



**SUPPORT TO RESEARCH AND
TECHNOLOGICAL DEVELOPMENT AND
INNOVATION INITIATIVE AND
STRATEGIES PROJECT**



ANNEX II

**General Conditions for Research Grant Schemes under the
“Support to Research and Technological development &
Innovation Initiative & Strategies in Jordan (SRTD)” Project**

GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1 - GENERAL OBLIGATIONS

- 1.1. The Beneficiary/tenant shall implement the Action under his own responsibility and in accordance with the Description of the Action in Annex I with a view to achieving the objectives laid down therein.
- 1.2. The Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract.

For this purpose the Beneficiary shall mobilise all the financial, human and material resources required for full implementation of the Action as specified in the Description of the Action.

- 1.3. The Beneficiary shall act alone or in partnership with one or more other bodies identified in the Description of the Action. Partners take part in the implementation of the Action, and the costs they incur are eligible in the same way as those incurred by the Beneficiary.

The Contracting Authority does not acknowledge any contractual link between itself and the Beneficiary's partner(s) or subcontractors. The Beneficiary alone shall be accountable to the Contracting Authority for the implementation of the Action. The Beneficiary and the Contracting Authority are the only parties (the “Parties”) to this Contract.

ARTICLE 2 - OBLIGATION TO PROVIDE FINANCIAL AND TECHNICAL REPORTS

- 2.1. The Beneficiary must provide the Contracting Authority with all required information on the implementation of the Action. To that end, the Beneficiary must draw up an interim financial and technical report every two months based on models provided by the



Contracting Authority. In addition, s/he is requested to draw a final financial and technical report. The final financial report should include only costs fully paid by the beneficiary and/or its partners providing in annex copy of the support documents and its proof of payment.

- 2.2. The Contracting Authority may request additional information at any time and that information must be supplied within 30 days of the request.

ARTICLE 3 - LIABILITY

- 3.1. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Beneficiary while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.2. The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Beneficiary shall discharge the Contracting Authority of all liability arising from any claim or action brought as a result of an infringement by the Beneficiary or the Beneficiary's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

ARTICLE 4 - CONFLICT OF INTERESTS

The Beneficiary undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

ARTICLE 5 - CONFIDENTIALITY

Subject to Article 6, the Contracting Authority and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment.

ARTICLE 6 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT

- 6.1 Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it shall be vested in the Beneficiary.
- 6.2 Notwithstanding the provisions of Article 5 and subject to Article 6, the Beneficiary grants the Contracting Authority and the European Commission the right to use freely and as it sees fit all documents deriving from the Action for dissemination purposes, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

ARTICLE 7 - AMENDMENT OF THE CONTRACT

Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum.



ARTICLE 8 - IMPLEMENTATION PERIOD OF THE ACTION AND EXTENSION

The implementation period of the Action is laid down in Article 2 of the Special Conditions. The Beneficiary must inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action. The Beneficiary may request an extension of the Action's implementation period no later than one month before it ends. The request must be accompanied by all the supporting evidence needed for its appraisal.

ARTICLE 9 - TERMINATION OF THE CONTRACT

9.1 The Contracting Authority may terminate the Contract, without giving notice and without paying compensation of any kind, where the Beneficiary:

- a) fails, without justification, to fulfil any of the obligations incumbent on him and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
- b) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- c) has been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata or is guilty of grave professional misconduct proven by any justified means;
- d) engages in any act of fraud or corruption or is involved in a criminal organisation or any other illegal activity.
- e) changes legal personality, unless an addendum recording that fact is drawn up;
- f) does not comply with Articles 3, 1 and 12;
- g) makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect reality.

9.2 In the event of termination the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination.

9.3 Prior to, or instead of, terminating the Contract as provided for in this Article, the Contracting Authority may suspend payments as a precautionary measure with a 15-day prior notice.

ARTICLE 10 - APPLICABLE LAW AND DISPUTE SETTLEMENT

10.1 This Contract shall be governed by the law of the Hashemite Kingdom of Jordan.

10.2 The Parties shall do everything possible to settle amicably any dispute arising between them during implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. A Party must reply to a request for an amicable settlement within 15 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 30



days of the first request, each Party may notify the other that it considers the procedure to have failed.

FINANCIAL PROVISIONS

ARTICLE 11 - ELIGIBLE COSTS

11.1 Eligible costs are costs actually incurred by the beneficiary of this grant which meet all the following criteria:

- a) they are incurred during the implementation of the action as specified in Article 2 of the Special Condition
- b) have to be indicated in the estimated overall budget of the action,
- c) have to be necessary for the implementation of the action which is the subject of the grant,
- d) must be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary.
- e) have to be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency,

11.2 Subject to the above, the following direct costs of the Beneficiary and his partners shall be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries and other remuneration-related costs;
- purchase or rental costs for equipment and supplies specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- costs of office unit's rental, including all logistical services (mainly furniture and shared facilities such as IT equipment) from the hosting JIC

11.3 The following costs shall not be considered eligible:

- debts and provisions for losses or debts;
- interest owed.

ARTICLE 12 - PAYMENT AND INTEREST ON LATE PAYMENT

12.1 Payment procedures are set out in Article 4 of the Special Conditions :

The first instalment of pre-financing will correspond to 40 % of the estimated total eligible cost.



The second instalment of pre-financing will correspond to 40 % of the estimated total eligible costs, paid at the end of the first half of the Project duration.

Final payment (subject to acceptance of the final report) will correspond to 20% of the estimated total eligible cost.

The first instalment of pre-financing will be paid to the Beneficiary within 30 days, as from the date of reception by the Contracting authority of signed contract.

The Beneficiary will send its financial report to the PMU. Once the availability of funds provided by the PMU will be exhausted, the PMU will inform the Beneficiary and HCST. The PMU will provide its approval, if due, to the subsequent financial reports which will be then paid by HCST.

12.2 Any report shall be considered approved if there is no written reply from the Contracting Authority within 30 days of its receipt accompanied by the required documents.

The Contracting Authority may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. In such cases, the Contracting Authority may request clarification, alteration or additional information, which must be produced within 15 days of the request. The time-limit starts running again on the date the required information is received.

12.3 The time-limit of 45 days for payment referred to in Article 12.1 shall expire on the date on which the Contracting Authority's account is debited. Without prejudice to Article 9.3, the Contracting Authority may suspend this time-limit by notifying the Beneficiary that the request for payment is inadmissible, either because the amount in question is not due or because proper supporting documents have not been supplied or it thinks it necessary to conduct further checks, including on-the-spot checks, to make sure that the expenditure is eligible. The time-limit for payment shall start running again on the date on which a correctly formulated request for payment is recorded.

12.4 All references to days in this article 15 are to calendar days.

ARTICLE 13 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

13.1 The Beneficiary shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry book-keeping system. The Beneficiary shall ensure that the Financial Report (both interim and final) as required under Article 2 can be properly and easily reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

13.2 In addition to the reports mentioned in article 2.1, the documents referred to in Article 6.1 include:

- Accounting records (computerised or manual) from the Beneficiary's accounting system such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information;



- Proof of delivery of services such as approved reports, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- Proof of receipt of goods such as delivery slips from suppliers;
- Proof of purchase such as invoices and receipts.

ARTICLE 14 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

14.1 The total amount to be paid by the Contracting Authority to the Beneficiary may not exceed the maximum grant laid down in Article 3.2 of the Special Conditions, even if the total of actual eligible expenditure exceeds the estimated total budget set out in Annex III.

14.2 If the eligible costs at the end of the Action are less than the estimated total cost referred to in Article 3.1 of the Special Conditions, the Contracting Authority's contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the actual eligible costs approved by the Contracting Authority.

ARTICLE 15 – PROCUREMENT BY BENEFICIARIES/TENANTS

The beneficiary/tenant can carry out purchases for the Action according to the following criteria:

- a) items with a value of up to JD 300 can be contracted directly.
- b) items of a value between JD 301 and up to JD 1000 require a minimum of three offers and awarding to the lowest compliant offer. This will be carried out based on an informal procurement procedure by the Beneficiary/tenant.
- c) Items of a value between 1000 & 10000 JD, will require a minimum of three offers submitted within the set deadline in a sealed envelope to be opened jointly by the beneficiary/tenant and assigned person from the hosting JIC. The lowest priced compliant offer will be awarded.
- d) Higher than 10000JD a standard Negotiated Competitive Procedure will have to be followed where the beneficiary/tenant will have to refer to the Contracting Authority for the procedure to follow.

