

CONDITIONS APPLICABLE TO FUNDING PARTNERS SUCH AS (SUB)CONTRACTORS AND FINANCIAL SUPPORT TO THIRD PARTIES UNDER EC DEVELOPMENT FUNDING USING PRAG RULES

In application of the article 10.2 and 10.9 of the General Conditions (GC) *“To the extent relevant, the beneficiary(ies) shall ensure that the conditions applicable to them under Articles 3, 4, 6 and 16 of these General conditions are also applicable to contractors and financial support to third parties¹ awarded an implementation contract”*, it is suggested to enclose this document to the contract with funding partners as relevant.

In this document, “Contracting party” refers to CARE entity who will do the subcontract or funding partnership agreements. “Contractor” refers to the funding partners. Please feel free to re-naming the parties as appropriate to your contract template

Article 3 – Liability

- 3.1. The contracting party cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by third parties, staff or property of the contractor while the contract is being carried out or as a consequence of the contract. The contracting party cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.2. The contractor 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 contractor shall discharge the contracting party of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the contractor or the contractor’s employees or individuals for whom those employees are responsible, or as a result of violation of a third party’s rights. For the purpose of this Article, employees of the contractor shall be considered third parties.

Article 4 – Conflict of Interests and Code of Conduct

Conflict of Interest

- 4.1. The contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this contract. Such conflict of interests may 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.
- 4.2. Any conflict of interests which may arise during performance of this contract must be notified in writing to the contracting party without delay.
- 4.3. The contracting party reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary
- 4.4. 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 obligation under this contract, the contractor shall replace, immediately and without compensation from the contracting party, any member of its staff in such a situation.

Code of Conduct

- 4.5. (*) 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 action or the services without the prior approval of the contracting party. It shall not commit the contracting party in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.

¹ For the Financial Support to Third Parties (FSTP), article 4.5, 4.9, 4.10 are excluded

(*) Not applicable for FSTP

- 4.6. Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited. The contractor shall also inform the contracting party 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 (including any allegation) of the abovementioned standards, as well as any other violation of human rights (including any allegation), it shall report in writing within 30 days to the contracting party.
- 4.7. The contractor (including for the avoidance of doubt, its/their staff) must commit to and ensure the respect of basic EU values, such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities.
- They shall respect applicable data protection rules and environmental legislation applicable in the country(ies) where the contract is taking place 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.
- 4.8. The contractor or any related person 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 performing any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to this contract. The contractor shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.
- 4.9. (*) The payments to the contractor under this contract shall constitute the only income or benefit it may derive in connection with this contract. The contractor and its/their staff must not exercise any activity or receive any advantage inconsistent with their obligations under this contract.
- 4.10. (*) The execution of this contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in this contract or not stemming from a properly concluded contract referring to this 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. The contracting party and/or the European Commission reserve the right to carry out documentary or on-the spot checks they deem necessary to find evidence in case of suspected unusual commercial expenses.
- 4.11. 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 this contract. In addition, failure to comply with the provision set out in the present Article can be qualified as grave professional misconduct that may lead either to suspension or termination of this contract, without prejudice to the adoption of administrative measures, including exclusion from participation in future contract award procedures.

Article 6 – Visibility

- 6.1. The contractor shall comply with the instructions provided by the contracting party on matters of [Communication and Visibility Requirements for European Union External Actions](#) as laid out and published by the European Commission and [the use of the EU emblem in the Context of EU Programmes 2021-2027](#). To a minimum, this implies displaying the logo(s) of EU (and contracting party in case it is not the European Commission) and including reference to the project in all documents or items produced under this contract.

Article 16 – Record keeping and checks

Right of access

- 16.1. Personnel from the Contracting party, European Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office, the European Court of Auditors and any external auditor carrying

out verifications/audits have rights of access to all documents and systems used to manage this contract.
The contractor must take all steps to facilitate their work

Record keeping

- 16.2. The contractor must for at least, please check relevant option:
- ☐ Five (5) years following the payment of the balance by the Donor in accordance with donor regulation
 - ☐ Seven (7) years as per CIP's internal procedure
 - ☐ years as per accounting rule of the CMP
 - ☐ years due to special condition arising from the mutual DDA review,
or, in the absence of Donor payment, the transaction, and in any case until any on-going audit, check, verification, assessment, appeal, litigation or pursuit of claim has been disposed of, keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any)
- 16.3. All the records and supporting documents shall be easily accessible and filed so as to facilitate their examination and the contractor informs the contracting party of their precise location.
- 16.4. shall be available either in the original form, including in electronic form, or as a copy.
- 16.5. Digital and digitalised documents are considered original if they are authorised by the applicable national law. Right of access