

10.6 TERMINATION OF THE SPECIFIC GRANT AGREEMENT⁹²

10.6.1 TERMINATION BY THE PARTNER

The partner may terminate the Specific Grant Agreement in duly justified cases, for example if changes in circumstances in the field are likely to make it impossible or excessively difficult to continue the implementation of the action, such as in cases of force majeure, serious threat to the safety or security of humanitarian workers or beneficiaries, or the inability to ensure compliance with the humanitarian principles. In any case, the decision to terminate the Specific Grant Agreement must be duly justified.

When a partner decides to terminate the Specific Grant Agreement, it has to formally inform ECHO of **reasons and the date of termination** but the Specific Grant Agreement cannot be terminated before the notification is sent to ECHO.

If the partner does not provide any reasons for the termination or if the given reasons cannot justify the termination, ECHO formally informs the partner that the Specific Grant Agreement was terminated improperly.

10.6.2 TERMINATION BY ECHO

There are several reasons why ECHO may terminate the Specific Grant Agreement (SGA) with a partner. The complete list of the reasons for termination of the SGA can be found in Article 15(2) of the General Conditions. It includes, among others, cases of non-compliance with the criteria to be an FPA partner, non-compliance with the SGA, force majeure, fraud, corruption, grave irregularities when implementing

⁹¹ The time-limits may be shortened according to the urgency of the matter.

⁹² Article 15 of the General Conditions FPA NGO

the SGA, bankruptcy of a partner, or where the Commission, in spite of two suspensions of the time-limit for payment within the payment deadline, is still not in the position to approve the final report presented by the partner.

Once ECHO contemplates the termination of the SGA, it informs the partner and asks about any observations to be provided within 15 calendar days from the receipt of notification on the intention to terminate the SGA.

- If the partner submits observations, ECHO shall notify its decision if the termination takes effect or not.
- If ECHO decides to terminate the Agreement despite the observations submitted by the partner, the termination shall take effect on the date of receipt by the partner of the termination decision's notification.
- If no observations have been submitted, the termination shall take effect 15 calendar days following the notification by ECHO of the intention to terminate.

10.6.3 EFFECTS OF TERMINATION

Effects of termination of the SGA are the same regardless whether it is ECHO or the partner who terminates the SGA.

Payment by ECHO should be determined based on eligible costs incurred by the partner and the actual stage of implementation of the action on the date of termination.

The **SGA will still apply even after the termination** in order for the payment to be done.

The partner has to send its **request for payment** within 60 calendar days after the termination. If this is not done, ECHO may recover what was already paid to the partner. The possibility of 60 calendar days to send the request for payment will not be given to such a partner that has the SGA terminated due to not producing final payment request within the deadline required, after being already reminded by ECHO.

In those cases where the **SGA is terminated improperly** by the partner or the SGA is terminated because the partner did not implement the action properly, or if the partner committed grave professional misconduct, corruption, fraud, or any illegal activity, ECHO may also apply financial penalties proportionate to the gravity of the situation.