law.
2. Place of jurisdiction is Bonn, Germany.

Done in English in **three** originals, two originals being for DW and one original being for the Recipient.

**For DW For the Recipient**

Bonn, Armenia,

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