

Grant Agreement

The

- hereinafter referred to as "the Recipient" –

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as the "GIZ" -

herewith enter into the following Agreement for the Project

European Climate Initiative (EUKI) – Detail: (short project title)

Country:

Communication details (must be quoted in all correspondence)

Contract number:

Project processing number:

Unit responsible for the budget

Organisational unit:

Responsible officer:

Procurement and Contracting

Organisational unit:

Responsible officer: /

Financial processing of the contract

Responsible officer:

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Martin Jäger, State Secretary

Management Board
Tanja Gönner (Chair)
Thorsten Schäfer-Gümbel

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00

The basis for the grant for [recipient] is the commission from Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (hereinafter referred to as BMU) dated . GIZ shall provide the grant pursuant to this agreement exclusively on behalf of and for the account of BMU.

Article 1

Amount and Purpose of the Grant

1.1 Commissioned by the Government of the Federal Republic of Germany, the GIZ shall make available to the Recipient a grant of

up to EUR (amount)

in words:

1.2 The Recipient shall use the grant exclusively for expenditures within the Project described in Article 2 as attributed to the GIZ grant according to the budget lines below and the Schedule of Estimated Expenditures which sets out details of the Project expenditures. The Schedule of Estimated Expenditures is attached hereto (Annex 1) and forms an integral part of the Agreement.

1.	External expertise	up to	EUR
2.	Personnel	up to	EUR
3.	Travel	up to	EUR
4.	Other	up to	EUR
5.	Administration Costs (%)	up to	EUR
6.	Forwarding of funds	up to	EUR

1.3 The grant is made available for the period from to . Only expenditures effected during this period and relating to activities carried out during this period may be financed from the grant. Otherwise the written approval of GIZ is required.

The GIZ shall have the right to refuse disbursements after Date: 2 months after contract duration ends.

- 1.4 The Recipient shall use the GIZ grant only for necessary and reasonable expenditures in accordance with sound business principles.
- 1.5 The GIZ grant may be used only for expenditures not already financed under other subsidies or long-term loans.

Additional text in case of partial financing

- 1.6 The Project is cofinanced by the following parties (the Recipient and/or third parties) with grants up to the amount of:

- 1.
- 2.

The respective attribution of the different grants by all financing parties to the estimated Project expenditures is shown in the Schedule of Estimated Expenditures (Annex 1).

If actual expenditures for a budget line to be financed by different parties amount to less than the estimated expenditures, GIZ's grant for this budget line shall remain unaffected up to the amount of the actual expenditures on condition that those are not covered by the contribution of the Recipient or a third party.

The grant is made available on condition that all other above mentioned parties meet their contribution.

- 1.7 The Recipient shall be entitled to spend up to 20% more than the amounts of the budget lines mentioned in Article 1.2 (except administration costs if contractually agreed) for any budget line provided that expenditures are reduced by the same amount in one or more of the other budget lines *additional text in the case of partial financing: to be financed from the GIZ grant.*
- 1.8 With respect to the reports produced pursuant to Article 3 and 6 and all studies, documents or other work results, including computer programs, resulting from the project implementation and financed in whole or in part from the grant, the Recipient herewith grants the GIZ an irrevocable, non-exclusive and transferable right of use in all areas and fields, including their

processing and translation and use in electronic media. The Recipient shall hand over one copy of the materials to the GIZ promptly on request by the GIZ. The GIZ is entitled to grant simple sub-user rights to third parties.

- 1.9 The Recipient is entitled to pass on some of the funds awarded under this Grant Agreement to third parties (final recipients). In doing so, the Recipient shall ensure that the terms and conditions of this Grant Agreement are applied equally to the contractual relationship between the Recipient and the final recipient, in particular albeit not exclusively the stipulations relating to the use of the grant and to the disbursement and reporting procedures. In the contract with the final recipient, the Recipient shall also ensure that the final recipient is not entitled to pass on the funds received or any part thereof to other recipients.

The Recipient must provide evidence of the use of the funds awarded under this Grant Agreement by submitting appropriate financial reports and supporting documents. In this respect, the Recipient is obliged to check the contractual and financial evidence presented by the final recipient and to forward this evidence to GIZ, together with the findings of its own checks on that evidence, when settling the amounts due from GIZ under the terms of the Grant Agreement. The Recipient is responsible for ensuring that the (partial) grant funds passed on to the final recipient are used by the latter and settled in accordance with the Grant Agreement.

If the final recipient has not yet been specified when the Grant Agreement is signed, the Recipient must submit a written list of potential final recipients to GIZ and obtain GIZ's approval before passing on any of the funds.

Article 2

The Project

- 2.1 The primary aim of the Project promoted by the grant is . This overall objective is defined by the following benchmarks:

- 2.2 In order to achieve this aim, the following measures are planned:

Details are laid down in the Project Proposal of _____, which is attached hereto (Annex 2) and forms an integral part of the Agreement.

Article 3

Disbursement Procedure

3.1 After entering into the contract, but no later than with the first request for disbursement, the Recipient shall submit a schedule of financial requirements drawn up in the contract currency (see specimen in Annex 3) with quarterly amounts for the entire term of the contract, unless this has already been submitted when the contract was entered into. In accordance with the schedule of financial requirements, the Recipient shall request quarterly disbursements in the contract currency to the amount of the expected financial requirement for the following quarter, taking into account any funds still available. The call for each disbursement shall be submitted in one copy originally signed and must include the project number and the contract number (see specimen in Annex 3).

The disbursement can only be made, if the funds are provided to GIZ by the commissioning party.

3.2 The amount of EUR _____ (10% of the contract value) shall be withheld from disbursement. The amount withheld shall be disbursed with the final request for disbursement as soon as all obligations by the Recipient arising from the Agreement, in particular those regarding the evidence of use of the funds for the purpose stipulated and the reporting, have been met.

3.3 All payments by the GIZ shall be made into the Recipient's account:

Account holder:

Name and place of bank:

Account number:

Account currency:

Bank code:

Swift code:

IBAN:

The Recipient shall open a separate sub-account with its bank or a separate cost unit in its own accounts to settle the financial transactions involved in this Grant Agreement and shall confirm to GIZ that this has been done when submitting its first payment request. All the funds made available under this Grant Agreement must be accounted for separately from any funds provided by other donors.

All amounts paid by the GIZ shall remain in the afore-mentioned account as trust funds until they are used for paying the supplies and/or services to be financed from the grant.

The amounts paid into the afore-mentioned account by the GIZ shall receive interest as far as permissible within the scope of the relevant legal provisions.

Any income, interest or gains earned on the grant received by the Recipient under this Grant Agreement ('Investment Income') as well as any funds reflowed to the Recipient which were originally distributed from the grant including, but not limited to, reimbursement or repayment, payments of principal, interest, dividends and fees, as appropriate, but excluding any unused or undisbursed amounts with respect to the Project ('Reflowed Funds') shall be reinvested in the Project by the Recipient and shall be indicated separately in the submission of accounts. The GIZ reserves the right to deduct any Investment Income from the pledged amount of the grant.

The GIZ may at any time require prompt submission by the Recipient of a copy of the interest agreement and/or interest calculation by the bank, or confirmation by the bank that interest cannot be paid on the credit balance in the account.

- 3.4 The Recipient shall keep a separate project record exclusively for the funds disbursed by the GIZ. In this project record all receipts and expenditures related to the measures and/or expenditure categories to be financed from the GIZ grant are entered in chronological order and according to the regulations for proper and orderly accounting. These expenditures shall be subdivided into the categories specified in the Schedule of Estimated Expenditures and shall contain the following items at least:

Receipts:

- a) Entry number
- b) Date of receipt
- c) Origin of receipt
- d) Amount of and reason for receipt

Expenditures:

- a) Entry number
- b) Date of payment
- c) Recipient of payment
- d) Amount of and reason for payment

3.5 Except for the first and second instalment the Recipient shall submit with each call for disbursement a financial statement originally signed (see specimen in Annex 3) providing evidence of the use of the payment before the foregoing disbursement and an inventory on the goods purchased according to Article 4.4. The financial statement must be made up in the currency of the contract. The expenditures shall be entered chronologically and broken down according to expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1).

If the budget lines presented in 1.2 above contains administration costs, these must be settled separately as a lump sum. The upper limits specified in the budget lines presented in 1.2 above must not be exceeded. All other cost categories shown under 1.2 above will be settled against evidence.

Any remaining funds held by the Recipient will be offset against the following disbursement. The Recipient's request shall become due upon expiry of a verification period of 15 days after the financial statement has been received. Payment shall be made by the GIZ not later than 30 days after the requests become due, to the amount established and where applicable, corrected, by the GIZ.

3.6 If the Recipient does not submit a financial statement or an inventory in the correct manner or by the due date, the GIZ can suspend payments until such a financial statement or inventory is presented.

Additional text in the case of partial cofinancing

3.7 The final financial statement has to be accompanied by a declaration that the contributions to be borne by the above mentioned other donors have been paid in full.

3.8 The Recipient shall submit proof by the bank of the amount that has been credited in the currency of account for the funds disbursed by GIZ. The expenditure in the currency of

account shall be converted to the contract currency at the exchange rate resulting from the amount credited to the account and the disbursement in the currency of the contract.

Settlements for expenditure in a currency different to the contract currency or the currency of account shall be made at the rate based on the foreign-exchange purchase vouchers presented in evidence of the amount charged. In the absence of the required documentation, the GIZ may choose either to reimburse the expenditures in foreign currency or to convert the expenditures on the basis of the exchange rate in the EU currency converter that can be accessed by the Recipient (www.giz.de/en/, Procurement, Currency Exchange Rates) and reimburse them in the contract currency.

- 3.9 Upon completion of the Project, but not later than 8 weeks after the completion of all measures, the Recipient shall submit to the GIZ a final financial statement originally signed (see specimen in Annex 3) and provide the GIZ with evidence of how the amounts disbursed have been used. The financial statement must be made up in the currency of the contract. The expenditures shall be entered chronologically and broken down according to expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1). If the budget lines presented in 1.2 above contains administration costs, these must be settled separately as a lump sum. The upper limits specified in the budget lines presented in 1.2 above must not be exceeded. All other cost categories shown under 1.2 above will be settled against evidence. Any funds remaining from the grant, including any Investment Income and any Reflowed Funds, shall be returned to the GIZ in the contract currency immediately and without separate request at the exchange rate resulting from the latest advance disbursement/s credited to the account (see article 3.7/3.8). To minimize the risk of repayment the recipient shall monitor the effective balance of funds before the final advance disbursement is requested.
- 3.10 Any financial statement shall be accompanied by copies of supporting documents for every single expenditure exceeding the amount of EUR 1,000.00.
The Recipient shall submit all documents either in German, English, French or Spanish, or shall attach a translation into one of these languages.
- 3.11 GIZ may have the Project audited at its own expense at any time by an independent chartered accountant commissioned by GIZ, by its own experts or by its own audit authority.

This audit will examine whether the measure has been implemented and administered properly and correctly in accordance with the relevant terms of this Grant Agreement in respect of cash and invoice management, the use of grant funds and the award of contracts for goods and services.

The Recipient must permit GIZ and/or the certified public accountant commissioned by GIZ to inspect the accounts and any other documents related to the purpose of this Grant Agreement at any time.

On completion of the audit report, GIZ shall inform the Recipient of the main findings. The Recipient shall promptly implement the recommendations made by GIZ on the basis of the audit findings and provide evidence thereof if requested by GIZ.

3.12 The Recipient shall

- a) secure the full financing of the Project and, upon request, furnish the GIZ with evidence proving that all expenditures not financed from the present grant are covered;
- b) keep for five years after submission of the final financial statement books, records and the originals of the supporting documents, clearly identifying all expenditures for the services and supplies for the Project and those services and supplies financed from the grant;
- c) document the transfer of ownership of those items which are destined for third parties according to the Project Proposal and support its financial statements with copies of such documents;
- d) enable the representatives of the GIZ at any time to consult such books and any other records and documents relevant for the implementation of the Project and to visit all installations related thereto;
- e) supply any information on the Project and its further progress which the GIZ may request;

- f) of its own accord promptly inform the GIZ of any circumstances seriously affecting or jeopardizing the accomplishment of the purpose of this Agreement or the implementation of the Project;
- g) pay, upon request, interest at a rate of 5 percentage points above the respective rate applied by the European Central Bank to its main refinancing transactions p. a. for any amount not spent for the Project according to Article 1.2 and 1.3 from the day of receipt to the day of use for expenditures within the Project;
- h) not use the grant for expenditures completely financed under other subsidies or long-term loans.

Article 4

Purchasing of Goods and Services

- 4.1 When awarding contracts for supplies and services to be financed in full or in part from the grant, the Recipient shall observe the regulations for public procurement which apply in (Recipient's country), but shall in any case comply with the provisions in Annex 4a (Award Procedure), which form a constituent part of this Grant Agreement. The contract award procedure, including but not limited to all decisions, shall be documented in accordance with the template provided as Annex 4b (Documentation of Contract Awards), which forms an integral part of this Grant Agreement. The documentation shall be kept with the accounting vouchers and documents pursuant to Article 3. At the request of the GIZ, the Recipient shall furnish evidence of the proper implementation of the contract award procedures. Contracts for supplies and services awarded contrary to these provisions must not be financed from the grant.
- 4.2 The Recipient shall ensure, upon entering into contracts for supplies and services to be financed from the grant, that
- a) the terms of payment of these contracts conform to customary trade practices; import duties, which may not be financed from the grant, are to be indicated separately in the contracts to be entered into and in the invoices;

- b) the supplies to be financed are insured against transportation risks to an adequate and customary extent in order to provide for the goods to be replaced or restored to their original state, imported goods being insured in freely-convertible currencies, as far as possible;
- c) reimbursement, insurance, security, warranty or similar payments which may be claimed on the basis of those contracts, are to be transferred to the account indicated in Article 3.3 and reemployed for the Project. The Recipient shall notify GIZ of the amount of such payments within the scope of the project reports.

4.3 The items procured or produced for the Project by the Recipient must be used solely for the purposes of the project. This purpose-specific stipulation shall apply for an indefinite period, subject to the stipulations of Article 4.5. If the items are used for purposes other than those for which they were intended, the Recipient shall provide GIZ with appropriate compensation for their value at a level to be set by the GIZ.

4.4 The Recipient is obliged to submit current inventories with the financial statement at the end of each year and with the final financial statement.

All items financed from the GIZ grant whose purchase or manufacturing cost exceeds EUR 400.00 must be inventoried.

With submission of the respective inventory in which the inventoried items are listed for the first time, ownership of the inventoried items is transferred from the Recipient to the GIZ to secure any claims of the GIZ against the Recipient arising from or in connection with this Agreement (incl. possible reverse handling claims), and at the same time the items shall be provided on loan to the Recipient by the GIZ until completion of the Project.

4.5 After completion of the Project at the latest, the items procured or produced for the Project shall become the property of those to whom they are to be transferred in accordance with/consistent with/depending on the purpose of the Project. The GIZ and the Recipient shall agree on the final recipients in due course, at the latest prior to submission of the final financial statement. The transfer of ownership shall be noted in the financial statement and the related certificate of assignment shall be submitted.

Article 5

Suspension of Disbursements, Termination and Repayment

5.1 The GIZ shall be entitled to suspend disbursements if

- a) the Recipient is not able to furnish evidence proving the use of the grant for the purpose stipulated in this Agreement;
- b) goods purchased by the Recipient for the Project and financed from the grant are not used or cease to be used for the purpose of the Agreement;
- c) the Recipient has violated any other obligation under this Agreement;
- d) before conclusion of the Agreement or during its execution, the Recipient has given false information or withheld relevant information affecting the allocation or disbursement of the grant;
- e) any extraordinary circumstances have arisen which preclude or seriously jeopardize the purpose of the grant, the implementation of the Project, or the performance of the obligations assumed by the Recipient under this Agreement; or
- f) the Government of the Federal Republic of Germany terminates, suspends or modifies the relevant contract with GIZ which is the basis for this Agreement.

5.2 The GIZ shall be entitled to terminate the Agreement with immediate effect if any of the circumstances referred to in Article 5.1 a) to f) arise. In case any of the circumstances referred to in Article 5.1 a) to d) arise, the GIZ shall be entitled to terminate the Agreement if these circumstances have not been remedied within a period to be stipulated by the GIZ, which shall, however, be not less than 30 days.

5.3 Accordingly, the GIZ shall be entitled to demand immediate repayment of all or part of the grant, including any Investment Income and any Reflowed Funds, if any of the circumstances referred to in Article 5.1 a) to d) arise and have not been remedied within this period to be stipulated by the GIZ. Where Article 5.1 a) applies, only those amounts shall be repaid for

which the Recipient is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article 5.1. b) applies, only those amounts relating to the goods concerned shall be repaid. Where Article 5.1 e) or Article 5.1.f) apply, only those amounts shall be repaid which have not been irrevocably committed by the Recipient for the purpose stipulated in this Agreement before the written notice on termination was received by the Recipient. Amounts are only deemed to be irrevocably committed if incurred for periods less than 90 days after the receipt of the notice on termination but shall in any case not cover periods after the end of the contract period. The irrevocable commitment for the purpose stipulated in this Agreement has to be proven by the Recipient to the GIZ.

Article 6

Implementation of the Project

- 6.1 The description of the measures in Article 2.2 including the Project Proposal (Annex 2) constitutes the binding framework for the implementation of the Project.
- 6.2 Major changes to the measures described under Section 2.2 including the Project Proposal, or major changes to the estimated expenditures, must be reported immediately to the GIZ. Such measures may be commenced only on the basis of revised planning and with the prior approval of the GIZ.
- 6.3 The Recipient shall submit half-yearly progress reports (according to Annex 5). The first report will be due at the end of (reporting date). The reports shall be submitted to the GIZ not later than two months after the reporting date and include high-resolution pictures.
- 6.4 The Recipient shall draw up a final report (according to Annex 5) describing the implementation and results of the Project in the light of the aims set and submit it to the GIZ not later than two months after the completion of all measures.
- 6.5 In any publication on the Project, the Recipient shall always indicate in an appropriate manner that it is conducting or conducted its activities within the framework of a Project financed or cofinanced by the GIZ commissioned by the Government of the Federal Republic of Germany. The Recipient will assure that all publications, communication and/or visibility

activities are in accordance with the Corporate Design and Wording (Annex 6) of the Grant Agreement.

The Recipient will report to the GIZ immediately and strive to remedy any detected shortcoming in implementing the publishing, communication and visibility requirements, which are set out in the 'Corporate Design and Wording'.

- 6.6 The Recipient shall inform the GIZ early about any upcoming project conferences or workshops in regard to this project measures. A potential participation of Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) can be facilitated.

Article 7

Anti-bribery, anti-terrorism financing, compliance with embargoes

- 7.1 The Recipient shall ensure that the persons it entrusts with the preparation and implementation of the Project and the awarding of contracts for the provision of materials and services to be financed do not demand, accept, provide, grant, promise or accept promises for illegal payments or any other advantages in connection with these tasks.
- 7.2 The Recipient shall not make available any financial or other economic resources to third parties under the GIZ grant that are listed on an UN and/ or EU sanction list, neither directly or indirectly. Within the implementation of the project as described in Article 2 the Recipient may only enter into contractual or business relations and/or maintain such relations with third parties that are reliable and to whom no statutory ban on entering into contractual or business relations applies. Furthermore, the Recipient shall respect embargoes and other trade restrictions of the UN, the EU or the Federal Republic of Germany within the implementation of the project as described in Article 2.
- 7.3 The Recipient will inform GIZ, promptly and of its own accord, of the occurrence of any event which results in the Recipient, any member of its personnel or its management bodies or other governing bodies or any of its shareholders, being listed on a sanctions list issued by the United Nations Security Council or the EU.

- 7.4 The Recipient will inform GIZ, promptly and of its own accord, of the occurrence of any breach of a provision of this Article 7. GIZ's rights according to Article 5 remain unaffected.

Article 8

Final Provisions

- 8.1 In the event of a provision of this Agreement being invalid, this shall not affect the validity of the remaining provisions. Any deficiency in consequence thereof shall be remedied by a provision consistent with the purpose and intent of this Agreement.
- 8.2 The Recipient shall not assign or transfer, pledge or mortgage any rights under this Agreement.
- 8.3 This Agreement shall be governed by German law.
- 8.4 Place of performance for payments shall be Frankfurt am Main.
- 8.5 Place of jurisdiction shall be Frankfurt am Main, provided the Recipient is a merchant/trader, a legal entity under public law or a special fund under public law, or has no general place of jurisdiction in Germany. The GIZ may also take legal action against the Recipient at the court responsible for the Recipient's place of residence.
- 8.6 Amendments and changes to this Agreement as well as any statements and notices which shall be made under this Agreement shall only be valid in writing.

Eschborn, Date:

(Location), Date:

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Recipient's name

.....
Contract Management

.....
Contract Management

Annexes:

(Annexes 3 – 4 can be downloaded from www.giz.de/financing, Annex 5 and 6 can be downloaded from <https://www.euki.de/en/project-financing/>)

Annex 1: Schedule of Estimated Expenditures

Annex 2: Project Proposal of

Annex 3: Financial Guidelines for Grant Agreements

Annex 4: Award Procedure

4a: Award Procedure

4b: Documentation of Contract Awards

Annex 5: Template for the Reports

Annex 6: Corporate Design and Wording

Sample - to be updated in 2020