

EUROPEAN UNION CONTRIBUTION AGREEMENT WITH AN INTERNATIONAL ORGANISATION

CRIS NO: 2014 / 337-264

(the "Agreement")

The European Union, represented by the European Commission, (the "Contracting Authority")

of the one part,

and

Pacific Islands Forum Secretariat (PIFS), with its Head Office at Ratu Sukuna Road, Private Mail Bag, Suva, Fiji Islands. (the "Organisation")

of the other part,

(Individually a "Party" and collectively the "Parties"), have agreed as follows:

Special Conditions

Article 1 - Purpose

- 1(1) The purpose of this Agreement is a contribution by the Contracting Authority for the implementation of the action entitled: **Support Programme to the Regional Authorising Officer (SPRAO)** (the "Action") as described in Annex I.
- 1(2) The Organisation will be awarded the contribution on the terms and conditions set out in this Agreement, which consists of these special conditions (the "Special Conditions") and their annexes, including General Conditions.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action under its own responsibility.
- 1(4) The Action is a Joint Management Action for all purposes of this Agreement
- 1(5) The Action is not a Multi-donor Action for all purposes of this Agreement.

Article 2 – Entry into force and Implementation Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation of this Agreement will begin on:
 - the day following that on which the last of the two parties signs
- 2(3) The implementation period of this Agreement, as laid down in Annex I, is 42 months.

- 2(4) The execution period of this Agreement shall start at the entry into force of this Agreement as provided for in Article 2(1) and shall end at the moment when final payment is paid by the Contracting Authority in accordance with Article 17 of Annex II or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18 of Annex II. In cases where there is no final payment by the Contracting Authority or final repayment by the Organisation, the end of the execution period shall be the end date referred to in Article 12.5 of Annex II.
- 2(5) Individual contracts implementing the activities under this Agreement shall be concluded within 3 years from the date of entry into force of this Agreement.

Article 3 - Financing the Action

- 3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 1,829,700 as set out in Annex III.
- 3(2) The Contracting Authority undertakes to finance a maximum of EUR 1,829,700, equivalent to 100 % of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Articles 14 and 17 of Annex II.
- 3(3) Pursuant to Article 14(4) of Annex II, maximum 7 % of the final amount of direct eligible costs of the Action to be reimbursed by the Contracting Authority to the Organisation in accordance with Articles 14 and 17 of Annex II, may be claimed by the Organisation as indirect costs.
- 3(5) Sub granting is not applicable in this contract
- 3(6) Pursuant to Article 14.3 of Annex II, the Regulation under which this Agreement is financed does not exclude financing of taxes/excludes financing of taxes, including VAT, in the case the Organisation can show it cannot reclaim.

Article 4 - Narrative and financial reporting and payment arrangements

- 4(1) Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.
- 4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15.1, the following will apply:

Pre-financing	EUR 430,000
Forecast pre-financing/ interim payments first year	EUR 635,000
Forecast pre-financing/interim payments second year	EUR 635,000
Forecast final payment	EUR 129,700

(all subject to the provisions of Annex II)

Article 5 - Contact addresses

Any communication relating to this Agreement shall be in writing, shall state the number and title of the Action, and shall use the following addresses

For the European Commission:

Delegation of the European Union for the Pacific
Level 4, FDB Building
Suva
Fijis Islands

For the attention of Head of Delegation, Delegation of the European Union for the Pacific, Level 4, FDB Building, Suva, Fiji Islands.

For the Organisation:

Pacific Islands Forum Secretariat (PIFS), Ratu Sukuna Road, Private Mail Bag, Suva, Fiji Islands.

For the attention of the Secretary General and Regional Authorising Officer (RAO),

Article 6 - Annexes

6(1) The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action
- Annex II: General Conditions applicable to European Union contribution agreements with international organisations
- Annex III: Budget for the Action
- Annex IV: Financial identification form
- Annex V: Standard request for payment

6(2) In the event of a conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, the provisions of Annex II shall take precedence.

Article 7 - Additional specific conditions applying to the Action

The following additional conditions supplement the General Conditions:

7(1) The action of this agreement shall be implemented exclusively by the Organisation

7(2) By derogation from Article 15.1 pre-financing deadline is not 30 but 45 days.

Done in Suva, Fiji Islands in three originals in the English language, two for the European Commission and one for the Organisation.

For the Contracting Authority

Name:

**ANDREW JACOBS
Head of Delegation**

Position:

Signature:

AJ
02.02.14

Date:


For the Organisation

Name:

Position:

Signature:

Date:


11 February 2014

Background

Main Features of the sector

The Pacific Islands Forum (PIF) comprises 16 members, 14 Forum Island Countries (FIC) together with Australia and New Zealand. All Forum Island Countries who are members of the Forum are included in the Pacific Group of ACP (PACP) States. The Forum's administrative arm is the Pacific Islands Forum Secretariat (PIFS). It provides policy advice and guidance to inform the decisions of Forum Leaders; coordination and assistance in implementing and advocating the decisions of the Leaders including the facilitation of the delivery of development assistance.

In 1999 PACP Leaders mandated PIFS' Secretary General (SG) as the Regional Authorising Officer (RAO) for the duration of the ACP-EU Partnership Agreement. Working closely with PACP National Authorising Officers (NAO) and with the EU Delegation in Suva, the RAOs functions are to programme, implement and coordinate the Pacific Regional Indicative Programme (PRIP). In this context, the Forum Secretariat is the only regional organisation duly recognised by the European Union (EU) in the Pacific Region. The role of the Forum Secretariat is also to lead and coordinate various regional working groups, and to chair the meetings of Chief Executives of the Council of Regional Organisations of the Pacific (CROP).

In 2005 Pacific Islands Forum Leaders adopted the Pacific Plan to strengthen and deepen regional cooperation and integration, with the intention of under-pinning national efforts to enhance and stimulate economic growth, sustainable development, good governance and security for Pacific countries through regionalism. It was agreed that the Plan will be a living document over at least a 10-year initial period, which, step by step, aims to give practical effect to the Leaders' vision.

The European Union (EU) is one of the largest donors in the Pacific and contributes significantly towards the development of the Pacific Island Countries, with an increasing volume of development assistance under EDF Regional Indicative Programme (RIP). Apart from the EU, other donor support originates mainly from Australia and New Zealand, in the form of financial contribution to PIFS budget or linked to specific projects like the Forum Compact.

This programme follows on from three previous actions, starting in 1997 with a €1.3 million Technical support under EDF7, followed in 2003 by a €1.7 million Technical Assistance (TA) support to the RAO (phase II) under EDF9, and more recently (January 2010 to June 2011), a support funded under EDF9 Technical Cooperation Facility (TCF). During a transitional phase, interim arrangements have been established to bridge the gap with the future support, with the appointment of a short-term consultant under a framework contract (funded under 10th EDF TCF), and a dedicated team within Economic Governance Programme (EGP) of the Forum Secretariat.

Problems to be resolved

Forum Leaders expressed concern that, despite continued high levels of development assistance over many years, the Pacific region remains off-track to achieve the Millennium Development Goals (MDGs) by 2015. Given the need to improve development outcomes and strengthen long-term economic resilience, Leaders are committed to strengthen development coordination in the region.

In this context, the Forum Secretariat was mandated to coordinate various regional mechanisms and initiatives, such as the Pacific Island Countries' development partners meetings, the implementation of the Pacific Plan for strengthening regional cooperation and integration. However, the institution faces serious challenges in terms of funding (from its member countries) and human resources, hence limiting its capacity to ensure an adequate level of coordination. It impacts also on the RAO's capacity to manage effectively the European Development Fund (EDF).

Moreover, there seems to be some disconnect between the RAO and the NAOs regarding EDF projects for the Pacific ACP region. The challenge is in the absence of a complete stock-take of various projects going on in the region, making it difficult to capture the full picture of ongoing active projects, with a potential risk of duplication and overlapping in the development assistance.

Objectives and expected results

The overall objective of the project is to contribute to poverty reduction via the strengthening of regional cooperation and integration.

The project purpose is to help enhance aid effectiveness by raising the capacity of the Pacific Islands Forum Secretariat (PIFS) to fulfil its responsibilities as the Regional Authorising Officer (RAO) for the EDF and increase the capacities of Smaller Island States (SIS)¹ NAOs and Technical Implementation Agencies (TIAs)².

The expected results are:

1. Enhanced capacity of the RAO to coordinate, implement and report on EDF Regional Indicative Programmes, and provide technical support to SIS NAOs and TIAs in relation to the EDF;
2. Strengthened development coordination and effective development cooperation in the Pacific region;
3. Increased visibility and awareness of EDF Programmes

Activities

Activity 1.1 - Technical support to the RAO

This activity will enhance PIFS capacity to administer effectively the EDF. It includes the monitoring, evaluation and auditing of ongoing EDF10 RIP activities. In particular, the financial control of the contracts will be reinforced. Secondly, support will be provided for the programming of 11th EDF RIP and the subsequent identification/ formulation of interventions.

Activity 1.2 - Training support to SIS NAOs and TIAs

This activity will aim at reinforcing RAO's capacity to provide adequate technical support to SIS NAOs and TIAs involved with the EDF. The support will consist in the organisation of specific training seminars for increasing SIS NAOs and TIAs capacities on matters relating to aid effectiveness, best practices in financial management and procurement procedures. It will also include backstopping services (role of "Help Desk") and technical support for the organization, facilitation and implementation of EDF related activities.

Activity 2.1 - Support to coordination and communication

This activity will strengthen the flow of information and communication between the RAO, PACP States, TIAs, the EU and other development partners with the publication of periodic progress reports, briefs, newsletters, etc. PIFS website will be upgraded to provide specific information on the RIP. Annual coordination meetings will be organised for facilitating the exchange of information and dissemination of lessons learned.

Annual coordination meetings will be organised for facilitating the exchange of information and dissemination of lessons learned. Where possible, they will be organised back to back with other regional meetings of similar nature, so as to ensure the most effective use of resources and seek complementarities and sharing of information.

¹ SIS include Cook Islands, Kiribati, Nauru, Niue, Republic of Marshall Islands and Tuvalu, plus Federal States of Micronesia

² TIAs include CROP agencies and other regional organizations such as SPTO, OCO, PFTAC, etc.

Activity 2.2 - Monitoring of regional initiatives

This activity will aim at ensuring the synergy and complementarity between the EDF and various initiatives undertaken by the region, in particular the review of the Pacific Plan Review; the sectoral policies related to Climate Change, Regional Integration, or Renewable Energy; and the monitoring of MDGs/SDGs indicators.

Activity 3.1 - Visibility and awareness

Under this activity, technical assistance will be provided for i) a joint communication and visibility strategy; and ii) the implementation of quick-start activities, before the implementation of a more comprehensive programme that will be funded under 11th EDF RIP.

Implementation timetable

Activities	Operational implementation phase (42 months)			Closure period (24 months)	
	Year 1	Year 2	Year 3		
1.1 - Support to RAO					
1.2 - Support to NAOs, CROPS	→				
2.1 - Support to coordination					
2.2 - Monitoring of regional Initiatives	→				
3.1 - Visibility, awareness					
Financial verifications, audits		—	—	—	
EOT Evaluation				—	—

Logical Framework

A Logical Framework for the project is attached in Annex I. The Logical Framework is a planning tool to be revised and updated by project managers throughout the duration of the project, bearing in mind that neither the overall objective nor the project purpose can be altered.

Performance monitoring

Day-to-day technical and financial monitoring will be part of PIFS' responsibilities.

Key Performance Indicators for evaluation are as follows

Indicator	Baseline (2012)	Target	Without Project
Result Area 1:			
Rate of disbursement of EDF10 RIP	17%	80% by 31/12/2015	60%
Rate of commitment of EDF11 RIP	0%	60% by 31/12/2015 ³	40%
Training workshop for SIS NAOs and TIAs	0	At least 1 training workshop organized	No training workshop
Result Area 2:			
Bi-annual reports on EDF RIP	Not disseminated to PACP NAOs	6 reports disseminated to all PACP NAOs	Not disseminated to PACP NAOs
Newsletters	0	At least 2 newsletters per year	No newsletter
Project (EDF-RIP) sheets published on PIFS website	0	Project sheets published	No project sheets
Annual coordination meetings with NAOs/TIAs	0	1 coordination meeting per year	No coordination meeting
Videoconferencing with PACP NAOs	0	At least 2 VCs per year	No VC
Result Area 3:			
Communication strategy	0	Communication strategy finalised by 31/12/2014	No communication strategy

Project monitoring mechanisms will include annual reporting and an End-Of-Term Evaluation report.

Location:

Most operations will be executed primarily in Suva, Fiji, where the office of the RAO is located. Some training activities, seminars and conferences may take place outside of Fiji, in SIS countries.

The project team will be based at the Pacific Islands Forum Secretariat, Suva, Fiji.

³ Assuming that EDF11 RIP will be available from early 2014

Annex I – Logical Framework

<i>Narrative Summary</i>	<i>Objectively Verifiable Indicators</i>	<i>Means of Verification</i>	<i>Assumptions</i>
Project Objective			
Contribute to poverty reduction via the strengthening of regional cooperation and integration.	<ul style="list-style-type: none"> • Significant progress in MDGs indicators by 2015 • Mechanisms for strengthening coordination in the Pacific are adopted and implemented 	<ul style="list-style-type: none"> • PIC/Partners meeting reports • Tracking Effectiveness Annual reports • MDG Regional Tracking reports 	
Project Purpose			
Enhance aid effectiveness by raising the capacity of the Pacific Islands Forum Secretariat to fulfil its responsibilities as the Regional Authorising Officer for the EDF and increase the capacities of SIS NAOs.	<ul style="list-style-type: none"> • Improved visibility on EU assistance in the Pacific region 	<ul style="list-style-type: none"> • Financial Envelopes Programming documents • EU/Pacific Forum Dialogue Reports • Country/regional reports 	Willingness of development partners to cooperate effectively and adhere to coordination mechanisms agreed upon by Forum Leaders
Project Results			
1. Enhanced capacity of the RAO to coordinate, implement and report on EDF Regional Indicative Programmes, and provide technical support to SIS NAOs and TIAs in relation to the EDF	<ul style="list-style-type: none"> • 80% disbursement of 10th EDF RIP by 31/12/2015 • 60% commitment of 11th EDF RIP by 31/12/2015⁴ • 80% disbursement of 10th EDF NIPs in SIS countries by 31/12/2015 • 1 training workshop with SIS NAOs/TIAs 	<ul style="list-style-type: none"> • Progress Reports of Project. • Results Oriented Monitoring Missions • Questionnaire 	<ul style="list-style-type: none"> • Availability of PIFS relevant personnel • Continued interest from NAOs and TIAs to receive support • Capability of TIAs to manage effectively EDF programmes

⁴ Assuming that EDF11 RIP will be available from early 2014

<p>2. Strengthened development coordination and effective development cooperation in the Pacific region;</p>	<ul style="list-style-type: none"> • 6 bi-annual reports; at least 6 newsletters; project sheets published on PIFS Website • 3 annual coordination meetings with NAOs/TIAS • 6 Videoconferences organised with PACP NAOs 		
<p>3. Increased visibility and awareness of EDF Programmes</p>	<ul style="list-style-type: none"> • Communication strategy finalised by 31/12/2014 		

Project Activities			
Result Area 1	Resources and costs	EURO	
1.1. Provide technical support to the RAO for the programming, formulation, monitoring, evaluation and auditing of programmes and projects financed under the EDF RIPs;	<ul style="list-style-type: none"> • Technical expertise in support to RAO, NAOs and TIAs 	€900,000	
	<ul style="list-style-type: none"> • Training Support 	€600,000	
	<ul style="list-style-type: none"> • Communication strategy, visibility 	€200,000	
1.2. Organise training workshops and other related activities designed to build capacities of NAOs and TIAs	<ul style="list-style-type: none"> • Eligible Indirect Costs (including financial verifications) 	€129,700	
Result Area 2			
2.1. Strengthen coordination and communication between the RAO, PACP States, TIAs, the EU and other development partners;	<ul style="list-style-type: none"> • Audits, Evaluation* 	€70,300	
	<ul style="list-style-type: none"> • Contingencies* 	€100,000	
2.2. Follow up regional initiatives in view of seeking synergies/complementarities/alignment with the EDF;		Total: €2 million	
Result Area 3			
3.1. Provide technical assistance for a joint communication and visibility strategy and implementation of quick-start activities			

Annex II: General Conditions applicable to European Union contribution agreements with international organisations

ANNEX II

General Conditions applicable to European Union contribution agreements with international organisations

General and administrative provisions

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GENERAL AND ADMINISTRATIVE PROVISIONS

Article 1 - GENERAL OBLIGATIONS

1.1 The Organisation shall ensure that the Action is carried out in accordance with the Description of the Action contained in Annex 1 and is responsible for achieving the objectives set out therein. The Organisation shall report on the indicators of achievement specified in the Description of the Action.

1.2 The Organisation shall implement the Action with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

The Organisation shall make every effort to mobilise all the financial, human and material resources required for full implementation of the Action, as specified in the Description of the Action.

1.3 The Organisation may act either alone or in partnership with one or more organisations mentioned in the Description of the Action. It may also contract parts of the Action, in accordance with the provisions of article 10 hereof.

Partners participate in implementing the Action, and the costs they incur are eligible under the same conditions as those incurred by the Organisation.

The Organisation is fully responsible for the co-ordination and execution of all contracted activities.

1.4 The Organisation undertakes to ensure that the conditions imposed upon it under Articles 1, 3, 4, 5, 6, 7, 14, 16 and 17 of this Agreement also apply to all partners and, where applicable, contractors involved.

1.5 The Organisation shall take appropriate measures to prevent irregularities, fraud, corruption or any other illegal activity in the management of the Action. All suspected and actual cases of irregularity, fraud and corruption related to this Agreement as well as measures related thereto taken by the Organisation must be reported to the Contracting Authority without delay.

Where appropriate the Organisation shall terminate contracts with partners, contractors or agents involved in fraudulent behaviour or corrupt practices in connection with this or any other actions implemented by the Organisation and financed by the European Union or the Contracting Authority, and take all reasonable measures to recover funds unduly paid.

1.6 Without prejudice to Articles 1.3 and 10, the Agreement 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.

1.7 The provisions regarding "Joint Management Actions" in these General Conditions may be applied where at least one of the following conditions is met:

- the performance of the Action requires the pooling of resources from a number of donors, and where it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure (hereinafter, "Multi-donor

Actions"). Article 3(2) of the Special Conditions will not show the percentage of estimated total eligible cost, to which the Contracting Authority contributes, where the final funding of the Action is not known at the time of signing the Agreement, or

- the European Commission and the Organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation; or
- the European Commission and the Organisation have jointly assessed the feasibility and defined the implementation of the Action.

1.8 Where the European Union is not the Contracting Authority, it shall not be a party to this Agreement, which shall only confer on it rights and obligations where explicitly stated. It will nevertheless endorse the Agreement to ensure that the Contracting Authority's contribution is eventually paid by the EU budget¹, and the provisions on visibility in this Agreement will apply accordingly.

Article 2 - OBLIGATIONS REGARDING INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

2.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall provide before signature of this Agreement a work plan for the first period of implementation as specified in the Description of the Action. The Organisation shall also draw up progress reports and a final report. These reports shall consist of a narrative part and a financial part. Reporting, narrative as well as financial, shall cover the whole of the Action, regardless of whether this Action is wholly financed or co-financed by the Contracting Authority.

2.2 The Contracting Authority may request additional information at any time, providing the reasons for the request. Such information shall be supplied within 30 days of the request.

2.3 The Organisation shall send the Contracting Authority progress reports in accordance with the provisions below. Every report shall provide a complete account of all aspects of implementation for the period covered.

The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed (in particular all expenses actually incurred by the Organisation), the results expected and obtained and the budget details for the Action. The level of detail in any report should match that of the Description of the Action and of the Budget for the Action.

2.4 The narrative report shall directly relate to this Agreement and shall at least include:

- Summary and context of the Action;
- Activities carried out during the reporting period (i.e. directly related to the Action description and activities foreseen in this Agreement);

¹ Where the contribution is financed out of the European Development Fund, mentions of European Community financing must be read as referring to European Development Fund financing.

- Difficulties encountered and measures taken to overcome problems;
 - Changes introduced in implementation;
 - Achievements/results by using the indicators included in this Agreement;
 - Work plan for the following period including objectives and indicators of achievement. If the report is sent after the end of the period covered by the preceding work plan, a new work plan, albeit provisional, is always required before such date.
- 2.5 The final report shall contain the above information (excluding the last indent) covering the whole implementation period of this Agreement, information on the measures taken to identify the European Union as the source of financing and details on the transfers of assets mentioned in article 7.3 if relevant, plus a full summary of the Action's income and expenditure and payments received.
- 2.6 The reports shall be presented in the same language as the Agreement. They shall be submitted at the following intervals:
- if payments follow option 1 in Article 15.1:
- a progress report shall be forwarded to the Contracting Authority at the end of every twelve-month period, where the implementation period of this Agreement is longer;
 - a final report shall be forwarded to the Contracting Authority within six months of the end of the implementation period of this Agreement as defined in Article 2 of the Special Conditions;
- if payments follow option 2 in Article 15.1:
- a progress report shall accompany every request for further instalment of pre-financing;
 - the final report shall be forwarded to the Contracting Authority within six months of the end of the implementation period of this Agreement as defined in Article 2 of the Special Conditions.
- 2.7 Reports will be submitted in Euro, and may be drawn from financial statements denominated in other currencies as per the Organisation's legislative requirements. Where necessary, actual expenditure will be converted into Euro using the rate of exchange at which the Contracting Authority's contribution was recorded in the Organisation's accounts, unless otherwise specified in article 4(3) of the Special Conditions.
- 2.8 Any additional reporting requirement will be set out in the Special Conditions.
- 2.9 If the Organisation fails to supply a final report by the final report deadline laid down in Article 2.6, and fails to furnish an acceptable written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may refuse to pay any outstanding amount and recover any amounts unduly paid.

Furthermore, where the Organisation fails to present a progress report and where relevant a request for payment by the end of each twelve-month period following the date laid down in Article 2(2) of the Special Conditions, the Organisation shall inform the Contracting Authority of the reasons why it is unable to do so, and shall provide a

summary of the state of progress of the Action. If the Organisation fails to comply with this obligation, the Contracting Authority may terminate the Agreement in accordance with the first indent of Article 12.2, refuse to pay any outstanding amount and recover any amounts unduly paid.

- 2.10 In addition to the above mentioned reports, the Organisation will ensure that progress and situation reports, publications, press releases and updates, relevant to this Agreement, are communicated to the Contracting Authority as and when they are issued.

The Organisation and the Contracting Authority (the "Parties") will further endeavour to promote close collaboration and exchange of information on the Action. The Organisation will invite the European Commission to join any donor committee which may be set up in connection with Multi-Donor Actions.

- 2.11 In any event the Organisation shall inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action.

Article 3 - LIABILITY

- 3.1 The Organisation shall have sole responsibility for complying with any legal obligation incumbent on it.
- 3.2 The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.3 Subject to the rules governing the Organisation's privileges and immunities, the Organisation shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the Action. The Organisation shall discharge the Contracting Authority of all liability associated with any claim or action brought as a result of an infringement by the Organisation or the Organisation's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

Article 4 - CONFLICT OF INTERESTS

The Organisation 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.

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

Article 5 - CONFIDENTIALITY

Subject to article 16, the Contracting Authority and the Organisation undertake to preserve the confidentiality of any document, information or other material directly related to the Agreement and duly classified as confidential, until at least five years after the end date as specified in article 12.5. Where the European Commission is not the

Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority, and will maintain the same confidentiality.

Article 6 - VISIBILITY AND TRANSPARENCY

- 6.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that an Action has received funding from the European Union. Information given to the press, the beneficiaries of an Action, all related publicity material, official notices, reports and publications, shall acknowledge that the Action was carried out "with funding by the European Union" and shall display in an appropriate way the European logo (twelve yellow stars on a blue background).

It is understood that the Organisation's equipment and vehicles may routinely carry its emblem and other indications of ownership prominently displayed. In cases where equipment or vehicles and major supplies have been purchased using funds provided by the European Union, the Organisation shall include appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo (twelve yellow stars on a blue background) provided that such actions do not jeopardise the Organisation's privileges and immunities and the safety and security of the Organisation's staff.

- 6.2 The size and prominence of the acknowledgement and European Union logo shall be clearly visible in a manner that will not create any confusion regarding the identification of the Action as an activity of the Organisation, the ownership of the equipment and supplies by the Organisation, and the application to the Action of the Organisation's privileges and immunities.
- 6.3 All publications by the Organisation pertaining to Actions that have received funding from the European Union, in whatever form and whatever medium, including the internet, shall carry the following or a similar disclaimer: "This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."
- 6.4 If the equipment bought with a European Union contribution is not transferred to local partners of the Organisation or the final recipient of the Action at the end of the implementation period of this Agreement, the visibility requirements as regards this equipment (in particular display of the European logo) shall continue to apply between the end of the implementation period of this Agreement and the end of the overall Action, if the latter is longer.
- 6.5 Publicity pertaining to European Union contributions shall quote these contributions in Euro, in parenthesis if necessary. The Organisation's publications and reports prepared in response to, and in accordance with, its legislative directives are excluded from this provision.
- 6.6 The Organisation accepts that the Contracting Authority and the European Commission (where it is not the Contracting Authority) publish in any form and medium, including on their websites the name and address of the Organisation, the purpose of the contribution as well as the amount contributed and if relevant the percentage of co-financing.

Upon a duly substantiated request by the Organisation, the European Commission may agree to forego such publicity if disclosure of the above information would risk threatening the Organisation's safety or harming its interests.

- 6.7 With due regard to the applicable rules on confidentiality, security and protection of personal data, the Organisation shall publish, on an annual basis, including by electronic means such as Internet, the following information on grant and procurement contracts financed by the Contracting Authority: title of the contract/project, name and nationality of the contractor or grant beneficiary and amounts of the contract/project. For Multi-donor Actions, the level of information will comply with the Organisation's rules and procedures pertaining to ex-post publicity.

The Organisation shall provide to the Contracting Authority the address of the website where this information can be found and shall authorise the publication of such address in the Contracting Authority's internet site.

The Organisation ensures that the obligation to publish this information is also applied by its implementing partners as described in Annex I of this Agreement, with regard to their own grant and procurement contracts financed by the Contracting Authority.

Article 7 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT

- 7.1 Ownership, title and industrial and intellectual property rights in the results of the Action and the reports and other documents relating to it shall vest in the Organisation, as the case may be together with third parties or as may otherwise be agreed by the Organisation.
- 7.2 Notwithstanding the provisions of the first paragraph and subject to Article 5, the Organisation grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge 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.
- 7.3 Unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Contracting Authority's funding shall be transferred to local authorities or partners (excluding commercial contractors) of the Organisation or to the final recipients of the Action by the end of the Action. The documentary proof of those transfers shall be kept for verification along with the documents mentioned in article 16.3.

Article 8 - EVALUATION OF THE ACTION

- 8.1 Representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action. The results of such missions shall be reported to the European Commission.
- 8.2 This is without prejudice to any evaluation mission which the European Commission as a donor may wish to perform. Evaluation missions by representatives of the European Commission should be planned and completed in a collaborative manner between the Organisation's staff and the European Commission's representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of this Agreement. These missions are to be planned ahead and procedural matters are to be agreed upon by the European Commission and the Organisation in advance. The mission will offer to make a draft of its report available to the Organisation for comments prior to final issuance.

Article 9 - AMENDMENT OF THE AGREEMENT

- 9.1 Any modification of the Agreement, including the annexes thereto, shall be set out in writing in an amendment.

If the request for an amendment comes from the Organisation, the latter shall submit that request to the Contracting Authority one month before the amendment is intended to enter into force, unless there are special circumstances duly substantiated by the Organisation and accepted by the Contracting Authority. A request to extend the implementation period of this Agreement must be duly justified and submitted no later than one month before the end of it.

- 9.2 Where a modification to the Description of the Action and/or the Budget does not affect the basic purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 15 % or less of the amount originally entered (or as modified by a formal amendment) in relation to each concerned heading for eligible costs, the Organisation may amend the Budget and shall inform the Contracting Authority accordingly in writing. This method may not be used to amend headings for administrative costs or the contingency reserve.

Changes of address and changes of bank account may simply be notified in writing to the Contracting Authority. Changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 10 - CONTRACTING

- 10.1 If parts of the Action are contracted, the contracting arrangements, including in particular the principles for the award of procurement and grants, will be as specified in the Description of the Action. If they are not specified therein, the Organisation will present them to the Contracting Authority as soon as they are available. The Organisation will also inform the Contracting Authority, with as much prior notice as possible, of changes in these arrangements. The Organisation will provide detailed information on contracting arrangements in the final report.

- 10.2 Unless otherwise agreed by the Parties in writing, the procurement of any goods, works or services and the award of grants by the Organisation and its partners in the context of the Action shall be carried out in accordance with the applicable rules and procedures adopted by the Organisation.

This is based on the understanding that the Organisation's rules and procedures conform to internationally accepted standards, in compliance with the principles of transparency, proportionality, sound financial management, equal treatment and non discrimination, care being taken to avoid any conflict of interests.

Without prejudice to the specific procedures and exceptions applied by the Organisation, the award by the Organisation of grants financed by the Contracting Authority's contribution shall comply with the following principles:

- may not be cumulative, awarded retrospectively or have the purpose or effect of producing a profit for the grant beneficiary;
- must involve co-financing from other donors, save in cases of humanitarian and crisis situation, the protection of health and fundamental rights of people, where the grant

beneficiaries are third countries or other international organisations and where it is in the interest of the European Commission to be the sole donor.

- 10.3 If allowed by the applicable regulatory provisions of the European Union, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. In any event goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible.

In all other cases the partners, contractors, experts and goods, the cost of which are financed out of the Contracting Authority's contribution, shall originate in the European Union or the country or countries eligible under the programme of which the Action is part. Any departure from the rules of origin and nationality set out above is subject to the specific provisions of the applicable regulatory provisions of the European Union.

- 10.4 The Organisation shall adopt reasonable measures, in accordance with its own procedures, to ensure that potential candidates or tenderers and grant beneficiaries shall be excluded from the participation in a procurement or award procedure financed by the Contracting Authority's contribution, if:

- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they have been convicted of an offence concerning their professional conduct by a judgement which has the force of *res judicata*;
- they have been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the EU's financial interests;
- they are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or fail to supply this information.
- are subject to a conflict of interest.

- 10.5 In the event of failure to comply with the above provisions the relevant costs shall not be eligible for funding by the Contracting Authority.

Article 11 - IMPLEMENTATION PERIOD OF THE AGREEMENT, SUSPENSION, FORCE MAJEURE

- 11.1 Irrespective of the starting date and implementation period of the Action, the implementation period of this Agreement shall be as set out in Article 2 of the Special Conditions

- 11.2 The Organisation may suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it too difficult or dangerous to continue. It shall inform the Contracting Authority without delay and provide all the necessary details. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration

of the suspension and may resume implementation of the Action once the conditions allow, and shall inform the Contracting Authority accordingly.

- 11.3 The Contracting Authority may request the Organisation to suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it impossible or too difficult or dangerous to continue. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration of the suspension and shall resume implementation of the Action once the conditions allow, with the prior written approval of the Contracting Authority.
- 11.4 The implementation period of this Agreement is automatically extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to the Agreement which 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 obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting party. Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it is prevented from fulfilling them by *force majeure*. Without prejudice to Articles 11.2 and 11.3 above, the Party invoking *force majeure* shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

Article 12 - TERMINATION OF THE AGREEMENT

- 12.1 If, at any time, either Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, either Party may terminate this Agreement by serving two months' written notice. In this event, the Organisation shall be entitled to payment of the contribution only for the part of the Action carried out, and to reimbursement of commitments entered into by the Organisation for the implementation of the Action, which the Organisation cannot reasonably terminate on legal grounds.
- 12.2 Where the Organisation:
- fails, without justification, to fulfil any of the obligations incumbent on it 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;
 - fails to comply with articles 1.5, 1.6 or 4;
 - makes false or incomplete statements to obtain the contribution provided for in the Agreement or provides reports that do not reflect reality;
 - commits financial irregularities or is guilty of grave professional misconduct;
 - undergoes legal, financial, technical or organisational change that is liable to affect this Agreement substantially or to call the award decision into question;

the Contracting Authority will enter into discussions with the Organisation and, failing a proper solution within one month, may terminate this Agreement, without prior notice and without paying compensation of any kind. In that event the Contracting Authority may demand full or partial repayment of any amounts unduly paid, after allowing the Organisation to submit its observations.

- 12.3 Prior to or instead of terminating the Agreement as provided for in Article 12.2, the Contracting Authority may suspend payments or (exceptionally) the eligibility of expenses as a precautionary measure, informing the Organisation immediately.
- 12.4 This Agreement shall be automatically terminated if it has not given rise to a payment by the Contracting Authority (including pre-financing) within three years of its signature.
- 12.5 Unless this Agreement is earlier terminated pursuant to this Article 12.2, the payment obligations of the European Union hereunder shall cease at the “end date”, which shall occur 18 months after the end of the implementation period as defined in Article 2 of the Special Conditions.

The Contracting Authority notifies the Organisation of any postponement of the end date. The Contracting Authority shall postpone the end date, so as to be able to fulfil its payment obligations, in all cases where the Organisation has filed the payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in article 13.

Article 13 - SETTLEMENT OF DISPUTES

- 13.1 The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Agreement, including its existence, validity or termination. In default of amicable settlement, any Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of this Agreement.
- 13.2 The language to be used in the arbitral proceedings shall be English. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either Party. The Arbitrator’s decision shall be binding on all Parties and there shall be no appeal.
- 13.3 Nothing in this Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party hereto by its constituent documents or international law.

FINANCIAL PROVISIONS

Article 14 - ELIGIBLE COSTS

- 14.1 To be considered eligible as direct costs under this Agreement, costs must:
 - be necessary for carrying out the Action, be provided for specifically in this Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;

- have actually been incurred during the implementation period of this Agreement as defined in article 2 of the Special Conditions, whatever the time of actual disbursement by the Organisation;
- be recorded in the Organisation's or Organisation's partners' accounts, be identifiable, backed by originals of supporting evidence (as the case may be in electronic form), and verifiable pursuant to the provisions of article 16.4.

14.2 Subject to the above and without prejudice to article 10.4, the following direct costs of the Organisation or its implementing partners may in particular be eligible:

- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs (including in the form of provisions made in accordance with the Organisation accounting rules in case of Joint Management Action). Identifiable personnel costs at headquarters level arising as a direct consequence of the Action may be included. Salaries and costs will not exceed those normally borne by the Organisation or partners;
- travel and subsistence costs for staff taking part in the Action, provided they do not exceed those normally borne by the Organisation or partners;
- purchase costs for equipment (new or used) which are attributable to the Action;
- purchase costs for goods and services (transport, storage and distributing, rent of equipment, etc.) which are directly attributable to the Action;
- costs directly arising out of, or related to, accepting or distributing contributions in kind;
- costs of consumables and supplies directly attributable to the Action;
- expenditure on contracting directly attributable to the Action;
- the proportion of field office costs that corresponds to the amount of activity directly attributable to the Action or to the proportion of funding by the Contracting Authority;
- costs deriving directly from the requirements of this Agreement (dissemination of information, evaluation specific to the Action, specific reporting for the needs of the Contracting Authority, translation, reproduction, insurance, targeted training for those involved in the Action, etc.) including financial service costs (in particular bank fees for transfers).

14.3 The following costs shall not be considered eligible:

- debts and provisions for possible future losses or debts;
- interest owed by the Organisation to any third party;
- items already financed from other sources;
- purchases of land or buildings;
- currency exchange losses;

- taxes, duties and charges charged to the Organisation (unless the Organisation is not able to reclaim them and if allowed by the applicable regulatory provisions of the European Union).

14.4 A fixed percentage of direct eligible costs, not exceeding 7 %, may be claimed as indirect costs by the Organisation to cover the administrative overheads incurred for the Action.

Subject to the above, for comparable Actions and Actions where there is more than one donor the amount recovered shall not, in percentage terms, be higher or lower than for other comparable contributions.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of this Agreement.

Indirect costs may be charged on the value of in-kind commodities delivered by the Contracting Authority, including their associated costs.

Where the rates applied in accordance with the Organisation's governing bodies' decisions exceed 7%, the Organisation may recover the balance as direct eligible costs, subject to the provisions governing direct eligible costs referred to in this article 14 being fulfilled.

Indirect costs shall not be eligible where the Agreement concerns the financing of an Action where the Organisation is already receiving an operating grant from the European Union during the period in question.

14.5 A contingency reserve may be included in the Budget of the Action, to cover any adjustment necessary in the light of changed circumstances on the ground. The contingency reserve should not be higher than 5% of eligible costs and can only be used with the prior written (by letter) authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

14.6 In the case of co-financing, contributions in kind made by the Organisation or its partners may neither be considered as co-financing nor as eligible costs. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget for the Action when paid by the Organisation or its partners.

Article 15 - PAYMENTS

15.1 Payment procedures are set out in Article 4 of the Special Conditions and follow one of the two options below:

Option 1: When the implementation period of the Agreement does not exceed 12 months or the contribution is less than EUR 100 000

The Contracting Authority will provide a payment of pre-financing of from 80% up to 95% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

The Contracting Authority will pay the balance within 45 days of approving the final report.

Option 2: When the implementation period of the Agreement exceeds 12 months and the contribution is of EUR 100 000 or more

The Contracting Authority will provide a payment of pre-financing of from 80% to 95% of that part of the forecast budget for the first 12 months of an Action which is being financed by it (excluding contingencies) within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

Each further instalment of pre-financing will cover the remainder of the Contracting Authority's part of the planned budget for the previous period (including any approved contingencies) plus a pre-financing of from 80% to 95% of that part of the forecast budget for the subsequent 12-month period (or of the remaining period if shorter as regards the last instalment of pre-financing) which is financed by it (excluding contingencies), and be made by the Contracting Authority within 45 days of approving a progress report, provided that at least 70% of the immediately preceding payment (and 100% of previous payments if any) has been incurred, as proven by the relevant report. For the purpose of this provision funds are incurred when they are the subject of a formal legal commitment between the Organisation (or its partners) and a third party.

The Contracting Authority will pay the balance within 45 days of approving the final report.

- 15.2 Any report will be deemed approved 45 days after receipt, accompanied by a request for payment conforming to the model attached as Annex V, if the Contracting Authority has not reacted.

If the Contracting Authority does not intend to approve a report, as submitted, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the first 45-day period. The deadline for approving the report shall be suspended pending the receipt of the requested information. If the Contracting Authority deems that a payment request cannot be met, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the second 45-day period. The payment period shall be suspended pending the registration of a properly formulated payment request.

Reports shall be presented in accordance with the stipulations of Article 2.

Approval of a report does not imply recognition of the regularity, authenticity, completeness and correctness of the declarations and information contained therein.

- 15.3 On expiry of the payment period specified in article 15.1, the Organisation may, within two months of receiving late payment, demand interest at the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union on the first day of the month in which payment was due, increased by three and a half percentage points.

The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.

The interest shall not be treated as an income for the purposes of determining the final amount of European Union financing within the meaning of article 17. The suspension of payment by the Contracting Authority may not be considered as late payment.

- 15.4 The level of pre-financing referred to in article 15.1 above shall be set at a level of between 80% and 95 % in 5% increments taking into account past record of the Organisation in particular as regards timely submission of the final report.
- 15.5 The Contracting Authority will make payments in EUR into the bank account referred to in the financial identification form in Annex IV. Where payment is to be made to a bank account which is already known to the Contracting Authority, the Beneficiary may provide a copy of the relevant financial identification form.
- 15.6 Where feasible, the funds paid by the Contracting Authority shall be maintained in Euro denominated bank accounts. They may be pooled together with contributions from other donors. They may be exchanged for other currencies in order to facilitate their disbursement.
- 15.7 For Joint Management and/or Multi-Donor Actions, the Organisation's rules and procedures pertaining to bank interest shall apply, and an equal treatment among donors shall be ensured. This is based on the understanding that these rules and procedures conform to internationally accepted standards.

In all other cases, interest earned by the Organisation on funds received from the Contracting Authority shall be identified as such and reflected in reports to the Contracting Authority. In such cases, subject to the conditions provided for in the applicable regulations of the European Union:

- for pre-financing payments equal or below EUR 250 000 (or for crisis management, equal or below EUR 750 000 per agreement at the end of each financial year and for projects of a duration of more than 12 months), interests earned on such pre-financing payments shall not be due to the Contracting Authority.
- for pre-financing payments exceeding the amounts indicated above and below EUR 750 000 (except in case of crisis management), interest earned on such pre-financing payments shall be assigned to the Action and deducted from the payment of the balance of the amounts due to the Organisation, unless the Contracting Authority requests the Organisation to reimburse the interest generated by pre-financing payments before the payment of the balance.
- for pre-financing payments exceeding EUR 750 000 per agreement at the end of the financial year, the amount of earned interests on such pre-financing payments shall be recovered by the Contracting Authority for each reporting period following the implementation of the Agreement.

Article 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. Separate accounts shall be kept for each Action, and shall detail all income and expenditure.

For Joint Management and/or Multi-Donor Actions, the accounting regulations and rules of the Organisation shall apply. This is based on the understanding that these regulations and rules conform to internationally accepted standards.

In all other cases the Organisation shall use a dedicated double-entry book-keeping system as part of or as an adjunct to the Organisation's own accounts. This dedicated system shall follow the procedures dictated by professional practice and provide precise details of interest accruing on funds paid by the Contracting Authority.

16.2 Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the Organisation. A copy of the audited financial statements shall be submitted to the European Commission by the Organisation.

16.3 The Organisation shall, until at least five years after the end date as specified in article 12.5:

- keep financial accounting documents concerning the activities financed by the contribution and,
- make available to the competent bodies of the European Union, upon request, all relevant financial information, including statements of accounts concerning the Action, whether they are executed by the Organisation or by its implementing partners or contractors.

16.4 In conformity with its financial regulations, the European Union, including its Court of Auditors, may undertake, including on the spot, checks related to the Actions financed by the Contracting authority.

16.5 These provisions shall be applied in accordance with any specific agreement concluded in this respect by the Organisation and the European Union.

Article 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

17.1 The total amount to be paid by the Contracting Authority to the Organisation may not exceed the maximum contribution established by Article 3(2) of the Special Conditions, even if the overall actual expenditure exceeds the estimated total budget set out in Annex III.

17.2 Where Article 3(2) of the Special Conditions sets out a maximum percentage of estimated total eligible cost to be financed by the Contracting Authority, and if the eligible costs at the end of the Action are less than the estimated total cost specified in Article 3(1) of the Special Conditions, the contribution of the Contracting Authority may be limited to the amount produced by multiplying the actual expenditure by the percentage laid down in Article 3(2) of the Special Conditions.

Where the percentage set out in article 3(2) of the Special Conditions is likely to change in the course of implementation, the Organisation will consult the Contracting Authority without delay so as to agree on appropriate measures, in accordance with Article 9.

- 17.3 The Organisation accepts that the contribution of the Contracting Authority shall be limited to the amount required to balance income and expenditure for the Action and that it may not in any circumstances result in a surplus for the Organisation.
- 17.4 In cases where the Action is suspended or not completed within the implementation period of this Agreement, the funds that remain unexpended after all liabilities incurred in this period have been satisfied, including interest earned where applicable, will be reimbursed to the Contracting Authority.
- 17.5 Where the Action is not carried out at all, or is not carried out properly, in full or on time and without prejudice to its right to terminate this Agreement pursuant to article 12.2, the Contracting Authority may, after allowing the Organisation to submit its observations and without prejudice to article 13, reduce the contribution pro rata the actual implementation of the Action on the terms laid down in this Agreement.

Article 18- RECOVERY

- 18.1 Where recovery is justified, the Organisation undertakes to repay to the Contracting Authority within 45 days of the issuing of the debit note, the latter being the letter by which the Contracting Authority requests the amount owed by the Organisation, any amounts paid in excess of the final amount due.
- 18.2 If the Organisation fails to repay by the due date, the sum due shall bear interest at the rate indicated in article 15.3. The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.
- 18.3 Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Organisation, after informing it accordingly. The Organisation's prior consent is not required. This shall not affect the Parties' option to agree on payment in instalments.
- 18.4 Bank charges incurred by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Organisation.

Annex III: Budget for the Action (in Euros)

	TOTAL
Technical Assistance	900,000
Support costs for training, workshops and meetings	600,000
Visibility, Communication Strategy	200,000
Eligible Indirect Costs, including financial verifications	129,700
TOTAL	1,829,700

Annex IV: Financial identification form



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT http://ec.europa.eu/budget/execution/fifiers_fr.htm

ACCOUNT NAME	
ACCOUNT NAME ⁽¹⁾	<input style="width: 85%;" type="text"/>
ADDRESS	<input style="width: 95%;" type="text"/>
	<input style="width: 95%;" type="text"/>
TOWN/CITY	<input style="width: 45%;" type="text"/>
COUNTRY	<input style="width: 45%;" type="text"/>
POSTCODE	<input style="width: 15%;" type="text"/>

CONTACT	<input style="width: 85%;" type="text"/>	
TELEPHONE	<input style="width: 35%;" type="text"/>	FAX <input style="width: 35%;" type="text"/>
E - MAIL	<input style="width: 85%;" type="text"/>	

BANK		
BANK NAME	<input style="width: 85%;" type="text"/>	
BRANCH ADDRESS	<input style="width: 95%;" type="text"/>	
	<input style="width: 95%;" type="text"/>	
TOWN/CITY	<input style="width: 45%;" type="text"/>	POSTCODE <input style="width: 15%;" type="text"/>
COUNTRY	<input style="width: 45%;" type="text"/>	
ACCOUNT NUMBER	<input style="width: 85%;" type="text"/>	
IBAN ⁽²⁾	<input style="width: 85%;" type="text"/>	

REMARKS:

<p>BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE (Both Obligatory)⁽³⁾</p> <div style="height: 100px;"></div>	<p>DATE + SIGNATURE ACCOUNT HOLDER : (Obligatory)</p> <div style="height: 100px;"></div> <p>DATE <input style="width: 50px;" type="text"/></p>
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⁽¹⁾ The name or title under which the account has been opened and not the name of the authorized agent
⁽²⁾ If the IBAN Code (International Bank account number) is applied in the country where your bank is situated
⁽³⁾ It is preferable to attach a copy of recent bank statement, in which event the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.

Annex V-Payment Request

**Request for payment for contribution agreement
with an international organisation**

Date of the request for payment <.....>

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Agreement>⁵

Reference number of the Agreement: ... CRIS No:

Title of the Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of prefinancing/interim payment/balance⁶ under the Agreement mentioned above.

The amount requested is [as indicated in Article 4(2) of the Special Conditions of the Agreement/the following: ...]⁷

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)⁸

The payment should be made to the following bank account:...⁹

Please when making the payment indicate the following communication: ...

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully,

<signature>

⁵ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Agreement.

⁶ Delete the options which do not apply.

⁷ Delete the option which does not apply.

⁸ Delete the items which do not apply.

⁹ Indicate the account number shown on the identification form annexed to the Agreement. In the event of change of bank account, please complete and attach a new identification form as per model.

