

Č: 141/11/2014

GRANT CONTRACT
- EXTERNAL ACTIONS OF THE EUROPEAN UNION -
EUTF05 – HOA – KE – 18.04 (COM T05.383)
(the ‘Contract’)

The European Union, represented by the European Commission, (the ‘Contracting Authority’)

of the one part,

and
Slovak Agency for International Development Cooperation
Registration number 31819599
Prazska 7, Bratislava, Slovakia
VAT number 2022359009
hereinafter the “Coordinator”

and
Ten Senses Africa Ltd.
Registration number / VAT number P051234515Z
Athi Business Park, Bamburi Rd., Athi River, Kenya
PO Box 54498 – 00200 Nairobi

and
Food and Agriculture Research Management Ltd. – Africa (FARM Africa)
Cliffords's Inn, Fetter Lane,
London EC4A 1BZ,
United Kingdom

who have conferred powers of attorney for the purposes of the signature of the agreement to the Coordinator, collectively referred to as “Beneficiary(ies)” where a provision applies without distinction to the Coordinator and the co-Beneficiary(ies)

of the other part,

(the ‘Parties’)

have agreed as follows:

Special conditions

Article 1 — Purpose

- 1.1 The purpose of this Contract is the award of a grant by the Contracting Authority to finance the implementation of the action entitled: "**Enhancement of livelihoods in the Kenyan Coastal Region by supporting organic and fair trade certification of smallholders**" (the 'Action') described in Annex I.
- 1.2 The Beneficiary shall be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions (the 'Special Conditions') and the annexes, which the Beneficiary(ies) hereby declares it has noted and accepted.
- 1.3 The Beneficiary accepts the grant and undertakes to be responsible for carrying out the Action.

Article 2 — Implementation period of the Action

- 2.1 This Contract shall enter into force on the date when the second of the two Parties signs.
- 2.2 Implementation of the Action shall begin on the day following that on which the second of the two Parties signs.
- 2.3 The implementation period of the Action, as laid down in Annex I, is 48 months.
- 2.4 The execution period of this Contract shall end when the payment of the balance is made by the Contracting Authority and, in any event, at the latest 18 months after the end of the implementation period as stipulated in Article 2.3 unless postponed in accordance with Article 12.5 of Annex II.

Article 3 — Financing the Action¹

- 3.1 The total eligible costs are estimated at EUR 1,900,000, as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum amount of EUR 1,900,000.
The grant is further limited to 100% of the total eligible cost of the Action specified in paragraph 1.
The final amount of the Contracting Authority's contribution shall be determined in accordance with Articles 14 and 17 of Annex II.
- 3.3 Pursuant to Article 14.7 of Annex II, maximum 7% of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of Annex II, may be claimed as indirect costs.

Article 4 — Reporting and payment arrangements

- 4.1 Payments shall be made in accordance with Article 15 of Annex II option no. 2 as set out in Article 15.1

Initial pre-financing payment: EUR 768,795

Further pre-financing payments(s): EUR 941,205 (subject to the provisions of Annex II).

Balance of the final amount of the grant:

(subject to the provisions of Annex II): EUR 190,000

- 4.2 The Coordinator shall provide narrative reports at least every 6 months and financial reports accompanied by a payment request every 12 months.

Article 5 — Contact addresses

¹ In case of action grants, note that the amount awarded and percentages stated in this Article shall also be updated in Annex III Budget of the Action, in the worksheet 'Expected sources of funding and summary of estimated costs'.

- 5.1 Any communication relating to this Contract shall be in writing, state the number and title of the Action and be sent to the following addresses:

For the Contracting Authority

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

Delegation of the European Union to the Republic of Kenya

For the attention of Finance and Contracts section

Union Insurance House, Ragati Road, Upper Hill

PO Box 45119, Nairobi – Kenya

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

Delegation of the European Union to the Republic of Kenya

For the attention of the Head of Cooperation

Union Insurance House, Ragati Road, Upper Hill

PO Box 45119, Nairobi – Kenya

For the Coordinator

Slovak Agency for International Development Cooperation

Prazska 7, Bratislava, Slovakia

- 5.2 The expenditure verification(s) referred to in Article 15.7 of Annex II will be carried out
PricewaterhouseCoopers Limited
PwC Tower, Waiyaki Way/Chiromo Road, Westlands, Nairobi
Contact: Tel: +254 (20) 285 5000
<http://www.pwc.com/>

Article 6 — Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Contract:

Annex I: Description of the Action (including the Logical Framework of the Project and the Concept Note)

Annex II: General Conditions applicable to European Union-financed grant contracts for External Actions

Annex III: Budget for the Action (worksheets 1, 2 and 3)

Annex IV: Procurement rules for Beneficiary(ies)

Annex V: Standard request for payment and financial identification form

Annex VI: Model narrative and financial report

Annex VII: Terms of reference for an expenditure verification of a European Union financed grant contract for external actions and model report of factual findings

Annex VIII: Model financial guarantee – N/A

Annex IX: Standard template for Transfer of Asset Ownership

6.2 In the event of a conflict between the provisions of the present Special Conditions and any Annex thereto, the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

Article 7 — Other specific conditions applying to the Action

7.1 The General Conditions in Annex II are supplemented by the following:

7.1.1 Financial support to third parties may only be awarded in compliance with the conditions set in the Guidelines for applicants and in accordance with the criteria and conditions laid down in the Description of the Action in Annex I.

The maximum amount of financial support per each third party is limited to EUR 60.000 or less

7.1.2 -Where the implementation of the Action requires the setting up or the use of local infrastructure in the partner country (field office), the Beneficiary(ies) may declare as eligible direct costs the portion of capitalised and operating costs of the local infrastructure which corresponds to the duration of the Action at the rate of use of local infrastructure for the purpose of the Action, determined by the Beneficiary(ies) on the basis of a simplified allocation method, provided that the allocation method is:

- compliant with the Beneficiary(ies)'s usual accounting and management practices and applied in a consistent manner regardless of the source of funding, and
- based on an objective, fair and reliable allocation key .
- assessed and accepted by the evaluation committee, where applicable, and the Contracting Authority at the time of contracting.

In case costs are reported on the basis of a simplified method of allocation, adequate record and documentation must be kept by the Beneficiary(ies) to prove the compliance of the allocation method used with the conditions set out above.

7.2 The following derogations from Annex II shall apply:

7.2.1 The no-profit rule shall not apply to this Contract, according to Article 17.7 of Annex II: actions which generate an income to ensure their continuity beyond the end of this Contract.

Done in English in three originals, two originals being for the European Commission and one original being for the Beneficiary(ies).

For the Beneficiary(ies) ²

Name

Zuzana Letkova

Title

Director

Signature

Date

11. September 2014

For the Contracting Authority

Name

Stefano Dejak

Title

Head of Delegation

Signature

Date

25 AUG 2017

² In accordance with the mandate conferred on the Coordinator, (see application form), the Coordinator signs this Contract also on behalf of the other Beneficiaries, who, therefore, do not need to individually sign this Contract to become parties to it.