European Commission ENV.E.4 – The LIFE Unit BU-9 2/1 B – 1049 Bruxelles

MODEL

Letter of guarantee to be sent to the Commission by the beneficiary's bank/insurance

- 1. The Commission of the European Communities, in application of Council Regulation (EC) n° 614/2007 (LIFE+), has granted to xxxxxxxxxxxx (hereinafter called the beneficiary) by the agreement/decision n° xxxxxxxxxxxx, an amount of xxxxxxx EURO (€) to implement the project mentioned above.
- 2. Under this agreement/decision :
 - the Commission will pay to the beneficiary an advance payment (pre financing) of 40% of its contribution, being (first payment) EURO (€) on presentation of a bank/insurance guarantee, to forestall any possible abuse, negligence or irregularities and to ensure the recovery of funds unduly received;
 - the beneficiary will carry out the project referred to in paragraph 1 under the conditions and within the deadlines laid down in the above-mentioned agreement/decision;
- 3. We, (bank/insurance name) hereby guarantee irrevocably up to a maximum of XXXX EURO (€) the payment of all amounts due to you from the beneficiary in the event of its failure to fulfil its obligations under the agreement/decision mentioned and within the time limits laid down.
- 4. This guarantee will enter into force as soon as the amount of the advance payment, namely (first payment) EURO (€), has actually been credited to Account No. (bank account number) of the beneficiary at his bank (name and address of bank) and will expire six months after the closing date of the project. This validity must be extended in the case of prolongation of the agreement/decision. Forty five days in advance of the expiration date, we will notify the European Commission (DG ENV.E.4, BU-9 2/1, B-1049 Brussels) by registered letter.
- 5. This guarantee will be subject to call by registered letter stating that the beneficiary has not fully met its obligations within the time limits and under the conditions laid down and stating on the one hand the nature of the default established and on the other hand the amount called up.
- 6. Any call on the guarantee must reach us not later than (date to be calculated by the bank/insurance).
- 7. With regard to any dispute between the beneficiary and the Commission regarding this guarantee, the Court of Justice of the European Community will be solely competent.

Date:	Seal and signature
Date.	Ocal and signature