***GENERAL CONDITIONS***

***FOR SERVICE CONTRACTS***

**ANNEX 5**

Table of Contents

[**ARTICLE 1** **DEFINITIONS**](#_heading=h.gjdgxs)

[**ARTICLE 2** **COMMUNICATIONS**](#_heading=h.30j0zll)

[**ARTICLE 3** **ASSIGNMENT**](#_heading=h.1fob9te)

[**ARTICLE 4** **SUBCONTRACTING**](#_heading=h.3znysh7)

[**ARTICLE 5** **SUPPLY OF INFORMATION**](#_heading=h.2et92p0)

[**ARTICLE 6** **ASSISTANCE WITH LOCAL REGULATIONS**](#_heading=h.tyjcwt)

[**ARTICLE 7** **GENERAL OBLIGATIONS**](#_heading=h.3dy6vkm)

[**ARTICLE 8** **CODE OF CONDUCT**](#_heading=h.1t3h5sf)

[**ARTICLE 9** **CONFLICT OF INTEREST**](#_heading=h.4d34og8)

[**ARTICLE 10** **ADMINISTRATIVE SANCTIONS**](#_heading=h.2s8eyo1)

[**ARTICLE 11** **SPECIFICATIONS AND DESIGNS**](#_heading=h.17dp8vu)

[**ARTICLE 12** **LIABILITIES**](#_heading=h.3rdcrjn)

[**ARTICLE 13** **MEDICAL, INSURANCE AND SECURITY ARRANGEMENTS**](#_heading=h.26in1rg)

[**ARTICLE 14** **INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS**](#_heading=h.lnxbz9)

[**ARTICLE 15** **THE SCOPE OF THE SERVICES**](#_heading=h.35nkun2)

[**ARTICLE 16** **STAFF**](#_heading=h.1ksv4uv)

[**ARTICLE 17** **REPLACEMENT OF STAFF**](#_heading=h.44sinio)

[**ARTICLE 18** **TRAINEES**](#_heading=h.2jxsxqh)

[**ARTICLE 19** **IMPLEMENTATION OF THE TASKS AND DELAYS**](#_heading=h.z337ya)

[**ARTICLE 20** **AMENDMENT TO THE CONTRACT**](#_heading=h.3j2qqm3)

[**ARTICLE 21** **WORKING HOURS**](#_heading=h.1y810tw)

[**ARTICLE 22** **LEAVE ENTITLEMENT**](#_heading=h.4i7ojhp)

[**ARTICLE 23** **INFORMATION**](#_heading=h.2xcytpi)

[**ARTICLE 24** **RECORDS**](#_heading=h.1ci93xb)

[**ARTICLE 25** **INTERIM AND FINAL REPORTS**](#_heading=h.3whwml4)

[**ARTICLE 26** **APPROVAL OF REPORTS AND DOCUMENTS**](#_heading=h.2bn6wsx)

[**ARTICLE 27** **PAYMENT AND INTEREST ON LATE PAYMENT**](#_heading=h.qsh70q)

[**ARTICLE 28** **FINANCIAL GUARANTEE**](#_heading=h.3as4poj)

[**ARTICLE 29** **RECOVERY OF DEBTS FROM THE CONTRACTOR**](#_heading=h.1pxezwc)

[**ARTICLE 30** **REVISION OF PRICES**](#_heading=h.49x2ik5)

[**ARTICLE 31** **PAYMENT TO THIRD PARTIES**](#_heading=h.2p2csry)

[**ARTICLE 32** **BREACH OF CONTRACT**](#_heading=h.147n2zr)

[**ARTICLE 33** **SUSPENSION OF THE CONTRACT**](#_heading=h.3o7alnk)

[**ARTICLE 34** **TERMINATION BY THE CONTRACTING AUTHORITY**](#_heading=h.23ckvvd)

[**ARTICLE 35** **TERMINATION BY THE CONTRACTOR**](#_heading=h.ihv636)

[**ARTICLE 36** **FORCE MAJEURE**](#_heading=h.32hioqz)

[**ARTICLE 37** **DECEASE**](#_heading=h.1hmsyys)

[**ARTICLE 38** **SETTLEMENT OF DISPUTES**](#_heading=h.41mghml)

[**ARTICLE 39** **APPLICABLE LAW**](#_heading=h.2grqrue)

[**ARTICLE 40** **VERIFICATIONS AND CHECKS BY DONORS**](#_heading=h.vx1227)

[**ARTICLE 41** **DATA PROTECTION**](#_heading=h.3fwokq0)

**PRELIMINARY PROVISIONS**

1. **DEFINITIONS**
   1. The headings and titles in these General Conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the contract.
   2. Where the context so permits, words in the singular shall be deemed to include the plural and vice versa, and words in the masculine shall be deemed to include the feminine and vice versa.
   3. The word “country” shall be deemed to include State or Territory.
   4. Words designating persons or parties shall include firms and companies and any organisation having legal capacity.
2. **COMMUNICATIONS** 
   1. Unless otherwise specified in the Special Conditions, any written communication relating to this contract between the Contracting Authority or the Project Manager, and the Contractor shall state the contract title and identification number, and shall be sent by post, cable, telex, facsimile transmission, e-mail or personal delivery to the appropriate addresses designated by the Parties for that purpose in the Special Conditions.
   2. If the sender requires evidence of receipt, it shall state such requirement in its communication and shall demand such evidence of receipt whenever there is a deadline for the receipt of the communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of its communication.
   3. Wherever the contract provides for the giving or issue of any notice, consent, approval, certificate or decision, unless otherwise specified such notice, consent, approval, certificate or decision shall be in writing and the words 'notify', 'consent', 'certify', 'approve' or 'decide' shall be construed accordingly. Any such consent, approval, certificate or decision shall not unreasonably be withheld or delayed.
   4. Any oral instructions or orders shall be confirmed in writing.
3. **ASSIGNMENT** 
   1. An assignment shall be valid only if it is a written agreement by which the Contractor transfers its contract or part thereof to a third party.
   2. The Contractor shall not, without the prior consent of the Contracting Authority, assign the contract or any part thereof, or any benefit or interest thereunder, except in the following cases:
      1. a charge, in favour of the Contractor's bankers, of any monies due or to become due under the contract; or
      2. the assignment to the Contractor's insurers of the Contractor's right to obtain relief against any other person liable in cases where the insurers have discharged the Contractor's loss or liability.
   3. For the purpose of Article 3.2, the approval of an assignment by the Contracting Authority shall not relieve the Contractor of its obligations for the part of the contract already performed or the part not assigned.
   4. If the Contractor has assigned the contract without authorization, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.
   5. Assignees shall satisfy the eligibility criteria applicable for the award of the contract and they shall not fall under the exclusion criteria described in the tender dossier.
4. **SUBCONTRACTING** 
   1. A subcontract shall be valid only if it is a written agreement by which the Contractor entrusts performance of a part of the contract to a third party.
   2. The Contractor shall request to the Contracting Authority the authorization to subcontract. The request must indicate the elements of the contract to be subcontracted and the identity of the subcontractors. The Contracting Authority shall notify the Contractor of its decision, within 30 days of receipt of the request, stating reasons should it withhold such authorization.
   3. No subcontract creates contractual relations between any subcontractor and the Contracting Authority.
   4. The Contractor shall be responsible for the acts, defaults and negligence of its subcontractors and its experts, agents or employees, as if they were the acts, defaults or negligence of the Contractor, its experts, agents or employees. The approval by the Contracting Authority of the subcontracting of any part of the contract or of the subcontractor to perform any part of the services shall not relieve the Contractor of any of its obligations under the contract.
   5. If a subcontractor is found by the Contracting Authority or the Project Manager to be incompetent in discharging its duties, the Contracting Authority or the Project Manager may request the Contractor forthwith, either to provide a subcontractor with qualifications and experience acceptable to the Contracting Authority as a replacement, or to resume the implementation of the tasks itself.
   6. Subcontractors shall satisfy the eligibility criteria applicable to the award of the contract and they shall not fall under the exclusion criteria described in the tender dossier and the contractor shall ensure that they are not subject to donors restrictive measures.
   7. Those services entrusted to a subcontractor by the Contractor shall not be entrusted to third parties by the subcontractor, unless otherwise agreed by the Contracting Authority.
   8. If the Contractor enters into a subcontract without approval, the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

**OBLIGATIONS OF THE CONTRACTING AUTHORITY**

1. **SUPPLY OF INFORMATION** 
   1. The Contracting Authority shall supply the Contractor promptly with any information and/or documentation at its disposal which may be relevant to the performance of the contract. Such documents shall be returned to the Contracting Authority at the end of the period of implementation of the tasks.
   2. The Contracting Authority shall co-operate with the Contractor to provide information that the latter may reasonably request in order to perform the contract.
   3. The Contracting Authority shall give notification to the Contractor of the name and address of the Project Manager.
2. **ASSISTANCE WITH LOCAL REGULATIONS** 
   1. The Contractor may request the assistance of the Contracting Authority in obtaining copies of laws, regulations, and information on local customs, orders or by-laws of the country in which the services are to be performed, which may affect the Contractor in the performance of its obligations under the contract. The Contracting Authority may provide the assistance requested to the Contractor at the Contractor's cost.
   2. Subject to the provisions of the laws and regulations on foreign labour of the country in which the services have to be rendered, the Contracting Authority provides reasonable assistance to the Contractor, at its request, for its application for any visas and permits required by the law of the Country in which the services are rendered, including work and residence permits, for the staff whose services the Contractor and the Contracting Authority consider necessary, as well as residence permits for their families.

**OBLIGATIONS OF THE CONTRACTOR**

1. **GENERAL OBLIGATIONS** 
   1. The Contractor shall execute the contract with due care, efficiency and diligence in accordance with the best professional practice.
   2. The Contractor shall comply with any administrative orders given by the Project Manager. Where the Contractor considers that the requirements of an administrative order go beyond the authority of the Project Manager or of the scope of the contract he shall give notice, with reasons, to the Project Manager. If the Contractor fails to notify within the 30 day period after receipt thereof, he shall be barred from so doing. Execution of administrative order should not be suspended because of this notice.
   3. The Contractor shall supply, without delay, any information and documents to the Contracting Authority upon request, regarding the conditions in which the contract is being executed.
   4. The Contractor shall respect and abide by all laws and regulations in force in the country and shall ensure that its staff, their dependants, and its local employees also respect and abide by all such laws and regulations. The Contractor shall indemnify the Contracting Authority against any claims and proceedings arising from any infringement by the Contractor, its employees and their dependants of such laws and regulations.
   5. Should any unforeseen event, action or omission directly or indirectly hamper performance of the contract, either partially or totally, the Contractor shall immediately and at its own initiative record it and report it to the Contracting Authority. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with its obligations under the contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.
   6. The Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to the performance of the contract without the prior consent of the Contracting Authority. The Contractor shall continue to be bound by this undertaking after completion of the tasks and shall obtain from each member of its staff the same undertaking. However, use of the contract’s reference for marketing or tendering purposes does not require prior approval of the Contracting Authority, except where the Contracting Authority declares the contract to be confidential.
   7. If the Contractor is a joint venture or a consortium of two or more persons, all such persons shall be jointly and severally bound in respect of the obligations under the contract, including any recoverable amount. The person designated by the consortium to act on its behalf for the purposes of the contract shall have the authority to bind the consortium and is the sole interlocutor for all contractual and financial aspects. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the Contracting Authority. Any alteration of the composition of the consortium without the prior consent of the Contracting Authority may result in the termination of the contract.
2. **CODE OF CONDUCT**
   1. The Contractor shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the project or the services without the prior approval of the Contracting Authority. It shall not commit the Contracting Authority in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.
   2. Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other form of intimidation shall be prohibited. The Contractor shall also provide to inform the Contracting Authority of any breach of ethical standards or code of conduct as set in the present Article. In case the Contractor is aware of any violations of the abovementioned standards, he shall report it in writing within 30 days to the Contracting Authority.
   3. The Contractor shall respect human rights and the environmental legislation applicable in the country where the services have to be rendered and internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.
   4. The Contractor or any of its subcontractors, agents or staff shall not abuse of its entrusted power for private gain. The Contractor or any of its subcontractors, agents or staff shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to the contract. The Contractor shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.
   5. The payments to the Contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The Contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.
   6. The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company.
   7. The respect of the code of conduct set out in the present article constitutes a contractual obligation. Failure to comply with the code of conduct is always deemed to be a breach of the contract under Article 35 of the General Conditions. In addition, failure to comply with the provisions set out in the present Article can be qualified as grave professional misconduct that may lead to either suspension or termination of the contract, without prejudice to the application of administrative sanctions including exclusion from participation in future contract award procedures.
3. **CONFLICT OF INTEREST** 
   1. The Contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the contract. Such conflict of interests could 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. Any conflict of interests which may arise during performance of the contract shall be notified to the Contracting Authority without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.
   2. The Contracting Authority reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Contractor 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 obligations under the contract, the Contractor shall replace, immediately and without compensation from the Contracting Authority, any member of its staff exposed to such a situation.
   3. The Contractor shall refrain from any contact which would compromise its independence or that of its staff.
   4. The Contractor shall limit its role in connection with the project to the provision of the services described in the contract.
   5. Civil servants and other staff of the public administration of the country where the services have to be rendered, regardless of their administrative situation, shall not be recruited as experts unless the prior approval has been granted by the Contracting Authority.
4. **ADMINISTRATIVE SANCTIONS** 
   1. Without prejudice to the application of other remedies laid down in the contract, a sanction of exclusion from the future tenders of the Contracting Authority may be imposed, after an adversarial procedure, upon the Contractor who, in particular,
      1. is guilty of grave professional misconduct, has committed irregularities or has shown significant deficiencies in complying with the main obligations in the performance of the contract or has been circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, three years;
      2. is guilty of fraud, corruption, participation in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, five years.
   2. In the situations mentioned in Article 10.1, in addition or in alternative to the sanction of exclusion, the Contractor may also be subject to financial penalties up to 10% of the total value of the contract.
   3. Where the Contracting Authority is entitled to impose financial penalties, it may deduct such financial penalties from any sums due to the Contractor or call on the appropriate guarantee.
   4. The decision to impose administrative sanctions may be published on a dedicated internet-site, explicitly naming the Contractor.
5. **SPECIFICATIONS AND DESIGNS** 
   1. The Contractor shall prepare all specifications and designs using accepted and generally recognised systems acceptable to the Contracting Authority and taking into account the latest design criteria.
   2. The Contractor shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for the project are prepared on an impartial basis so as to promote competitive tendering.
6. **LIABILITIES** 
   1. Liability for damage to services

Without prejudice to Articles 28 and 36, the Contractor shall assume (i) full responsibility for maintaining the integrity of services and (ii) the risk of loss and damage, whatever their cause, until the completion of the implementation of the tasks and approval of reports and documents under Articles 26 and 27.

* 1. After the completion of the implementation of the tasks, the Contractor shall be responsible for and shall indemnify the Contracting Authority for any damage caused to the services by the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable, during any operation performed to complete any work left, as the case may be, pending or to comply with its obligations under Articles 26 and 27, particularly if the contract is performed in phases.

Compensation for damage to the services resulting from the Contractor's liability in respect of the Contracting Authority is capped at the contract value.

However, compensation for loss or damage resulting from fraud or gross negligence of the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable, can in no case be capped.

The Contractor shall remain responsible for any breach of its obligations under the contract for such period after the services have been performed as may be determined by the law governing the contract, even after approval of the reports and documents, or by default for a period of 10 years.

* 1. Contractor's liability in respect of the Contracting Authority

At any time, the Contractor shall be responsible for and shall indemnify the Contracting Authority for any damage caused during the performance of the services, to the Contracting Authority by the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable.

Compensation for damage resulting from the Contractor's liability in respect of the Contracting Authority is capped at an amount equal to one million euros if the contract value is less than or equal to one million euros. If the contract value is greater than one million euros, compensation for damages resulting from the Contractor's liability shall be capped to the contract value.

However, compensation for loss or damage resulting from the Contractor's liability in case of bodily injury, including death, can in no case be capped. The same applies to compensation for any damages of any kind resulting from fraud or gross negligence of the Contractor, its staff, its subcontractors and any person for which the Contractor is answerable.

* 1. Contractor's liability in respect of third parties

Without prejudice to Article 14.9, the Contractor shall, at its own expense, indemnify, protect and defend, the Contracting Authority, its agents and employees, from and against all actions, claims, losses or damage, direct or indirect, of whatever nature (hereinafter "claim(s)") arising from any act or omission by the Contractor, its staff, its subcontractors and/or any person for which the Contractor is answerable, in the performance of the services, including any violation of any legal provisions, or rights of third parties, in respect of patents, trademarks and other forms of intellectual property such as copyrights.

The Contracting Authority must notify any third party claim to the Contractor as soon as possible after the Contracting Authority becomes aware of them.

If the Contracting Authority chooses to challenge and defend itself against the claim(s), the Contractor shall bear the reasonable costs of defense incurred by the Contracting Authority, its agents and employees.

Under these general conditions, the agents and employees of the Contracting Authority, as well as the Contractor's staff, its subcontractors and any person for which the Contractor is answerable are considered to be third parties.

* 1. The Contractor shall treat all claims in close consultation with the Contracting Authority.
  2. Any settlement or agreement settling a claim requires the prior express written consent of the Contracting Authority and the Contractor.

1. **MEDICAL, INSURANCE AND SECURITY ARRANGEMENTS** 
   1. Medical arrangement

The Contracting Authority may condition the performance of the services to the production, by the Contractor, of a recent medical certificate attesting that the Contractor itself, its staff, its subcontractors and/or any person for which the Contractor is answerable, are fit to implement the services required under this contract.

* 1. Insurance – general issues
     + 1. At the latest together with the return of the countersigned contract, and for the period of implementation of the tasks, the Contractor shall ensure that itself, its staff, its subcontractors and any person for which the Contractor is answerable, are adequately insured with insurance companies recognized on the international insurance market, unless the Contracting Authority has given its express written consent on a specific insurance company.
       2. At the latest together with the return of the countersigned contract, the Contractor shall provide the Contracting Authority with all cover notes and/or certificates of insurance showing that the Contractor's obligations relating to insurance are fully respected. The Contractor shall submit without delay, whenever the Contracting Authority or the Project Manager so requests, an updated version of the cover notes and/or certificates of insurance.

The Contractor shall obtain from the insurers that they commit to personally and directly inform the Contracting Authority of any event likely to reduce, cancel or alter in any manner whatsoever, that coverage. The insurers shall deliver this information as quickly as possible, and in any event at least thirty (30) days before the reduction, cancellation or alteration of the cover is effective. The Contracting Authority reserves the right to indemnify the insurer in case the Contractor fails to pay the premium, without prejudice to the Contracting Authority's right to recover the amount of the premium it paid, and to subsequently seek compensation for its possible resulting damage.

* + - 1. Whenever possible, the Contractor shall ensure that the subscribed insurance contracts contain a waiver of recourse in favor of the Contracting Authority, its agents and employees.
      2. The purchase of adequate insurances by the Contractor shall in no case exempt it from its statutory and/or contractual liabilities.
      3. The Contractor shall fully bear the consequences of a total or partial lack of coverage, and to the full discharge of the Contracting Authority.
      4. The Contractor shall ensure that its staff, its subcontractors and any person for whom the Contractor is answerable comply with the same insurance requirements imposed to it under this contract. In case of default of insurance or inadequate insurance of its staff, its subcontractors or any person for which the Contractor is answerable, the Contractor shall indemnify the Contracting Authority from all consequences resulting therefrom.
      5. Under its own responsibility and without prejudice to the obligation to take out all insurance covering its obligations under this contract, the Contractor shall ensure that all compulsory insurances are subscribed in compliance with the laws and regulations in force in the country in which the services are to be performed. It shall also ensure that all possible statutory obligations applying to the coverage are complied with.
      6. The Contracting Authority shall not bear any liability for the assessment and adequacy of insurance policies taken out by the Contractor with its contractual and/or statutory obligations.
      7. In any event, the Contractor shall take out the insurance referred to below.
  1. Insurance – Specific issues
     + 1. The Contractor shall take out all insurance necessary to cover its liability, both with regard to its professional liability and its liability as provided under Article 12.
       2. The contractor shall ensure that itself, its staff, its subcontractors and any person for which the Contractor is answerable, are covered by an insurance policy covering, in addition to the possible intervention of any statutory insurance:
  2. all medical expenses, including hospital expenses;
  3. the full cost of repatriation in case of illness, accident, or in the event of death by disease or accident;
  4. accidental death or permanent disability resulting from bodily injury incurred in connection with the contract.

In the absence of adequate insurance, the Contracting Authority may bear such costs to the benefit of the Contractor itself, its staff, its subcontractors and any person for which the Contractor is answerable. This bearing of the costs by the Contracting Authority shall be subsidiary and may be claimed against the Contractor, its subcontractors and any person who should have taken out this insurance, without prejudice to the compensation of the Contracting Authority's possibly resulting damage.

* + - 1. The Contractor shall take out insurance policies providing coverage of the Contractor itself, its staff, its subcontractors and any person for which the Contractor is answerable, in case of an accident at work or on the way to work. It shall ensure that its subcontractors do the same. It indemnifies the Contracting Authority against any claims that its employees or those of its subcontractors could have in this regard. For its permanent expatriate staff, where appropriate, the Contractor shall in addition comply with the laws and regulations applicable in the country of origin.
      2. The Contractor shall also insure the personal effects of its employees, experts and their families located in the country against loss or damage.
  1. Security arrangements

The Contractor shall put in place security measures for its employees, experts and their families located in the country commensurate with the physical danger (possibly) facing them.

The Contractor shall also be responsible for monitoring the level of physical risk to which its employees, experts and their families located in the country are exposed and for keeping the Contracting Authority informed of the situation. If the Contracting Authority or the Contractor becomes aware of an imminent threat to the life or health of any of its employees, experts or their families, the Contractor must take immediate emergency action to remove the individuals concerned to safety. If the Contractor takes such action, he must communicate this immediately to the Project Manager and this may lead to suspension of the contract in accordance with Article 33.

1. **INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS** 
   1. A "result" shall be any outcome of the implementation of the contract and provided as such by the Contractor.
   2. The ownership of all the results or rights thereon as listed in the tender specification and the tender attached to the contract, including copyright and other intellectual or industrial property rights, and all technological solutions and information embodied therein, obtained in performance of the contract, shall be irrevocably and fully vested to the Contracting Authority from the moment these results or rights are delivered to it and accepted by it. The Contracting Authority may use them as it sees fit and in particular may store, modify, translate, display, reproduce, publish or communicate by any medium, as well as, assign, transfer them as it sees fit.
   3. For the avoidance of doubt and where applicable, any such vesting of rights is also deemed to constitute an effective transfer of the rights from the Contractor to the Contracting Authority.
   4. The above vesting of rights in the Contracting Authority under this contract covers all territories worldwide and is valid for the whole duration of intellectual or industrial property rights protection, unless stipulated otherwise by the Contracting Authority and the Contractor.
   5. The Contractor shall ensure that delivered results are free of rights or claims from third parties including in relation to pre-existing rights, for any use envisaged by the Contracting Authority. If the Contracting Authority so requires, the Contractor shall provide exhaustive proof of ownership or rights to use all necessary rights, as well as, of all relevant agreements of the creator(s).
   6. All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, computations, databases format and data, software and any supporting records or materials acquired, compiled or prepared by the Contractor in the performance of the contract, as well as, any outcome of the implementation of the contract, shall be the absolute property of the Contracting Authority unless otherwise specified. The Contractor shall, upon completion of the contract, deliver all such documents and data to the Contracting Authority. The Contractor must not retain copies of such documents and data and must not use them for purposes unrelated to the contract without the prior consent of the Contracting Authority.
   7. The Contractor shall not publish articles relating to the services or refer to them when carrying out any services for others, or divulge information obtained by the Contractor in the course of the contract for purposes other than its performance, without the prior consent of the Contracting Authority.
   8. By delivering the results the Contractor warrants that the above transfer of rights does not violate any law or infringe any rights of others and that it possesses the relevant rights or powers to execute the transfer. It also warrants that it has paid or has verified payment of all fees including fees to collecting societies, related to the final results.
   9. The Contractor shall indemnify and hold the Contracting Authority harmless for all damages and cost incurred due to any claim brought by any third party including creators and intermediaries for any alleged breach of any intellectual, industrial or other property right based on the Contracting Authority's use as specified in the contract of patents, licenses, drawings, designs, models, or brand or trade-marks, except where such infringement results from compliance with the design or specification provided by the Contracting Authority.

**NATURE OF THE SERVICES**

1. **THE SCOPE OF THE SERVICES** 
   1. The scope of the services is specified in Annex II and Annex III.
   2. Where the contract is for an advisory function for the benefit of the Contracting Authority and/or Project Manager in respect of all the technical aspects of the project which may arise out of its implementation, the Contractor shall not have decision-making responsibility.
   3. Where the contract is for management of the implementation of the project, the Contractor shall assume all the duties of management inherent in supervising the implementation of a project, subject to the Project Manager's authority.
   4. If the Contractor is required to prepare a tender dossier, the dossier shall contain all documents necessary for consulting suitable Contractors, manufacturers and suppliers, and for preparing tender procedures with a view to carrying out the works or providing the supplies or services covered by an invitation to tender. The Contracting Authority shall provide the Contractor with the information necessary for drawing up the administrative part of the tender dossier.
2. **STAFF** 
   1. For fee-based contracts, without prejudice to paragraph 4 of this Article, the Contractor must inform the Contracting Authority of all staff which the Contractor intends to use for the implementation of the tasks, other than the key experts whose CVs are included in Annex IV. Annex II and/or Annex III shall specify the minimum level of training, qualifications and experience of the staff and, where appropriate, the specialisation required. The Contracting Authority shall have the right to oppose the Contractor's choice of staff.
   2. All those working on the project with the approval of the Contracting Authority shall commence their duties on the date or within the period laid down in Annex II and/or Annex III, or, failing this, on the date or within the periods notified to the Contractor by the Contracting Authority or the Project Manager.
   3. Save as otherwise provided in the contract, those working on the contract shall reside close to their normal place of posting. Where part of the services is to be performed outside the country, the Contractor shall keep the Project Manager informed of the names and qualifications of staff assigned to that part of the services.
   4. The Contractor shall:
      1. forward to the Project Manager within 30 days of the signature of the contract by both parties, the timetable proposed for placement of the staff;
      2. inform the Project Manager of the date of arrival and departure of each member of staff;
      3. submit to the Project Manager for its approval a timely request for the appointment of any non-key experts.
   5. The Contractor shall provide its staff with all financial and technical means needed to enable them to carry out their tasks described under this contract efficiently.
   6. No recruitment of an expert by the Contractor can create contractual relations between the expert and the Contracting Authority.
3. **REPLACEMENT OF STAFF** 
   1. The Contractor shall not make changes to the agreed staff without the prior approval of the Contracting Authority. The Contractor must on its own initiative propose a replacement in the following cases:
      1. In the event of death, in the event of illness or in the event of accident of an agreed staff;
      2. If it becomes necessary to replace an agreed staff for any other reasons beyond the Contractor’s control (e.g. resignation, etc.).
   2. In the course of performance, the Contracting Authority can order an agreed staff to be replaced, This shall be done on the basis of a written and justified request to which the Contractor and the agreed staff have had the opportunity to provide observations.
   3. Where an agreed staff must be replaced, the replacement must possess at least equivalent qualifications and experience, and the remuneration to be paid to the replacement cannot exceed that received by the agreed staff who has been replaced. Where the Contractor is unable to provide a replacement with equivalent qualifications and/or experience, the Contracting Authority may either decide to terminate the contract, if the proper performance of it is jeopardised, or, if it considers that this is not the case, accept the replacement, provided that the fees of the latter are renegotiated to reflect the appropriate remuneration level.
   4. Additional costs incurred by the replacement of an agreed staff are the responsibility of the Contractor. The Contracting Authority makes no payment for the period when the agreed staff to be replaced is absent. The replacement of any agreed staff, whose name is listed in Annex IV of the contract, must be proposed by the Contractor within 15 calendar days from the first day of the agreed staff’s absence. If after this period the Contractor fails to propose a replacement in accordance with Article 17.3 above, the Contracting Authority may apply liquidated damages up to 10% of the remaining fees of that expert to be replaced. The Contracting Authority must approve or reject the proposed replacement within 30 days.
4. **TRAINEES**
   1. If required in the terms of reference, the Contractor shall provide training for the period of implementation of the tasks for trainees assigned to it by the Contracting Authority under the terms of the contract.
   2. Instruction by the Contractor of such trainees shall not confer on them the status of employees of the Contractor. However, they must comply with the Contractor's instructions, and with the provisions of Article 8, as if they were employees of the Contractor. The Contractor may on reasoned request in writing obtain the replacement of any trainee whose work or conduct is unsatisfactory.
   3. Unless otherwise provided in the contract, allowance for trainees covering notably travel, accommodation and all other expenses incurred by the trainees, shall be borne by the Contracting Authority.
   4. The Contractor shall report at quarterly intervals to the Contracting Authority on the training assignment. Immediately prior to the end of the period of implementation of the tasks, the Contractor shall draw up a report on the result of the training and an assessment of the qualifications obtained by the trainees with a view to their future employment. The form of such reports and the procedure for presenting them shall be as laid down in the terms of reference.

**PERFORMANCE OF THE CONTRACT**

1. **IMPLEMENTATION OF THE TASKS AND DELAYS**
   1. The Special Conditions fix the date on which implementation of the tasks is to commence.
   2. The period of implementation of tasks shall commence on the date fixed in accordance with Article 19.1 and shall be as laid down in the Special Conditions, without prejudice to extensions of the period which may be granted.
   3. If the Contractor fails to perform the services within the period of implementation of the tasks specified in the contract, the Contracting Authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day which shall elapse between the end of the period of implementation of the tasks specified in the contract and the actual date of completion of these tasks.
   4. The daily rate for liquidated damages is calculated by dividing the contract value by the number of days of the period of implementation of the tasks, up to a maximum of 15% of the total value of the contract.
   5. If the Contracting Authority has become entitled to claim 15% of the contract value, it may, after giving notice to the Contractor:
      1. terminate the contract, and;
      2. enter into a contract with a third party to complete the services, at the Contractor's cost.
2. **AMENDMENT TO THE CONTRACT** 
   1. Any amendment to the contract affecting its object or scope, such as amendment to the total contract amount, replacement of an agreed staff the Curriculum Vitae of which is part of the contract and change of the period of implementation shall be formalised by means of an addendum. Both parties may request an addendum for amendment to the contract according to the following principles:
      1. An addendum for amendment may be requested only during the period of execution of the contract;
      2. Any request for an addendum shall be submitted in writing to the other party at least thirty days before the date on which the intended addendum is required to enter into force. In case of special circumstances duly substantiated by the Contractor, the Contracting Authority may accept a different notice period.

The requested party shall notify the requesting party of its decision concerning the request within 30 days from its receipt. There is no automatic amendment without written confirmation by the requested party.

* 1. Additionally, the Project Manager has the power to issue administrative orders requesting an amendment to the contract not affecting its object or scope, including on request of the Contractor, according to the following principles:
     + 1. The requested contract amendment may take the form of additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timetable of implementation of the services;
       2. Prior to the issuance of any administrative order, the Project Manager shall notify the Contractor of the nature and the form of the proposed amendment.

The Contractor shall then, without delay, submit to the Project Manager a written proposal containing:

* + 1. all measures required to comply with the requested amendment,
    2. an updated timetable for implementation of the tasks, and,
    3. if necessary, a proposed financial adjustment to the contract, using the contractual fee rates when the tasks are similar. When the tasks are not similar, the contractual fee rates shall be applied when reasonable.

Following receipt of the Contractor's proposal, the Project Manager shall decide as soon as possible whether or not the amendment shall be carried out.

If the Project Manager decides that the amendment shall be carried out, it shall notify the Contractor through an administrative order stating that the Contractor shall carry out the amendment at the prices and under the conditions given in the Contractor's proposal or as modified by the Project Manager in agreement with the Contractor.

* + - 1. On receipt of the administrative order, the Contractor shall carry out the amendments detailed in that administrative order as if such amendments were stated in the contract.
      2. For fee based contracts, administrative orders that have an impact on the contractual budget are limited to transfers within the fees, or transfers from the fees to the Incidental Expenditures, within the limits of Article 20.3.
      3. For global price contracts, administrative orders cannot have an impact on the contractual budget.
  1. No amendment either by means of addendum or through administrative order shall change the award conditions prevailing at the time the contract was awarded.
  2. Any amendment carried out by the Contractor without an administrative order or without an addendum to the contract is not allowed and made at the Contractor's own financial risk.
  3. Where an amendment is required by a default or breach of contract by the Contractor, any additional cost attributable to such amendment shall be borne by the Contractor.

1. **WORKING HOURS** 
   1. The days and hours of work of the Contractor or the Contractor’s staff shall respect the laws, regulations and customs of the country where the services have to be rendered and the requirements of the services.
2. **LEAVE ENTITLEMENT** 
   1. For fee-based contracts, the annual leave to be taken during the period of implementation of the tasks shall be at a time approved by the Project Manager.
   2. For fee-based contracts, the fee rates are deemed to take into account the annual leave of up to 2 months for the Contractor’s staff during the period of implementation of the tasks. Consequently, days taken as annual leave shall not be considered to be working days.
   3. The Contractor shall only be paid for the days actually worked. Any cost related to sick or casual leave shall be covered by the Contractor. The Contractor shall inform the Project Manager of any impact of such leave on the period of implementation of the tasks.
3. **INFORMATION** 
   1. The Contractor shall provide any information relating to the services and the project to the Project Manager, the Contracting Authority or any person authorised by the Contracting Authority.
   2. The Contractor shall allow the Project Manager or any person authorised by the Contracting Authority or the Contracting Authority itself to inspect or audit the records and accounts relating to the services and to make copies thereof both during and after provision of the services.
4. **RECORDS** 
   1. The Contractor shall keep full accurate and systematic records and accounts in respect of the services in such form and detail as is sufficient to establish accurately that the number of working days and the actual incidental expenditure identified in the Contractor's invoice(s) have been duly incurred for the performance of the services.
   2. For fee-based contracts, timesheets recording the days or hours worked by the Contractor's staff shall be maintained by the Contractor. The timesheets filled in by the experts shall be confirmed on a monthly basis by the Contractor and shall be approved by the Project Manager or any person authorised by the Contracting Authority or the Contracting authority itself. The amounts invoiced by the Contractor must correspond to these timesheets. Time spent travelling exclusively and necessarily for the purpose of the implementation of the contract, by the most direct route, may be included in the numbers of days or hours, as appropriate, recorded in these timesheets. Travel undertaken by the expert for mobilisation and demobilisation as well as for leave purposes shall not be considered as working days. A minimum of 7 hours worked are deemed to be equivalent to one day worked. For all experts, their time input shall be rounded to the nearest whole number of days worked for the purposes of invoicing.
   3. Any records must be kept for a seven year period after the final payment made under the contract. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips for the remuneration paid to the experts and invoices or receipts for incidental expenditure. In case of failure to maintain such records the Contracting Authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.
5. **INTERIM AND FINAL REPORTS** 
   1. Unless otherwise provided in the Terms of Reference, the Contractor shall draw up interim reports and a final report during the period of implementation of the tasks. The format of such reports is as notified to the Contractor by the Project Manager during the period of implementation of the tasks.
   2. All invoices must be accompanied by an interim or final report.
   3. Immediately prior to the end of the period of implementation of the tasks, the Contractor shall draw up a final progress report together which must include, if appropriate, a critical study of any major problems which may have arisen during the performance of the contract.
   4. This final progress report shall be forwarded to the Project Manager not later than 60 days after the end of the period of implementation of the tasks. Such report shall not bind the Contracting Authority.
   5. Where the contract is performed in phases, the implementation of each phase shall give rise to the preparation of a final progress report by the Contractor.
   6. Interim and final progress reports are covered by the provisions of Article 14.
6. **APPROVAL OF REPORTS AND DOCUMENTS** 
   1. The approval by the Contracting Authority of reports and documents drawn up and forwarded by the Contractor shall certify that they comply with the terms of the contract.
   2. Where a report or document is approved by the Contracting Authority subject to amendments to be made by the Contractor, the Contracting Authority shall prescribe a period for making the amendments requested.
   3. Where the final progress report is not approved, the dispute settlement procedure is automatically invoked.
   4. Where the contract is performed in phases, the implementation of each phase shall be subject to the approval, by the Contracting Authority, of the preceding phase except where the phases are carried out concurrently.
   5. The Contracting Authority’s time limit for accepting reports or documents shall be considered included in the time limit for payments indicated in Article 27, unless otherwise specified in the Special Conditions.

**PAYMENTS & DEBT RECOVERY**

1. **PAYMENT AND INTEREST ON LATE PAYMENT** 
   1. Payments will be made in accordance with one of the options below, as identified in the Special Conditions.

Option 1: Fee-based contract:

The Contracting Authority will make payments to the Contractor in the following manner:

* 1. A first payment of pre-financing, if requested by the Contractor, of an amount up to maximum 20% of the maximum contract value stated in point 2 of the contract, within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 28.
  2. Further interim payments, as indicated in the Special Conditions, within 60 days of the Contracting Authority receiving an invoice accompanied by an interim progress report, subject to approval in accordance with Article 26. Such interim payments shall be of an amount equivalent to the costs incurred. When 80% of the maximum contract value stated in point 2 of the contract has been paid (pre-financing and interim payments) the amounts due to the contractor shall be deducted from the pre-financing payment until it is completely reimbursed before any additional payment is made.
  3. The invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in point 2 of the contract; the 10% being the minimum final payment.
  4. The balance of the final value of the contract after verification, subject to the maximum contract value stated in point 2 of the contract, after deduction of the amounts already paid, within 90 days of the Contracting Authority receiving a final invoice accompanied by the final progress report, subject to approval in accordance with Article 26.

Option 2: Global price contract:

If the contract is not divided between different outputs that the Contracting Authority can approve independently, or has a duration of less than two years, the Contracting Authority will make payments to the Contractor in the following manner:

1. a pre-financing payment if requested by the Contractor, of an amount up to 40% of the contract value stated in point 2 of the contract within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 28;
2. the balance of the contract value stated in point 2 of the contract within 90 days of the Contracting Authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 26.

If the contract has a duration of at least two years and if the budget is divided between different outputs that the Contracting Authority can approve independently, the Contracting Authority will make payments to the Contractor in the following manner:

1. a pre-financing payment if requested by the Contractor, of an amount up to 40% of the contract value stated in point 2 of the contract within 30 days of receipt by the Contracting Authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 28;
2. one interim payment at the end of each 12 months of implementation of the contract, of an amount corresponding to the outputs delivered, within 60 days of the Contracting Authority receiving an invoice accompanied by an interim progress report, subject to approval of this report in accordance with Article 26;
3. the invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in point 2 of the contract; the 10% being the minimum final payment;
4. the balance of the contract value stated in point 2 of the contract within 90 days of the Contracting Authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 26.
   1. The date of payment shall be the date on which the paying account is debited. The invoice shall not be admissible if one or more essential requirements are not met. Without prejudice to Article 34.2, the Contracting Authority may halt the countdown towards this deadline for any part of the invoiced amount disputed by the Project Manager by notifying the Contractor that part of the invoice is inadmissible, either because the amount in question is not due or because the relevant report cannot be approved and the Contracting Authority thinks it necessary to conduct further checks. In such cases, the Contracting Authority shall not unreasonably withhold any undisputed part of the invoiced amount but may request clarification, alteration or additional information, which shall be produced within 30 days of the request. The countdown towards the deadline shall resume on the date on which a correctly formulated invoice is received by the Contracting Authority. If part of the invoice is disputed, the undisputed amount of the invoice shall not be withheld and must be paid according to the payment schedule set in Article 27.1.
   2. Once the deadline referred to above has expired, the Contractor shall, within two months of receiving late payment, receive default interest:

* at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,
* at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country, on the first day of the month in which the time-limit expired, plus eight percentage points. The interest be payable for the time elapses between the expiry of the payment deadline (exclusive) and the date on which the Contracting Authority’s account is debited (inclusive).
  1. Payments due by the Contracting Authority shall be made into the bank account communicated by the Contractor. The Contractor must report any change of bank account.
  2. Payments shall be made in euro or in the national currency as specified in the Special Conditions. The Special Conditions shall lay down the administrative or technical conditions governing payments of pre-financing, interim and/or final payments made in accordance with the General Conditions.
  3. For fee-based contracts, invoices shall be accompanied by copies of, or extracts from, the corresponding approved timesheets referred to in Article 24.2 to verify the amount invoiced for the time input of the experts. A minimum of 7 hours worked are deemed to be equivalent to one day worked. For all experts, their time input must be rounded to the nearest whole number of days worked for the purposes of invoicing.
  4. Payment of the final balance shall be subject to performance by the Contractor of all its obligations relating to the implementation of all phases or parts of the services and to the approval by the Contracting Authority of the final phase or part of the services. Final payment shall be made only after the final progress report and a final statement, identified as such, shall have been submitted by the Contractor and approved as satisfactory by the Contracting Authority.
  5. Prior to, or instead of, terminating the contract as provided for in Article 34, the Contracting Authority may suspend payments as a precautionary measure without prior notice.
  6. Where the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud attributable to the Contractor, the Contracting Authority may in addition to the possibility to suspend the performance of the contract in accordance with Article 33.2 and terminate the contract as provided for in Article 34, suspend payments and/or recover amounts already paid, in proportion to the seriousness of the breach of obligations, irregularities or fraud. In addition to measures referred above, the Contracting Authority may reduce the contract value in proportion to the seriousness of the irregularities, fraud or the breach of obligations, including where the activities concerned were not implemented or were implemented poorly, partially or late.
  7. If the contract is terminated for any reason whatsoever, the guarantee securing the pre-financing may be invoked forthwith in order to repay the balance of the pre-financing still owed by the Contractor, and the guarantor shall not delay payment or raise objection for any reason whatever.

1. **FINANCIAL GUARANTEE** 
   1. The Contractor shall provide a financial guarantee for the full amount of the pre-financing payment. The financial guarantee shall be in the format provided for in the contract and may be provided in the form of a bank guarantee, a banker's draft, a certified cheque, a bond provided by an insurance and/or bonding company, an irrevocable letter of credit or a cash deposit made with the Contracting Authority. If the financial guarantee is to be provided in the form of a bank guarantee, a banker's draft, a certified cheque or a bond, it shall be issued by a bank or bonding and/or insurance company approved by the Contracting Authority. This financial guarantee shall remain valid until it is released by the Contracting Authority in accordance with Article 28.5 or Article 28.6, as appropriate. Where the Contractor is a public body the obligation for a financial guarantee may be waived depending on a risk assessment made.
   2. The financial guarantee shall be provided on the letterhead of the financial institution using the template provided in Annex VI.
   3. During the execution of the contract, if the natural or legal person providing the guarantee (i) is not able or willing to abide by its commitments, (ii) is not authorised to issue guarantees to contracting authorities, or (iii) appears not to be financially reliable, or the financial guarantee ceases to be valid, and the Contractor fails to replace it, either a deduction equal to the amount of the pre-financing may be made by the Contracting Authority from future payments due to the contractor under the contract, or the Contracting Authority shall give formal notice to the Contractor to provide a new guarantee on the same terms as the previous one. Should the Contractor fail to provide a new guarantee, the Contracting Authority may terminate the contract.
   4. If the contract is terminated for any reason whatsoever, the financial guarantee may be invoked forthwith in order to repay any balance still owed to the Contracting Authority by the Contractor, and the guarantor shall not delay payment or raise objection for any reason whatsoever.
   5. For fee-based contracts, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 27.1.
   6. For global price contracts, (i) if the contract is not divided between different outputs that the Contracting Authority can approve independently, or has a duration of less than two years, the financial guarantee shall remain in force until the final payment has been made, and (ii) if the contract has a duration of at least two years and if the budget is divided between different outputs that the Contracting Authority can approve independently, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 27.1.
2. **RECOVERY OF DEBTS FROM THE CONTRACTOR** 
   1. The Contractor undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority before the deadline indicated in the debit note which is 45 days from the issuing of that note.
   2. Should the Contractor fail to make repayment within the above deadline; the Contracting Authority may increase the amounts due by adding interest:
      1. at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country,
      2. at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,

on the first day of the month in which the time-limit expired, plus eight percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline, and the date on which the payment is actually made. Any partial payments shall first cover the interest thus established.

* 1. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Contractor. This shall not affect the party's right to agree on payment in installments.
  2. Bank charges arising from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Contractor.

1. **REVISION OF PRICES** 
   1. The contract shall be at fixed prices, which shall not be revised.
2. **PAYMENT TO THIRD PARTIES** 
   1. Orders for payments to third parties may be carried out only after an assignment made in accordance with Article 3. The assignment shall be notified to the Contracting Authority.
   2. Notification of beneficiaries of the assignment shall be the sole responsibility of the Contractor.
   3. In the event of a legally binding attachment of the property of the Contractor affecting payments due to it under the contract and without prejudice to the time limit laid down in Article 27, the Contracting Authority shall have 30 days, starting from the day when it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the Contractor.

**BREACH OF CONTRACT, SUSPENSION AND TERMINATION**

1. **BREACH OF CONTRACT** 
   1. Either party commits a breach of contract where it fails to perform its obligations in accordance with the provisions of the contract.
   2. Where a breach of contract occurs, the party injured by the breach is entitled to the following remedies:
      * 1. damages; and/or
        2. termination of the contract.
   3. Damages may be either:
   4. general damages; or
   5. liquidated damages.
   6. Should the Contractor fail to perform any of its obligations in accordance with the provisions of the contract, the Contracting Authority is without prejudice to its right under Article 32.2, also entitled to the following remedies;
   7. suspension of payments; and/or
   8. reduction or recovery of payments in proportion to the failure's extent.
   9. Where the Contracting Authority is entitled to damages, it may deduct such damages from any sums due to the Contractor or call on the appropriate guarantee.
   10. The Contracting Authority shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.
2. **SUSPENSION OF THE CONTRACT** 
   1. The Contractor shall, on the order of the Contracting Authority, suspend the execution of the contract or any part thereof for such time or times and in such manner as the Contracting Authority may consider necessary. The suspension shall take effect on the day the Contractor receives the order or at a later date when the order so provides.
   2. Suspension of the contract in the event of presumed substantial errors or irregularities or fraud: The contract may be suspended in order to verify whether presumed substantial errors or irregularities or fraud occurred during the award procedure or the performance of the contract. If these are not confirmed, performance of the contract shall resume as soon as possible.
   3. During the period of suspension, the Contractor shall take such protective measures as may be necessary.
   4. Additional expenses incurred in connection with such protective measures may be added to the contract price, unless:
      * 1. otherwise provided for in the contract; or
        2. such suspension is necessary by reason of some breach or default of the Contractor; or
        3. the presumed substantial errors or irregularities or fraud mentioned in Article 33.2 are confirmed and attributable to the Contractor.
   5. The Contractor shall only be entitled to such additions to the contract price if it notifies the Project Manager, within 30 days after receipt of the order to suspend execution of the contract, of its intention to claim them.
   6. The Contracting Authority, after consulting the Contractor, shall determine such additions to the contract price and/or extension of the period of performance to be granted to the Contractor in respect of such claim as shall, in the opinion of the Contracting Authority be fair and reasonable.
   7. The Contracting Authority shall, as soon as possible, order the Contractor to resume the contract suspended or inform the Contractor that it terminates the contract. If the period of suspension exceeds 90 days and the suspension is not due to the Contractor's breach or default, the Contractor may, by notice to the Contracting Authority, request to proceed with the contract within 30 days, or terminate the contract.
3. **TERMINATION BY THE CONTRACTING AUTHORITY** 
   1. The Contracting Authority may, at any time and with immediate effect, subject to Article 34.8, terminate the contract, except as provided for under Article 34.2.
   2. Subject to any other provision of these General Conditions the Contracting Authority may, by giving seven days' notice to the Contractor, terminate the contract in any of the following cases where:
      1. the Contractor is in serious breach of contract for failure to perform its contractual obligations;
      2. the Contractor fails to comply within a reasonable time with the notice given by the Project Manager requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely performance of the services;
      3. the Contractor refuses or neglects to carry out any administrative orders given by the Project Manager;
      4. the Contractor assigns the contract or subcontracts without the authorisation of the Contracting Authority;
      5. the Contractor 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 suspended business activities, or is in any analogous situation arising from a similar procedure provided for under any national law or regulations relevant to that Contractor;
      6. any organisational modification occurs involving a change in the legal personality, nature or control of the Contractor, unless such modification is recorded in an addendum to the contract;
      7. any other legal disability hindering performance of the contract occurs;
      8. the Contractor fails to provide the required guarantees or insurance, or the person providing the earlier guarantee or insurance is not able to abide by its commitments;
      9. the Contractor has been guilty of grave professional misconduct or has committed an irregularity proven by any means which the Contracting Authority can justify, within the meaning of Article 10.1 a) b);
      10. it has been established by a final judgment or a final administrative decision or by proof in possession of the Contracting Authority that the Contractor has been guilty 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, circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose;
      11. the Contractor, in the performance of another contract has been declared to be in serious breach of contract, which has led to its early termination or the application of liquidated damages or other contractual penalties;
      12. after the award of the contract, the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud;
      13. the award procedure or the performance of another contract with the Contracting Authority proves to have been subject to breach of obligations, irregularities or fraud which are likely to affect the performance of the present contract;
      14. the Contractor fails to perform its obligation in accordance with Articles 8 and 9;
      15. the Contractor is unable to provide a suitable replacement to an expert, the absence of which affects the proper performance of the contract.
      16. the Contractor or any of their employees, affiliates or sub-contractors utilize sexual exploitative or abusive practices, or are involved in any other humiliating, degrading or exploitative behaviour.
      17. the Contractor or any of their employees, affiliates or sub-contractors utilize child labour or are involved in any other practice that can harm or is likely to cause harm to children. The ILO Convention No. 138 on the minimum age for admission to employment and work (Version 1973) guides the Contracting Authority with the following definitions: 1) Hazardous Work: work which is likely to jeopardize children’s physical, mental or moral health, safety or morals should not be done by anyone under the age of 18; and 2) Light Work: children between the ages of 13 and 15 years old may do light work, as long as it does not threaten their health and safety, or hinder their education or vocational orientation and training.

The cases of termination under points (e), (i), (j), (l), (m), (n), (p) and (q) may refer also to persons who are members of the administrative, management or supervisory body of the Contractor and/or to persons having powers of representation, decision or control with regard to the Contractor.

The cases of termination under points (a), (e), (f), (g), (i), (j), (k), (l), (m), (n), (p) and (q) may refer also to persons jointly and severally liable for the performance of the contract.

The cases under points (e), (i), (j), (k), (l), (m), (n), (p) and (q) may refer also to subcontractors.

* 1. Termination shall be without prejudice to any other rights or powers under the contract of the Contracting Authority and the Contractor. The Contracting Authority may, thereafter, complete the services itself, or conclude any other contract with a third party, at the Contractor's own expense. The Contractor's liability for delay in completion shall immediately cease when the Contracting Authority terminates the contract without prejudice to any liability thereunder that may already have arisen.
  2. Upon termination of the contract or when it has received notice thereof, the Contractor shall take immediate steps to bring the services to a close in a prompt and orderly manner and to reduce expenditure to a minimum.
  3. The Project Manager shall, as soon as possible after termination, certify the value of the services and all sums due to the Contractor as at the date of termination.
  4. The Contracting Authority shall not be obliged to make any further payments to the Contractor until the services are completed. After the services are completed, the Contracting Authority shall recover from the Contractor the extra costs, if any, of completing the services, or shall pay any balance still due to the Contractor.
  5. If the Contracting Authority terminates the contract pursuant to Article 34.2, it shall, in addition to the extra costs for completion of the contract and without prejudice to its other remedies under the contract, be entitled to recover from the Contractor any loss it has suffered up to the value of the services which have not been satisfactorily completed unless otherwise provided for in the Special Conditions.
  6. Where the termination is not due to an act or omission of the Contractor, force majeure or other circumstances beyond the control of the Contracting Authority, the Contractor shall be entitled to claim in addition to sums owed to it for work already performed, an indemnity for loss suffered.
  7. This contract shall be automatically terminated if it has not given rise to any payment in the two years following its signing by both parties.

1. **TERMINATION BY THE CONTRACTOR** 
   1. The Contractor may, after giving 14 days' notice to the Contracting Authority, terminate the contract if the Contracting Authority:
      * 1. fails for more than 120 days to pay the Contractor the amounts due after the expiry of the time limit stated in Article 27; or
        2. consistently fails to meet its obligations after repeated reminders; or
        3. suspends the progress of the services or any part thereof for more than 90 days for reasons not specified in the contract, or not attributable to the Contractor's breach or default.
   2. Such termination shall be without prejudice to any other rights of the Contracting Authority or the Contractor acquired under the contract.
   3. In the event of such termination, the Contracting Authority shall pay the Contractor for any loss or damage the Contractor may have suffered. Such additional payment must not be such that the total payments exceed the amount specified in Article 2 of the contract.
2. **FORCE MAJEURE** 
   1. Neither party shall be considered to be in default or in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of notification of award or the date when the contract becomes effective.
   2. The term force majeure, as used herein covers any unforeseeable events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions. A decision of the donor which implies suspension of funding the contract is considered to be a case of force majeure.
   3. Notwithstanding the provisions of Articles 19 and 34, the Contractor shall not be liable for liquidated damages or termination for breach or default if, and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure. The Contracting Authority shall similarly not be liable, notwithstanding the provisions of Articles 27 and 35, for payment of interest on delayed payments, for non-performance or for termination by the Contractor for breach or default, if, and to the extent that, the Contracting Authority's delay or other failure to perform its obligations is the result of force majeure.
   4. If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall promptly notify the other party and the Project Manager giving details of the nature, the probable duration and the likely effect of the circumstances. Unless otherwise directed by the Project Manager in writing, the Contractor shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the force majeure event. The Contractor shall not put into effect such alternative means unless directed so to do by the Project Manager.
   5. For a fee-based contract, if the Contractor incurs additional costs in complying with the Project Manager's directions or using alternative means under Article 36.4 the amount thereof shall be certified by the Project Manager.
   6. If circumstances of force majeure have occurred and continue for a period of 180 days then, notwithstanding any extension of time for completion of the contract that the Contractor may by reason thereof have been granted, either party shall be entitled to serve upon the other 30 days' notice to terminate the contract. If at the expiry of the period of 30 days the situation of force majeure persists, the contract shall be terminated and, in consequence thereof under the law governing the contract, the parties shall be released from further performance of the contract.
3. **DECEASE** 
   1. If the Contractor is a natural person, the contract shall be automatically terminated if that person dies. However, the Contracting Authority shall examine any proposal made by its heirs or beneficiaries if they have notified their wish to continue the contract.
   2. Where the Contractor consists of a number of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the contract and the Contracting Authority shall decide whether to terminate or continue the contract in accordance with the undertaking given by the survivors and by the heirs or beneficiaries, as the case may be.
   3. In the cases provided for in Articles 37.1 and 37.2, persons offering to continue to implement the contract shall notify the Contracting Authority thereof within 15 days of the date of decease. The decision of the Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal
   4. Such persons shall be jointly and severally liable for the proper implementation of the contract to the same extent as the deceased Contractor. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

**SETTLEMENT OF DISPUTES AND APPLICABLE LAW**

1. **SETTLEMENT OF DISPUTES** 
   1. The parties shall make every effort to settle amicably any dispute relating to the contract which may arise between them.
   2. Once a dispute has arisen, a party shall notify the other party of the dispute, stating its position on the dispute and any solution which it envisages, and requesting an amicable settlement. The other party shall respond to this request for amicable settlement within 30 days, stating its position on the dispute. Unless the parties agree otherwise, the maximum time period laid down for reaching an amicable settlement shall be 120 days from the date of the notification requesting such a procedure. Should a party not agree to the other party's request for amicable settlement, should a party not respond in time to that request or should no amicable settlement be reached within the maximum time period, the amicable settlement procedure is considered to have failed.
   3. In the absence of an amicable settlement, a party may notify the other party requesting a settlement through conciliation by a third person. The other party shall respond to the request for conciliation within 30 days. Unless the parties agree otherwise, the maximum time period laid down for reaching a settlement through conciliation shall be 120 days from the notification requesting such a procedure. Should a party not agree to the other party's request for conciliation, should a party not respond in time to that request or should no settlement be reached within the maximum time period, the conciliation procedure is considered to have failed.
   4. If the amicable settlement procedure and, if so requested, the conciliation procedure fails, each party may refer the dispute to either the decision of a national jurisdiction or arbitration, as specified in the Special Conditions.
2. **APPLICABLE LAW**
   1. This contract shall be governed by the law of the country of the Contracting Authority.
3. **VERIFICATIONS AND CHECKS BY DONORS**
   1. The Contractor shall allow the Donors to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, including checks of documents (original or copies), the implementation of the contract. The Contractor shall ensure that the information is readily available at the moment of the checks and verification and, if so requested, that data be handed over in an appropriate form.
   2. Furthermore, the Contractor shall allow the Donors to carry out checks and verification on the spot.
   3. The Contractor undertakes to give appropriate access to staff or agents of the Donors to the sites and locations at which the contract is carried out, including its information systems, as well as all documents and databases concerning the technical and financial management of the contract and to take all steps to facilitate their work. Access given to the above agents shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. In case of checks and verifications, the documents must be easily accessible and filed so as to facilitate their examination.
   4. Failure to comply with the obligations set forth in Article 40.1 constitutes a case of serious breach of contract.

**DATA PROTECTION**

1. **DATA PROTECTION** 
   1. The personal data shall be processed solely for the purposes of the performance, management and monitoring of the contract by the Contracting Authority. The Contractor shall have the right to access his/her personal data and to rectify any such data. Should the Contractor have any queries concerning the processing of his/her personal data, s/he shall address them to the Contracting Authority.
   2. Where the contract requires processing personal data, the Contractor may act only under the supervision of the data controller, in particular with regard to the purposes of processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.
   3. The data shall be confidential. The Contractor shall limit access to the data to staff strictly needed to perform, manage and monitor the contract.
   4. The Contractor undertakes to adopt technical and organisational security measures to address the risks inherent in processing and in the nature of the personal data concerned in order to:
      * 1. prevent any unauthorised person from having access to computer systems processing personal data, and especially:

aa) unauthorised reading, copying, alteration or removal of storage media;

ab) unauthorised data input, unauthorised disclosure, alteration or erasure of stored personal data;

ac) unauthorised persons from using data-processing systems by means of data transmission facilities;

* + - 1. ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
      2. record which personal data have been communicated, when and to whom;
      3. ensure that personal data processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
      4. ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
      5. design its organisational structure in such a way that it meets data protection requirements.

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