**CONTRACT**

**No.\_\_\_\_\_\_\_\_\_\_**

Between

Contracting Parties

1. Agriculture and Rural Development Agency as party which grants the financial support (hereinafter referred to as: Agency-ARDA) represented by the General Director\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ seat and correspondence address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in Tirana on the one part,

And

2. Name of Recipient\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with NIPT Number/*ID Number (if it is a natural person)*,as a party which receives the funds (hereinafter referred to as: Beneficiary), represented by the manager \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with ID Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

seat and correspondence address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

Have agreed on following:

**I. GENERAL PROVISIONS**

**Article 1**

**Subject of the Contract**

(1)This contract regulates the rights and obligations of the contracted parties regarding the rules deriving from the IPARD Programme and rules for authorizing payment and use of, approved by the Agency with Notification letterno. \_\_\_\_\_\_ of date \_\_/\_\_\_/\_\_\_ from public call no.\_\_\_ of date \_\_/\_\_ /\_\_ ..

(2) The contract signed refers to the:

1. Measure: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Group of investments:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Type of investment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Eligible expenditure:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

which shall be used for the goods/services/works determined in the Table for goods and services given as Annex 1 of this Contract.

(3) the location of the investment subject of the contract for which the contract is signed is:

* 1. Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_postno.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	2. City\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	3. Administrative Unit (Village )\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	4. Region\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	5. Property no.\_\_\_\_\_\_\_\_\_\_
	6. cadastral area \_\_\_\_\_\_\_\_\_

**Article 2**

**Contracted Amount**

(1) Total approved amount of the investment is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL (say \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).

(2) The total eligible expenditure of the investment is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL (in words\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).

(3) Total Public Contribution approved with Notification letterno. \_\_\_\_\_\_of date \_/\_/\_ is at the amount of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL (in words\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) which is \_\_\_\_% of the total approved ofeligible expenditure of the investment.

(3a) The Total Public Contribution shall be constituted of:

- Amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL, 75% European Contribution and

- Amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL 25% National financing.

(4) The amount of public contribution representing the national co-financing is 25% of the amount of public contribution stated in paragraph (3a) first line of this Article.

(5) The amount of public contribution representing the part of EU contribution is 75% of the amount of public contribution stated in paragraph (3a) second line of this Article.

(6) The Agency (ARDA) shall pay \_(50,60,65)\_\_% from the actually incurred, proven and eligible expenditures, but not more than the amount determined in paragraph (3) of this Article and not more than the amount for goods/services of the investment referred to in Annex 1of this Contract

 - Table for goods and services, even if the real expenses exceed the approved amount.

(7) The percentage of the public contribution determined in paragraph (3) of this Article can be changed only in case of amendment to the Contract due to the natural disaster.

(8) The amount stated under paragraph 3 of this article will be paid after finalization of the investment and submission of the claim for payment stated in article 4 paragraph (1),(2) and (3) on the following personal bank account number of the Recipient \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, at the following Bank (name of the Bank)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**II.RIGHTS AND OBLIGATIONS OF THE CONTRACTED PARTIES**

**Rights of the Recipient**

**Article 3**

1. The Recipient has a right to receive payment of funds up to the amount stipulated in Article 2, paragraph (3) of this Contract and up to the amount for goods/services of the investment referred in Annex 1 of this Contract in compliance with the manner, conditions and timeframes laid down in this Contract.

a. The recipient has the right within one month from signing the contract, to ask for an advanced payment up to 50% according to the conditions described in article 4/2 and article 6/2.

(2) The Recipient has a right to request amendments of this Contract at least 30 working days before the deadline for finishing the investment referred to in Article 4, paragraph (3)or at least 60 days before the deadline for finishing the activities of the investment referred to in Article 4, paragraph (4) of this Contract.

(3) The Recipient has a right to request amendment of this Contract under following situations:

1. Expanding the timeframe for finishing the investment (Article 4, paragraph 2);
2. Expanding the timeframe for submission of the claim for payment (Article 4, paragraph 3);
3. changes in the construction/reconstruction of the investment, subject of this Contract (Annex1);
4. changes in the type/model of the approved goods/services, subject of this Contract(Annex) with submitting an overall justification-explanatory note for the reason of changes in the type/model of the approved goods/services;
5. changes in part of the investment, subject of this Contract
6. changing the supplier/s with submitting an overall justification-explanatory note for the reason of changes of the supplier
7. changing The Recipient in case of death of The Recipient (natural person) and
8. Changing of the personal data (address, transaction/bank account, change of personal data from IDetc).

(4) The Recipient has a right to request amendments of this Contract regarding the provisions referred to in paragraph (3), of this Article only in case of:

* Force majeure ,
* Natural disasters approved by State Authority.
* Cessation/termination of production of certain goods which are part of the investment, subject of this Contract,
* inability of suppliers to provide goods or service,
* changes arising from a need for synchronization with the legislation,
* situation that could not be foreseen at the moment of contracting and
* the introduction of new technologies which could improve efficiency of the investment, subject of this Contract.

(5) The Recipient or his/her’sauthorized person has a right to state his/her’s remarks for performed on-the-spot control in the report for on-the-spot control and to signed it.

**Obligations of the Recipient**

**Article 4**

(1) The Recipient is obliged to pre-finance (withliquid assets/money only) the total amount of the investment referred to in Annex 1of this Contract by himself/herself.

(2 ) The recipient’s advance payment qualifies by the contracting authority as eligible expenditure up to 50% of the public aid related to the project and shall be subject to the establishment of a bank guarantee or an equivalent guarantee(valid date will be issued not more than 6 months till the date of final investment stated on the Grant Contract) (until cleared), corresponding to 110% of the amount of the advance.

* Advances of **up to 20 % of the public aid** related to the project but not exceeding equivalent of 100,000 Euro, shall be subject to the establishment of a bank guarantee or an equivalent;
* Advances of **20% up to 50 % of the public aid** related to the project and/or exceeding equivalent of 100,000 Euro, shall be subject to the establishment only of a bank guarantee.

The advanced payment maximum shall be constituted of:

- Amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL, 75% European Contribution and

- Amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ALL 25% National financing.

(3) The Recipient is obliged to finish the investment referred to in Article 1 of this Contract until \_\_\_\_\_\_\_\_\_ dd/mm/yy at the latest. In case the technical body will issue a report with a deadline to fulfill the standard in the area of \_\_\_\_\_ , the investment will not be considered as finished.

(4) The recipient is obliged to send progress report letters (Annex 4) to ARDA for all construction/reconstruction investment based on the engineering/architectural plans/designs where activities include hidden works. ARDA must be informed 5 working days in advance before the hidden work take place

(5) The Recipient is obliged in a period of 30 calendric days after the investment referred paragraph (3), to submit the claim for payment and all necessary documents requested with the claim at the latest until \_\_\_\_\_\_\_\_\_ dd/mm/yy.

(6)The Recipient is obliged to submit the latest approved form of the claim for payment through registered post or in person in line with Article 8, paragraph (3).

(7)The Recipient is obliged to settle all payments to third parties, which arise from the implementation of the investment in line with the timeframe referred to in paragraph (3) of this Article.

(8) The Recipient is obliged to fulfill *national/EU standards* in the area of \_\_\_\_\_\_\_\_\_\_\_\_ at the end of the realization of the investment in accordance with requirements stated in the IPARD Programme and paragraph (2) of this Article. The fulfillment of National/EU Standards is acceptable when the certificate is issued by the relevant Technical Bodies in the area of \_\_\_\_\_\_\_\_\_\_\_. In case the technical body have issued a report with the deadline to fulfill the national/EU standard, the investment will not be considered as finished, according to the IPARD Programme Paragraph \_\_\_\_.

(9) The Recipient is obliged to support the request for amendment of the Contract with adequate documents providing the fulfillment of the conditions refer to in Article 3, paragraph (3) and (4) in line with Article 8, paragraph (3).

(10) The Recipient is obliged to send information/data upon a request of the ARDA.

(11)The Recipient is obliged to inform immediately the ARDA of occurrences of circumstances significant for execution of this Contract.

(12) The Recipient is obliged to provide full access to the documentation, buildings, premises, equipment and property which concern the investment for the authorized persons of the Agency, Ministry for Finance, Ministry of Agriculture, Food and Consumer Protection, European Commission, Court of Auditors as well as the Audit Authority during the performance of on-the-spot control and supervision over the implementation of this Contract at any time during the validity of this Contract.

(13) The Recipient or his/her authorized representatives are obliged to identify themselves upon a request of the authorized persons of the ARDA during the performance of on-the-spot control.

(14) The Recipient is obliged not to alienate, lease or lend the investment subject of this Contract for as long as it is in force.

(15) The Recipient is obliged not to change the purpose of the investment subject of this Contract for as long as it is in force.

(16) The Recipient is obliged not to change the location of the investment subject of this Contract.

(17) The Recipient is obliged to keep the original documentation related to the subject of this Contract as long as this Contract is in force.

(18) The Recipient is obliged to run accounting/bookkeeping/accounting record in accordance with the requirements of national legislation and for the needs of Agency and Ministry services as long as this Contract is in force.

(19) The Recipient is obliged not to use other EU funds or other foreign donor or domestic funds for the purpose of financing the same investment in a form of grants.

(20) The Recipient is obliged to settle the liabilities on the grounds of taxes, health, pension and disability insurance as well as liabilities required by the Ministry of Agriculture, Food and Consumer Protection for the period when this Contract is in force.

(21) The Recipient is obliged before submitting the claim for payment, to settle its debts, if any, deriving from the use of funds from the other policy areas of IPA towards MF/NF/CFCU.

(22) The Recipient is obliged immediately to return the outstanding amount in case of overpayment on the contrary the ARDA will calculate default interest.

(23) Тhe Beneficiary is obliged to place, within 15 days after the execution of payment, on a clearly visible spot a *sticker (size A or B) and/or commemorative plaque* indicating that the investment is being financed by the IPARD Programme 2014-2020and to keep it in place as long as this Contract is in force, in line with Annex 3 of this Contract.

(24) The Recipient is obliged to post a billboard providing information on EU participation if theEU participation in the investment subject of this Contract exceeds EUR 500.000.

(25) The Recipient shall remove the billboard not earlier than six months after the realization of the investment and shall place commemorative plaque within 5 days after the execution of payment in line with Annex 3 of this Contract.

(26) The recipient is obliged to send the graphic of works (Annex 5) to ARDA for all construction/reconstruction investment, in which is predicted the duration of work related to each phases of the construction/reconstruction

(27) The recipient is obligaded to inform ARDA if he make’s any change in the investment.

(28) In cases when the contract ends for guarantee fail acording to article 5/15, the recipient should return the advance payment to the contracting authority, otherwise it will be included in the list of debtors.

**Article 5**

**Rights of ARDA**

1. ARDA has a right to perform on-the-spot control at any time and stage of the implementation of the investment and as long as this contract is in force.
2. ARDA has the right to ask for supplementing/additional documentation needed for clarifying the claim for payment i.e. necessary documents within a defined timeframe.
3. ARDA has the right to receive progress report letters (Annex 4) to ARDA for all construction/reconstruction investment based on the engineering/architectural plans/designs where activities include hidden works.
4. ARDA has a right to request information, data and materials necessary for monitoring, evaluation of investment, and conducting the on-the-spot control as well as access to all buildings, premises, equipment and property related to the investment subject of this Contract.
5. ARDA has a right to initiate amendment of the Grand contract in cases where omissions or errors are discovered in the processed application after the Grant Contract is signed (technical mistakes, errors in calculations)
6. ARDA has the right not to take into consideration the claim for payment if The Recipient fails to submit the claim for payment in accordance with Article 4, paragraph (5).
7. ARDA has the right to reject authorization of the claim for payment in whole or correct the amount of final payment in part if the Recipient:
8. fails to supplement or clarify the claim i.e. necessary documents within the defined timeframe,
9. fails to finish the investment subject of this Contract in accordance with Article 4, paragraphs (3) and (6),
10. conceals facts and information about the realizations of the investment subject of this Contract and
11. fails to realize the investment in accordance with the conditions lay down in this Contract.
12. Due to exchange rate differences from the contracting until final payment .
13. The ARDA has a right not to allow use of funds under the IPARD Programme 2014-2020IPARD Programme 2014-2020 for a period of 2 years if The Recipient has received financial support from the ARDA as a result of a fraudulent activity.
14. The ARDA has a right to announce on the web site the following information on the Beneficiaries:

- first name and the surname *(where The Recipient is a natural person*) or full legal name as registered *(where The Recipient is a legal entity*),

- municipality and region where The Recipient resides or is registered, the postal code and

- the amount of the funds in ALL paid under IPARD Programme 2014-2020..

1. The ARDA has a right to reject the request for amendments of this Contract submitted by The Recipient if it affects:
2. the fulfillments of national standards;
3. the fulfillments of EU standards;
4. the viability of the investment;
5. the functionality of the unit according to the operational structure and technological process of the whole investment and do not impact on the production line (in case subject of the required amendment is changing a part of the investment);
6. the maximum period for realization of the investment after the signing of the Contract;
7. the national legislation in force.
8. The ARDA has a right to ask for recovery of funds if The Recipient:
9. submitted false documents and presented as a base for receiving funds under IPARD Programme 2014-2020, has used/uses other EU funds or other domestic or foreign funds for the purpose of financing the same investment in a form of grants,
10. alienate, lease, lend or change the purpose of the investment subject of this Contract,
11. changed the location of the investment subject of this,
12. in case of over payment due to administrative error of the ARDA,
13. does not provide full access to the documentation, buildings, premises, equipment and property which concern the investment for the authorized persons of the ARDA, Ministry for Finance, European Commission, Court of Auditors as well as the Audit Authority during the performance of on-the-spot control and supervision over the implementation of this Contract at any time during this Contract is in force;
14. does not place commemorative plaque/sticker and/or billboard indicating that the investment is being financed by the IPARD Programme 2014-2020 within 5 days after the execution of payment and for as long as this Contract is in force and
15. in other situations determined by the Agriculture and Rural Development Agency.
16. The ARDA has a right, in case of recovery of funds determined in paragraph (9), items a), b), c), d),*f)\*,g) and h)*of this Article to calculate an interest starting from the day of payment of the funds until the day of recovery of the funds. In case of paragraph (9), item e) of this Article the interest shall be calculated after the expiry of the timeframe laid down in the Decision for recovery of funds issued by the ARDA. The ARDA calculates the interest in accordance with the requirements set out in Article 42, paragraph 1 point (c) of the Sectoral Agreement.
17. The ARDA has a right to initiate executive procedure in case The Recipient did not recover the funds within 15 days after receiving the Decision for recovery of funds.
18. ARDA has the right to check the validity of the guarantee submiteed according to article 4/1, by sending a request to the institutions issuing the document. The process will be regulated by written confirmation between the institutions.
19. During the execution of the contract, if the natural or legal person providing the guarantee :
20. is not able or willing to abide by its commitments,
21. is not authorised to issue guarantees to contracting authorities, or
22. appears not to be financially reliable, or the financial guarantee ceases to be valid, and the recipient fails to replace it, either a deduction equal to the amount of the advance payment may be made by the contracting authority from future payments, or the contracting authority shall give formal notice to the recipient to provide a new guarantee on the same terms as the previous one. Should the recipient fail to provide a new guarantee, the contracting authority has the right to terminate the contract.

**Article 6**

**Obligations of the ARDA**

(1) The ARDA is obliged to execute the payment within six months from submission of the complete claim for payment.

(2) ARDA has to complete the payment in 2 installments,

a. the first instalment which may amount up to50% of the public aid related to the project,

b. second instalment should be at the end of the investment in order to verify the delivery of products and services co-financed, including the reality of the expenditures claimed.

(3) The ARDA is obliged to conduct on-the-spot control by authorized persons who shall be obliged to identify themselves to The Recipient or his/her authorized representatives.

(4) The ARDA is obliged, after receiving request for amendment due to natural disaster, to act in accordance with the provisions of the Sectoral Agreement.

(5) The ARDA is obliged to act upon the personal data of The Recipient in accordance with the legislation from the field of personal data protection.

**III. TERMINATION OF THE CONTRACT**

**Article 7**

(1) This Contract shall be terminated:

* by mutual agreement between the contracted parties,
* unilaterally by ARDA when The Recipient fails to comply with the provisions of this Contract,
* unilaterally by The Recipient only before the payment of the funds is made.

(2) In case of termination of the Contract referred to in paragraph (1), item 2 of this Article the ARDA shall notify The Recipient immediately.

(3) In case of termination of the Contract referred to in paragraph (1), item 3 of this Article The Recipient is obliged to notify the ARDA at least 15 days before the deadline referred to in Article 4, paragraph (3) of this Contract.

**IV. FINAL PROVISIONS**

**Article 8**

**Exchange of information**

(1) The Recipient declares under full moral, material and crime responsibility that all data from the reports, documents and statements submitted to the Agency (ARDA) are reliable and authentic.

(2) The Recipient declares that has not started with the realization of the investment subject of this Contract before this Contract entered into force.

(3) For the information on adequate documents that should be submitted with the request for amendment of this Contract and for obtaining the latest approved version of the claim for payment, as well as for submitting them to the Agency (ARDA) The Recipient should establish a contact with the Agency(ARDA) on the following:

address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

phone\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

or on the web site:[www.azhbr.gov.al](http://www.azhbr.gov.al) .

**Article 9**

**Disputes**

In case of disputes or misunderstanding which might be resulting from this Contract, the contracted parties will settle them in good will by mutual understanding, and if otherwise, the Administrative Court (or any relevant court) of Republic of Albania shall be the competent authority.

**Article 10**

**Entrance into Force and the duration of the Contract**

(1) By signing this Contract, the parties express their free will, confirm they have read and understood the Contract and they agree with the rights and obligations which arise from this Contract as well as with its legal consequences.

(2) This contract shall enter into force on the day it has been signed by bothcontractual parties and shall remain in force seven years after the day of the *payment/final payment* made from the ARDA.

**Article 11**

**Number of Copies**

This Contract consists of seven identical original copies,six remain within the Agency (ARDA) for internal use and one of them remain with The Recipient of this contract.

**Article 12**

**Annexes**

The following annexes are an integrated part of this Contract:

Annex 1-Table of goods and services E-3.0-1.14 ‘Calculation of investment‘ approval sheet.

Annex 2- Table of specifications from offer

Annex 3- Visibility (dimensions and stamp )

Annex 4- Progress Report for construction/reconstruction investments

Annex 5- Graphic of works

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Date, 00.00.20xxDate, 00.00.20xx

Protocol No. \_\_\_\_\_\_/\_\_\_

 General Director The Recipient:

Representing the Agency (ARDA)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Signature Signature

®STAMP ®STAMP