

**GRANT CONTRACT**  
**EXTERNAL ACTIONS OF THE EUROPEAN UNION**

*FED/2011/281-830*

(the "Contract")

*Pacific Islands Forum Secretariat, EDF Pacific Regional Authorizing Officer, with its Head Office at Ratu Sukuna Road, Private Mail Bag, GPO, Suva, Fiji (the "Contracting Authority")*

of the one part,

*and South Pacific Tourism Organization (SPTO), Level 3, FNPF Place, 343-359, Victoria Parade, P.O Box 13119, Suva, Fiji, (the "Beneficiary")*

of the other part,

(the "Parties")

have agreed as follows:

**Special conditions**

**Article 1 - Purpose**

- 1.1 The purpose of this Contract is the award of a grant by the Contracting Authority for the implementation of the Action entitled: *Pacific Regional Tourism Capacity Building Project (PRTCBBP)* (the "Action") described in Annex I.
- 1.2 The Beneficiary shall be awarded the grant on the terms and conditions set out in this Contract, which consists of these special conditions (the "Special Conditions") and the annexes, which the Beneficiary hereby declares it has noted and accepted.
- 1.3 The Beneficiary accepts the grant and undertakes to carry out the Action under its own responsibility.

**Article 2 - Implementation period of the action**

- 2.1 This Contract shall enter into force on the date when the last of the two Parties signs.
- 2.2 Implementation of the Action shall begin on:
  - the first day of the month following the date on which the first instalment of pre-financing is paid by the Contracting Authority
- 2.3 The Action's implementation period, as laid down in Annex I, will be 36 months.
- 2.4 The execution period of this Contract shall end at the moment when final payment is paid by the Contracting authority and in any case at the latest 18 months as from the end of the implementation period as stipulated in art 2.3 above.

**Article 3 - Financing the Action<sup>1</sup>**

- 3.1 - The total eligible cost of the Action is estimated at **5,917,476 euro** as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum of **4,733,981 euro, equivalent to 80% of the estimated total eligible cost of the Action specified in paragraph 1.**

<sup>1</sup> Note that the awarded amount and percentages indicated in this article must also be updated in annex III Budget of the action, worksheet "expected sources of funding and summary of estimated costs"

The final amount of the Contracting Authority's contribution shall be established in accordance with Articles 14 and 17 of Annex II.

- 3.3 Pursuant to Article 14.4 of the Annex II, 7% of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of the Annex II, may be claimed by the beneficiary as indirect costs.
- 3.4 In order to support the achievement of the objectives of the action, as specified in Annex I of this Contract, the Beneficiary may award sub-grants. The sub-grants awarded by the Beneficiary are subject to the nationality rules referred to in Annex IV. The minimum amount per sub-grant is **5,000 EURO** while the maximum amount per such sub-grant is **10,000 EURO**
- 3.5 Only the types of activities mentioned in the Description of the Action in Annex I may receive sub-grants.
- 3.6 The total amount of sub-grants to be awarded by the Beneficiary within this Grant Agreement is **100,000 EURO**
- 3.7 Pursuant to Article 14.2 of Annex II, the Regulation and/or the Financing Agreement under which this Contract is financed exclude financing of taxes, including VAT, in the case the Beneficiary can show it cannot reclaim.

#### **Article 4 - Narrative and financial reporting and payment arrangements**

- 4.1 Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.
- 4.2 Payment shall be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15.1, the following shall apply:

##### **Option 2**

Pre financing:	<b>857,156 Euro</b>
Forecast pre-financing (x2): (Subject to provision of Annex II)	<b>3,403,426.90 Euro (1,701,713.45 /year)</b>
Forecast final payment (Subject to the provisions of Annex II):	<b>473,398.10 Euro</b>

- 4.3 The first instalment of pre-financing, if applicable, shall be paid to the Beneficiary within 45 days, as from the date of reception by the Contracting authority of signed Contract accompanied by the financial guarantee if required in accordance with Article 15.7 of the General Conditions. The signed contract serves as payment request.

#### **Article 5 - Contact addresses**

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

##### For the Contracting Authority

*The Secretary General, Pacific Islands Forum Secretariat, Private Mail Bag, Suva, Republic of Fiji.  
Attention: Director-Economic Governance*

A copy of the reports referred to in Article 4.1 must be send to the concerned service of the European Commission, at the following address: Head of Delegation, European Union Delegation for the Pacific, Level 4, FDB Building, Victoria Parade, Suva, Fiji.

For the Beneficiary

*Chief Executive Officer, South Pacific Tourism Organisation (SPTO), South Pacific Tourism Organization (SPTO), Level 3, FNPF Place, 343-359, Victoria Parade, P.O Box 13119, Suva, Fiji*

- 5.2 The audit firm which shall carry out the verification(s) referred to in Article 15.6 of Annex II is *PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Republic of Fiji*

**Article 6 – Annexes**

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

- Annex I: Description of the Action
- Annex II: General Conditions applicable to European Union-financed grant contracts for external Actions
- Annex III: Budget for the Action (worksheets 1 and 3) and Annex III B
- Annex IV: Contract-award procedures
- Annex V: Standard request for payment and financial identification form
- Annex VI: Model narrative and financial report
- Annex VII: Model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external actions
- Annex VIII: Standard template for Transfer of Assets Ownership
- Annex IX: Communications and visibility manual for EU External Action
- Annex X: SPTO Corporate Policy
- Annex XI: SPTO Staff Contract templates
- Annex XII: Job Descriptions
- Annex XIII: SPTO Corporate Plan 2010-2014

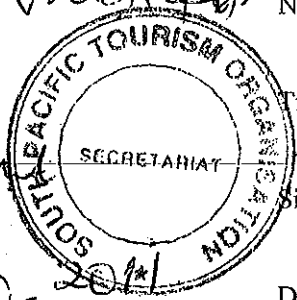
- 6.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex II and those of the other annexes, those of Annex II shall take precedence.

Done in English in three originals, one original being for the Contracting Authority, one original being for the European Commission, and one original being for the Beneficiary.

**For the Beneficiary**

**For the Contracting Authority**

Name *Ilsevi Vuidelopi*  
Title *CEO*  
Signature *[Signature]*  
Date *Dec 20, 2011*



Name *Tuiloma Nereni Skete*  
Title *Secretary General*  
Signature *[Signature]*  
Date *20 December 2011*

SIGN &

**Endorsed for financing by the European Union**

Name *VILLAROSA*  
Title  
Signature *[Signature]*  
Date *Dec 12 / 2011*

