



**CARIBBEAN EXPORT DEVELOPMENT AGENCY**

**ANNEX II**

**General Conditions applicable to the Direct Assistance Grant Scheme (DAGS)  
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## GENERAL AND ADMINISTRATIVE PROVISIONS

### ARTICLE 1 - GENERAL OBLIGATIONS

- 1.1. The Beneficiary shall implement the Action under his own responsibility and in accordance with the Description of the Action identified 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 (Annex I).

- 1.3. The Beneficiary shall act alone or in partnership with one or more bodies identified in the description of the Action. He may subcontract a limited portion of the Action. The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners.

Partners taking part in the implementation of the Action, and the costs they incur are eligible in the same way as those incurred by the Beneficiary.

If implementation of the Action involves the conclusion of contracts by the Beneficiary, the contract-award procedures set out in Annex IV shall apply.

Caribbean Export does not acknowledge any contractual link between itself and the Beneficiary's partner(s) or subcontractors. The Beneficiary alone shall be accountable to Caribbean Export for the implementation of the Action he shall undertake. The conditions applicable to him under the contract shall also apply to his partners, and to all his contractors. He shall include provisions to that effect as appropriate in his contracts with them.

- 1.4. The Beneficiary and Caribbean Export are the only parties (the "Parties") to this Contract.

### ARTICLE 2 - OBLIGATION TO PROVIDE INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Beneficiary must provide Caribbean Export with all required information on the implementation of the Action. To that end, the Beneficiary must draw up interim

reports and a final report. This report shall consist of a narrative section and a financial section and shall conform to the models in Annex VI and VII A and VII B respectively. They shall cover the Action as a whole, regardless of which part of it is financed by Caribbean Export. Each report must provide a full account of all aspects of the Action's implemented for the period covered. Details of each item of expenditure incurred in the period covered by the report should be noted in the Interim/Final Financial Report(s) (Annexes VII A and VII B), indicating its title, amount, relevant heading in the Budget of the Action and the reference of the justifying document annexed to it. The Budget headings listed in the Interim/Final Financial Report(s) (Annexes VII A and VII B) must match the approved Budget headings identified in Annex III. Supporting documentation to verify expenditure in the Interim/Final Financial Report(s) (Annexes VII A and VII B) must be original or copies notarised by a Notary Public. The procurement procedures set out in Annex IV shall apply to verify expenditure captured in Annexes VII A and VII B.

- 2.2. The Interim/Final Narrative Report (Annex VI) and Interim/Final Financial Report(s) (Annexes VII A and VII B) must be drafted in English and shall be submitted to Caribbean Export during the implementation period (Interim) or at the end of the implementation period (Final).
- 2.3. A Request for Payment (Annex V) must accompany Interim/Final Reports.
- 2.4. The Beneficiary shall submit to Caribbean Export a Request for Payment (Annex V), Interim/Final Narrative Report (Annex VI) and Interim/Final Financial Report(s) (Annexes VII A or VII B), accompanied with the requisite original support documentation for the Agency's review and verification, to facilitate reimbursement payment as defined in Article 3.1 and 3.2 of the Special Conditions.
- 2.5. The Final reports must be submitted no later than two (2) months after the implementation period as defined in Article 2.1 and 2.3 of the Special Conditions;
- 2.6. On completion of the grant contract, the Beneficiary will submit the Grant Assessment Report (Annex VIII).

Any additional reporting requirements will be set out in the Special Conditions.

- 2.7. Caribbean Export may request additional information to verify expenditures in the Interim/Final Financial Report(s) (Annexes VII A or VII B) at any time and that information must be supplied within fifteen (15) working days of the request.

If the Beneficiary fails to supply Caribbean Export with the final report by the deadline laid down in Article 2.3 and fails to furnish an acceptable and sufficient written explanation of the reasons why he is unable to comply with this obligation,

Caribbean Export may terminate the Contract in accordance with Article 12.2a, and recover the amounts already paid and not substantiated.

- 2.8. If the Beneficiary fails to supply Caribbean Export with the final report by the deadline laid down in Article 2.3 and fails to furnish an acceptable and sufficient written explanation of the reasons why he is unable to comply with this obligation, Caribbean Export may terminate the Contract in accordance with Article 12.2a) and recover the amounts already paid and not substantiated.

### **ARTICLE 3 - LIABILITY**

- 3.1. Caribbean Export 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. Caribbean Export 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 Caribbean Export of all liability arising from any claim or action brought as a result of an infringement by the Beneficiary, the Beneficiary's employees and third parties for whom the Beneficiary is responsible, or as a result of violation of a third party's rights.

### **ARTICLE 4 - CONFLICT OF INTERESTS**

- 4.1. The Beneficiary undertakes to take all necessary precautions to avoid conflicts of interests and shall inform Caribbean Export without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

### **ARTICLE 5 - CONFIDENTIALITY**

- 5.1. Subject to Article 16 Caribbean Export and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven (7) years after the final payment.

#### **ARTICLE 6 – VISIBILITY**

- 6.1. Unless Caribbean Export agrees or requests otherwise, the Beneficiary must take all necessary steps to publicise the fact that the European Union (EU) in conjunction with Caribbean Export has financed or co-financed the Action. Such measures must comply with the relevant rules on the visibility of external actions laid down and published by the European Commission.
- 6.2. In particular, the Beneficiary shall mention the Action and the European Union's financial contribution in information given, in its internal and annual reports, and in any dealings with the media. It shall display Caribbean Export and the EU logos wherever appropriate.
- 6.3. Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU funding. Any publication by the Beneficiary, in whatever form and by whatever medium, including the internet, must include the following statement: *“Funding provided by the 11<sup>th</sup> EDF Regional Private Sector Development Programme Direct Assistance Grant Scheme. The views expressed in this (insert relevant item) are those of the author(s) and do not reflect those of the Direct Assistance Grant Scheme.”*
- 6.4. The Beneficiary authorises Caribbean Export and the European Union to publish the Beneficiary/Company's name and address, the purpose of the grant, the maximum amount of the grant and rate of funding of the Action's eligible costs, as laid down in Article 3.2 of the Special Conditions. Derogation from publication of this information may be granted if it could endanger the Beneficiary or harm his commercial interests.

#### **ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT**

- 7.1. 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.

- 7.2. Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Beneficiary grants Caribbean Export (and the European Union where it is not Caribbean Export) the right to use freely and as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

#### **ARTICLE 8 – EVALUATION/MONITORING OF THE ACTION**

- 8.1. If Caribbean Export (or the European Union where it is not Caribbean Export) carries out an interim or ex post evaluation or a monitoring mission, the Beneficiary shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 16.2.
- 8.2. If either Party (or the European Union) carries out or commissions an evaluation in the course of the Action, it must provide the other Party and the European Union (or the Parties) with a copy of the evaluation report.

#### **ARTICLE 9 - AMENDMENT OF THE CONTRACT**

- 9.1. An extension to the contract would only be considered under specific conditions. These conditions must be in accordance with Articles 11.
- 9.2. An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum direct assistance referred to in Article 3.2 of the Special Conditions may not be increased.
- 9.3. Caribbean Export should be notified in writing of any changes of address and changes of bank account.

#### **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 Caribbean Export.

**ARTICLE 11 - IMPLEMENTATION PERIOD OF THE ACTION, EXTENSION, SUSPENSION, FORCE MAJEURE AND  
END DATE**

- 11.1. The implementation period of the Action is laid down in Article 2 of the Special Conditions. The Beneficiary must inform Caribbean Export without delay of any circumstances likely to hamper or delay the implementation of the Action as outlined in the Contract.
- 11.2. The Beneficiary may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Beneficiary must inform Caribbean Export 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 Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow and shall inform Caribbean Export accordingly.
- 11.3. Caribbean Export may request the Beneficiary to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. Each Party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, after obtaining the prior written approval of Caribbean Export.
- 11.4. The implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the Action to the new implementing conditions.
- 11.5. 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, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A Party 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 Party faced with force majeure shall inform the other Party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

11.6. The payment obligations under this Contract shall end two (2) months after the implementation period laid down in Article 2 of the Special Conditions provided that the contract is not terminated under Article 12.

Caribbean Export shall notify the Beneficiary of any postponement of the end date.

#### **ARTICLE 12 - TERMINATION OF THE CONTRACT**

12.1. If a Party believes that the Contract can no longer be executed effectively or appropriately, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Contract by serving two months' written notice, without being required to pay compensation.

12.2. Caribbean Export 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 the Beneficiary 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 detrimental to the Communities' 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) does not comply with Articles 4, 10 and 16;



- g) makes false or incomplete statements to obtain the Direct Assistance Grant provided for in the Contract or provides reports that do not reflect reality.
- 12.3. 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. For this purpose, the Beneficiary shall introduce a payment request and a final report in accordance with Article 2.
- 12.4. However, in the event of wrongful termination of the Contract by the Beneficiary under Article 12.1 and in the cases specified in points d), e) and g) of Article 12.2 Caribbean Export 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 Beneficiary to submit his observations.
- 12.5. Prior to, or instead of, terminating the Contract as provided for in this Article, Caribbean Export may suspend payments as a precautionary measure without prior notice.
- 12.6. **THIS GRANT OFFER SHALL BE RESCINDED AUTOMATICALLY IF THE BENEFICIARY DOES NOT RETURN THE SIGNED AND DATED CONTRACT WITHIN ONE (1) MONTH OF CARIBBEAN EXPORT'S DATE OF SIGNING.**

**ARTICLE 13 - APPLICABLE LAW AND DISPUTE SETTLEMENT**

- 13.1. This Contract shall be governed by the laws of Barbados.
- 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 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 120 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 for arbitration to the European Union if it is not Caribbean Export. If no settlement is reached within 120 days of the opening of the arbitration 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 Caribbean Export's Head Office.

## **FINANCIAL PROVISIONS**

### **ARTICLE 14 – ELIGIBLE/INELIGIBLE COSTS**

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

- be necessary for carrying out the Action, 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 spent by the Beneficiary or his partners during the implementation period of the Action as defined in Article 2 of the Special Conditions; this does not affect the eligibility of costs of preparing the final report, and the final expenditure verification and final evaluation if required;
- have been spent during the implementation period of the Action; the costs of goods/services/works used/provided/delivered during the implementation period of the Action. The relevant contracts must be awarded by the Beneficiary or his partners during the implementation period of the Action and, provided the provisions of Annex IV are respected, such costs must be paid for before the final report is finalised.
- be recorded in the accounts or tax documents of the Beneficiary or his partners and be identifiable, verifiable and backed by originals of supporting evidence.

14.2 Subject to the above and where relevant to the provisions of Annex IV being respected, the following direct costs of the Beneficiary and his partners shall be eligible:

- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- subcontracting expenditure;

- 14.3 Any contributions in kind made by the Beneficiary, his partners or any other source, do not represent actual expenditure and are not eligible costs. They may not be treated as co-financing by the Beneficiary. However, the Beneficiary undertakes to make such contributions as stipulated in the Description of the Action.
- 14.4 The following costs shall **not be considered eligible**:
- Individual sponsorships for participation in workshops, seminars, conferences, congresses (i.e. airfare, hotel and per diems);
  - Administrative costs/overheads
  - Individual scholarships for studies or training courses;
  - Travel costs (airfare, hotel and per diems)
  - Acquisition of motor vehicles
  - Debts and provisions for losses or debts;
  - Interest owed;
  - Salaries, wages and other human resource expenses;
  - Items already financed in another framework;
  - Purchases of land or buildings, except where necessary for the direct implementation of the project, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the project;
  - Currency exchange losses;
  - Taxes, including VAT
  - Credits to third parties.
  - Interim financing costs
  - Commitment fees, bank charges
  - Payments not made through financial institutions e.g. direct cash payments
  - Contributions in kind<sup>1</sup>

#### **ARTICLE 15 - PAYMENT**

- 15.1 The Direct Assistance funds shall be paid to the Beneficiary as Grants by Caribbean Export in two (2) payments within 60 working days of Caribbean Export approving the interim/final financial report in accordance with Article 15.2, accompanied by:
- A request for payment conforming to the model in Annex V
  - Interim / Final Narrative Report conforming to the model in Annex VI
  - Interim / Final Financial Report(s) conforming to the models in Annex VII A and Annex VII B

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<sup>1</sup> Contributions in kind made by the Beneficiary or the Beneficiary's partners refer to contributions that have a monetary value, but do not represent actual expenditure and are not eligible costs.

- Original support documentation verifying expenditure outlined in the Interim / Final Financial Report(s)
- 15.2 Within 60 working days of its receipt of the reports (Articles 2 and 15.1), Caribbean Export will conduct an Administrative Review and Financial Review to verify expenditures as per approved Budget (Annex III) to facilitate interim/final payment. On completion of the Administrative Review, Caribbean Export will notify the Beneficiary that:
- i. The report(s) satisfy the requirements of Articles 2 & 15.1 and Annex VI and will undergo a Financial Review to facilitate interim/final payment; OR
  - ii. The report(s) do not satisfy the requirements of Articles 2 & 15.1 and Annex VI and additional documentation is required. The documentation being requested by Caribbean Export must be **submitted within 15 working days**. Failure to submit the requested documentation within the specified time will result in Caribbean Export reducing the Direct Assistance initially provided for in line with Annex III and Article 3.2 of the Special Conditions.
- 15.3 Caribbean Export may suspend the 60 working days' 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, Caribbean Export may request clarification, alteration or additional information, which must be produced **within 15 working days of the request**.
- 15.4 The time-limit stops when Caribbean Export requests clarification, alteration or additional information from the Beneficiary. The 60-day time-limit is reset on the date the required information is received by Caribbean Export from the Beneficiary.
- 15.5 Reports shall be presented in accordance with Article 2.
- 15.6 All references to days in this Article 15 are to working days.
- 15.7 Caribbean Export reserves the right to request expenditure verification by an approved auditor who is a member of an internationally recognised body for statutory auditing.

The auditor examines whether the costs declared by the Beneficiary are real, exact and eligible in accordance with the Contract, and issues a Final Financial Report conforming to the models in Annex VII A and Annex VII B.

The Beneficiary grants the auditor all access rights mentioned in Article 16.2.

The expenditure verification report accompanying a request for payment of the balance, covers all expenditures not covered by any previous expenditure verification report.

Based on the expenditure verification report Caribbean Export determines the total amount of eligible expenditure.

- 15.8 The cost incurred to facilitate the expenditure verification will be deducted from the final payment to the beneficiary.
- 15.9 Caribbean Export shall make payments in Euros or the equivalent of the currency of the country to which the beneficiary belongs, at the prevailing exchange rate of the Agency's bank on the date of the transaction. Foreign exchange losses or gains may occur and shall be borne by the beneficiary.
- 15.10 Any conversion into euro of the real costs borne in other currencies shall be done at the rate made up of the simple average of the rates published on InforEuro, for the months covered by the relevant implementation period, unless otherwise provided by Caribbean Export. Assessment of reimbursement claims by Caribbean Export will be done using the same simple average of InforEuro rates, covered by the relevant implementation period.

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

#### **ARTICLE 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS**

- 16.1 The Beneficiary shall keep accurate and regular accounts of the implementation of the action using an appropriate accounting and double-entry bookkeeping system. These systems may either be an integrated part of the Beneficiary'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 expenditure relating to the Action must be easily identifiable and verifiable. This can be done by using separate accounts for the Action concerned or by ensuring that expenditure for the action concerned can be easily identified and traced to and within the Beneficiary's accounting and bookkeeping systems.

The Beneficiary shall ensure that the Financial Report 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.

- 16.2 The Beneficiary will allow Caribbean Export, the European Union, and any external auditor carrying out verifications as required per Article 15.3 to verify, by examining the documents or by means of on-the-spot checks, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 7 years after the payment of the balance.

To this end, the Beneficiary undertakes to give appropriate access to staff or agents of Caribbean Export, the European Commission of the European Anti-Fraud Office and of the European Court of Auditors as well as to any external auditor carrying out verifications as required per Article 15.3 to the sites and locations at which the Action is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Action and to take all steps to facilitate their work. Access given to agents of Caribbean Export or the European Union and to any external auditor carrying out verifications as required per Article 15.3 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 Beneficiary must inform Caribbean Export of their precise location.

- 16.3 In addition to the reports mentioned in Article 2, the documents referred to in Article 16.2 include:

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

- Proof of procurement procedures undertaken, such as tendering documents, bids from tenderers and evaluation reports;
- 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 completion of works, such as acceptance certificates;
- Invoices, along with requisite receipts;

Proof of payment such as:



- i. Payment(s) made by credit card, the original credit card statement showing the name and address of the card holder is required; OR
- ii. Copy of credit card statement(s) affixed with the financial institution's stamp, the copy must include the name and address of the card holder;
- iii. Payment(s) made by Managers cheque or bank draft, the original receipt for Managers cheque or bank draft is required; OR
- iv. Copy of the Managers Cheque or bank draft, affixed with the financial institution's stamp;
- v. Payment(s) made by wire transfer, the original wire transfer receipt or original carbon copy stamped by the bank is required, accompanied by copy of bank statement affixed with the financial institution's stamp;
- vi. Payment(s) made by company / organisation's cheque(s), copy of bank statement affixed with the financial institution's stamp accompanied with a copy(s) of the company / organisation's returned cheque(s) is required;
- vii. Original receipts affixed with the supplier's company stamp accompanied by copy of bank statement affixed with the financial institution's stamp.

#### **ARTICLE 17 - FINAL AMOUNT OF FINANCING BY CARIBBEAN EXPORT**

- 17.1 The total amount to be paid by Caribbean Export to the Beneficiary may not exceed the maximum Direct Assistance 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.
- 17.2 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, Caribbean Export'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 Caribbean Export.
- 17.3 The Beneficiary accepts that payment under the Direct Assistance Grant Scheme can under no circumstances result in a profit for himself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as:
  - a surplus of receipts over the costs of the Action in question when the request is made for payment. However, in the case of Actions designed specifically to strengthen the financial capacity of the Beneficiary, it is

distribution to the members making up the beneficiary body of the surplus revenue resulting from its activity leading to their personal enrichment.

These provisions shall not apply to study, research or training scholarships paid to natural persons, nor in the case of prizes awarded following contests.

- 17.4 In addition, and without prejudice to the right to terminate the Contract in accordance with Article 12.3, Caribbean Export may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or late, reduce the Direct Assistance initially provided for in line with the actual implementation of the Action on the terms laid down in the Contract.

#### **ARTICLE 18 - RECOVERY**

- 18.1 The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to Caribbean Export within 45 days of receiving a request to do so.
- 18.2 Amounts to be repaid to Caribbean Export may be offset against amounts of any kind due to the Beneficiary. This shall not affect the Parties' right to agree on payment in instalments.
- 18.3 Bank charges incurred by the repayment of amounts due to Caribbean Export shall be borne entirely by the Beneficiary.