**LETTER FOR PRE-FINANCING FIRST DEMAND GUARANTEE**

[*Insert name and address of financial institution or bank (Letterhead)*]

[*Insert* *place and date*]

European Climate, Infrastructure and Environment Executive Agency (CINEA)

W910

Avenue du Bourget, 1

B-1140 Brussels

Belgium

**Reference: Grant agreement[*Insert number and exact title*]**

# Article 1 – Declaration on guarantee, amount and purpose

We, the undersigned [*insert name and address of the financial institution or bank*] (‘the Guarantor’) hereby confirm that we give the European Climate, Infrastructure and Environment Executive Agency (CINEA) (hereinafter referred to as "the Agency") acting under the powers delegated by the European Commission, an unconditional, irrevocable and independent first-demand guarantee consisting in the undertaking to pay to the Agency a sum equivalent to the amount of:

EUR [*insert* *amount in figures and in words*]

upon simple demand, for guarantee of the pre-financing(s) stipulated in the grant agreement [*insert number and exact title*], (‘the grant agreement’), signed between the Agency and[*insert name and address*] [[1]](#footnote-1)*,*(‘the Beneficiary’).

# Article 2 – Execution of Guarantee

If the Agency or the European Commission’s Accounting Officer gives notice that the Beneficiary has for any reason failed to reimburse pre-financings paid by the Agency, we, acting for account of the Beneficiary, shall pay immediately up to the above amount, in EUR, without exception or objection, into a bank account designated by the Agency or the European Commission’s Accounting Officer, on receipt of the first written request from the Agency or the European Commission’s Accounting Officer. We shall inform the Agency in writing as soon as the payment has been made.

# Article 3 – Obligations of the Guarantor

1. We waive the right to require exhaustion of remedies against the Beneficiary, any right to withhold performance, any right of retention, any right of avoidance, any right to offset, and the right to assert any other claims which the Beneficiary may have against the Agency under the grant agreement or in connection with it or on any other grounds.

2. Our obligations under this guarantee shall not be affected by any arrangements or agreements made by the Agency with the Beneficiary which may concern its obligations under the grant agreement.

3. We shall inform immediately the Agency in writing, by registered letter or by courier with written receipt or equivalent, in the event of a change of our legal status, ownership or address.

# Article 4 – Date of Entry into force

This guarantee shall come into force upon its signature. If, on the date of its signature, the first pre-financing has not been paid to the Beneficiary, this guarantee shall enter into force on the date on which the Beneficiary receives the first pre-financing.

# Article 5 – End Date and Conditions of Release

1.  The Guarantee shall remain in force until the final payment under the grant agreement and, if the final payment takes the form of a recovery, until five months after the debit note is notified to the Beneficiary. It will be released within 30 days, by returning the original document to the Guarantor’s offices.

2.  Before this, the Guarantor may be released from this Guarantee only with the Agency’s written consent.

# Article 6 – Applicable Law and Competent Jurisdiction

Any dispute concerning this guarantee shall be governed by and construed in accordance with the Belgian law and shall fall within the sole competence of the Belgian Courts.

# Article 7 - Assignment

The rights arising from this guarantee may not be assigned.

Done at [*insert place*], on [*insert date*]

|  |  |
| --- | --- |
| [*Signature*][*Function at the Financial Institution/Bank*] | [*Signature*][*Function at the Financial Institution/Bank*] |

1. In case of multi-beneficiaries arrangements please refer to the name and address of the coordinator if the coordinator is solely responsible for repayment to the Commission at the time of payment of the balance (see e.g. article 22.2 of the model grant agreement with multiple beneficiaries). [↑](#footnote-ref-1)