FINANCING AGREEMENT

between

THE EUROPEAN UNION

and

THE PACIFIC ISLANDS FORUM SECRETARIAT

"Pacific-European Union Marine Partnership (PEUMP)"
FINANCING AGREEMENT

SPECIAL CONDITIONS

The European Commission, hereinafter referred to as "the Commission", acting on behalf of the European Union, hereinafter referred to as "the EU",

of the one part, and

Pacific Island Forum Secretariat (PIFS) represented by the regional authorising officer, hereinafter referred to as “the Partner”,

of the other part,

Any reference hereinafter to “the Partner” encompasses the ACP State or States, OCT or OCTs, as well any relevant organisation or body at regional or infra-ACP level.

have agreed as follows:

Article 1 - Nature of the action

1.1. The EU agrees to finance and the Partner agrees to accept the financing of the following action:

    Pacific – European Union Marine Partnership (PEUMP)
    FED/2017/038828

    This action is financed from the 11th European Development Fund under the following
    basic act: ACP-EU Partnership Agreement.

1.2. The total estimated cost of this action is EUR 44,550,000.00 and the maximum EU
    contribution to this action is set at EUR 35,000,000.00.

    This EU contribution will be increased by an approximate amount of EUR 9,550,000.00 to be received under a transfer agreement with the Swedish International Development Cooperation Agency (SIDA) no. RPA/EDF/2017/038828 (donor identification number 51020177).

1.3. The Partner shall not co-finance the action.
Article 2 – Execution period

2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 90 months after this date.

2.2. The duration of the operational implementation phase is fixed at 66 months.

2.3. The duration of the closure phase is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) for the Commission

Delegation of the European Union for the Pacific,
Level 6, TappooCity Complex
Corner of Scott & Usher Streets,
Private Mail Bag, GPO,
Suva, Fiji.

Email: Delegation-Fiji@eeas.europa.eu

b) for the Partner

The Regional Authorising Officer
Secretary General of the Pacific Islands Forum Secretariat,
Pacific Islands Forum Secretariat (PIFS),
Private Mail Bag,
Suva, Fiji.

Article 4 – OLAF contact point

The contact point of the Partner having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

Ms Nehla Basawaiya
Corporate Lawyer,
Pacific Islands Forum Secretariat (PIFS),
Private Mail Bag,
Suva, Fiji.

Email: nehlab@forumsec.org
Article 5 - Annexes

5.1. This Financing Agreement is composed of:

(a) these Special Conditions;

(b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this Action;

(c) Annex II: General Conditions;

(d) Annex III: Reporting Template - not applicable to and not included in this Financing Agreement.

(e) Annex IV: Management Declaration Template - not applicable to and not included in this Financing Agreement.

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

6.1. Articles 18, 19, 25.3, 25.4 and 25.5 do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement.

6.2. Provisions of Article 20 and Article 21 of Annex II on the General Conditions do not fall under the purview of PIFS responsibility, but they shall remain under the competence of the Beneficiary host PIFS Member States. However, PIFS will facilitate the process.

6.3. Parts One and Two of Annex II are not applicable to this Financing Agreement.

6.4. The increase of the EU contribution as set forth under Article 2 2nd paragraph is contingent on the disbursement of the relevant funds by SIDA to the EU. The EU will inform the Partner about the increase in writing. This written information also constitutes the amendment to the Financing Agreement in the sense of Article 25 of Annex II.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party.
Done in three original copies, two copies being handed to the Commission and one to the Partner.

FOR THE EUROPEAN COMMISSION

Nevan MIMICA
Commissioner for International Cooperation and Development

Date: 5 OCT. 2017

FOR THE PARTNER

Dame Meg TAYLOR
Regional Authorising Officer
Secretary General of the Pacific Islands Forum Secretariat

Date: 5 OCT. 2017

Pierre AMILHAT
Director for Asia, Central Asia, Middle East/Gulf and Pacific
Directorate-General for International Cooperation and Development

Date: 29 AOUT 2017
# Annex I

## Technical and Administrative Provisions (TAPS)

| 1. Title/basic act/ CRIS number | Pacific-European Union Marine Partnership (PEUMP)  
(Pacific RIP – Priority 2.1)  
CRIS number: FED/2017/38828.  
Financed under the European Development Fund (EDF) |
|-------------------------------|--------------------------------------------------|
| 2. Zone benefiting from the action/location | Pacific Region; The action shall be carried out at the following location:  
All 15 Pacific ACP countries (PACPs). |
| 3. Programming document | Pacific Regional Indicative Programme 2014-2020 (11\textsuperscript{th} EDF) |
| 4. Sector of concentration/ thematic area | 2.1 Sustainable development of oceanic and coastal natural resources  
DEV. Aid: YES |
| 5. Amounts concerned | Total estimated cost: EUR 44.55 million  
Total amount of EDF contribution: EUR 35 million. This EU contribution will be increased by an approximate amount of EUR 9,550,000.00 plus EUR 450,000 to be kept by the Commission to cover administrative costs to be received under a transfer agreement with the Swedish International Development Cooperation Agency (SIDA) no. RPA/EDF/2017/038828 (donor identification number 51020177).  
The Commission will be entrusted with the responsibility of managing the contribution transferred by SIDA after the signature of the corresponding transfer agreement, in accordance with the procedures applicable to the expenditure of the European Union, in particular EDF. |
| 6. Aid modality and implementation modality | Project modality:  
Indirect management with Regional Organisations - PAGODA Co-delegation agreement with the Pacific Community (SPC), the Forum Fisheries Agency (FFA) and the Secretariat of the Pacific Regional Environment Programme (SPREP) |
| 7 a) DAC code(s) | 313 Fishing 50\% - 31382, 31310, 31320; 410 Environmental Protection 20\% - 41030; 331 Trade 15\% - 33120; 114 Education 15\% - 11430/31381 |
| 7 b) Main Delivery Channel | Pacific Community (SPC) - 47096 |
| 8. Markers (from CRIS) | General policy objective  
Not  
Significant  
Main |
<table>
<thead>
<tr>
<th>DAC form)</th>
<th>targeted</th>
<th>objective</th>
<th>objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in development/ good governance</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid to environment</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender equality (including Women In Development)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Development</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reproductive, Maternal, Newborn and child health</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RIO Convention markers</td>
<td>Not targeted</td>
<td>Significant objective</td>
<td>Main objective</td>
</tr>
<tr>
<td>Biological diversity</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat desertification</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Global Public Goods and Challenges thematic flagships

Consistent with GPGC thematic areas: sustainable management of ecosystems, climate change adaptation, enhanced and sustainable food security, and empowerment for better livelihoods.

10. SDGs

Main SDG: Sustainable Development Goal (SDG) 14 - Life below water
Secondary SDGs: Sustainable Development Goals 1 - No poverty, 2 - Zero hunger, 5 - Gender equality, 8 - Decent work and economic growth, SDG 12 - Responsible consumption and production - and 13 - Climate action.

SUMMARY

The Pacific-European Union Marine Partnership (PEUMP) Programme overall objective is to improve the economic, social and environmental benefits for 15 Pacific ACP states (PACPs) arising from stronger regional economic integration and the sustainable management of natural resources and the environment. The programme purpose is to support sustainable management and development of fisheries for food security and economic growth, while addressing climate change resilience and conservation of marine biodiversity. The overall amount of the programme is EUR45 million inclusive of approximately EUR 10 million co-financing from Sweden. The Swedish support will mainly be used to enhance regional cooperation to increase vulnerable coastal communities' resilience against negative climate effects and natural disasters in order to promote innovative actions and activities to promote more resilient coastal fisheries, with indirect benefits to coastal tourism. The programme will address six key result areas designed to improve living conditions and human rights in Pacific ACPs: 1 - High quality scientific and management advice for oceanic fisheries provided and utilised at regional and national level; 2 - Inclusive economic benefits from sustainable tuna fishing increased through supporting competent authorities and strengthening private sector capacities to create decent employment; 3 - Sustainable management of coastal fisheries resources and ecosystems improved through better

---

1 The contribution of EUR 10 million of SIDA will be entrusted to the Commission through a Transfer Agreement. An amount of approximately EUR 450,000 will be allocated to the Commission as a lump sum in order to cover for administrative costs.

[2]
quality scientific information, legal advice, support, mentoring and empowerment at community level; 4- Illegal, Unreported and Unregulated (IUU) fishing reduced through enhanced monitoring control and surveillance of both oceanic and coastal fisheries, improved legislation, access to information, and effective marine area management; 5- Sustainable utilisation of the coastal and marine biodiversity promoted through improving marine spatial planning, increasing climate change resilience, enhancing biodiversity conservation and rehabilitation measures; 6- Capacity built through education, training and research and development for key stakeholder groups in fisheries and marine resources management.

Key problems identified in the marine and coastal resources sector will be addressed: the uneven contribution of oceanic (tuna) fisheries to national economic development; increasing depletion of coastal fisheries resources; threats to marine biodiversity, including negative impacts of climate change and disasters; the need for improved education and training in the sector; and the need to mainstream a rights-based approach and gender considerations. The approach revolves around key principles/tools: 1) sound ocean and coastal governance with consideration of biodiversity protection and sustainable use of marine/fisheries resources; 2) mainstreaming of human rights and gender equality through a rights-based approach toolbox to improve the livelihoods of men, women and youth in the region; 3) mainstreaming of climate change and environment with due consideration to biodiversity; 4) strengthening capacity at regional, national, sub-national and local level to apply these principles with a focus on education, training and research to enable the next generation of Pacific decision makers and marine resource managers to exert their rights and duties with increased accountability; 5) equitable benefits for all the PACP countries with a demand-driven approach whilst recognising the diversity of needs and opportunities across the 15 PACP countries; and 6) intervention through both regional and national level activities to support specific countries needs and priorities to enhance ownership.

To ensure sound implementation and a comprehensive partnership with the European Union (EU), a collaborative approach will bring together key organisations involved in the marine and coastal resources sector in the Pacific, with three international agencies (Pacific Community - SPC, Forum Fisheries Agencies – FFA, and Secretariat of the Pacific Regional Environment Programme – SPREP), the only regional university (University of the South Pacific - USP) and several non-government organisations working together. Regional organisations will work closely with national agencies (governmental departments in each country responsible for fisheries and protection of the marine and coastal environment) and will work directly with coastal communities and the fishing industry to ensure strong local ownership and concrete deliverables to the people on the ground. The Action will contribute to an important process of reform in the region’s fisheries policy through supporting implementation of certain strategies of the Regional Roadmap for sustainable Pacific fisheries3 approved by Fisheries Ministers and endorsed by Leaders (i.e. Heads of State and Governments) in 2015.

The Action is aligned with the (i) New European Consensus on Development4, in particular its priorities 3.1. ‘People – human development and dignity’, 3.2 ‘Planet – protecting the environment, managing natural resources and tackling climate change’ and 3.3 ‘Prosperity – inclusive and sustainable growth and jobs’, and (ii) Joint Communication on A Renewed

---

3 Support to the implementation of the Regional Roadmap for Sustainable Fisheries does not constitute an endorsement of all its strategies and policies by EU particularly in its tuna fisheries component.
4 http://www.ffas.org.nz/1569
The document was signed on 7 June 2017: http://europa.eu/rapid/press-release_IP-17-1503_en.htm
Partnership with the Countries of Africa, the Caribbean and the Pacific\(^5\) and its priorities under section 3.2.3 and (iii) 2016 Joint Communication on International Ocean Governance: an Agenda for the Future of our Oceans\(^6\). The programme responds also to Sustainable Development Goals (SDG) 14 - Life below water. Secondary SDGs are the following SDG: 1 - No poverty, 2 - Zero hunger, 5 - Gender equality, 8 - decent work and economic growth, 12 - Responsible consumption and production and 13 – Climate action. It will contribute also to the European Union Global Strategy on Foreign and Security Policy \(^7\) through implementing its principles of engagement and partnerships and the Commission Communication Next steps for a sustainable European future: European action for sustainability\(^8\).

1 DESCRIPTION OF THE ACTION
1.1 Objectives/results

The programme's **overall objective** is 'to improve the economic, social and environmental benefits for 15 Pacific ACP states (PACPs) arising from stronger regional economic integration and the sustainable management of natural resources and the environment'. The programme's **purpose** is 'to support sustainable management and development of fisheries for food security and economic growth, while addressing climate change resilience and conservation of marine biodiversity'.

To address the problems identified and to ensure a balance between equitable benefits for all the PACP countries and a demand-driven approach recognising the diversity of needs and opportunities across the 15 PACP countries, the Action will adopt an integrated approach, with inter-related components implemented by several agencies, revolving around **six key result areas (KRA)** aligned with the two focal sectors of the regional roadmap – oceanic and coastal fisheries:

**Oceanic Fisheries**

**KRA 1** - High quality scientific and management advice for oceanic fisheries provided and utilised at regional and national level. To achieve the result, specific activities will target regional organisations, governments and national organisations. A close collaboration with national and local civil society organisations would be fostered as appropriate.

**KRA 2** – Inclusive economic benefits from sustainable tuna fishing increased through supporting competent authorities and strengthening private sector capacities to create decent employment. To achieve the result, specific activities will target national governments, the private sector and local communities where feasible (involving women, minority, youth and vulnerable groups) to promote sustainable and inclusive economic development;

**Coastal Fisheries**

---


\(^6\) [https://ec.europa.eu/maritimeaffairs/policy/ocean-governance_en](https://ec.europa.eu/maritimeaffairs/policy/ocean-governance_en)


KRA 3 - Sustainable management of coastal fisheries resources and ecosystems improved through better quality scientific information, legal advice, support, mentoring and empowerment at community level. To achieve the result, specific activities will target the coastal communities, with focus on women and youth, national government agencies and local authorities. For the work with the local communities, a rights-based and gender inclusive approach will be at the outset of project planning in order to directly address specific community needs and establish better opportunities for a sustainable development.

Coastal and Oceanic fisheries
KRA 4 - IUU fishing reduced through enhanced monitoring, control and surveillance of both oceanic and coastal fisheries, improved legislation, access to information, and effective marine area management. To achieve the result, specific activities will be implemented at regional level and national level targeting regional organisation, governments, and national competent authorities.

KRA 5 - Sustainable utilisation of the coastal and marine biodiversity promoted through improving marine special planning, increasing climate change resilience, enhancing conservation/mitigation and rehabilitation measures. To achieve the result, specific activities will target regional organisations, national governments and local communities underpinned by gender and human rights based approaches to promote a sustainable utilisation of coastal and marine biodiversity;

Capacity development
KRA 6 - Capacity built through education, training and research and development for key stakeholder groups in fisheries and marine resources management. Gender issues and a rights-based approach will be mainstreamed throughout the programme. With the approach to move from ad-hoc training to a more strategic and formal education, schemes will be implemented at regional and national and local level involving the regional university network and TVET institutions.

Policy dialogues between EU and the Pacific Regional organisations would cover all key result areas in view of deepening EU-Pacific partnership and ensuring sustainability of the action.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 14 – Life below water, but also promotes progress towards Goals 5 – Gender equality, 12 – Responsible consumption and production and 13 – Climate. This does not imply a commitment by the countries benefiting from this programme.

1.2 Main activities
Main activities envisaged by key result area are as follows:

Oceanic Fisheries
(1) High quality scientific and management advice for oceanic fisheries provided and utilised at regional and national level: (a) Analysis of tuna by-catch at regional and national levels; (b) ecosystem modelling and development of indicators; (c) evaluation of electronic monitoring for purse seine vessels; (d) research to address biological
uncertainties in tuna stock assessment models; (e) improved modelling of relative abundance using catch per unit effort; (f) capacity development through long-term attachments with SPC. These activities will be implemented at regional level but with results delivered to national authorities.

(2) Inclusive economic benefits from sustainable tuna fishing increased through supporting competent authorities and strengthening private sector capacities to create decent employment: (a) establishment of a regional competent authority support unit to meet sanitary market access requirements through delegation by PACP government agencies; (b) support for sanitary and IUU competent authorities to comply with applicable legislation allowing for market access; (c) assistance with fisheries development and national policies; (d) annual policy dialogue with the EU; (e) assistance to P-ACP to comply with WCPFC Conservation Management Measures (CMMs) and to implement checklist identified priorities; (f) building the capacity and engagement of the regional tuna industry association; (g) pilot projects and technical assistance for small and medium enterprises in the sector;

Coastal Fisheries

(3) Sustainable management of fisheries resources and ecosystems improved through better quality scientific information, legal advice, support, mentoring and empowerment of coastal communities: (a) Surveys of commercially important invertebrates; (b) socio-economic surveys of coastal communities; (c) coastal fisheries data collection and national database development including trials of new technology; (d) support and mentoring for the community ecosystem approach to fisheries management (CEAFM) at national and local levels; (e) CEAFM management and coordination with NGOs; (f) support for community monitoring and protection of endangered species; (g) CEAFM activities at sub-national and community level; (h) communication activities and production and dissemination of information and materials for communities; (i) capacity development through long-term attachments for national fisheries and NGO staff; (j) Outreach activities including adaptation with communities; (k) gender-based and rights-based trainings, national gender stocktakes.

These activities will be implemented at the national level, through local government and local authorities and working directly with coastal communities, with a specific focus on vulnerable groups, women and youth. There will be a specific initial focus on the Melanesian countries – Fiji, Solomon Islands, PNG, Timor Leste and Vanuatu – as well as Kiribati; but work will be extended to other Micronesian and Polynesian countries as the project develops.

Coastal and Oceanic fisheries

(4) IUU fishing reduced through enhanced monitoring control and surveillance of both oceanic and coastal fisheries, improved legislation, access to information, and effective marine area management: (a) Support for the review of national legislation in line with international principles as well as the implementation of IUU national plans of action; (b) national follow-up of suspected IUU incidents and assistance with prosecutions and sanctions; (c) trials of new technology to assist national and regional Monitoring Control and Surveillance (MCS) efforts; (d) technical assistance with catch documentation systems, electronic monitoring and electronic reporting; (e) international outreach and
advocacy on IUU and control of high seas fisheries; (f) assistance with delimitation and negotiation of maritime boundaries; (g) capacity building and training of MCS officers with emphasis on the enforcement of port state controls and coastal fisheries regulations; (h) development of tools and systems to combat IUU fishing activities in coastal waters. These activities will be implemented at regional level and national level and will benefit all PACP countries but with a specific focus on the following countries: Kiribati, Tuvalu, Samoa, Tonga, Cook Islands, Nauru, Marshall Islands, Fiji, and Vanuatu.

(5) **Sustainable utilisation of the coastal and marine biodiversity promoted through improving marine special planning, increasing climate change resilience, enhancing conservation/mitigation and rehabilitation measures:** (a) Support for marine spatial planning in at least two countries; (b) integrated ecosystem strategies and coastal zone management planning; (c) climate change adaptation strategies integrated into coastal community plans; (d) endangered marine species by-catch assessed and extinction risk evaluated; (e) by-catch mitigation strategies developed and rolled-out; (f) capacity development through research grant; (g) capacity building on non-detrimental findings process for CITES parties. These activities will be implemented at the national level with the focus on of some activities on Tonga, Vanuatu, Fiji, Solomon Islands and PNG. Others will be determined through a needs assessment.

(6) **Capacity built through education, training and research and development for key stakeholder groups in fisheries and marine resources management:** (a) Comprehensive needs and gap analysis undertaken; (b) accreditation and delivery of existing TVET courses (e.g. fisheries enforcement); (c) design of continuing professional development and career pathways including business skills; (d) development and delivery of additional training courses identified through needs and gap analysis related to coastal fisheries management and sustainable marine development; (e) applied research and postgraduate scholarships; (f) outreach, including on-line delivery of education and training, publications and talanoa⁹; (g) rights-based and gender trainings.

During the starting/inception phase (indicatively 4 months), several activities will be carried out such as: (i) a needs and gap analysis to ensure the implementation of tailored country level activities aligned with national priorities, to firm up activities and work-plans and to update logical framework indicators and baselines with a view to tailoring country level activities; (ii) gender and HRBA surveys and analysis will allow specific interventions (such as the delivery of specific trainings on RBA and gender) throughout the programme duration for each key result area to improve the opportunities for indigenous people, women, men and youth in fisheries. In particular, the results of the gender analysis would be crucial to promote an active involvement of women and youth organisations, to ensure effective women and youth empowerment, as agent of change (not only in relation to the economic component of the programme) and to include specific indicators). SPC-Regional Rights Resources Team (RRRT), notably, utilises a PANEL approach (Participation, Accountability, Non-discrimination, Empowering, Links to Human Rights Conventions); when relevant, national gender stocktakes would be undertaken; (iii)

⁹ Talanoa is a term used in several Pacific Island languages to mean a frank face to face discussion and exchange of views.
finalisation of staff recruitment, and review of relevant institutional set-up; and iv) fine-tuning of the communication strategy to ensure adequate visibility of the programme.

A policy dialogue will be arranged between representatives of European Union (Directorate General for Maritime Affairs, EuropeAid/Directorate for International Cooperation and Development and EU Delegation for the Pacific) and senior PACPs government officials (in particular fisheries/environment officials) to strengthen the EU-Pacific partnership and mutual understanding on sustainable fisheries, ocean governance and relevant related sectors. The policy dialogue shall be a continuous and constant process complemented by physical meetings to take place back-to-back with/in the margins of/ or in preparation of relevant fora such as SPC, SPREP or FFA, WCPFC annual meeting, governing councils meetings as appropriate. In the event that there are issues outside the fisheries sector that require policy dialogue, this may be coordinated by one of the other implementing partners or the DMRO. The activities of the PEUMP programme will be integrated into the annual work programmes of the three entrusted regional Organisation (SPC, SPREP and FFA), which are approved at their governing council meetings.

1.3 Intervention logic

The programme follows a clear intervention logic, based on problem analysis. In line with the Regional Roadmap for Sustainable Fisheries, PEUMP will support export-led economic growth based on increased domestication of the tuna industry, with sustainability of the resource ensured by science-based management. At the same time, resilience of inshore fisheries will be increased by empowering coastal communities to manage their own resources for strengthened food security. In both sectors, more effective action against IUU fishing will conserve resources for legitimate users. In line with the ecosystem approach, the project’s scope extends beyond management of target species. Building capacity is both a result area for the programme, and integrated into all other results. The programme has been divided into six result areas but all are closely linked and the project management will ensure an integrated approach to delivery. The more detailed intervention logic is provided in the logical framework (Appendix 2).

Sustainability will be addressed at two levels. Sustainable and inclusive economic development for the region will rely on sustainability of renewable natural resources, and this is the main focus of the programme. Sustaining programme results after implementation has proved challenging for some previous EDF regional projects, but the following approaches are envisaged:

- A transition to cost recovery – for example countries are increasingly building management and training costs into observer charges levied on fishing vessels (wages and placement costs have been covered for some time) and basic operating costs of the regional vessel monitoring system are recovered from a levy on vessels. A similar approach will be adopted for the Regional Competent Authority Support unit once this is fully established; while the training component will see enforcement and observer training courses transition from current ad-hoc arrangements to university-based qualifications on a fee-paying basis. Where possible national coastal fisheries agencies will be supported in securing funding notably in reviewing licencing and penalty systems.

- Increasing sustainable funding for core activities: both FFA and the SPC Fisheries Programmes have recently secured additional funding from members to sustain core services to members; the WCPFC has also increased the funding paid to SPC for scientific services.
• Developing national capacity: the programme is focused on building capacity at national and community levels and will complement and reduce dependence on regional programmes.

• Ensuring stronger ownership by the partner countries thanks to the way the programme is being conceived (active involvement of the partner countries in the Regional Steering Committee and the working group).

• Policy dialogue on international oceans governance and climate change: the programme will set the framework for a broader dialogue at the regional level contributing to sustaining and boosting the programme results in the long term.

2. IMPLEMENTATION

2.1 Implementation Modalities

2.1.1 Indirect management with international organisations

This action may be implemented in indirect management with three independent international organisations the Pacific Community (SPC), the Pacific Islands Forum Fisheries Agency (FFA) and the South Pacific Regional Environment Programme (SPREP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015.

This implementation entails a co-delegation agreement with Pacific Community (SPC) as lead and coordinating organisation, the Pacific Islands Forum Fisheries Agency (FFA) and the South Pacific Regional Environment Programme (SPREP) as co-delegates. This set up is justified because of (i) the regional organisations specific mandate and technical expertise in fisheries, environment/biodiversity/climate change and capacity building. The Pacific Community (SPC) is oldest regional technical organisation established in 1947 and is specialised in oceanic fisheries science and coastal fisheries. Its 26 members (22 Pacific Islands Countries and Territories plus Australia, France, New Zealand and the United States of America) approve on a yearly basis its strategic frameworks and work plans including fisheries programmes. The Secretariat of the Pacific Regional Environment Programme (SPREP) has delivered high level expertise in biodiversity and ecosystem management since 1982. On an annual basis, its 26 members (including 21 Pacific Islands Countries, Australia, France, New Zealand, the United Kingdom and the United State of America) approve its strategic frameworks and work plans. By the same token, the Forum Fisheries Agency (FFA) has been the lead regional agency in the sector of fisheries management policy, combatting IUU fishing and development since 1979. Its 17 members (15 Pacific Islands Countries, Australia and New Zealand) approve its work plans on yearly basis; (ii) these co-delegates demonstrated efficient technical management of previous EDF projects in the Pacific Region whilst ensuring local ownership.

The entrusted entities would carry out the following budget-implementation tasks: launching calls for tenders (such as services, studies, trainings, technical expertise, etc.) and for proposals (to be defined at the inception phase); evaluation of tenders and proposals; award of contracts; concluding, monitoring and managing contracts; assessment and acceptance of deliverables; carrying out payments; recovering moneys due; and any other relevant aspects of the project management cycle of the PEUMP project.
The entrusted international organisations (SPC, FFA and SPREP) are currently undergoing the ex-ante assessment\(^\text{10}\) in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015.

The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

In addition, as allowed by the rules of the three above-mentioned entrusted entities and subject to the results of the pillar assessment, SPC, FFA and SPREP will partner with key governmental and non-governmental organisations identified as implementing partners. SPC will contract (subject to the above): (i) the University of the South Pacific (USP), the main regional capacity-builder established in 1967 and the only Pacific regional university with campuses in 12 PACPs, which will bring a long term and sustainability perspective to the capacity building component. USP has a strong delivery record under the EUR 10 million GCCA initiative; (ii) the Locally Managed Marine Areas Network (LMMA), which is a very active network in communities aiming at strengthening linkages between community/local and national level in particular in Melanesia and Polynesian countries. FFA will contract (subject to the above) (i) the World Wide Fund for Nature (WWF), which has been long standing and instrumental partner in IUU matters; (ii) the Pacific Islands Tuna Industry Association (PITIA), the only regional private sector Tuna association. SPREP will contract (subject to the above) (i) the International Union for the Conservation of Nature (IUCN), which has demonstrated added-value in conservation sector, and has been implementing the EU-funded BIOPAMA programme.

This arrangement is the result of (i) lessons learnt from the 2008-2013 EU-Pacific development cooperation evaluation, which recommended to engage further with civil society, non-governmental organisation under future EU-funded programme; (ii) thorough consultation and engagement with stakeholders (Pacific ACPs participating in 10\(^{\text{th}}\) EDF projects). Finally this approach responds to recommendations from officials and Ministers from the 15 Pacific ACPs and other members in the governing councils of the co-delegates. Further entities could join later for ad-hoc activities on a needs basis; this will be further explored at the inception phase.

\(^{10}\) The final reports of the current pillar assessment of SPC and SPREP will be submitted in April 2017 to the DEVCO/R2 for approval. These two reports revealed that for both organisations, the four pillars (accounting systems, internal control systems, independent external audit and procurement) have been positively assessed. Therefore, it is suggested to implement this action through a PAGODA co-delegation agreement considering the substantial level of budget implementation tasks it requires for the mobilisation of training, technical assistance, visibility and dissemination events, etc. The final report for FFA, i.e. third co-delegate, will also be submitted to DEVCO/R2 for approval in April/May 2017. The draft report shows FFA has also passed the four pillars, as have the two other co-delegates (SPC and SPREP). The Commission may also sign co-Delegation Agreements with an International Organisation relying on the old pillar assessment based on the old Financial Regulation No 1605/2002, provided that the Authorising officers by sub-delegation verify that the previous pillar assessment was positive, the cooperation problem-free and that the new pillar assessment has been launched at the time the Financing Decision is adopted. The previous pillar assessments of the three co-delegates were positive. The three organisations failed for the grant pillar and will follow the Practical guide of the EU procedures for the award of Grants. In case the pillar assessment raised some reservations, the Organisation shall comply with the ad hoc measures stated in Article 7 of the special conditions of the co-Delegation agreement.
2.2 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

2.3 Indicative budget

The total budget for the operation is EUR 45 000 000, with an EU contribution amounting to EUR 35,000,000. A co-financing between EU and Swedish International Development Cooperation Agency (SIDA) is foreseen.

The Commission would be entrusted by Sida with the implementation of an indicative contribution to this programme for an amount of SEK 100 000 000 (approximately EUR 10 000 000), in line with Article 9.2(a) of Financial Regulation applicable to the 11th European Development Fund (2015/323). The funds from Sida would be made available following the signature of the transfer agreement between the Commission and Sida. These funds will be considered as revenue assigned to this programme in the form of co-financing. Therefore the equivalent of SEK 100 000 000 (approximately EUR 10 000 000) will only be added to the project after the signature and the effective transfer of these funds to the Commission.

The transfer of funds will occur after the signature of the Financing Agreement. Technical addenda will be made to add the funds received from Sida to the Financing Agreement and the co-delegation agreement.

There will be no need, at every stage, to have a formal addendum to the Financing Agreement nor at the co-delegation agreement level. Instead, the Regional authorisation officer and the co-delegates will be informed by the Commission through official letter of the funds received.

<table>
<thead>
<tr>
<th>Objective/Results Modality and Funding</th>
<th>EU contribution (EUR)</th>
<th>Indicative third party</th>
<th>Total in EUR</th>
</tr>
</thead>
</table>

[11]
2.1.1 Indirect management with international organisations through a co-delegation agreement with SPC (lead Organisation), FFA and SPREP (co-delegates) Objective: Support improved management and development of fisheries for food security and economic growth, while addressing climate change resilience and conservation of marine biodiversity

<table>
<thead>
<tr>
<th>contribution, in EUR(^1)</th>
<th>SIDA Transfer Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>34,500,000.00 (inclusive of contingencies(^2))</td>
<td>9,550,000.00</td>
</tr>
<tr>
<td>44,050,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Evaluation, 2.6 – Audit, 2.7

<table>
<thead>
<tr>
<th>Evaluation, 2.6 – Audit, 2.7</th>
<th>500,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation, 2.7</td>
<td></td>
</tr>
<tr>
<td>Contingencies 800,000</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>35,000,000.00</td>
</tr>
<tr>
<td>Administrative costs for the Commission</td>
<td>450,000.00</td>
</tr>
<tr>
<td></td>
<td>44,550,000.00</td>
</tr>
</tbody>
</table>

2.4 Organisational set-up and responsibilities

The **day-to-day technical and financial management/administration** will be the responsibility of the Project Coordinator and financial and operational staff at SPC (Co-ordinator), working on a daily basis with project managers in FFA, SPREP (co-delegate/entrusted entities) and in all main implementing partners (i.e. USP). This team will be responsible for financial and narrative reporting as well as document management and preparation for audits in line with co-delegation agreement provisions. The team will provide technical support, where needed, for NGOs with accounting and acquittal of project funds.

A **project coordination group** will be established. This will comprise the Project Coordinator and team based at SPC (finance, communications and gender/human rights specialists); a nominated representative and alternate for each implementing agency and each NGO involved in the project; and representatives of the EU Delegation and DMRO. They will hold a face-to-face meeting at least twice a year; and will be in regular contact by email and video conference. The function of this group will be to provide technical oversight, ensure that planning and implementation of the project proceeds smoothly and that the work of the different partners is fully coordinated. The working group will draw on the expertise of the communications specialist to ensure that whole-of-project outcomes are well communicated and donor visibility is ensured;

---

\(^{1}\) The contribution of EUR 10 million of SIDA will be entrusted to the Commission through a Transfer Agreement. An amount of approximately 450 000 EUR will be allocated to the Commission as a lump sum in order to cover for administrative costs.
Exchange rate info euro Jan 2017 : 10 SEK = 1.04619 EUR
100 000 000 SEK = 10 461 892.55 EUR

\(^{2}\) Contingencies estimated at 800,000 EUR will be included in the co-delegation agreement.

\(^{13}\) Please note these amounts are indicative and subject to Delegation Agreement negotiations.
and the gender/human rights specialist to ensure mainstreaming of these approaches. Decision making will generally be by consensus. In the event of a disagreement between implementing partners this will be referred in the first instance to the heads of the respective implementing entrusted Organisations. If they are also unable to reach agreement, the matter will be referred to the EU Delegation, whose decision will be binding. With due respect to the existing structures of the regional organisations involved in the programme, progress of the activities will be presented to their governing bodies and/or relevant technical bodies for information, with discussion open to all 15 PACPs. The European Union and Sweden/SIDA will be invited to participate.

A programme steering committee will meet annually to review progress and provide overall guidance of the programme. It will be chaired by a Pacific ACP representative, and co-chaired by the DMRO and EU Delegation. It will comprise: the 15 Pacific National Authorising Officers (of each PACP) or their nominees, the Duly Mandated Regional Organisation, representatives from the entrusted entities and main partners, and representatives from the European Union. The representative from SIDA will participate as an observer. Other development partners and the managers of other EDF11 regional programmes may be invited to participate with observers' status. This will ensure donor coordination, that all Pacific ACP NAOs are kept informed and that there is adequate integration with national planning processes. Where possible, discussions on programme activities will be embedded in existing relevant national mechanisms to allow exchange of information from regional to national level and vice-versa.

2.5 Performance monitoring and reporting

Day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners’ responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate annual progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

These reports will be presented to and discussed by the PSC members and subsequently submitted to the EU Delegation for validation.

The interim reports shall provide all the necessary information concerning the implementation of the project during the reporting period. These reports shall include:

- An executive summary;
- A comparison of the planned activities and those actually achieved;
- An outline of the achievements of the project, focussed on issues of substance and addressing the aspects of human rights, gender and poverty reduction;
• Review of the problem encountered during the implementation of the action and any corrective measures undertaken;
• Recommendations to mitigate or eliminate those issues that have been causing deviations from planned activities and results/outputs;
• Any interim findings and preliminary conclusions, and details work plan for the following implementation period.

The final report shall provide a complete overview of all the activities implemented under the co-delegation agreement. It will provide a summary of outputs and identification of any major problems which may have arisen during the implementation of the action. It will provide the assessment of the impact of the project as stated in the objectives and the indicators included in the Logframe Matrix. Furthermore, the final report will provide an overview of the lessons learnt and provide recommendations for follow up activities.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The indicators for monitoring results listed in the logical framework are mainly drawn from the annual report cards for the Fisheries Roadmap, and are collected annually by the partner organisations. The project will submit a single annual report for the programme—covering all result areas and project management—in line with the general and special conditions of the co-delegation agreement.

2.6 Evaluation

Having regard to the importance of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out following the second year of implementation of the action for problem solving and in order to provide any necessary changes in the programme.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this will be the first comprehensive regional programme involving a range of implementing partners.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the PACP countries and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the steering committee, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.
Indicatively, contracts for evaluation services shall be concluded under a framework contract in 2019 and 2022.

2.7 Audit
Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services may be concluded under a framework contract in 2020 and 2023.

2.8 Communication and visibility
Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 2.3 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The communication and visibility aspects will be carried out under the Pagoda co-Delegation agreement concluded with SPC, SPREP and FFA.

3. PRECONDITIONS
The following preconditions will be necessary: (i) The Swedish International Development Cooperation Agency contribution will be transferred to the European Commission, in accordance with the Transfer Agreement provisions; (ii) Parties to the co-delegation agreement (SPC, FFA and SPREP) will have passed the relevant pillars (three core and at least the procurement pillar) of the pillar-assessment exercise before the signature of the Delegation Agreement; (iii) The relevance of a retroactive financing of the action will be assessed as soon as the Commission financing decision will be adopted; (iv) Details of the composition of the Programme Steering Committee, Working Group and Programme Management Unit will refined with the EU Delegation in advance of programme start up.
APPENDIX 1 - INDICATIVE OVERVIEW OF ACTIVITIES, PARTNERS and BUDGET
(to be tailored during Delegation Agreement negotiations and further at the end of the inception phase)

Key Result Area 1: High quality scientific and management advice for oceanic fisheries provided and utilised at regional and national level

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget(^{14}) (EUR)</th>
<th>Indicative geographical (region/country) coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Analysis of tuna by-catch at regional and national levels: Methodology will be developed and applied to the large observer data sets available to SPC to estimate catches and relative abundance time series of key bycatch species.</td>
<td>SPC/P-ACP/SPREP</td>
<td>450,000</td>
<td></td>
</tr>
<tr>
<td>b) Ecosystem modelling and development of indicators: The project will enhance SPC’s capacity to provide advice on ecosystem issues. By-catch and other data will be utilized in ecosystem modelling/indicator work and to provide data products and analyses to P-ACP for use in domestic management. The work will also have linkages to biodiversity and climate change, as the methodologies developed will have long-term applicability for monitoring components of the ecosystem that typically receive little attention in target-species management systems.</td>
<td>SPC/FFA/WCPFC</td>
<td>450,000</td>
<td>Regional and all P-ACP. Not only P-ACP will benefit, also distant water fishing nations will eventually benefit</td>
</tr>
<tr>
<td>c) Evaluation of electronic monitoring for purse seine vessels: The monitoring of catch by species and size on board purse seiners is complicated by the high volume of catches that are typically taken in individual sets and the speed with which catches are loaded into vessel wells. Some fishing companies are beginning to develop video-based</td>
<td>SPC/PNAO/PNA Members</td>
<td>500,000</td>
<td></td>
</tr>
</tbody>
</table>

\(^{14}\) Amounts are indicative and will be further tailored during Co-delegation Agreement negotiations and at the end of the inception phase.
approaches to estimating size and species composition of catches, but there is uncertainty as to how widely applicable these methods would be to the purse seine fleets operating in the western and central Pacific. This work would trial and evaluate a number of methods of high-volume, image-based estimation of purse seine catch composition.

d) **Research to address biological uncertainties in tuna stock assessment models:**
Tuna stock assessments are reliant on good quality data on dynamics and life history of the target species. While these assessments for skipjack, yellowfin, bigeye and albacore tuna are well developed, there are a number of areas in which further data are required to address key uncertainties, such as: (i) the dynamics of tunas associated with drifting fish aggregation devices (dFADs), (ii) the depth distribution of tunas in different behavioural modes and its relationship with a range of environmental variables, (iii) age and growth of tunas, and variability by sex and area, (iv) genetic stock structure of tunas and spatial mixing of stocks. Electronic archival tags for deployment on tuna tagging cruises will be required for this work.

<table>
<thead>
<tr>
<th>SPC/WCPFC</th>
<th>1,800,000</th>
</tr>
</thead>
</table>

- **Improved modelling of relative abundance using catch per unit effort:** Tuna stock assessments require indices of relative abundance to constrain model estimates. This work will focus on detailed analysis of purse seine log-sheet, observer and vessel characteristics data to develop abundance indices for skipjack, yellowfin and, if possible, bigeye tuna. The work will necessarily consider the impact of ‘effort creep’ within this fishery on indices. A component of the work will also be devoted to developing new methods for deriving relative abundance indices from longline data using geostatistical techniques, to take advantage of the new availability of operational-level longline catch and effort data.

<table>
<thead>
<tr>
<th>SPC/WCPFC</th>
<th>700,000</th>
</tr>
</thead>
</table>

- **Capacity development through long-term attachments with the SPC:** The project will build capacity among P-ACP fisheries personnel through a series of three ‘Junior
Professional 12 month attachments at SPC. The participation of women in this initiative will be particularly encouraged.

Sub-Total KRA1 4,500,000

Key Result Area 2: Inclusive economic benefits from sustainable tuna fishing increased through supporting competent authorities, strengthening private sector capacities to create decent employment

KRA 2 will be led by FFA in collaboration with national authorities, PITIA, with Fish 2.0; IFC.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Indicative geographical (region/country) coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Establishment of a regional competent authority support unit to meet sanitary market access requirements through delegation by P-ACP government agencies: The most important part of the component, which will rely entirely on EDF funding. Only 3 of 15 PACP countries can meet the sanitary certification requirements for the EU market, with a 4th due for assessment soon. Other P-ACP countries are missing out on an important opportunity to access a premium market, which also discourages investment in domestic industry. Under EDF10 we a strategy for a RECAS was developed which will take on the delegated function of inspections, sampling and analysis for EU market access requirements. The project will initially set up a RECAS after which it will move to cost recovery from fishing vessels (who will benefit from an EU-market premium).</td>
<td>FFA</td>
<td>1,740,000</td>
<td>FSM, RMI, Vanuatu, Samoa, Cook Islands and Tuvalu</td>
</tr>
<tr>
<td>b) Support for sanitary and IUU competent authorities to comply with applicable</td>
<td>FFA</td>
<td>250,000</td>
<td>PNG, Fiji, Solomon</td>
</tr>
</tbody>
</table>
legislation allowing for market access: Fiji, PNG and Solomon Islands have well established national sanitary competent authorities and Kiribati has recently established one and is seeking approval to export to the EU. The project will provide continuous technical assistance to sanitary and IUU competent authorities in a mentoring role to ensure access to EU market is maintained (this component is supported by complementary funding and staff).

c) **Assistance with fisheries development and national policies:** Mainly assisting countries prepare national tuna development plans (normally in conjunction with tuna management plans) through an open consultative process involving all stakeholders (this component is supported by complementary funding and staff).

<table>
<thead>
<tr>
<th></th>
<th>FFA</th>
<th>Islands and Kiribati</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>350,000</td>
<td>Any P-ACP, in particular Kiribati and Tuvalu</td>
</tr>
</tbody>
</table>

d) **Annual policy dialogue with the EU:** Annual dialogue between P-ACP Fisheries Officials and relevant EU Directorates on fisheries issues of common interest (complementary funding for officials’ travel)

<table>
<thead>
<tr>
<th></th>
<th>FFA/EU</th>
<th>All P-ACPs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200,000</td>
<td></td>
</tr>
</tbody>
</table>

e) **Assistance to P-ACP to comply with WCPFC Conservation Management Measures (CMMs) and to implement checklist identified priorities:** Each year, within the WCPFC Compliance Monitoring Scheme exercise, some P-ACPs declared that they cannot meet a particular obligation being assessed, due to a lack of capacity. Subsequently, the P-ACP needs to provide a Capacity Development Plan to WCPFC Secretariat. The project will provide technical support to formulate those development plans for which capacity assistance is requested and will support its implementation until the P-ACP is able to meet the obligation. As well, activities related to priorities identified by FFA Members in its annual checklist will be implemented (supported by complementary FFA funding and staff).

<table>
<thead>
<tr>
<th></th>
<th>FFA/WCPFC</th>
<th>Any P-ACP depending on capacity needs reported to WCPFC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,060,000</td>
<td></td>
</tr>
</tbody>
</table>

f) **Building the capacity and engagement of the regional tuna industry association:** Support for the Pacific Islands Tuna Industry Association (PITIA) to engage in, and inform local fishing companies about, regional processes and improve representation at the national level.

<table>
<thead>
<tr>
<th></th>
<th>FFA/PITIA</th>
<th>Regional – with strong national associations in Fiji, Solomon Islands and</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>300,000</td>
<td></td>
</tr>
</tbody>
</table>
g) Pilot projects and technical assistance for small and medium enterprises in the sector: Technical studies in support of new investment in the tuna industry (cost/benefit analysis of projects, infrastructure needs assessment, environmental impact assessments). Pilot projects with local fishing companies and processors to improve sustainability and standards (e.g. Marine Stewardship Council certification, social accountability audits, energy conservation measures) and technical advice and mentoring of small and medium enterprises to improve performance and create jobs.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Indicative geographical (region/country) coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Surveys of commercially important invertebrates: In-country trainings in survey methodologies will be delivered to fisheries environment and NGO staff, which in turn will gather the data needed for science based management of these mainly commercial or export focused fisheries. Data collected will be analysed and management advice produced for the consideration of managers in the country concerned, and training would be provided in this area, including the write-up of results in a form that can be presented to managers and policy makers, possibly through policy briefs or other</td>
<td>FFA in collaboration with Fish 2.0, IFC and other elements of the RIP</td>
<td>600,000</td>
<td>Any Pacific ACP – potential in Tonga, Kiribati, Fiji at present</td>
</tr>
</tbody>
</table>

Total 4,500,000

**Key Result Area 3: Sustainable management of coastal fisheries resources and ecosystems improved through better quality scientific information, legal advice, support, mentoring and empowerment at community level**

KRA 3 will be led by SPC Coastal Fisheries Programme in collaboration with national authorities, LMMA and other locally based NGOs.
<table>
<thead>
<tr>
<th>Mechanisms</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>b) Socio-economic surveys of coastal communities:</strong> Market and creel surveys as well as collecting data on community and family demographics and seafood use (eating, bartering, selling, purchasing etc) patterns will be carried out to project better estimates of per-capita seafood consumption statistics. This is an area that needs more attention and is vital for assessing gender and human rights issues, roles, responsibilities, and options to address these. The results of this work would feed into the CEAFM work and also refine the approaches to be undertaken so that all groups have access to the information. Training would be a major part of the work to build local capacity with these skills.</td>
<td>SPC/LMMA</td>
</tr>
<tr>
<td><strong>c) Coastal fisheries data collection and national database development including trials of new technology:</strong> Development of new national databases, ensuring these are compatible with the regional database. Training will be an important part within this activity, focusing on the use of databases, storage and maintenance and even the analysis of the data. This is an essential part of the scientific support that will underpin the CEAFM and national management of coastal resources and will include the assessment of new data collection approaches and technologies.</td>
<td>SPC/LMMA/N GOs</td>
</tr>
<tr>
<td><strong>d) Support and mentoring for the CEAFM at national and local levels:</strong> The main focus of this work will be on using the above scientific results on which to base management and liaising with LMMA counterparts and national CEAFM staff at fisheries, relevant government field officers, conservation and NGOs, to assist in getting appropriate management advice out to communities, through the LMMA and other networks.</td>
<td>SPC/LMMA</td>
</tr>
<tr>
<td><strong>e) CEAFM management and coordination with NGOs:</strong> National and sub-national management will also be covered, so that objectives are met under different regional policies, such as the New Song and MSG Roadmap. There will be a training</td>
<td>SPC/LMMA/N GOs</td>
</tr>
</tbody>
</table>
component with this work, although most of this will be implemented by LMMA. Within the CEA FM, national and sub-national management measures will take account of social structures and issues, focusing on removing any barriers that restrict equal employment or access to information and assistance to all. The results from socio-economic work will be vital to this, along with the inputs from the LMMA component and other components of the PEUMP project where communities are involved.

**f) Support for community monitoring and protection of endangered species:** Many communities in the Pacific islands play a direct and valuable role by monitoring and protecting breeding sites – e.g. by controlling invasive species such as rats and pigs on islands that harbour nesting seabirds, by protecting turtle nesting sites from feral animals and removal of eggs by humans or by putting in place measures to protect other endangered species from fishing or habitat destruction. Monitoring important sites for threatened species that are taken as by-catch can help to offset the unintended consequences of fishing and can also provide a means of alleviating poverty and generating revenue through ecotourism.

<table>
<thead>
<tr>
<th></th>
<th>SPREP/SPC/Local NGOs</th>
<th>550,000</th>
</tr>
</thead>
</table>

**g) CEA FM activities at sub-national and community level:** This will be mainly undertaken by LMMA through in-country coordinators in the Melanesian countries with the largest populations to start, with other countries added as the project progresses, to direct activities and link with communication activities. There is scope to fund specific activities identified at the community or sub-national level as well as undertake planning sessions and south-south activities. SPC and other NGOs will be involved with specific activities to capitalise on expertise. The national coordinators will also assist with logistical arrangements for other activities for the overall programme and dissemination of communication products etc.

<table>
<thead>
<tr>
<th></th>
<th>LMMA/SPC/NGOs</th>
<th>1,600,000</th>
</tr>
</thead>
</table>

**h) Communication activities and production and dissemination of information and materials for communities:** The aim will be to develop a range of communication

[22]
strategies using talk-back shows, short and long video, video animation social media and smartphone apps as well as print media and materials, to get the message on sustainable management of coastal resources out to as many communities as possible, so they have the information needed to take action themselves. The aim here is foremost sustainability, by providing information rather than financial assistance which many communities become reliant on, and secondly, to create robust high-level national dialogue to highlight the decline in inshore fisheries, to motivate the prioritisation of appropriate actions at all levels. The range of topics will also be large, and there will be awareness raising on national fisheries rules and regulations (part of the fisheries governance project), as well as the specific management advice for community members on what they can do at their level and within their means. This is jointly implemented by SPC and LMMA, with other NGO involvement where appropriate.

i) **Capacity development through long-term attachments for national fisheries and NGO staff:** The aim is to build local capacity wherever possible so that future surveys and data analysis can be undertaken in-country by the trained staff. In-country training, mentoring of officers, communications and awareness strategies and implementation, MCS plans and implementation, survey methods, attachment trainings back in SPC on data analysis, interpreting results and writing these up, and possible south-south exchanges to build experiences at the national and sub-national levels. There is also funding Pacific Islander Junior Professional positions in SPC to train up these junior professionals in both the science and survey methodologies, as well as CEAFM.

<table>
<thead>
<tr>
<th></th>
<th>SPC/LMMA</th>
<th>500,000</th>
</tr>
</thead>
</table>

j) **Outreach activities including adaptation with communities:** Some targeted outreach activities will be undertaken in the Melanesian countries to start, and this will be linked to the communications work and assist with the dissemination of information through a targeted approach in specific areas that are considered “high risk” where

<table>
<thead>
<tr>
<th></th>
<th>SPC/LMMA/N NGOs</th>
<th>1,300,000</th>
</tr>
</thead>
</table>
coastal resources are dwindling. This approach with them be expanded to other
countries and locations as the project progresses and will include messages and
materials form other components of the PEUMP project. This is also linked to the
fisheries governance project and other activities undertaken by SPC and LMMA, with
other NGOs used where appropriate.

| k) Gender-based and rights-based trainings, national gender stocktakes: The aim is to undertake gender audits also including human rights issues in some project locations in partnership with other projects, such as the fisheries governance project and gender mainstreaming project, so that any issues or concerns identified can be addressed through the actions taken by the project, including training activities as identified. Most of the funding for this work is under the PEUMP Programme Management Unit (PMU), so this is seed funding for some specific activities, with most activities undertaken by specialist staff under the PMU |
|---|---|---|
| | SPC/LMMA | 200,000 |
| Total | 12,500,000 |

Key Result Area 4: IUU fishing reduced through enhanced monitoring control and surveillance of both, oceanic and coastal fisheries, improved legislation, access to information, and effective marine area management.

KRA 4 will be led by FFA in collaboration with SPC, QUAD Partners, USP, WWF and national authorities.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Indicative geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Support for the review of national legislation in line with international principles as well as the implementation of IUU national plans of action: FFA will</td>
<td>FFA with National</td>
<td>650,000</td>
<td>All P-ACP especially those pre-identified under the IUU</td>
</tr>
</tbody>
</table>
support national authorities to revise and amend national existing fisheries legislation to ensure P-ACP fulfil their obligation as coastal states, port states and flag states and efficient MCS schemes are in place. Under EDF10, FFA has assisted some P-ACP to revise and update their former NPOA-IUU. National plans of action for IUU fishing (NPOA-IUU) serves as a comprehensive toolbox of measures to address IUU fishing in a range of contexts. Some of the IPOA-IUU provisions reflect obligations that many countries have accepted as binding, either through global instruments, RFMOs or through national legislative instruments. The objective of the NPOA is to prevent, deter and eliminate IUU fishing by providing countries with comprehensive, effective and transparent measures by which to act. Under EDF11 FFA will support relevant countries to conduct a review of their outdated NPOA-IUU. As well, FFA will provide advice, training and support needed to build national capacity for the implementation of adopted NPOA-IUU (supported by complementary funding for legislative reviews).

| b) National follow-up of suspected IUU incidents and assistance with prosecutions and sanctions: FFA will assist national agencies on the preparation and execution of a fisheries prosecution to ensure fisheries offenses and IUU activities do not result in acquittal in the courts due to lack of proper preparation and training by all relevant involved in the prosecution (supported by complementary funding). |
| Agencies | FFA with National Agencies | 800,000 | All P-ACP depending on identified needs |
| c) Trials of new technology to assist national and regional Monitoring Control and Surveillance (MCS) efforts: FFA continues to explore the use of new technology to improve detection of IUU fishing and monitoring of fleets. Current projects include trials of high resolution synthetic aperture radar satellite imagery; incorporating algorithms developed to detect fishing behaviour from the VMS data into the regional surveillance picture; and the use of AIS class B transponders for tracking small local fishing vessels |
| Agencies | FFA/QUAD Partners | 600,000 | Regional (all P-ACP to benefit at national level) |
| d) Technical assistance with catch documentation systems, electronic monitoring and electronic reporting: EDF 11 will support the roll-out of electronic reporting and |
| Agencies | FFA/SPC with National | 550,000 | Any P-ACP depending on |
electronic monitoring. The region has made a strong commitment to increase electronic reporting (real time catch and effort reporting through satellite communication), electronic monitoring (video cameras as well as, or instead of, human observers) as well as to improve the traceability of fish products. SPC has been providing coordination to assist fishing operators and ensure data standards are met; FFA will need to assist in revising national legislation (supported by complementary funding).

e) **International outreach and advocacy on IUU and control of high seas fisheries:** FFA has a long history of collaboration with WWF, which has the most effective and best managed tuna programme of any NSA. This component will use the organisation’s global outreach to advocate for greater attention to the safety of fisheries observers, improved control of high seas transhipment by longliners, and efforts to reduce by-catch, including in support of eco-labelling.

<table>
<thead>
<tr>
<th>Agencies</th>
<th>national priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFA/WWF</td>
<td>Regional (all P-ACP to benefit at national level)</td>
</tr>
<tr>
<td></td>
<td>400,000</td>
</tr>
</tbody>
</table>

f) **Assistance with delimitation and negotiation of maritime boundaries:** SPC Geoscience Division will continue to implement its long-running programme to assist members delimit their maritime boundaries. Despite many recent successes, 14 boundaries still remain to be negotiated. FFA will provide support with negotiations and legal drafting.

<table>
<thead>
<tr>
<th>Agencies</th>
<th>quantities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFA/SPC with National Agencies</td>
<td>1,100,000</td>
</tr>
<tr>
<td></td>
<td>Mainly Fiji, Palau, Tonga, Niue and Samoa</td>
</tr>
</tbody>
</table>

g) **Capacity building and training of MCS officers with emphasis on the enforcement of port state controls and coastal fisheries regulations:** A large share of tuna caught in the WCPO is transshipped in P-ACP ports and transshipment has become an important economic source for certain countries. During the transfer of fish from fishing to transport vessels there are high risks of IUU fish being laundered if port States do not ensure appropriate control. Monitoring and control of transhipment activities pose a challenge and under EDF11 effective standard operation procedures will be developed and deployed to relevant countries.

Enforcement of coastal fisheries regulations has been relatively neglected in most
established thresholds, conduct procurement and grant award procedures without or with limited ex ante control of the Commission and execute payments to the contractors and grant beneficiaries, as well as in the context of direct labour.

Direct labour relates to the operational activities which the implementing body executes directly using staff it employs and/or its existing resources (machinery, equipment, other inputs).

The operating costs incurred by the implementing body may be eligible for EU financing under the Imprest component of the programme estimate. If so, they shall be eligible for EU financing during the entire duration of the execution period of this Financing Agreement, unless an earlier start of cost eligibility is stipulated in Article 6 of the Special Conditions. Operating costs are costs of the implementing body incurred in carrying out implementation tasks and include local staff, utilities (e.g. water, gas, and electricity), rental of premises, consumables, maintenance, short-term business trips and fuel for vehicles. They shall not include procurement of vehicles or of any other equipment, or any operational activity. Such ordinary operating costs may be charged and paid in accordance with the implementing body’s own procedures.

Award procedures

5.2 Under the Imprest component of the programme estimate, the implementing body may carry out, totally or partially, the award procedures for procurement and grant contracts in accordance with its own procedures and standard documents, to the extent that prior evidence is obtained by the Commission that the Partner's implementing body:

- ensures the functioning of an effective and efficient internal control system, and
- applies appropriate rules and procedures for procurement and/or grants.

To the extent that no such evidence is obtained, the award procedures for procurement and grant contracts shall be carried out by the implementing body in accordance with the procedures and standard documents laid down and published by the Commission, in force at the time of the launch of the procedure in question.

Ex ante control

5.3 Under the Imprest component, unless the Technical and Administrative Arrangements of the programme estimate stipulate otherwise, the implementing body shall submit to the Commission for prior approval, the tender dossiers and proposals for award decision of procurement contracts whose value exceeds 100,000 EUR, as well as all guidelines for applications and proposals for award decisions of grant contracts, which follow the procedures and standard documents laid down and published by the Commission.

In addition to the record-keeping obligations laid down in Article 1.6 of these General Conditions, the Partner shall, during the same period, keep all relevant financial and contractual supporting documents.

Management declaration

5.4 The Partner shall submit to the Commission annually, by the date stipulated in Article 6 of the
Special Conditions, a management declaration signed by the Partner using the template in Annex IV.

An independent external audit opinion on the management declaration, performed in accordance with internationally accepted auditing standards, does not have to be provided in this case as the Commission shall conduct the audits for this action. These audits will verify the truthfulness of the assertions made in the management declaration and the legality and regularity of the underlying transactions made.

Payments

5.5 The Commission shall transfer the first pre-financing instalment, upon signature of the programme estimate by all parties, within 60 calendar days where the programme estimate is financed by the EDF and 30 calendar days where it is financed from the EU Budget,

The Commission shall pay the further pre-financing instalments within 60 calendar days of receiving and approving the payment request and its reports.

Late-payment interest shall be due pursuant to the applicable Financial Regulation. The time-limit for the payment may be suspended by the Commission by informing the Partner, at any time during the period referred to above, that the payment request cannot be met, either because the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request comes to the notice of the Commission, the Commission may suspend the time-limit for the payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The suspension and the reasons for it shall be communicated to the Partner as soon as possible. The time-limit for the payment shall resume once the missing supporting documents have been provided or the payment request has been corrected.

5.6 The Commission shall make payments to a bank account opened at a financial institution accepted by the Commission.

5.7 The Partner shall guarantee that funds paid by the Commission can be identified in this bank account.

5.8 Transfers in euro shall, if necessary, be converted into the Partner's national currency as and when payments have to be made by the Partner, at the bank rate in force on the day of payment by the Partner.

5.9 The Imprest component of the programme estimate which has not given rise to any payment to the Partner within two years of the conclusion of the programme estimate shall be automatically terminated, and its funding shall be decommitted. For actions financed under the EDF, an extension of that deadline may be stipulated in Article 6 of the Special Conditions.
countries. SPC and FFA will work together to develop training material to cover enforcement of coastal fisheries regulations – as in many small administrations the same officers are responsible for both.

**h) Development of tools and systems to combat IUU fishing activities into coastal waters:** In many small administrations the officers responsible for control of IUU fishing in coastal areas are the same as for offshore but training and support is entirely focused on monitoring control and surveillance (MCS) of offshore fisheries. This component will support the development of coastal MCS capacity building as well as developing systems to address emerging threats to coastal resources.

<table>
<thead>
<tr>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Countries supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFA/SPC</td>
<td>400,000</td>
<td>PNG, FSM, Palau, Marshalls, Solomons, Vanuatu and collaboration with New Caledonia</td>
</tr>
</tbody>
</table>

| Total | 5,000,000 |

### Key Result Area 5: Sustainable utilisation of the coastal and marine biodiversity promoted through improving marine special planning, increasing climate change resilience, enhancing conservation/mitigation and rehabilitation measures

KRA 5 will be led by SPREP in collaboration with SPC, IUCN, LMMA and national authorities.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Indicative geographical (region/country) coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Support for marine spatial planning in at least two countries: In selected countries, marine spatial planning, implemented by governments supported by IUCN, its partners, private sector and communities will enable both integrated coastal ecosystem-based management and wider marine planning and governance. Marine spatial planning will be a key tool for ocean governance as it will help to distribute human activities in marine areas within spatially and/or temporally defined zones to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IUCN</td>
<td>910,000</td>
<td>Tonga and Vanuatu</td>
</tr>
</tbody>
</table>
achieve ecological, economic, cultural and social objectives.

| b) Integrated ecosystem strategies and coastal zone management planning: Identify, assess and, where relevant, map key coastal and linked terrestrial ecosystems that are essential for maintaining species and other essential ecosystem services that support livelihoods in the coastal zone and national economies (e.g., fish and invertebrate populations for food and commercial sale, tourism, marine and fresh water quality, etc.) and develop ecosystem-based and coastal zone management plans to support coastal ecosystems and communities, including through application of the marine spatial planning component above. Selected rapid biodiversity assessments will be undertaken to identify high value food security and other species requiring conservation management, and their ecosystems. Linked resource economic assessments will be carried out to confirm the value of critical species and ecosystems to establish priority ecosystem management action. Finally, recommendations made will be implemented through integrated education and awareness, policy and planning at local, sub-national and national levels. |
|---|---|---|
| SPREP/IUCN | 1,500,000 | Tonga, Vanuatu, Fiji, Solomon Islands and PNG |

| c) Climate change adaptation strategies integrated into coastal community plans: An ecosystem and socio-economic resilience analysis and mapping (ESRAM) will be implemented to integrate climate change and non-climate change threats into environmental and socio-economic vulnerability and opportunity assessments (ESVOA) as a basis for identifying and implementing adaptation planning options for coastal fisheries. The predicted impacts of ocean acidification will be addressed by incorporating ocean acidification into ecosystem-based and coastal zone management plans to increase the resilience of coastal ecosystems and communities; policies and plans that maintain the natural adaptive capacity of coral reefs will be developed and implemented for as long as possible by protecting seagrass and mangroves, land-based pollution and anthropogenic impacts on reefs will be reduced, including overfishing of |
|---|---|---|
| SPREP | 1,100,000 | Tonga, Vanuatu, Fiji, Solomon Islands and PNG |
herbivorous fish species. Nationals will be trained in ecosystem and climate change adaptation assessment and mapping. Local communities will be educated on local coastal resource use action and decision making to improve resilience to climate change.

d) Endangered species by-catch assessed and extinction risk evaluated: In recent years, the WCPFC has reported annually on by-catch of non-target and/or threatened species from observed purse-seine vessels, which have full (100%) observer coverage. WCPFC and SPC have also occasionally analysed the very limited observer data from the longline fleet, which has low observer coverage (2-5%), to provide some estimate of the by-catch of turtles, sharks, seabirds and marine mammals. In 2016, WCPFC conducted an in-depth analysis of turtle by-catch by selected longline vessels, which will be a good model on which to base further analyses. Additionally, there is no information available on the by-catch of non-target species in Fish Aggregation Devices (FADs), and through this project, we will work with other stakeholders, including the International Seafood Sustainability Foundation (ISSF) to provide the first estimates of unintended by-catch of threatened and endangered species in FADs in the Pacific islands region.

The project will also work with biologists from the University of the South Pacific, using data collected from a variety of sources, to assess the extinction risk of turtles in the Pacific islands, and the contribution to conservation that can be made through mitigation measures introduced into commercial fisheries.

e) By-catch mitigation strategies developed and rolled-out: Research and experimental fishing carried out in other parts of the world have identified ways in which the by-catch of threatened and endangered species can be to some degree mitigated. A few companies operating in the Pacific islands region have already voluntarily introduced such mitigation measures to minimise the by-catch of non-target
species, and their crews have received training by qualified trainers. Through this project, collaborations will be further developed with fishing fleets to identify the mitigation measures that are shown to be most effective, and to train a much greater number of crews in their effective implementation, through a series of port workshops. The WCPFC will be encouraged to adopt these measures as standard operating procedure for all vessels operating in the Pacific islands region.

<table>
<thead>
<tr>
<th>f) Capacity development through research grant: There is only limited funding to support young Pacific island biology students to continue their studies at postgraduate level. Few of the Ph D or M Sc students in Biological Sciences in the region are Pacific islanders, and many of the overseas students who study for higher degrees in Universities and other institutions in the Pacific islands will leave the region once their studies are completed. There is an urgent need to encourage promising young Pacific islanders to continue their studies, either directly after their undergraduate courses, or some years later, once their career path is established. The concept of the research grant is to provide funding for a young (under 40 years old) Pacific islander to return to University to study in some aspect of marine sciences that will improve their skill and knowledge base and build the capacity of the region to sustainably manage marine resources, focusing on threatened and endangered species.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPREP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>g) Capacity building on non-detrimental findings process for CITES parties. Trade in CITES-listed marine species in the Pacific islands has provided a livelihood for coastal communities over many years. The most frequently-traded species in the region are corals. However, the threat of coral bleaching due to thermal stress driven by warming oceans is now raising major concerns about the sustainability of this trade, particularly at historical levels. Trade in CITES-listed species is subject to a Non-Detriment Finding (NDF) and subject to adequate funding (no funds have so far been</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPREP/SPC</td>
</tr>
</tbody>
</table>
earmarked for CITES in the PEUMP programme), it would be highly beneficial to conduct an inclusive NDF process amongst CITES Parties in the region, to establish whether or not countries that have traditionally exported coral specimens can continue to do so at current levels.

| Total | 5,050,000 |

---

**Key Result Area 6: Capacity built through education, training and research and development for key stakeholder groups in fisheries and marine resources management**

KRA 6 will be led by USP in collaboration with FFA, SPC and SPREP.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementing Partners</th>
<th>Indicative budget (EUR)</th>
<th>Indicative geographical (region/country) coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Comprehensive needs and gap analysis undertaken: There are already a number of fisheries and marine programmes and courses that are relevant e.g. women’s empowerment training programs including for women in fisheries, and climate change adaptation offered by government ministries/departments, NGOs, and CROPs. This is one of the first activities and will frame the topic/content of other capacity development activities. A regional meeting of key stakeholders from the PEUMP project, the education sector, NGOs and private sector will be facilitated early in the project to confirm synergies and priorities for the capacity development component.</td>
<td>USP/FFA/SPC/SPREP</td>
<td>55,000</td>
<td>Regional. All P-ACP to benefit.</td>
</tr>
<tr>
<td>b) Accreditation and delivery of existing Technical Vocational</td>
<td>USP/FFA/SPC</td>
<td>1,290,000</td>
<td></td>
</tr>
<tr>
<td>Education and Training (TVET) courses: Accreditation of existing courses (implemented by PNG National Fisheries College) in Basic Observer Training and future TVET courses to be transferred to USP. Delivery of TVET courses (implemented by Pacific TAFE) previously offered by FFA – i.e. Certificate (Level 4) in Fisheries Enforcement &amp; Compliance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>c) Design of continuing professional development and career pathways including business skills:</strong> Development of “Lifelong Learning Pathways” for marine professionals. Mapping of career pathways within the marine sector (including TVET and higher education) that includes continuing professional development opportunities, and identification of model(s) for delivery and/or accreditation of on-going professional development.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>d) Development and delivery of additional training courses identified through needs and gap analysis related to coastal fisheries management and sustainable marine development:</strong> New courses/programmes to be developed based on needs &amp; gap analysis, both formal (TVET, Undergraduate &amp; Postgraduate) and informal (professionals in public &amp; private sectors). Indications of likely priorities from initial stakeholder consultation include: small business management, financial literacy, entrepreneurship, business writing, investment appraisal and international commerce, market development, fisheries negotiations, policy development and strategic planning, data collection, management and analysis, and technology development as well as offshore fisheries science and marine management.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>e) Applied research and postgraduate scholarships:</strong> Applied research will target postgraduate students (Masters &amp; PhD) and research</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| USP | 270,000 |
| USP | 905,000 |
| USP | 1,925,000 |
assistants. The objective to build a regional pool of skilled researchers through their active participation in applied research in relevant fields including coastal fisheries management and sustainable marine development. Applied research will draw from and support the capacity development and research components of the other PEUMP partners. Some examples of research that would be complementary include: the potential role of climate financing in MPAs and community-based ecosystem management; changing roles of women in fisheries (including government, private sector, regional agencies/organisations); options for renewable energy use in transport and storage aspects of fisheries; the impact of natural disasters and ocean warming and acidification on coastal and oceanic fisheries. Scholarships will be granted to students including TVET and Postgraduate Research (Masters & PhD). Scholarships will target priority areas identified by the needs & gap analysis and the PEUMP Steering Committee and could include aspects such as gender and fisheries, endangered species by-catch, ocean acidification and warming, and climate financing.

**f) Outreach, including online delivery of education and training, publications and talanoa:** Materials for online e-learning will be developed. Options for participants without internet will be provided (e.g. Freephone number for audios). Massive Open Online Courses (MOOCs) will be developed and delivered in collaboration with all the PEUMP partners and will focus on the themes of PEUMP – for example MOOCs on community-based coastal fisheries, and sustainable fisheries SMEs. Existing projects such as PacTVET and EU-GCCA will also be included. MOOCs would be of 6-week duration with pre-recorded lectures, online resources, live forums for discussions (including

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>USP</th>
<th>500,000</th>
</tr>
</thead>
</table>

[33]
Facebook and twitter), online assessments and optional field exercises. Blended (face-to-face & online) and Face-to-face training will be delivered. Live-streamed and face-to-face initial trainings and seminars will be recorded for use in subsequent online courses targeting wider audiences. Development of educational materials for use by other providers (e.g. for primary & secondary schools, other tertiary institutions in the region) – focussing on the priorities identified.

g) **Rights-based and gender trainings:** Based on findings of the initial needs and gap analysis, specific training materials and opportunities will target identified needs based on gender as well as disadvantaged groups. USP’s Gender Policy and USP staff with expertise in gender and development studies will also inform development of training materials and approaches with support of Programme Gender and Human Rights Specialist (SPC) – additional funding under Programme management below.

<table>
<thead>
<tr>
<th>Sub-Total KRA6</th>
<th>5,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Activities</strong></td>
<td><strong>36,550,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Management and mainstreaming of Gender and Human Rights</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mainstreaming of Gender and human rights through the entire programme</strong></td>
<td>1,650,000</td>
</tr>
<tr>
<td><strong>Central project management unit and programme communications</strong></td>
<td>2,800,000</td>
</tr>
<tr>
<td>Project Description</td>
<td>(2017-18) Funding</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Additional support for coordination of SPC led KRAs</td>
<td>SPC</td>
</tr>
<tr>
<td>Coordination of FFA-led KRAs</td>
<td>FFA</td>
</tr>
<tr>
<td>Coordination of SPREP led KRAs</td>
<td>SPREP</td>
</tr>
<tr>
<td>Programme Management Unit</td>
<td>Total</td>
</tr>
<tr>
<td>Transfer Agreement Administrative costs for the Commission</td>
<td></td>
</tr>
<tr>
<td>Contingencies</td>
<td></td>
</tr>
<tr>
<td>Evaluation 5.9 – Audit 5.10</td>
<td></td>
</tr>
<tr>
<td>Programme Grand Total</td>
<td></td>
</tr>
</tbody>
</table>

Fish 2.0: A US based international programme to promote small and medium enterprises in fisheries

IFC: International Finance Corporation

QUAD Partners: Defence and naval forces of Australia, France, New Zealand and the US.

PNA: Parties to the Nauru Agreement Office

\(^{15}\) Inclusive of the USP-SPC led KRA 6 (EUR 750,000)
SPREP: South Pacific Regional Environment Programme
SPC: Pacific Community
FFA: Pacific Islands Forum Fisheries Agency
USP: University of the South Pacific
IUCN: International Union for Conservation of Nature
LMMA: Locally Managed Marine Area Network
WCPFC: Western and Central Pacific Fisheries Commission
PITIA: Pacific Islands Tuna Industry Association
APPENDIX 2 - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

<table>
<thead>
<tr>
<th>Overall objective: Impact</th>
<th>Intervention logic</th>
<th>Indicators</th>
<th>Baselines (2014)</th>
<th>Targets (2020)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To improve the economic, social and environmental benefits for PACPs arising from stronger regional economic integration and the sustainable management of natural resources and the environment.</td>
<td>Real GDP growth, (i) latest year and (ii) average over last 5 years**</td>
<td>(i) 2.6% estimated for 2014</td>
<td>(i) &gt;4%?</td>
<td>ADB Pacific Economic Monitor</td>
<td></td>
</tr>
<tr>
<td>Specific objective(s): Outcome(s)</td>
<td>(1) To support improved sustainable management and development of fisheries for food security and economic growth, while addressing climate</td>
<td>1.1 Status of tuna species in PACP-controlled waters that are exploited within regionally agreed reference points*</td>
<td>1.1 Bigeye beyond limit reference point; no target reference points (TRPs) agreed; Skipjack, yellow fin and albacore above limit reference points</td>
<td>- Progress towards ending Bigeye overfishing; - TRPs agreed for all 4 main species; - Maintain</td>
<td>WCPFC meeting records and Reg. Roadmap tuna report card</td>
<td>Global economic conditions and national governance support economic growth Domestic development of tuna fishing and</td>
</tr>
</tbody>
</table>

---

16 Mark indicators aligned with the relevant programming document mark with "*" and indicators aligned to the EU Results Framework with "**".
<table>
<thead>
<tr>
<th>Outputs</th>
<th>1.2 Financial returns from the oceanic resources sector at national and regional level*</th>
<th>1.2 Contribution of tuna fishing to GDP in 14 PACPs estimated at US$296 million (exclusive of French and American territories)</th>
<th>Regional roadmap tuna report card</th>
<th>processing replaces foreign effort and reliance on access fees Positive impacts not undermined by natural disasters</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.3 Progress towards achieving relevant Aichi biodiversity targets</td>
<td>1.3 Baselines to be developed during inception phase</td>
<td>Targets to be developed in inception phase</td>
<td>Reports to CBD</td>
</tr>
<tr>
<td>Outputs</td>
<td>1.1) Uncertainty in stock assessments carried out by WCPFC scientific committee</td>
<td>1.1 All assessments accepted to date</td>
<td>All assessments accepted</td>
<td>The science process is not politicised. Science results in agreed management action</td>
</tr>
</tbody>
</table>
| (2) Inclusive economic benefits from sustainable tuna fishing increased through supporting competent authorities and strengthening private sector capacities to create decent employment | 2.1) Volume and value of exports* of fisheries products from the region*;  
2.2) Productive Employment and number of women and men Pacific Islanders in the fisheries sector (sex-disaggregated data);  
2.3) Capacity Development Plans in the framework of the WCPFC’s Compliance Monitoring Scheme | 2.1) Tuna exports to EU/US/JP in 2014 valued at US$330 m;  
2.2) 22,763 jobs in tuna fisheries  
2.3) CMM 2013-07: annual report from beneficiaries on how the provisions of this CMM have been satisfied | 2.1) Value increased to US$512 m  
2.2) 33,000 jobs in tuna fisheries  
2.3) A Capacity Development Plan is formulated and implemented for at least 30% of the obligations not met due to lack of capacity (the rest of the countries - 70% are covered by US$ 10M GEF project) | Roadmap Tuna Report card  
WCPFC compliance reports, SIDS checklist, CMM 2013-07  
CMM 2013-07: annual report from beneficiaries on how the provisions of this CMM, PACPs production not undercut by emerging Asian processors. Value of production and exports is not greatly reduced by reductions in tuna prices from 2014 levels. |
| --- | --- | --- | --- | --- |
| (3) Sustainable management of fisheries resources and ecosystems improved through better quality | 3.1) Countries with science based monitoring of coastal resources;  
3.2) Countries with adequate | 3.1) 6 out of 15  
3.2) 6 out of 15 | 3.1) 10 out of 15  
3.2) 10 out of 15 | Roadmap coastal fisheries report card  
Ownership of regulations improves compliance. Subnational management |
<table>
<thead>
<tr>
<th>Scientific Information, Legal Advice, Support, Mentoring and Empowerment of Coastal Communities</th>
<th>Information for Stakeholders; 3.3) Countries in which women and youth actively and meaningfully participate in FM decision making.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3) 8 out of 15</td>
<td>3.3) 12 out of 15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IUU Fishing Reduced through Enhanced Monitoring, Control, and Surveillance of Both Oceanic and Coastal Fisheries, Improved Legislation, Access to Information, and Effective Marine Area Management</th>
<th>4.1) Reduction in IUU in Oceanic and Coastal Fishery Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1) Value of tuna taken in IUU fishing US$616m per year (^{18})</td>
<td>Reduced by 15% (^{19})</td>
</tr>
<tr>
<td>4.2) Number of shared maritime boundaries agreed by treaty;</td>
<td>4.2) At least 39/48 (5 more)</td>
</tr>
<tr>
<td>4.2) 34/48</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainable Utilisation of the Coastal and Marine Biodiversity Promoted through Improving Marine Special Planning, Increasing Climate Change Resilience, Enhancing</th>
<th>5.1) Status of Endangered Species Populations Assessed and Impact of Fisheries on Biodiversity Quantified and Reduced; 5.2) Number of PACP Countries Adopting Marine Spatial Plans;</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1) Baseline Established by Project</td>
<td>5.1) By-catch Reduced by 15%</td>
</tr>
<tr>
<td>5.2) 0</td>
<td>5.2) 2</td>
</tr>
</tbody>
</table>

| | Project reports (SPREP) Reports to WCPFC |
| | Project reports (SPREP/IUCN) Forum leaders' meeting reports |
| | International market pressure for by-catch reduction maintained |
| | Political support for MB & MSP is maintained |

\(^{18}\) MRAG, 2016 – Towards the quantification of IUU fishing in the Pacific Islands Region: FFA DevFish2 Project report. This study acknowledges that any estimation of IUU faces a series of limitations. This methodology is to be strengthened as a part of the actions to be developed under PEUMP (such as, the results from increased documentary and physical inspections at port and from aerial surveillance operations) to ensure a more robust baseline and, therefore, a more realistic target.

\(^{19}\) Same as above
<table>
<thead>
<tr>
<th>conservation/mitigation measures</th>
<th>5.3) % of Marine Protected Areas (MPA) per country sustainably managed by national/local government and communities;</th>
<th>5.3) Baseline to be established by project</th>
<th>5.3) target to be established</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6) Capacity built through education, training and research and development for key stakeholder groups in fisheries and marine resources management</td>
<td>6.1) Sex-disaggregated number of men/women benefitting from VET/tertiary skills development funded by the project**</td>
<td>6.1 - 0; 0</td>
<td>200 men; 200 women</td>
</tr>
<tr>
<td></td>
<td>6.2) Successful completion of courses by beneficiaries participants</td>
<td>6.2. baseline to be established</td>
<td>6.2. target to be further refined but at least 50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Project reports (USP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>USP academic or other relevant agencies record(s) CITES</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Training is effectively applied in the field</td>
</tr>
</tbody>
</table>
ANNEX II - GENERAL CONDITIONS

Contents

Part One: Provisions Applicable to Activities for which the Partner is the Contracting Authority

Article 1 - General principles
Article 2 - Deadline for the signature of contracts and agreements by the Partner
Article 3 - Exclusion and administrative sanctions
Article 4 - Partial delegation
Article 5 - Imprest component of the programme estimate
Article 6 - Pool Fund managed by the Partner
Article 7 - Publication of information on procurement and grant contracts by the Partner
Article 8 - Recovery of funds
Article 9 - Financial claims under contracts and agreements
Article 10 - Cost overruns and ways of financing them

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue
Article 12 - Verification of conditions and disbursement
Article 13 - Transparency of budget support
Article 14 - Recovery of budget support

Part Three: Provisions Applicable to this Action as a Whole, Irrespective of the Management Mode

Article 15 - Execution period and contracting deadline
Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors
Article 17 - Tasks of the Partner in fighting irregularities, fraud and corruption
Article 18 - Suspension of payments
Article 19 - Allocation of funds recovered by the Commission to the action
Article 20 - Right of establishment and residence
Article 21 - Tax and customs provisions and foreign exchange arrangements
Article 22 - Confidentiality
Article 23 - Use of studies
Article 24 - Consultation between the Partner and the Commission
Article 25 - Amendment of this Financing Agreement
Article 26 - Suspension of this Financing Agreement
Article 27 - Termination of this Financing Agreement
Article 28 - Dispute settlement arrangements

Part One: Provisions Applicable to Activities for which the Partner is the Contracting Authority

Article 1 - General principles

1.1 The purpose of Part One is to define the tasks entrusted to the Partner in indirect management as described in Annex 1 (Technical and Administrative Provisions) and to define the rights and
obligations of the Partner and of the Commission in carrying out these tasks.

Part One shall apply to the tasks related to the EU contribution alone or in combination with the funds of the Partner or of a third party where such funds are implemented in joint co-financing, i.e. where they are pooled.

These tasks encompass the implementation by the Partner as contracting authority of procurement and grant award procedures, and the awarding, signing and enforcing the resulting procurement and grant contracts.

The designation of entities pertaining to the Partner's government or administrative structure and identified in Annex I (Technical and Administrative Provisions) to carry out certain tasks, does not qualify as sub-delegation. Such entities shall respect the rights and obligations laid down in Part One for the Partner as contracting authorities, while at the same time the Partner remains fully responsible for the fulfilment of the obligations stipulated in this Financing Agreement. References in the Financing Agreement to Partner also encompass those entities.

As contracting authority, the Partner shall act under Partial delegation, unless if it acts under the Imprest component of a programme estimate or under a Partner managed Pool fund:

- Under Partial delegation, the Partner acts as contracting authority for procurement contracts and grant contracts, whereby the Commission controls ex ante all award procedures and executes all related payments to the contractors and grant beneficiaries;

- Under the Imprest component of a programme estimate, the Partner acts as contracting authority for procurement and grant contracts, whereby it may, up to established thresholds, conduct procurement and grant award procedures without or with limited ex ante control of the Commission and execute payments to the contractors and grant beneficiaries, as well as in the context of direct labour.

- Under a Partner managed Pool fund, the Partner acts as contracting authority for procurement contracts and grant contracts, whereby the Commission does not control ex ante any award procedure and the Partner executes all related payments to the contractors and grant beneficiaries.

Where the Partner is an ACP State and the action is financed by the EDF pursuant to Article 1.1 of the Special Conditions, the tasks entrusted shall be those listed in points (c) to (k) of the sixth subparagraph of Article 35(1) and in Article 35(2) of Annex IV to the ACP-EC Partnership Agreement.

Where the Partner is an OCT and the action is financed by the EDF pursuant to Article 1.1 of the Special Conditions, the implementation of tasks entrusted shall also respect the conditions of Article 86(3) of Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision).

1.2 The Partner shall remain responsible for the fulfilment of the obligations stipulated in this
Financing Agreement even if it designates other entities identified in Annex I (Technical and Administrative Provisions) to carry out certain tasks. The Commission, in particular, reserves the right to suspend payments, and to suspend and/or terminate this Financing Agreement on the basis of the acts, omissions and/or situations of any designated entity.

1.3 The Partner shall set up and ensure the functioning of an effective and efficient internal control system. The Partner shall respect the principles of sound financial management, transparency and non-discrimination and avoid situations of conflict of interest.

A conflict of interest exists where the impartial and objective exercise of the functions of any responsible person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a tenderer or applicant, or contractor or grant beneficiary.

Internal control system is a process aimed at providing reasonable assurance that operations are effective, efficient and economical, that the reporting is reliable, that assets and information are safeguarded, that fraud and irregularities are prevented, detected and corrected, and that risks relating to the legality and regularity of the financial operation are adequately managed, taking into account the multiannual character of the activities as well as the nature of the payments concerned.

In particular, where the Partner carries out payments under the Imprest component of a programme estimate or in the framework of a Pool Fund managed by the Partner, the functions of the authorising and accounting officers shall be segregated and mutually incompatible and the Partner shall operate an accounting system that provides accurate, complete, reliable and timely information.

1.4 Outside the cases where the Partner applies its own (including in the case of a Pool Fund, those agreed upon by the Pool Fund's donors) procedures and standard documents for the award of procurement contracts and grant contracts, the Partner shall conduct the award procedures and conclude the resulting contracts and agreements in the language of this Financing Agreement.

1.5 The Partner shall take the necessary measures to ensure the visibility of EU funding for the activities entrusted to it or for other activities under this action. These measures shall either be defined in Annex I (Technical and Administrative Provisions) or shall be agreed later between the Partner and the Commission.

These communication and information measures shall comply with the Communications and Visibility Manual for EU External Actions laid down and published by the Commission, in force at the time of the measures.

1.6 Under Partial delegation and under the Imprest component of a programme estimate, the Partner shall keep all relevant financial and contractual supporting documents from the date of the entry into force of this Financing Agreement or as from an earlier date which is stipulated as the start date of cost eligibility in Article 6 of the Special Conditions for five years as from the end of the execution period, in particular, the following:

Procurement procedures:
Financing Agreement - Annex II - General Conditions

a. Forecast notice with proof of publication of the procurement notice and any corrigenda
b. Appointment of shortlist panel
c. Shortlist report (incl. annexes) and applications
d. Proof of publication of the shortlist notice
e. Letters to non-shortlisted candidates
f. Invitation to tender or equivalent
g. Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication
h. Appointment of the evaluation committee
i. Tender opening report, including annexes
j. Evaluation / negotiation report, including annexes and bids received¹
k. Notification letter
l. Supporting documents
m. Cover letter for submission of contract
n. Letters to unsuccessful candidates
o. Award / cancellation notice, including proof of publication
p. Signed contracts, amendments, riders and relevant correspondence

Calls for proposals and direct award of grants:

a. Appointment of the evaluation committee
b. Opening and administrative report including annexes and applications received²
c. Letters to successful and unsuccessful applicants following concept note evaluation
d. Concept note evaluation report
e. Evaluation report of the full application or negotiation report with relevant annexes
f. Eligibility check and supporting documents
g. Letters to successful and unsuccessful applicants with approved reserve list following full application evaluation
h. Cover letter for submission of grant contract
l. Award/cancellation notice with proof of publication
j. Signed contracts, amendments, riders and relevant correspondence.

¹ Elimination of unsuccessful bids five years after the closure of the procurement procedure
² Elimination of unsuccessful applications three years after the closure of the grant procedure.
1.7 The Partner shall ensure an appropriate protection of personal data. Personal data means any information relating to an identified or identifiable natural person. Any operation involving the processing of personal data, such as collection, recording, organisation, storage, adaption or alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on rules and procedures of the Partner and shall only be done as far as it is necessary for the implementation of this Financing Agreement.

In particular, the Partner shall take appropriate technical and organisational security measures concerning the risks inherent in any such operation and the nature of the information relating to the natural person concerned, in order to:

a) Prevent any unauthorised person from gaining access to computer systems performing such operations, and especially unauthorised reading, copying, alteration or removal of storage media; unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored information;

b) Ensure that authorised users of an IT system performing such operations can access only the information to which their access right refers;

c) Design its organisational structure in such a way that it meets the above requirements.

Article 2 - Deadline for the signature of contracts and agreements by the Partner

2.1 The procurement contracts and grant contracts shall be signed during the operational implementation phase of this Financing Agreement.

When implementing a multi-donor Action, the procurement contracts and grant contracts shall be concluded within the contracting deadline set out in the Special Conditions or set out for the imprest component of the programme estimate.

When the Action is not a multi-donor Action, procurement contracts and grant contracts shall be concluded at the latest within three years of the entry into force of this Financing Agreement.

Additional procurement contracts and grant contracts resulting from an amendment of this Financing Agreement which adds new activities and increases the EU contribution, shall be signed at the latest within three years of the entry into force of that amendment of this Financing Agreement, or for a multi-donor Action within the fixed contracting deadline.

The three years-deadline for non-multi-donor Actions may not be extended, except when the action is financed by the EDF. In such cases, the extension shall be stipulated in Article 6 of the Special Conditions.

2.2 However, the following transactions may be signed at any time during the operational implementation phase:

a. amendments to procurement contracts and grant contracts already signed;

b. individual procurement contracts to be concluded after early termination of existing procurement contracts;

c. contracts relating to audit and evaluation, which may also be signed during the closure of the Action.
Financing Agreement - Annex II - General Conditions

phase;

d. operating costs referred to in Article 5.1;

2.3 After expiry of the deadlines referred to in Article 2.1, the financial balance for the related activities entrusted to the Partner for which contracts have not been duly signed shall be decommitted by the Commission.

2.4 No such decommitment shall apply to the funds budgeted for audit and evaluations referred to in Article 2.2.c) or the operating costs referred to in Article 2.2.d).

Likewise, no such decommitment shall apply to any financial balance of the contingency reserve or to funds available again after early termination of a contract referred to in Article 2.2.b), which both may be used to finance contracts referred to in Article 2.2.

Article 3 – Exclusion and administrative sanctions

3.1 Exclusion criteria

3.1.1 When applying the procedures and standard documents laid down and published by the Commission for the award of procurement and grant contracts, the Partner shall accordingly ensure:

- that a procurement or grant contract for a given EU financed procurement or grant procedure is not awarded to an economic operator or grant applicant who
  a) has misrepresented the information required as a condition of participation in the procedure or has failed to supply that information;
  b) was previously involved in the preparation of procurement documents where this entails a distortion of competition that cannot be remedied otherwise.

- that no EU financed procurement or grant contract is awarded to an economic operator or grant applicant who either itself, or a person having powers of representation, decision making or control over it,

  a) is bankrupt, subject to insolvency or winding-up procedures or in any analogous situation arising from a similar procedure provided for under national laws or regulations;
  b) is by final judgment or final administrative decision declared to be in breach of its obligations relating to the payment of taxes or social security contributions.
  c) is by final judgment or final administrative decision declared to be guilty of grave professional misconduct;
  d) is by final judgment declared to be guilty of fraud, corruption, participation in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings;
  e) has shown significant deficiencies in complying with main obligations in the performance of an EU financed contract;
  f) is by final judgment or final administrative decision declared to have committed an irregularity affecting the EU's financial interest.
3.1.2 When applying its own (including, in the case of a Pool Fund, those agreed upon by the Pool Fund's donors) procedures and standard documents for the award of procurement and grant contracts, the Partner shall adopt measures, in accordance with its own national legislation, to ensure that no EU financed procurement or grant contract is awarded to an economic operator or grant applicant who is in one of the situations referred to in Article 3.1.1, 1st indent, a), Article 3.1.1, 2nd indent, d) and Article 3.1.1, 2nd indent, f).

The Partner may take into account, as appropriate and on its own responsibility, the information contained in the Commission's Early Detection and Exclusion System when awarding procurement and grant contracts. Access to the information can be provided through the liaison point(s) or via consultation to the Commission (European Commission, Directorate-General for Budget, Accounting Officer of the Commission, BRE2-13/505, B-1049 Brussels, Belgium and by email to BUDG-CO1-EXCL-DR@ec.europa.eu in copy to the Commission address identified in Article 3 of the Special Conditions). The Commission may refuse payments to a contractor or grant beneficiary in an exclusion situation.

3.2 Information duty

The Partner shall inform the Commission when an economic operator or grant applicant is in a situation referred to in Article 3.1, or has committed irregularities and fraud, or has been found in serious breach of its contractual obligations.

3.3 Administrative sanctions

Where the Partner becomes aware of one of the situations referred to in Article 3.1 in the implementation of the tasks described in Annex I, the Partner shall, under the conditions of its national legislation, impose upon the economic operator or grant applicant, an exclusion from its future procurement or grant award procedures and/or a financial penalty proportional to the value of the contract concerned. Such financial penalties or exclusions shall be imposed following an adversarial procedure ensuring the right of defence of the person concerned.

With respect to the first paragraph, the Partner is considered in failure to act, among others, where:

- the Partner's national legislation does not allow to impose an exclusion and/or a financial penalty,
- the protection of the EU's financial interests requires to impose an administrative sanction within deadlines incompatible with the Partner's internal procedures,
- the imposition of an administrative sanction requires a mobilisation of resources beyond the Partner's means,
- its national legislation does not allow to exclude an economic operator from all EU financed award procedures.

In case of such failures, the Partner will notify its impediment to the Commission. The Commission may decide to impose an exclusion from future EU financed award procedures and/or a financial penalty between 2 % and 10 % of the total value of the contract concerned.
Financing Agreement - Annex II - General Conditions

Article 4 - Partial delegation

Award procedures

4.1 The tasks shall be carried out by the Partner in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement contracts and grant contracts, in force at the time of the launch of the procedure in question.

Ex ante control

4.2 To allow ex ante control, the Partner shall submit tender dossiers and documents for calls for proposals, to the Commission for approval before launching invitations to tender and calls for proposals. Likewise, the Partner shall invite the Commission to the opening of tenders and proposals, and shall provide the Commission with copies of tenders and proposals received. The Partner shall notify the Commission of the results of the examination of tenders and proposals and shall submit the award proposal, as well as the draft procurement contracts and grant contracts to the Commission for approval.

During the implementation of the procurement contracts and grant contracts, the Partner shall equally submit draft addenda and draft administrative orders thereto, to the Commission for prior approval.

The Partner shall invite the Commission for provisional and final acceptance.

Report

4.3 If Article 5 of the Special Conditions so provides, the report on the implementation of the tasks entrusted to the Partner shall follow the template provided in Annex III and the management declaration shall follow the template provided in Annex IV. An independent external audit opinion on the management declaration, performed in accordance with internationally accepted auditing standards, does not have to be provided in this case as the Commission shall conduct the audits for this action. These audits will verify the truthfulness of the assertions made in the management declaration and the legality and regularity of the underlying transactions made.

Payment procedures

4.4 The Partner shall provide the Commission with the approved payment requests within the following deadlines, starting from the date of receipt of the payment request, not counting the periods of suspension of the time-limit for payment:

(a) for pre-financing specified in the procurement contract and grant contract:
   (i) 15 calendar days for an action financed under the Budget;
   (ii) 30 calendar days for an action financed under the EDF;

b) 45 calendar days for other payments

The Commission shall act in accordance with Articles 4.9 and 4.10 within the period amounting to the time-limit for payment provided for in the procurement contract and grant contracts minus the above deadlines.

4.5 Upon receipt of a payment request from a contractor or grant beneficiary, the Partner shall
inform the Commission of its receipt and shall immediately examine whether the request is admissible, i.e. whether it contains the identification of that contractor or grant beneficiary, the contract or agreement concerned, the amount, the currency and the date. If the Partner concludes that the request is inadmissible, it shall reject it and inform the contractor or grant beneficiary of this rejection and of its reasons within 30 days of receipt of the request. The Partner shall also inform the Commission of this rejection and its reasons.

4.6 Upon receipt of an admissible payment request, the Partner shall examine whether a payment is due, i.e. whether all contractual obligations justifying the payment have been fulfilled, including examining a report, where applicable. If the Partner concludes that a payment is not due, it shall inform the contractor or grant beneficiary thereof and of the reasons. The dispatch of this information suspends the time-limit for payment. The Commission shall receive a copy of the information so dispatched. The Commission shall also be informed of the reply or corrective action of the contractor or grant beneficiary. That reply or action aimed at correcting the non-compliance with its contractual obligations shall restart the time-limit for payment. The Partner shall examine this reply or action pursuant to this paragraph.

4.7 If the Commission disagrees with the Partner's conclusion that a payment is not due, it shall inform the Partner thereof. The Partner shall re-examine its positions and, if it concludes that the payment is due, it shall inform thereof the contractor or grant beneficiary. The suspension of the time-limit for payment shall be lifted upon dispatch of this information. The Partner shall also inform the Commission. The Partner shall further proceed as provided for in Article 4.8.

If disagreement between the Partner and the Commission persists, the Commission may pay the undisputed part of the invoiced amount provided that it is clearly separable from the disputed amount. It shall inform the Partner and the contractor or grant beneficiary of this partial payment.

4.8 Where the Partner concludes that the payment is due, it shall transfer the payment request and all necessary accompanying documents to the Commission for approval and payment. It shall provide an overview of how many days of the time-limit for payment are left and of all periods of suspension of this time-limit.

4.9 After transfer of the payment request pursuant to Article 4.8, if the Commission concludes that the payment is not due, it shall inform the Partner and, in copy, the contractor or grant beneficiary thereof and of the reasons. Informing the contractor or grant beneficiary shall have the effect of suspending the time-limit for payment, as provided for in the contract concluded. A reply or corrective action of the contractor or grant beneficiary shall be treated by the Partner in accordance with Article 4.6.

4.10 Where the Partner and the Commission conclude that the payment is due, the Commission shall execute the payment.

4.11 Where late-payment interest is due to the contractor or grant beneficiary, it shall be allocated between the Partner and the Commission pro rata to the days of delay in excess of the time limits stipulated in Article 4.4, subject to the following:
Financing Agreement - Annex II - General Conditions

(a) the number of days used by the Partner is calculated from the date of the registration of an admissible payment request referred to in Article 4.6 to the date of the transfer of the request to the Commission referred to in Article 4.8 and from the date of information by the Commission referred to Article 4.9 to the following transfer of the request to the Commission referred to in Article 4.8. Any period of suspension of the time-limit for payment shall be deducted.

(b) the number of days used by the Commission is calculated from the date following that of transfer of the request by the Partner referred to in Article 4.8 to the date of payment and from the date of transfer to the date of informing the Partner pursuant to Article 4.9.

4.12 Any circumstances unforeseen by the above procedure shall be solved in a spirit of cooperation between the Partner and the Commission by analogy to the above provisions while respecting the contractual relations of the Partner with the contractor or grant beneficiary.

Where feasible, one party shall cooperate at the request of the other party in providing useful information for the assessment of the payment request, even before the payment request is formally transferred to or returned from the first party.

4.13 A procurement contract or grant contract which has not given rise to any payment within two years of its signature shall be automatically terminated and its funding shall be decommitted, except in case of litigation before judicial courts or arbitral bodies.

Article 5 - Imprest component of the programme estimate

Application

5.1 The programme estimate is a document laying down the programme of activities to be carried out and the human and material resources required, the corresponding budget and the detailed technical and administrative implementing arrangements for the execution of these operational activities over the operational implementation phase of this Financing Agreement.

The programme estimate implementing the Financing Agreement must respect the procedures and standard documents concerning programme estimates laid down by the Commission, in force at the time of the adoption of the programme estimate in question.

The body implementing those operational activities within the programme estimate, may be the central government of the Partner itself (central operations) or a commissioned public law or private law body with a public-service mission (public commissioned operations) or, under EDF only, a private law body without a public-service mission on the basis of a service contract (private commissioned operations).

The programme estimate shall have an Imprest component and may have a component of specific commitments.

Under the component of specific commitments, Article 4 shall apply.

Under the Imprest component of the programme estimate, the implementing body may, up to
Article 6 – Pool Fund managed by the Partner

Application

6.1 The Partner managing a Pool Fund, may be eligible for an EU Contribution to that Pool Fund, to the extent that prior evidence is obtained by the Commission that the managing entity within the Partner:

- ensures the functioning of an effective and efficient internal control system,
- uses an accounting system that provides accurate, complete and reliable information in a timely manner;
- is subject to an independent external audit, performed in accordance with internationally accepted auditing standards by an audit service functionally independent of the entity or person concerned;
- applies appropriate rules and procedures for procurement and grants;
- ensures the ex post publication of information on recipients; and
- ensures a reasonable protection of personal data.

Award procedures

6.2 Under the EU Contribution to a Partner managed Pool Fund, the managing entity within the Partner shall carry out the tasks in accordance with its own procedures and standard documents for the award of procurement and grant contracts, or with those agreed upon among the donors.

Implementation

6.3 In the case of an EU Contribution to a Partner managed Pool Fund, in addition to the rights and obligations already laid down in these General Conditions, further rules detailed in Annex V to the Financing Agreement shall apply to the Partner for the implementation of the EU Contribution to the Pool Fund.

Article 7 - Publication of information on procurement and grant contracts by the Partner

7.1 The Partner undertakes to publish each year in a dedicated and easily accessible place of its internet site, for each procurement and grant contract for which it is contracting authority under the Imprest Component of the programme estimate referred to in Article 5 and the Pool Funds referred to in Article 6, its nature and purpose, the name and locality of the contractor (contractors in case of a consortium) or grant beneficiary (grant beneficiaries in case of a multi-beneficiary grant), as well as the amount of the contract.

The locality of a natural person shall be a region at NUTS2 level. The locality of a legal person shall be its address.

June 2017
cs_b_financing_agr_ge_en.doc
Financing Agreement - Annex II - General Conditions

If such internet publication is impossible, the information shall be published by any other appropriate means, including the official journal of the Partner.

Article 6 of the Special Conditions shall stipulate the location, on the internet or otherwise, of the place of publication; reference shall be made to this location in the dedicated place of the internet site of the Commission.

7.2 Scholarships and direct financial support to natural persons most in need shall be published anonymously and in an accumulated manner by category of expenditure.

Otherwise, names of natural persons shall be replaced by "natural person" two years after publication. The name of a legal entity containing that of a natural person involved in this entity shall be treated as a natural person's name.

Publication of names of natural persons shall be waived if such publication risks violating their fundamental rights or damaging their commercial interests.

The Partner shall present a list of data to be published on natural persons with any justifications for proposed waivers of publication to the Commission which must grant prior authorisation to this list. Where necessary, the Commission shall complete the locality of the natural person limited to a region at NUTS2 level.

7.3 Publication of the procurement and grant contracts concluded (i.e. signed by the Partner and the contractor or grant beneficiary) during the reporting period shall take place within six months following the date for submitting the report pursuant to Article 6 of Special Conditions.

7.4 Publication of contracts may be waived if such publication risks harming the commercial interests of contractors or grant beneficiaries. The Partner shall present a list with such justifications to the Commission which must grant prior authorisation to such publication waiver.

7.5 Where the Commission carries out payments to contractors or grant beneficiaries pursuant to Article 4, it shall ensure the publication of information on procurement contracts and grant contracts according to its rules.

Article 8 - Recovery of funds

8.1 The Partner shall take any appropriate measures to recover the funds unduly paid.

Amounts unduly paid and recovered by the Partner, amounts from financial guarantees lodged on the basis of procurement and grant award procedures, amounts from financial penalties imposed by the Partner, as well as damages awarded to the Partner shall be returned to the Commission.

8.2 Without prejudice to the above responsibility of the Partner to recover funds unduly paid, the Partner agrees that the Commission may, in accordance with the provisions of the Financial Regulation applicable and this Financing Agreement, formally establish an amount; as being unduly paid under procurement contracts and grant contracts financed under Part One and proceed to its recovery by any means on behalf of the Partner, including by offsetting the
Financing Agreement - Annex II - General Conditions

amount owed by the contractor or grant beneficiary against any of its claims against the EU and by forced recovery before the competent courts.

8.3 To this end, the Partner shall provide to the Commission all the documentation and information necessary. The Partner hereby empowers the Commission to carry out the recovery in particular by calling on a guarantee of a contractor or grant beneficiary of which the Partner is the contracting authority or by offsetting the funds to be recovered against any amounts owed to the contractor or grant beneficiary by the Partner as contracting authority and financed by the EU under this or another Financing Agreement or by forced recovery before the competent courts.

8.4 The Commission shall inform the Partner that the recovery proceedings have been initiated (including where necessary before a national court).

8.5 Where the Partner is a grant beneficiary, subdelegatee or implementing partner of an entity with which the Commission concluded a delegation agreement, the Commission may recover funds from the Partner which are due to the entity but which the entity was not able to recover itself.

Article 9 - Financial claims under contracts and agreements

The Partner undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor or grant beneficiary and considered by the Partner to be justified in whole or in part. The financial consequences may be borne by the EU only where the Commission has given its prior authorisation. Such prior authorisation is also required for any use of funds committed under the present Financing Agreement to cover costs arising from disputes relating to contracts or agreements.

Article 10 - Cost overruns and ways of financing them

10.1 Individual overruns of the budget headings of the activities implemented by the Partner shall be dealt with by reallocating funds within the overall budget, in accordance with Article 25 of these General Conditions.

10.2 Wherever there is a risk of overrunning the amount foreseen for the activity implemented by the Partner, the Partner shall immediately inform the Commission and seek its prior authorisation for the corrective activities planned to cover the overrun, proposing either to scale down the activities or to draw on its own or other non-EU resources.

10.3 If the activities cannot be scaled down, or if the overrun cannot be covered either by the Partner's own resources or other resources, the Commission may, at the Partner's duly substantiated request, decide to grant additional EU financing. Should the Commission take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission. This Financing Agreement shall be amended accordingly.
Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue

The Partner and the EU commit to engage in a regular constructive dialogue at the appropriate level on the implementation of this Financing Agreement.

Where the Partner is an ACP State and this action is financed under the EDF pursuant to Article 1.1 of the Special Conditions, this dialogue may form a part of the broader political dialogue provided for in Article 8 of the ACP-EC Partnership Agreement.

Article 12 - Verification of conditions and disbursement

12.1. The Commission shall verify the conditions for the payment of the tranches of the budget support component, as identified in Annex I (Technical and Administrative Provisions).

Where the Commission concludes that the conditions for payment are not fulfilled, it shall inform the Partner thereof without undue delay.

12.2. Disbursement requests submitted by the Partner shall be eligible for EU financing provided that they are in accordance with the provisions set out in Annex I (Technical and Administrative Provisions) and that they are submitted during the operational implementation phase.

12.3. The Partner shall apply its national foreign exchange regulations in a nondiscriminatory manner to all disbursements of the budget support component.

12.4 If no payment to the Partner is made within two years of the entry into force of this Financing Agreement, its budget support component shall be automatically terminated and its funding shall be decommitted. For actions financed under the EDF, an extension of that deadline may be stipulated in Article 6 of the Special Conditions.

Article 13 - Transparency of budget support

The Partner hereby agrees to the publication by the Commission, of this Financing Agreement and any amendment thereof, including by electronic means, and of such basic information on the budget support which the Commission deems appropriate. Such publication shall not contain any data in violation of the EU laws applicable to the protection of personal data.

Article 14 - Recovery of budget support

All or part of the budget support disbursements may be recovered by the Commission, with due respect to the principle of proportionality, if the Commission establishes that payment has been vitiated by a serious irregularity attributable to the Partner, in particular if the Partner provided unreliable or incorrect information, or if corruption or fraud was involved.
Part Three: Provisions Applicable to this Action as a Whole, Irrespective of the Management Mode

Article 15 - Execution period and contracting deadline

15.1 The execution period of this Financing Agreement shall comprise two phases:

- an operational implementation phase, in which the operational activities of the action are carried out. This phase shall start on the entry into force of this Financing Agreement or on the date stipulated in the Special Conditions and end with the opening of the closure phase.

- a closure phase, during which final audit and evaluation are carried out and contracts and the programme estimate for the implementation of this Financing Agreement are technically and financially closed. The duration of this phase is stipulated in Article 2.3 of the Special Conditions. It starts after the end of the operational implementation phase.

These periods shall be reflected in the agreements to be concluded by the Partner and by the Commission in the implementation of this Financing Agreement, in particular in delegation agreements and procurement and grant contracts.

15.2 Costs related to the operational activities shall be eligible for EU financing only if they have been incurred during the operational implementation phase; the costs incurred before the entry into force of this Financing Agreement shall not be eligible for EU financing unless provided otherwise in Article 6 of the Special Conditions. Costs related to final audits and evaluation, to closure activities and operating costs referred to in Article 5.1 shall be eligible until the end of the closure phase.

15.3 Any balance remaining from the EU contribution shall be automatically decommitted no later than six months after the end of the execution period.

15.4 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation phase or the closure phase, as well as correlative of the execution period. If agreed upon, the Financing Agreement shall be amended accordingly.

15.5 Article 2 of these General Conditions shall apply to procurement contracts and grant contracts awarded by the Commission as contracting authority (direct management) with the exception of the last subparagraph of Article 2.1.

Delegation Agreements concluded by the Commission are subject to a different contracting deadline set out by the EU Financial Regulation. If after expiry of that deadline, the related funds are to be de-committed, the Commission will duly inform the Partner thereof.

Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors

16.1 The Partner shall assist and support the verifications and checks carried out by the Commission, OLAF and the European Court of Auditors at their request.

The Partner agrees to the Commission, OLAF and the European Court of Auditors conducting
Financing Agreement - Annex II - General Conditions

documentary and on-the-spot controls on the use made of EU financing under the activities under this Financing Agreement and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the activities, throughout the duration of this Financing Agreement and for five years from the end of the execution period.

16.2 The Partner also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by EU law for the protection of the EU's financial interests against fraud and other irregularities.

To that end, the Partner shall grant officials of the Commission, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under this Financing Agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the Commission, OLAF and the European Court of Auditors shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Partner being bound to inform the Commission, OLAF or the European Court of Auditors of the exact location at which they are kept.

16.3 The checks and audits described above shall also apply to contractors, grant beneficiaries and subcontractors who have received EU financing.

16.4 The Partner shall be notified of on the spot missions by agents appointed by the Commission, OLAF or the European Court of Auditors.

Article 17 - Tasks of the Partner in fighting irregularities, fraud and corruption

17.1 The Partner shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities, fraud or corruption and of any measure taken or planned to deal with them.

17.2 The Partner shall ensure and check regularly that the actions financed from the budget are effectively carried out and implemented correctly. It shall take appropriate measures to prevent, detect and correct irregularities and fraud and where necessary, bring prosecutions and recover funds unduly paid.

"Irregularity" shall mean any infringement of this Financing Agreement, implementing contracts and programme estimate or of EU law resulting from an act or omission by anyone who has, or would have, the effect of prejudicing the funds of the EU, either by reducing or losing revenue owed to the EU, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the EU or the EDF;
Financing Agreement - Annex II - General Conditions

- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

17.3 The Partner undertakes to take every appropriate measure to prevent, detect and punish any practices of active or passive corruption during the implementation of the Financing Agreement.

"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

17.4 If the Partner does not take appropriate measures to prevent fraud, irregularities and corruption, the Commission may adopt precautionary measures including the suspension of this Financing Agreement.

Article 18 - Suspension of payments

18.1 Without prejudice to the suspension or termination of this Financing Agreement according to Articles 26 and 27, respectively, the Commission may suspend payments partially or fully, if:

a) the Commission has established or has serious concerns that, on the basis of information it received, and needs to verify, the Partner has committed substantial errors, irregularities or fraud in the procurement and grant award procedure or in the implementation of the action, or the Partner has failed to comply with its obligations under this Financing Agreement, including obligations regarding the implementation of the Communication and Visibility plan;

b) the Commission has established or has serious concerns that, on the basis of information it received, and needs to verify, the Partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under this or other Financing Agreements, provided that those errors, irregularities, fraud or breach of obligations have a material impact on the implementation on this Financing Agreement or call into question the reliability of the Partner's internal control system or the legality and regularity of the underlying expenditure;

c) the Commission suspects that the Partner committed substantial errors, irregularities, fraud or breach of obligations in the procurement and grant award procedure or in the implementation of the action and needs to verify whether they have occurred.

d) it is necessary to prevent significant damage to the financial interests of the EU.
18.2 The Commission shall immediately inform the Partner about the suspension of payments and of the reasons for this suspension.

18.3 The suspension of payments shall have the effect of suspending payment time-limits for any payment request pending.

18.4 In order to resume payments the Partner shall endeavour to remedy the situation leading to the suspension as soon as possible and shall inform the Commission of any progress made in this respect. The Commission shall, as soon as it considers that the conditions for resuming payments have been met, inform the Partner thereof.

Article 19 - Allocation of funds recovered by the Commission to the action

Where the action is financed under the EDF, amounts unduly paid and recovered by the Commission, amounts from financial guarantees lodged on the basis of procurement and grant award procedures, amounts from financial penalties imposed, as well as damages awarded to the Commission shall be allocated to this action.

Article 20 - Right of establishment and residence

20.1 Where justified by the nature of the procurement contract or grant contract, the Partner shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts or calls for proposals and entities expected to be entrusted with implementation tasks identified in Annex I with a provisional right of establishment and residence in the Partner's territory(ies). This right shall remain valid for one month after the contract is awarded.

20.2 The Partner shall also entitle procurement contractors and grant beneficiaries, entities entrusted with implementation tasks identified in Annex I (Technical and Administrative Provisions), natural persons whose services are required for the performance of this action and members of their families with similar rights during the implementation of the action.

Article 21 - Tax and customs provisions and foreign exchange arrangements

21.1 The Partner shall apply to procurement contracts and grants contracts financed by the EU the most favoured tax and customs arrangements applied to States or international development organisations with which it has relations.

Where the Partner is an ACP State, account shall not be taken of arrangements applied by it to the other ACP States or to other developing countries for the purpose of determining the most-favoured-State treatment.

21.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.
Article 22 - Confidentiality

22.1 The Partner agrees that its documents and data held by an entity with which the Partner is in a contractual relationship regarding them may be forwarded to the Commission by that entity for the sole purpose of implementing this or another Financing Agreement. The Commission shall respect all confidentiality arrangements agreed between the Partner and that entity.

22.2 Without prejudice to Article 16 of these General Conditions, the Partner and the Commission shall preserve the confidentiality of any document, information or other material directly related to the implementation of this Financing Agreement that is classified as confidential.

22.3 The Parties shall obtain each other’s prior written consent before publicly disclosing such information.

22.4 The Parties shall remain bound by the confidentiality until five years after the end of the execution period.

Article 23 - Use of studies

The contract related to any study financed under this Financing Agreement shall include the right for the Partner and for the Commission to use the study, to publish it and to disclose it to third parties.

Article 24 - Consultation between the Partner and the Commission

24.1 The Partner and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further pursuant to Article 28 of these General Conditions.

24.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Partner to remedy the situation and take any steps that are necessary.

24.3 The consultation may lead to the amendment, suspension or termination of this Financing Agreement.

24.4 The Commission shall regularly inform the Partner of the implementation of activities described in Annex I which do not fall under Parts One and Two of these General Conditions.

Article 25 - Amendment of this Financing Agreement

25.1 Any amendment of this Financing Agreement shall be made in writing, including an exchange of letters.

25.2 If the request for an amendment comes from the Partner, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Partner and accepted by the Commission. In the exceptional cases of an adjustment of the objectives of the action and/or an increase in the
EU contribution, such request shall be submitted at least six months before the amendment is intended to enter into force.

25.3 If the adjustment both does not significantly affect the objectives of the activity implemented pursuant to Part One of these General Conditions, and if it concerns matters of detail which do not affect the technical solution adopted, and if it does not include the reallocation of funds, or if it concerns reallocations of funds for an amount equivalent to the amount of the contingency reserve, the Partner shall inform the Commission of the adjustment and its justification in writing as soon as possible and may apply that adjustment.

25.4 The use of the contingency reserve provided for an action shall be subject to the Commission’s prior written approval.

25.5 Where the Commission considers that the Partner ceases to perform satisfactorily the tasks entrusted pursuant to Article 1.1 of these General Conditions and without prejudice to Articles 26 and 27 of these General Conditions, the Commission may decide to retake the tasks entrusted from the Partner in order to continue the implementation of the activities on behalf of the Partner after informing the latter in writing.

Article 26 - Suspension of this Financing Agreement

26.1 The Financing Agreement may be suspended in the following cases:

- The Commission may suspend the implementation of this Financing Agreement if the Partner breaches an obligation under this Financing Agreement.

- The Commission may suspend the implementation of this Financing Agreement if the Partner breaches any obligation set under the procedures and standard documents referred to in Articles 1, 4, 5 and 6 of these General Conditions.

- The Commission may suspend this Financing Agreement if the Partner breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.

- This Financing Agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, 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 obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A 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.

- Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes
measures to minimise any possible damage.

26.2 The Commission may suspend this Financing Agreement without prior notice.

26.3 The Commission may take any appropriate precautionary measure before suspension takes place.

26.4 When the suspension is notified, the consequences for the on-going procurement and grant contracts, delegation agreements and programme estimate shall be indicated.

26.5 A suspension of this Financing Agreement is without prejudice to the suspension of payments and termination of this Financing Agreement by the Commission in accordance with Article 18 and 27 of the General Conditions.

26.6 The parties shall resume the implementation of the Financing Agreement once the conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the implementation period, or the termination of this Financing Agreement in accordance with Article 27.

Article 27 - Termination of this Financing Agreement

27.1 If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.

27.2 This Financing Agreement shall be automatically terminated, if no implementing contract has been signed within the deadlines of Article 2.

27.3 When the termination is notified, the consequences for the on-going procurement contracts, grant contracts and programme estimate shall be indicated.

Article 28 - Dispute settlement arrangements

28.1 Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the parties provided for in Article 24 of these General Conditions may be settled by arbitration at one of the parties' request.

Where the Partner is an ACP State or an ACP regional body or organisation and this action is financed under the EDF, the dispute shall be submitted, prior to arbitration and after the consultations provided for in Article 24 of these General Conditions, to the ACP-EC Council of Ministers, or, between its meetings, to the ACP-EC Committee of Ambassadors, pursuant to Article 98 of the ACP-EC Partnership Agreement. If the Council or Committee does not succeed in settling the dispute, either party may request settlement of the dispute by arbitration in accordance with Articles 28.2, 28.3 and 28.4.

28.2 Each party shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third
Financing Agreement - Annex II - General Conditions

arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

28.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

28.4 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.