

# Basic Services Fund (BSF) of the Government of Southern Sudan and DFID

## General Conditions

(applicable for grants provided under BSF Phase 1, BSF Phase 2 and BSF-Interim Arrangement)



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# General and Administrative Provisions

## Article 1 General obligations

- 1.1 The Grant recipient of the Basic Services Fund for Southern Sudan's Accountable Grant Contract, financed by a group of donors led by the Department for International Development (DFID) of the United Kingdom, and managed by BMB Mott MacDonald shall implement the Project under its own responsibility and in accordance with the Project Document and the related Project Budget (Annex 1 of the BSF Accountable Grant Contract) with a view of achieving the objectives laid down therein.
- 1.2 BMB Mott MacDonald which acts as the BSF Management Agent on behalf of GoSS and DFID, is herein after called the Contracting Authority.
- 1.3 The Grant recipient shall implement the Project with the necessary care, efficiency, transparency and diligence, in line with best practices in the field concerned and in compliance with this BSF Accountable Grant Contract.
- 1.4 The Grant recipient shall mobilise all the financial, human and material resources required for full implementation of the Project as specified in the Project Document.
- 1.5 The Grant recipient shall act alone or in partnership with one or more NGOs or other bodies identified in the Description of the Project (Partners). It may subcontract a limited portion of the Project on the basis of actual costs.
- 1.6 The costs of Partners that take part in the implementation of the Project are eligible for reimbursement in the same way as those incurred by the Grant Recipient.
- 1.7 If implementation of the Project requires the conclusion of subcontract by the Grant Recipient, the contract-award procedures must comply with international good practice and fair and open competition.
- 1.8 The Contracting Authority does not acknowledge any contractual link between itself and the Partners and/or subcontractors of the Grant recipient. The Grant recipient alone shall be accountable to the Contracting Authority for the implementation of the Project and shall undertake that all the relevant conditions of the Accountable Grant Contract shall apply to its partners and to its subcontractors. The Grant recipient shall include provisions to that effect in its contracts with partners, as appropriate.
- 1.9 The Grant recipient and the Contracting Authority are the only parties to this BSF Accountable Grant Contract.

## Article 2 Obligation to provide information and financial and narrative reports

- 2.1 The Grant recipient must provide the Contracting Authority with all required information concerning the implementation of the Project. To that end, the Grant recipient must draw up Quarterly Progress Reports and a Final Completion Report. These reports shall consist of a narrative section and a financial section and shall conform to the formats established and provided by the Contracting Authority. They shall cover the specific BSF-funded activities and project components, within larger integrated projects, in case the Grants Recipient carries out a BSF-funded project within the context of a larger integrated programme.
- 2.2 The Contracting Authority may request additional information at any time and that information must be supplied within 7 days from the date on which the request was issued.
- 2.3 The Grant recipient will submit monthly financial reports within 10 days after the relevant month to claim for reimbursement of expenditures. The reports shall be drafted in the format specified by the Contracting Authority and will include a transaction list detailing each item of expenditure incurred in the period covered by the report, and indicating for each its precise description, amount in the currency in which the transaction took place, the GBP equivalent following the prescribed exchange rate, reference to the relevant heading in the Project Budget and the reference of the justifying document.
- 2.4 The reports shall be drafted in the format, language and currency as prescribed by the Contracting Authority. They shall be submitted to the Contracting Authority at the following intervals:
- Quarterly Progress Reports within one month of the end of the previous quarter
  - Monthly financial reports within 10 days of the end of the previous month
  - Completion Report within one month of the conclusion of the implementation period as defined in the BSF Accountable Grant Contract
- 2.5 If the Grant recipient fails to present any progress report it must inform the Contracting Authority of the reasons for the delay, and provide a summary of the progress of the Project. If the Grant recipient fails to comply with this obligation, the Contracting Authority may terminate the BSF Accountable Grant Contract in accordance with Article 12.2 and recover the amounts already paid and not accounted for and justified.
- 2.6 If the Grant recipient fails to supply the Contracting Authority with a Completion Report by the Completion Report deadline laid down in Article 2.4 and fails to furnish a written explanation of the reasons why the Grant recipient is unable to comply with this obligation acceptable to the Contracting Authority, the latter may terminate the BSF Accountable Grant Contract in accordance with Article 12.2 and recover the amounts already paid and not accounted for and justified.

## Article 3 Liability

- 3.1 Under no circumstance and for no reason whatsoever can the Contracting Authority be held liable for damage or injury sustained by staff or property of the Grant recipient while the Project is being carried out or as a consequence of this BSF Accountable Grant Contract. The Contracting Authority will not accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.2 The Grant recipient shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out or as a consequence of this BSF Accountable Grant Contract.

## Article 4 Conflict of interests

- 4.1 There is a conflict of interests where the impartial and objective exercise of the functions of any person under this BSF Accountable Grant Contract is compromised for reasons involving family, political or national affinity, professional and private affiliation with organizations other than the Grant recipient, conflicting economic interests or any other shared interest with another person.
- 4.2 The Grant recipients 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

- 5.1 Subject to Article 16, the Contracting Authority and the Grant recipient 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. DFID shall still have access to all documents communicated to the Contracting Authority and will maintain the same confidentiality.

## Article 6 Visibility

- 6.1 Grant recipients should promote ownership of the Government of Southern Sudan of facilities and services provided under BSF grants, through public visibility signs and actions, and shall give recognition to BSF's donors as financing bodies to the Government of Southern Sudan.
- 6.2 In particular, the Grant recipient shall mention the Project and the financial contribution provided in information given to the beneficiaries of the Project, in its internal and annual reports, and in any dealings with the media.

## Article 7 Ownership/use of results and equipment

- 7.1 Ownership of, title, intellectual and industrial property rights to the Project's results, reports and other documents relating to it shall be vested in the Grant recipient.
- 7.2 Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Grant recipient grants the Contracting Authority (and DFID) the right to use freely and as it sees fit, all documents deriving from the Project, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
- 7.3 All assets paid for by the Budget for the Project with initial purchase value of more than £1,000 per item and a useful life of more than one year will remain the property of DFID. Ownership of these assets must not be transferred except as the Contracting Authority, in consultation with DFID, directs. The ultimate objective is to use these assets for the continuation of project investments. The Grant recipient maintains an asset inventory in the format prescribed by the Contracting Authority and provides regular updates to the Contracting Authority. Entries of the inventory must include the following:
- Description (including make and model)
  - specific identification (e.g. serial number)
  - place and date of purchase
  - original value (including VAT if paid)
  - location and/or user
  - person responsible for it.
- 7.4 Transfer of ownership of those items on the inventory at the end of the grant must be arranged in consultation with the Contracting Authority, and shall be based upon the ultimate criterion of sustainable continuation of project investments.

## Article 8 Evaluation/monitoring of the Project

- 8.1 In the event that the Contracting Authority, GoSS authorities, DFID, and other donors if/when applicable carry out an interim or ex-post evaluation or a monitoring mission, the Grant recipient shall undertake to provide it and/or the persons authorised by it with all documents and information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 16.3.

## Article 9 Amendment of the Contract

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

The Grant recipient shall request an addendum to the Contracting Authority one month before the date on which the amendment should enter into force, unless there are special circumstances, duly substantiated by the Grant recipient and accepted by the Contracting Authority, that necessitate a shorter period.

- 9.2 Where an amendment to the Budget does not change the Project's purpose and target the Grant recipient may do a Budget Amendment and inform the Contracting Authority accordingly in writing:
- The Budget Amendment is limited to a transfer between items within the same main Budget heading, or,
  - The Budget Amendment is limited to a transfer between main Budget headings to a maximum of 15% of the original budget line.

Requests for amendments over 15% for main or sub budget headings need to be authorized in writing by the Contracting Authority. Budgetary contingencies can only be used after written authorization by the Contracting Authority.

Changes of address, of bank account or of auditor may simply be notified, although this does not imply that the Contracting Authority has to accept Grant recipient's choice of bank account or auditor.

The Contracting Authority reserves the right to require that the auditor referred to in Article 10 of the BSF Accountable Grant Contract be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditor's independence or professional standards.

- 9.3 An addendum may not be proposed for the purpose or the effect of making changes to the Contract that will call into question the grant award decision or be contrary to the equal treatment of applicants. Neither will such an addendum be approved.

## Article 10 Assignment

- 10.1 The Contract and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

## Article 11 Implementation period of the Project, extension, suspension, force majeure and end date

- 11.1 The Beneficiary may suspend implementation of all or part of the Project if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Grant recipient must inform the Contracting Authority without delay and provide all the necessary details. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Grant recipient shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Contracting Authority accordingly.

- 11.2 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their contractual obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees), and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, delayed recruitment of key personnel, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. The Beneficiary shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by force majeure. Without prejudice to Articles 12.2 and 12.3, the Beneficiary faced with force majeure shall inform the Contracting Authority without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.
- 11.3 The payment obligations of the Contracting Authority and/or DFID under this Contract shall end 6 months after the end of the implementation period laid down in the BSF Accountable Grant Contract, unless the Contract is terminated earlier under Article 12.

The Contracting Authority shall notify the Grant recipient of any change of the end date.

## Article 12 Termination of the Contract

- 12.1 If the Grant recipient believes that its Contract can no longer be executed effectively or appropriately, it shall consult the Contracting authority and vice versa. Failing agreement on a solution, either Party may terminate the Contract by serving one months' written notice.
- 12.2 The Contracting Authority may terminate or modify, including reduction of, the Contract, without giving notice and without paying compensation of any kind, where the Grant recipient:
- a. fails, without justification acceptable to the Contracting Authority, to fulfil any of its obligations emanating from this Contract and, after being given notice in writing to comply with those obligations, still fails to do so or to furnish an explanation satisfactory to the Contracting Authority within 7 days of the date on which the letter is issued;
  - 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 a situation arising from similar procedures 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 detrimental to the United Kingdom's financial interests: this also applies to the partners, contractors and agents of the Beneficiary;
  - e. changes legal personality, unless an addendum recording that fact is drawn up;
  - f. Makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect reality.
- 12.3 In the event of termination or modification the Grant recipient shall be entitled to payment of the grant only for the parts of the Project carried out, excluding costs connected with current

commitments that would be implemented after termination. For this purpose the Grant recipient shall introduce a payment request and a final report in accordance with Article 2.

- 12.4 In the event of wrongful termination of the Contract by the Grant recipient under Article 12.1 and in the cases specified in points c), d) and f) of Article 12.2, the Contracting Authority may request full or partial repayment of sums already paid from the Grant, in proportion to the gravity of the failings in question and after allowing the Grant recipient to submit its observations.
- 12.5 Prior to, or instead of, terminating the Contract as provided for in this Article, the Contracting Authority may suspend payments as a precautionary measure without prior notice.
- 12.6 This Contract shall be terminated automatically if it has not given rise to any payment by the Contracting Authority within six months of its signature.

## Article 13 Applicable law and dispute settlement

- 13.1 This Contract shall be governed by the law of the country of residence of the Contracting Authority.
- 13.2 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 7 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.
- 13.3 In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Parties be submitted to the conciliation of the lead donor. If no settlement is reached within 30 days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed.
- 13.4 In the event of failure of the above procedures, each Party may submit the dispute to the courts of the country of residence of the Contracting Authority.

## Article 14 Eligible costs

14.1 To be considered eligible as costs of the Project, costs must:

- be necessary for carrying out the Project, be provided for in the Contract and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have actually been incurred by the Grant recipient or its partners during the implementation period of the Project as defined in the BSF Accountable Grant Contract;
- meet the criteria of the definition of Basic Services (in primary health, primary education and drinking water and sanitation) according to the policies of the respective line Ministries of the Government of Southern Sudan and as defined in the BSF-IA Application Guidelines;
- have been incurred during the implementation period of the Project as the costs of goods/services/works used/provided/delivered during the implementation period of the Project. The relevant contracts may have been awarded by the Grant recipient or its partners before the implementation period of the Project started, provided the procurement complied with international good practice, using transparent processes and fair and open competition. Such costs must be paid for before the Completion Report is finalised.
- be recorded in the accounts of the Grant recipient or its partners and be identifiable, verifiable and backed by originals of supporting evidence.

Approval of eligibility of costs incurred will only be granted after evaluation following the Completion Report and expenditure verification by the auditor. The monthly interim payments following the monthly financial reports submitted by Grant recipients may not be construed as (interim) approvals for costs incurred or reported.

14.2 The following direct costs of Grant recipients and their partners shall be eligible:

- the cost of staff assigned to the Project, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by Grant recipients or their partners, as the case may be, unless it is justified by showing that it is essential to carry out the Project;
- travel and subsistence costs for staff and other persons taking part in the Project, provided they do not exceed those normally borne by Grant recipients or their partners, as the case may be.
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Project, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Project, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);

14.3 A lump sum not exceeding 7% of the total amount of eligible costs of the Project may be claimed as indirect costs to cover the administrative overheads incurred by the Grant recipient for the Project, including staff and office costs that are not located in Southern Sudan.

14.4 Any contributions in kind made by Grant recipients, their partners or any other source, do not represent actual expenditure and are not eligible costs. They may not be treated as co-financing by Grant recipients. The cost of staff assigned to the Project is not a contribution in kind and may be

considered as co-financing in the Budget of the Project when paid by Grant recipients or their partners.

Grant recipients undertake to make such contributions as stipulated in the Description of the Project.

14.5 The following costs shall not be considered eligible:

- staff and office costs that are not located in Southern Sudan (see Article 14.3);
- debts and provisions for losses or debts;
- depreciation costs;
- interest costs;
- items already financed otherwise;
- purchases of land or buildings, except where necessary for the direct implementation of the Project, in which case ownership must be transferred to the beneficiaries and/or local partners, at the latest at the end of the Project;
- currency exchange losses;
- taxes, including VAT, unless the Grant recipient (or, where applicable, its partners) cannot reclaim these and the applicable regulations authorise coverage of taxes;
- credits or (advance) payments to third parties not recoverable.

## Article 15 Payment/ Disbursement

15.1 Payment procedures are defined as follows in the BSF Accountable Grant Contract:

The Contracting Authority shall pay the grant to the Grant recipient in the following manner:

Contracting Authority reimburses actual expenditures within 30 days of receipt of monthly financial reports including:

- a request for payment;
- interim narrative and financial report

At the end of the contract period the Contracting Authority makes final payment within 30 days of approving the Completion Report and final financial report in accordance with Article 15.2, accompanied by a request for payment and a final expenditure verification report by an independent auditor.

15.2 A financial 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 financial report by notifying the Grant recipient that the financial 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 30 days of the request. The time-limit starts running again on the date the required information is received.

Reports shall be presented in accordance with Article 2.

- 15.3 The deadline of 30 days for payment referred to in Article 15.1 shall expire on the date on which the Contracting Authority's account is debited. Without prejudice to Article 12.5, the Contracting Authority may suspend this deadline by notifying the Grant recipient that the request for payment is inadmissible, either because the amount in question is not due or because sufficient documentation has not been supplied or the Contracting Authority thinks it necessary to conduct further checks, including on-the-spot checks, to make sure that the expenditure is eligible or in case the Grant recipient is in breach of the contract.
- 15.4 Grant recipients may not claim any default interest for late payment.
- 15.5 All references to days in this Article 15 are to calendar days.
- 15.6 A report on the verification of the Project's expenditure, produced by an auditor approved by the Contracting Authority and who is a member of an internationally recognised supervisory body for statutory auditing, shall be attached to the request for final payment/reimbursement.
- The auditor examines whether the costs declared by Grant recipients are real, exact and eligible in accordance with the Contract and issues an expenditure verification report.
- The Grant recipient provides the auditor all access rights mentioned in Article 16.3.
- The expenditure verification report accompanying a request for the final payment covers all expenditures.
- 15.7 The payments owed by the Contracting Authority shall be made to the bank account or sub-account referred to in the BSF Accountable Grant Contract, which identifies the funds paid by the Contracting Authority.
- 15.8 The Contracting Authority shall make payments in Great Britain Pounds (GBP), in accordance with the BSF Accountable Grant Contract. Conversion into Great Britain Pounds (GBP) of real costs that are incurred in other currencies shall be done at the rates of InforEuro<sup>1</sup> for the months concerned, unless otherwise agreed.

## Article 16 Accounts and technical and financial checks

- 16.1 The Grant recipient shall keep accurate and regular accounts of the implementation of the Project using an appropriate accounting and double-entry book-keeping system. These systems may either be an integrated part of Grant recipient's regular system or an adjunct to that system. This system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned. Accounts and expenditures relating to the Project must be easily identifiable and verifiable. This can be done by using separate accounts for the Project concerned or by ensuring that expenditure for the Project concerned can be easily traced and identified in Grant recipient's financial administration.
- 16.2 Grant recipients shall ensure that Financial Reports (interims and final) as required under Article 2 can be properly and easily reconciled to its accounting and bookkeeping system and to the

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<sup>1</sup> <http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

underlying accounting and other relevant records. For this purpose Grant recipients shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

- 16.3 Grant recipients will allow the Contracting Authority and/or its Auditors and any external auditor carrying out verifications as required per Article 15.6 or otherwise to verify, by examining the documents or by means of on-the-spot checks, the implementation of the Project and conduct a full or partial audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Project. These inspections may take place up to 7 years after the payment of the balance.

To this end, the Grant Recipient undertakes to give appropriate access to staff or agents of the Contracting Authority, as well as to any external auditor carrying out verifications as required per Article 15.6 or otherwise to the sites and locations at which the Project is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Project and to take all steps to facilitate their work.

Access given to agents of the Contracting Authority and to any external auditor carrying out verifications as required by Article 15.6 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. Documents must be easily accessible and filed so as to facilitate their examination and the Grant recipient must inform the Contracting Authority of their precise location.

The Contractor guarantees that the rights of the Contracting Authority as well as of any external auditor carrying out verifications as required by Article 15.6 to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article 16 to Grant recipients' partners and contractors.

- 16.4 In addition to the administration mentioned in article 16.1, the Grant Recipient will keep accurate files including:
- Accounting records (computerised or manual) from the Grant recipient's accounting system: general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
  - Proof of procurement procedures: tendering documents, bids and evaluation reports;
  - Proof of commitments: contracts and order forms;
  - Proof of delivery of services: approved reports, time sheets, transport tickets (including boarding passes), proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
  - Proof of receipt of goods: delivery slips from suppliers;
  - Proof of completion of works: acceptance certificates;
  - Proof of purchase: invoices and receipts. If supplies come from the Grant recipient's stocks, invoices shall reflect the price paid at the time of purchase;
  - Proof of payment: bank statements, debit notices, proof of settlement by the contractor;
  - For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
  - Staff and payroll records: contracts, salary statements, time sheets and job descriptions. For national staff recruited on fixed-term contracts: details of remuneration paid, duly substantiated

by the person in charge locally and broken down into gross salary, social security charges, insurance and net salary.

- For expatriate staff: analyses and breakdowns of expenditure per month of actual work; assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

The Grant Recipient will inform the Contracting Authority of the location(s) of its administration and the filing of the documents mentioned under this article.

## Article 17 Final amount of financing by the Contracting Authority

- 17.1 The total amount to be paid by the Contracting Authority to the Grant recipient may not exceed the maximum amount laid down in the BSF Accountable Grant Contract, even if the total of actual expenditures exceeds the approved total budget.
- 17.2 If the eligible costs at the end of the Project are less than the approved budget referred to in the BSF Accountable Grant Contract, the Contracting Authority's contribution shall be limited to the total, actual eligible costs approved by the Contracting Authority.
- 17.3 Grant recipients accept that the grant can under no circumstances result in a profit for itself and that the expenditures are limited to the amount required to balance income and expenses for the Project.

## Article 18 Recovery

- 18.1 The Grant recipient undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 30 days of receiving a request to do so.
- 18.2 Should the Grant recipient fail to make repayment within the deadline set by the Contracting Authority, the Contracting Authority may increase the amounts due by adding interest:
- at the rediscount rate applied by the central bank of the country of residence of the Contracting Authority if payments are in the currency of that country;
  - at the rate applied by the European Central Bank to its main refinancing transactions in Great Britain Pounds (GBP) where payments are in Great Britain Pounds (GBP), on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Contracting Authority (exclusive), and the date on which payment is actually made (inclusive). Any partial payments shall first cover the interest thus established.
- 18.3 Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to Grant recipients. This shall not affect the Parties' right to agree on payment in instalments.

- 18.4 Bank charges incurred by repayment of amounts due to the Contracting Authority shall be borne entirely by Grant recipient.