FINANCING AGREEMENT

between

THE EUROPEAN UNION

and

THE PACIFIC ISLANDS FORUM SECRETARIAT

"Tackling root causes of gender inequality and violence against women and girls in the Pacific"
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

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

of the other part,

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:

“Tackling root causes of gender inequality and violence against women and girls in the Pacific”
FED/2017/039-204

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 18 153 107.90 and the maximum EU contribution to this action is set at EUR 13 000 000.00.

1.3. The Partner shall not co-finance the action.

The action is co-financed in joint co-financing by the Department of Foreign Affairs and Trade of the Government of Australia (DFAT) and the United Nations Entity for Gender equality and Empowerment of Women (UN Women)¹. The breakdown of this financial contribution is shown in Annex I (Technical and Administrative Provisions). The potential co-financing of DFAT is pending endorsement of an agreed Design Document.

¹The part of the action that is implemented by UN Women (sub-action – key result area 2) is jointly co-financed by DFAT and UN Women.

June 2017

EU Secretariat

FED/2017/039-204
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 84 months after this date.

2.2. The duration of the operational implementation phase is fixed at 60 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 EDF Regional Authorising Officer
    Secretary General of the Pacific Islands Forum Secretariat,
    Pacific Islands Forum Secretariat (PIFS),
    Private Mail bag,
    Suva, the Republic of 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 PIFS Corporate Lawyer, Ms Nehla Basawaiya, nehlab@forumsec.org, +679 322 0254, Pacific Islands Forum Secretariat (PIFS), Private Mail bag, Suva, the Republic of Fiji.
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 Provisions of Article 20 and Article 21 of Annex II 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.

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

6.3 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.

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 COMMISSION:  
Name: Mr. Neven Mimica  
Function: Commissioner for International Cooperation And Development  
Signature: [Signature]

FOR THE PARTNER:  
Name: Dame Meg Taylor  
Function: Regional Authorising Officer Secretary General of the Pacific Islands Forum Secretariat  
Signature: [Signature]

Place: Apia, Samoa  
Date: 06 SEP 2017

Name: Mr. Pierre Amilhat  
Function: Director, Asia, Central Asia, Middle East/Gulf and Pacific; Directorate-General for International Cooperation And Development  
Signature: [Signature]

Place: 
Date: 23 ADUT 2017

June 2017
# ANNEX 1

## TECHNICAL AND ADMINISTRATIVE PROVISIONS (TAPS)

<table>
<thead>
<tr>
<th>1. Title/basic act/CRIS number</th>
<th>“Tackling root causes of gender inequality and violence against women and girls in the Pacific”; (Pacific RIP –Priority 3.2) CRIS number: FED/2017/39204 financed under the 11th European Development Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Zone benefiting from the action/location</td>
<td>Pacific Region ACP countries The action shall be carried out at the following locations: The action is regional in scope but will include national level activities, at least in the following proposed Pacific Island countries: Fiji, Kiribati, Papua New Guinea, the Republic of Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.</td>
</tr>
<tr>
<td>3. Programming document</td>
<td>Pacific Regional Indicative Programme for the period 2014-2020</td>
</tr>
<tr>
<td>4. Sector of concentration/thematic area</td>
<td>Gender equality and ending of violence against women and girls</td>
</tr>
<tr>
<td>5. Amounts concerned</td>
<td>Total estimated cost: EUR 18,153 million Total amount of the 11th EDF contribution EUR 13 million. This action is co-financed in joint co-financing(^1) by - the Department of Foreign Affairs and Trade of the Government of Australia (DFAT) for an amount of AUD 6.5 million(^2) - The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) for an amount of USD 750 000(^3)</td>
</tr>
<tr>
<td>6. Aid modality(ies) and implementation modality(ies)</td>
<td>Project Modality Indirect management through a Pagoda co-delegation agreement entrusting UN Women (as the lead Organisation) with the Pacific Community (SPC) and Pacific Islands Forum Secretariat (PIFS) as co-delegates.</td>
</tr>
<tr>
<td>7 a) DAC code(s)</td>
<td>15170 (Women’s equality organisations and institutions) 15180 (Ending violence against women and girls)</td>
</tr>
</tbody>
</table>

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\(^1\) The joint co-financing of DFAT and UN Women will be earmarked under the Key result area 2 of the action “A transformative approach is taken to promote gender equality and prevention of violence against women and girls at community level”. Pending endorsement of an agreed Design Document, the potential contribution from DFAT is proposed to be up to AUD 6.5 million over 5 years. UN Women has pre-approved 150 000 USD per year for 5 years of implementation under this programme.

\(^2\) AUD 6.5 million corresponds to approximately EUR 4 464 592.34 (inforEuro exchange rate of May 2017 1 AUD = 0.68686 EUR)

\(^3\) USD 750 000 corresponds to approximately EUR 688 515.56 EUR (inforEuro exchange rate of May 2017 1 USD = 0.91802 EUR)
### b) Main Delivery Channel

**Proposed:**
The Pacific Community (SPC)
Pacific Islands Forum Secretariat
United Nations Agency

<table>
<thead>
<tr>
<th>8. Markers (from CRIS DAC form)</th>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Main objective</th>
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<tbody>
<tr>
<td>Participation development/good governance</td>
<td>□</td>
<td>X</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Aid to environment</td>
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<td>□</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Gender equality (including Women In Development)</td>
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<td>□</td>
<td>X</td>
<td></td>
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<tr>
<td>Trade Development</td>
<td>X</td>
<td>□</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Reproductive, Maternal, New born and child health</td>
<td>X</td>
<td>□</td>
<td>□</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RIO Convention markers</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Main objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological diversity</td>
<td>X</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Combat desertification</td>
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<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>X</td>
<td>□</td>
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</tr>
<tr>
<td>Climate change adaptation</td>
<td>X</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

| 9. Global Public Goods and Challenges (GPGC) thematic flagships | N/A |

| 10. SDGs | SDG 5 (Gender equality); SDG 4 (Education); SDG 10 (Reduced inequalities) |

### SUMMARY

This action addresses the priority 3.2 of the Regional Indicative Programme for the Pacific Region "Promote and Protect Human Rights for All and Progress in Gender Equality and Civil Society Engagement in Governance Practices".

The overall objective of this action is to promote gender equality and prevent violence against women and girls. The specific objective is to enhance awareness and practice of respectful relationships and gender equality among women, men, girls and boys and increase access to essential services for survivors of violence against women and girls (VAWG).

Expected results of the programme are as follows: 1) Enhanced formal and informal education on gender equality and prevention of violence against women and girls. 2) A transformative approach is taken to promote gender equality and prevention of violence against women and girls at community level. 3) Civil Society Organisations’ capacity to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls is enhanced.
The Action aligns with the People and Peace priorities of the New European Consensus on Development "Our World, Our Dignity, Our Future" and supports the achievement of the EU Gender Action Plan II. It also relates to Sustainable Development Goal -SDG 5 (Gender equality); SDG 4 (Education) and SDG 10 (Reduced inequalities). The action will contribute to the Global Strategy by working towards shared prosperity by fulfilling the SDGs worldwide and by nurturing societal resilience. This intervention also supports the Pacific Regional Strategy, Priority 1 – Good governance, human rights and gender.

It is proposed that the programme be implemented in close partnership with UN Women, the Pacific Community (SPC) and the Pacific Islands Forum Secretariat (PIFS). This would be administered through a Pagoda Co-Delegation Agreement. The programme will be overseen by a Programme Steering Committee co-chaired by PIFS and the EU Delegation.

1 DESCRIPTION OF THE ACTION

1.1 Objectives/results

This programme is relevant for Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 5, but also promotes progress towards Goal(s) 4 (target 7) and 10 (targets 2 and 3). This does not imply a commitment by the countries benefiting from this programme.

The overall objective of this action is to promote gender equality and prevent violence against women and girls.

The specific objective is to enhance awareness and practice of respectful relationships and gender equality among women, men, girls and boys and increase access to essential services for survivors of violence against women and girls (VAWG).

Expected results:

1. Enhanced formal and informal education on gender equality and prevention of violence against women and girls.

   The action will contribute towards shaping children and youth’s notions of gender equality and VAWG to enhance their awareness and practice of respectful relationships and gender equality concepts. Activities will target boys and girls in primary schools through formal education. It will also target young women and young men aged 15 to 25 through informal education, mostly based on a peer to peer approach.

2. A transformative approach is taken to promote gender equality and prevention of violence against women and girls at community level.

   The action will seek to change harmful social norms at the community and individual level, leading to reduced rates of physical and sexual violence. To this end, the EU and Australia will co-finance a comprehensive UN Women Ending Violence Against Women (EVAW) programme designed to address VAWG in a holistic way. This transformative approach will establish primary prevention programmes through a

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range of community actors, including faith-based and sports organisations, and support access to quality essential services (health, social services police and justice) for survivors of VAWG.

3. Civil Society Organisations’ capacity to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls is enhanced.

The action will support civil society by enhancing its capacity to track gender equality and EVAWG policy implementation and resources and act on their findings to advocate for improvements. Tools will be designed to help CSOs participate in policy dialogue on gender equality and VAWG more effectively, ultimately leading to stronger capacity among CSOs and policy makers in the region to mainstream gender across a wide range of sectors. The action will also seek to identify and support Pacific leaders to "champion" gender equality and EVAWG in the region.

To ensure their impact and concrete benefits for the people of the Pacific, the activities funded under this action will be mostly implemented at the national level.

In addition, the outcomes of each result area and relevant lessons learned of the action will be shared through regional seminars, workshops and conferences to allow for replication and dissemination of lessons learned at the regional level.

1.2 Main activities

The achievement of the results outlined above will entail the implementation of a set of complementary activities, which, combined, are expected to contribute to tackling some of the root causes of gender inequality and VAWG in the Pacific. Each key result is to be overseen by one implementing partner.

Result 1: Enhanced formal and informal education on gender equality and prevention of violence against women and girls

The corresponding activities will consist in, *inter alia*:

a) Develop a rights-based gender equality and EVAWG curriculum for primary schools and integrate it in the formal education system in pilot schools in each target country;

b) Train teachers and produce support materials on gender equality and EVAWG to lead school children in carrying out child-led awareness and outreach in their immediate school community;

c) Develop tools and guidelines for ministries to continue embedding gender mainstreaming in formal education and support ministries in implementing concrete gender mainstreaming measures, such as making schools safe and respectful for women and girls;

d) Support exchanges between Pacific ACP Country Ministries of Education to share knowledge, experience and successful approaches to tackling gender inequality and VAWG in the formal education system;

e) Design an informal education curriculum for rights-based gender equality and EVAWG awareness and response for young people, based on peer-to-peer education techniques;
f) Train young women and young men to become trainers of their peers, including by providing annual refresher training and mentoring;

g) Implement these peer-to-peer informal training activities, including specifically targeting youth that cannot be reached by formal education, in particular rural youth and early school leavers;

h) Design and disseminate awareness tools tailored to the needs of the target population, including through mass and social media;

i) Disseminate national results at the regional level for both formal and informal education activities.

The activities under this result area will be implemented by SPC.

They will take place in the Republic of the Marshall Islands, Kiribati, Solomon Islands and Tuvalu.

Result 2: A transformative approach is taken to promote gender equality and prevention of violence against women and girls at community level.

The corresponding activities will consist in, *inter alia*:

a) Implement country-level Community Based Prevention Programmes, including through the recruitment of volunteer activists, training for activists and community members and production of support materials, including working with media;

b) Support provision of essential services, including through planning and improving coordination and governance, in partnership with national governments, civil society and development partners;

c) Provide targeted technical support to national governments to advance standards and training for counselling and for shelters, and strengthen multi-sectoral coordination;

d) Work with community based partners to embed an advanced real-time monitoring and evaluation framework that enables dynamic adjustment and triggering of phases of prevention and behavioural change, as well as allowing for the generation of evidence across implementation locations;

c) Disseminate national results at the regional level.

The activities under this result area will be implemented by UN Women.

The community prevention programming will take place in Fiji, Kiribati and Tonga, with additional technical support to existing initiatives in Samoa and Papua New Guinea. The essential services support will be rolled out in Fiji and Tonga, building on the current program in Kiribati and the Solomon Islands.

Result 3: Civil Society Organisations’ capacity to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls is enhanced.

The corresponding activities will consist in, *inter alia*:

a) Design and institutionalize CSO-led Accountability Mechanisms for commitments around gender equality at country and regional level;
b) Support capacity of CSOs to track gender equality and EVAWG policy implementation and resources (e.g. budget monitoring); and to develop national advocacy campaigns for their effective implementation;

c) Create templates for policy submissions and policy analysis that are gender sensitive; provide training and advocacy tools and bring in gender experts to support CSO dialogues and policy dialogues;

d) Support country visits by the Sexual and Gender Based Violence Reference Group (expanded with CSO representatives) to provide feedback and advice to national institutions on gender mainstreaming;

e) Identify, approach and mentor “champions” among Pacific leaders to act as key advocates on gender equality and EVAWG.

The activities under this result area will be implemented by PIFS.

This result area will focus on Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu, and the regional aspect will cover the countries benefiting from the Regional Programme.

An indicative list of activities per country is also provided in Annex B.

1.3 Intervention logic

The overall objective of this action is to promote gender equality and contribute to ending violence against women and girls. Drawing lessons from various studies and previous intervention of donors, the action will focus on addressing harmful social norms that are root causes of VAWG and gender inequality. The action aims to tackle these at the local and national level through community based activities. This is intended to complement other ongoing efforts to ensure that Pacific ACP Countries enact appropriate legislation to address VAWG, which are extensive in the region. As such, the action is the “bottom-up” answer to existing programme that take a “top-down” legislative, judicial and political representation angle to combating VAWG.

A first set of activities will target children and young people through formal and informal education, so they can learn about gender equality but also play a part in shaping policy for gender equality and prevention of violence against women and girls. As a result of these activities, it is expected that education will promote gender equality and prevention of violence against women and girls.

The second set of activities will aim at the promotion of gender equality and prevention of violence against women and girls through a comprehensive approach, designed to transform harmful social norms. It will combine community based prevention and improvement of services to survivors, to ensure that awareness raising is coupled with the necessary support to victims.

Finally, the third set of activities will aims at promoting the gender equality policy dialogue by equipping the civil society to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls. It will also support regional "champions" among the Pacific Leaders.
Leading practice in behaviour change work requires issues to be acted on from a range of angles and the action therefore proposes to address some of the root causes of VAWG from three interlinked perspectives – education, community-wide prevention and services, and civil society advocacy and accountability.

2 IMPLEMENTATION

2.1 Implementation modalities - Indirect management with an international organisation

This action may be implemented in indirect management with UN Women, SPC and PIFS, 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 UN Women as the lead organisation and SPC and PIFS as co-delegates. This implementation through a co-delegation agreement is justified because of the specific mandates and technical expertise of UN Women, SPC and PIFS which are complementary to each other:

UN Women is the lead International Organisation in the region in terms of programming on gender equality and EVAW. UN Women has demonstrated its ability to successfully manage large programmes in the Pacific region, on a similar scale to the present action. Result 2 will be implemented by UN Women as it is directly related to its core mandate and experience base. It has also passed a 6 pillar assessment.

Through its current programming, UN Women has developed extensive networks with a variety of stakeholders in the Pacific from high level Pacific leaders to grassroots organizations. UN Women has experience supporting community partners with operational management.

UN Women’s Fiji Multi-Country Office (MCO) is based in Suva and works with governments and civil society organizations across 14 Pacific Island countries and territories to address gender imbalance, empower women and build more inclusive societies. UN Women also has a country presence in 6 other Pacific countries (Kiribati, Tonga, Nauru, Samoa, Solomon Islands and Vanuatu); and has strong financial and logistical capacity that enables it to manage complex development programs across a number of countries. UN Women currently manages two large DFAT funded regional programs, one of which of a similar value as this action.

In terms of the result 2 specifically, UN Women is the only IO in the region working on holistic approaches to changing social norms at the community level, including through faith-based groups and sports and is therefore strategically placed to run a holistic programme to combat harmful social norms around gender equality and VAWG. UN Women also leads programming in the region on women’s economic empowerment and participation and leadership, which makes it an ideal lead partner that can ensure thorough coordination and complementarity with other work in the region in this field. Further details on coordination under point 2.4 Organisational set-up and responsibilities.

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6 The UN Women Fiji Multi-Country Office covers the following countries: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.
SPC has a strong mandate and in-depth experience when it comes to gender mainstreaming and EVAWG, working with a range of stakeholders to enhance gender equality and work to prevent violence against women and girls. SDP provides technical support for PICTs in line with member needs and priorities including support for mainstreaming and policy analysis from a gender, youth and culture perspective.

Established in 1995, RRRT, now part of SPC is a Pacific grown programme that provides technical advice, assistance and training on EVAWG and human rights. It has staff embedded in 10 ministries in PICs, including in the Federated States of Micronesia, Kiribati, Nauru, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. As a result, SPC has a local understanding of the human rights and EVAWG context in those countries and the necessary structure to implement the activities relating to the key result area 1.

SPC has a history of training various stakeholders on EVAWG and gender equality, including justice service providers and CSOs. SPC has also previously managed a peer to peer education program on human rights, EVAWG and gender, training over 200 people in eight PICs to become community leaders in the field of EVAWG and gender equality. SPC also hosts the Pacific Youth Council and is therefore uniquely placed to implement the formal and informal education area of the action and to ensure that it is complementary to other actions in the sector. SPC is the best co-implementing partner for this action targeting youth and women in particular for the Key result 1 Enhanced formal and informal education on gender equality and prevention of violence against women and girls.

Under EDF10, PIFS is entrusted with the “Strengthening Non-State Actors Engagement in Regional Policy Development and Implementation Programme” (the NSA Programme), which sets out to promote good governance in the Pacific and ensure that NSA perspectives are reflected in effective regional policy development processes and dialogues. The programme purpose is to build the capacity and ability of Non-State Actors (NSAs) to participate effectively in regional policy making processes and implementation.

As a result of this experience, as well as PIFS’ strategic position on regional public policy space in the Pacific, PIFS is the ideal partner for implementing result area 3 of the action, which aims to support civil society capacity to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls.

Combining the strong mandates and track records of UN Women with the expertise of SPC’s social development gender and RRRT departments and the PIFS NSA and gender team, creates a solid basis for the action to benefit from a large networks, credibility and leverage while securing long term ownership within the Pacific region.

The entrusted entities7 would carry out the following budget-implementation tasks: launching calls for tenders (such as supply and services for technical expertise, studies, events and

7 The final reports of the current pillar assessment of SPC (will be submitted in June 2017) and PIFS has been submitted in May 2017 to the DEVCO/R2 for approval. These two reports reveal that for both organisations, the four pillars (accounting systems, internal control systems, independent external audit and procurement) have been positively assessed. In addition, for SPC the grant pillar has also 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 Commission
workshops) and calls for proposals (potentially under PIFS’ NSA modality); evaluation of tenders and proposals; award of contracts; monitoring and managing contracts; assessment and acceptance of deliverables; payments; any other relevant aspects of the project management cycle.

UN Women as the lead Organisation entrusted is positively 6 pillar assessed (three core pillars, procurement, grant award and sub delegation).

The other entrusted international organisations, namely SPC and PIFS are currently undergoing the ex-ante assessment 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.

For the part of the action that will be implemented by PIFS (sub-action – key result area 3) and by SPC ((sub-action – key result area 1), the organisations will use their own procedures for the pillars positively assessed. However, in all cases, all award of grants by PIFS or by SPC will be done using PRAQ procedures which are in line with the EU Financial Regulation in order to ensure principles of open competition and equal treatment.

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.

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. PIFS did not apply 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.
### 2.3 Indicative budget

<table>
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<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution</th>
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<td></td>
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<td>DFAT* (amount in AUD)</td>
<td>UN Women (amount in USD)</td>
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<tr>
<td>SPC (sub-action – key result area 1)</td>
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<td>N/A</td>
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<td>UN Women (sub-action – key result area 2)</td>
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<td>PIFS (sub-action – key result area 3)</td>
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<td><strong>2.1 – Subtotal Indirect Management Pagoda delegation agreement</strong></td>
<td><strong>12 700 000.00</strong></td>
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<td>2.6 - Evaluation, 2.7 - Audit</td>
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<td>6 500 000 AUD</td>
<td>750 000 USD</td>
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</tbody>
</table>

* Pending endorsement of an agreed Design Document, the potential contribution from DFAT is proposed to be up to AUD 6.5 million over 5 years.

The part of the action that is implemented by UN Women (sub-action – key result area 2) is jointly co-financed by DFAT and UN Women. DFAT will not contribute to the programme via a transfer agreement but provide funds directly to UN Women.

### 2.4 Organisational set-up and responsibilities

The day-to-day technical and financial management and administration of the action will be the responsibility of the Lead Organisation UN Women in close collaboration with the co-delegates SPC and PIFS for the components under their respective responsibility. UN Women will be responsible for narrative and financial reporting, as well as for the collation, aggregation and management of relevant documents and other preparation for audits in line with co-delegation agreement provisions. UN Women may choose to set up a project coordination group in agreement with the action co-delegates. This would be a technical

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\(^8\) AUS 6.5 million corresponds to approximately EUR 4 464 592.34 (inforEuro exchange rate of May 2017

1 AUD = 0.68686 EUR). Pending endorsement of an agreed Design Document, the potential contribution from DFAT* is proposed to be up to AUD 6.5 million over 5 years.

\(^9\) UN Women has pre-approved 150 000 USD per year for 5 years of implementation under this programme. This contribution will only relate to result 2 of the action, implemented through UN Women. Budgeted contribution of USD 750 000 corresponds to approximately EUR 688 515.56 EUR (inforEuro exchange rate of May 2017: 1 USD = 0.91802 EUR)
level group and terms of reference would be agreed between the partners. The EU would be invited to participate in it.

A Programme Steering Committee (PSC) will be established to oversee the implementation and the strategic decisions to be taken on the action. The PSC will be responsible for approving annual plans, monitoring risk and assessing programme quality and will meet bi-annually. Representatives from SPC, UN Women and Australia will be members. PIFS (as the regional Authorising Officer for the Pacific region) and the EU will be co-chairing the PSC meetings. UN Women will act has secretariat to the chair. In addition, other key stakeholders, such as representatives of civil society, other relevant international organisations (e.g. UNICEF) and national partner institutions, may be invited to join the steering committee. The PSC will be able to make recommendations for any adjustments to the action that may help achieve its objectives in a meaningful, targeted and cost-effective way.

2.5 Performance monitoring and reporting

The 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 end, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and a final report. 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 – at a minimum – the logframe matrix indicators. 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.

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 co-delegatees will be responsible for coordinating their approach to monitoring, through a set of complementary monitoring frameworks. While the logframe enclosed in this action document may evolve during the course of the action, the indicators in the complementary monitoring frameworks should be reflective of the logframe indicators at the time of their conception. One single annual report covering all result areas will be submitted for the programme each year, in line with the special and general conditions of the co-delegation agreement.

In addition, considering the expected results, and the nature of the some activities foreseen to achieve those results, significant evaluation work will be needed. In particular, the output and outcomes of the activities implemented to change social norms cannot be measured by existing statistics but need to be assessed on the basis of knowledge and attitude surveys at the beginning and at the end of the intervention. These surveys will be conducted by the implementing partner responsible for the corresponding expected results and the corresponding resources will be foreseen in the co-delegation agreement. For the third expected result area, there is also a need to take stock, during the inception phase of the
existing CSO initiatives at regional and national level. This will also be done by the implementing partner and budgeted accordingly.

It is important to note that considering the lack of data and the very low administrative capacity in the region, it has not been possible to design an SMART impact indicator. Indeed, the surveys that need to be conducted to measure the prevalence of violence against women and girls are very costly, and Australia has confirmed that they do not intend to support another set soon. The amount of funding under this action is not either commensurate to such a need. Against this background, the outcome indicator will be used as a proxy for the impact indicator.

2.6 Evaluation

Having regard to the nature of the action, a final evaluation and possibly a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner 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 partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in 2022 for the final evaluation; the date of the potential mid-term evaluation will be decided by the PSC.

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 shall be concluded under a framework contract in 2020 and 2022.

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 5.6 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 activities will be implemented under the Pagoda co-delegation agreement entrusted to UN Women, SPC and PIFS.

3 Pre-conditions

The action is subject to the following pre-conditions:

(i) The co-delegates (SPC and PIFS) if not passed the relevant pillar assessment before the signature of the Financing Agreement (three core pillars and procurement pillar); will need to apply EU procedures for those pillars.

(ii) Details of the project coordination arrangements, as well as the membership and governance of the Project Steering Committee are to be agreed with the EU before the start of implementation of the action.
### APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

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>Results chain</th>
<th>Indicators</th>
<th>Baselines 2017</th>
<th>Targets 2022</th>
<th>Sources and means of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>To promote gender equality and prevent violence against women and girls.</td>
<td>1- Number of women accessing crisis services&lt;br&gt;2- Number of police incidence reports completed</td>
<td></td>
<td></td>
<td>1- Crisis Centres Reports, government&lt;br&gt;2- Justice, police sector reports; Pacific Leaders Gender Equality Declaration assessment reports (PLEDG) reports.</td>
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<tr>
<td>Overall objective: Impact</td>
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<tr>
<td>Specific objective(s): Outcome(s)</td>
<td>To enhance awareness and practice of respectful relationships and gender equality among women, men, girls and boys and increase access to essential services for survivors of violence against women and girls (VAWG)</td>
<td>Percentage of people who benefited directly or indirectly from the action whose attitudes and beliefs of gender equality has evolved positively, disaggregated by sex</td>
<td>Survey at the start of intervention</td>
<td>20%</td>
</tr>
<tr>
<td>1. <strong>Enhanced formal and informal education on gender equality and prevention of violence against women and girls</strong></td>
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<tr>
<td><strong>1.1.</strong> Number of children who benefited from gender equality and rights education activities in the formal education sector with support of the action, disaggregated by age and sex.</td>
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<tr>
<td><strong>1.1.0</strong></td>
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<tr>
<td><strong>1.2.</strong> Percentage of young people (aged 15-25) who benefitted from the action whose attitudes and beliefs of gender equality have positively evolved.</td>
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<tr>
<td><strong>1.2.0 %</strong></td>
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<tr>
<td><strong>1.2.30 %</strong></td>
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<tr>
<td><strong>1. M&amp;E Framework</strong></td>
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<tr>
<td><strong>1.1.</strong> TBD once pilot schools will be identified</td>
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<td><strong>1.2.</strong> Surveys</td>
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<tr>
<td><strong>1.2. Survey</strong></td>
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<tr>
<td>increased awareness of their rights, agency, voice and choice in civic and community life;</td>
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<tr>
<td>Service providers are receptive to support on achieving best practice and willing to work in coordination with other relevant organisations;</td>
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<tr>
<td>Regional and national leaders and administrations are committed to act on the advice and demands put forward by civil society groups.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2. <strong>A transformative approach is taken to promote gender equality and prevention of violence against women and girls at community level</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1.</strong> Increase of proportion of people, in intervention sites, who think it is never justifiable for a man to beat his wife, disaggregated by sex</td>
</tr>
<tr>
<td><strong>2.1.</strong> TBD to be determined at baseline survey</td>
</tr>
<tr>
<td><strong>2.1. Survey</strong></td>
</tr>
<tr>
<td><strong>2.2.</strong> Number of countries that have adopted or implemented policies, protocols and services that improve quality and increase access for survivors.</td>
</tr>
<tr>
<td><strong>2.2.0</strong></td>
</tr>
<tr>
<td><strong>2.2.4</strong></td>
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<tr>
<td><strong>2.2. Analysis conducted at the beginning and at the end of the project implementation.</strong></td>
</tr>
<tr>
<td>3. Civil Society Organisations’ capacity to advocate, monitor and report on performance of national and regional institutions and authorities in terms of gender equality and prevention of violence against women and girls is enhanced</td>
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ANNEX II - GENERAL CONDITIONS

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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 I (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 - Annex II - General Conditions

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
i. 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 im prest 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
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-C01-EXCL-DB@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.
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:
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(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
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 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.
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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.
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
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 correlatively 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
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;
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- 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
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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
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.