EUROPEAN UNION
DELEGATION AGREEMENT

FED/ 2018/ 396-488
(the "Agreement")

The European Union, represented by the European Commission, (the ‘Contracting Authority’) of the one part,

and

Pacific Islands Forum Secretariat (PIFS),
Ratu Sukuna Road,
Private Mail Bag, Suva,
hereinafter the ‘Organisation’

of the other part, (individually a "Party" and collectively the ‘Parties’) have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

1.1 This Agreement defines the activities entrusted to the Organisation for the implementation of the Action Technical Cooperation and Capacity Building Facility (TECCBUF) as described in Annex I (the “Action”). This Agreement lays down the rules for implementation, for the payment of the EU contribution, and defines the relations between the Organisation and the Contracting Authority.

1.2 The Action is fully financed by the EU contribution.

1.3 In the performance of the activities, the Organisation shall:

a) apply its own accounting, internal control and audit systems which have been positively assessed in the ex-ante pillars assessment. In case the pillar assessment raised some reservations the Organisation shall comply with the ad hoc measures stated in Article 7.

b) apply its own procurement procedures, as assessed in the ex-ante pillars assessment and agreed rules for the award of Grants in accordance with the Practical Guide (PRAG).

c) perform the activities to be implemented under the Agreement in accordance with the principles of Sound Financial Management, transparency and non-discrimination, applying its positively assessed Regulations and Rules.

d) be free to use any Regulations and Rules which have not been subject to the ex-ante pillar assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement.

1.4 The Action is an EU External Action and is financed under the 11th European Development Fund (EDF).

1.5 The Organisation shall provide the management declaration with every progress and final report in accordance with Articles 3.10 of the General Conditions.

Article 2 - Entry into Force, Implementation Period and Contracting Deadline

Entry Into Force

2.1 The Agreement shall enter into force on the date when the last of the two Parties signs.

Implementation Period

2.2 The Implementation Period of the Agreement (the "Implementation Period") shall commence on the day after the last Party signs.
2.3 The Implementation Period of the Agreement as laid down in Annex I is maximum 49 months ending at the latest on 6/09/2022 (end date of the implementation period of the corresponding Financing Agreement).

Contraction Deadline

2.4 Individual Procurement and Grant contracts implementing this Agreement shall be signed by the Organisation no later than thirty-six (36) months from the date of entry into force of this Agreement.

Article 3 - Financing the Action

3.1 The total cost of the Action is estimated at EUR 6,751,700.00 as set out in Annex III. The Contracting Authority undertakes to provide an EU contribution up to a maximum of EUR 6,751,700.00. The final amount will be established in accordance with Articles 18 to 20 of Annex II.

3.2 Remuneration
The remuneration of the Organisation by the Contracting Authority for the implementation of the activities entrusted under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

3.3 Interest generated on pre-financing shall not be due.

3.4 A reserve for contingencies and/or possible fluctuations in exchange rates not exceeding 5% of the direct eligible costs may be included in Annex III, to allow for adjustments necessary in the light of unforeseeable changes of circumstances on the ground. It can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

Article 4 - Narrative and Financial Reporting and Payment Arrangement

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 19 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: EUR 1,149,392.74

Further pre-financing instalment(s): EUR 5,602,307.26 subject to the provisions of Annex II.

Article 5 – Communication language and contacts

5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.

5.2 Any communication relating to the Agreement shall be in writing, shall state the number and/or title of the Action, and shall use the following addresses below.

5.3 Any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority
Delegation of the European Union for the Pacific,
Level 6, Tappoo City Complex
Corner of Scott & Usher Streets,
Private Mail Bag, GPO,
Suva, Fiji.
i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.

ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;

iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.

iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;

v) costs of consumables and supplies specifically purchased for the operations of the project office;

vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;

vii) costs of energy and water specifically supplied for the operations of the project office;

viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;

c) The Organisation declares the eligible direct costs of the project office as actual costs or for staff costs on the basis of unit costs determined by the Organisation according to its usual accounting practice;

d) The Organisation declares as eligible only the portion of the capitalised and operating costs of project office which corresponds to the duration of the Action and

i) the rate of actual use of project office for the purposes of the Action;

ii) the rate of use of a project office for the purposes of the Action, determined by the Organisation on the basis of a simplified allocation method, provided that the allocation method is compliant with the Organisation' usual accounting and management practices, applied in a consistent manner regardless of the source of funding, and based on an objective, fair and reliable allocation key.

7.2 For the implementation of grants, PIFS will apply EU practical guide.

7.3 The following shall derogate from the General Conditions:

The article 14 of the general conditions, governing Law and settlement of dispute/ arbitration is modified as follows:

- before the sub-provision (a) supplemented by "This Agreement is governed by public international law"

- 14.4 b is derogated as follows: the seat and venue of arbitration shall be Singapore unless the Parties otherwise agree

Done in Suva, Fiji in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation
Name: Dame Meg Taylor
Position: Regional Authorising Officer and Secretary General of the Pacific Islands Forum Secretariat (PIFS)
Signature:  
Date: 23 July 2018

For the Contracting Authority
Name: Julian Wilson
Position: Head of Delegation and EU Ambassador for the Pacific
Signature:  
Date: 20/07/2018
Annex I – Description of the Action
11th EDF Technical Cooperation Facility (TCF)
FED/2018/396-488

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Technical Cooperation and Capacity Building Facility (TECCBUF)</th>
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<tbody>
<tr>
<td>Expected Starting Date:</td>
<td>Date of signature of the last of the two parties</td>
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<tr>
<td>Duration:</td>
<td>49 months</td>
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<tr>
<td>Implementing Agency</td>
<td>Pacific Islands Forum Secretariat (PIFS)</td>
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1. Background

The Pacific - African Caribbean and Pacific (P-ACP) countries consist of 15 States spread over an area more than twice the size of Europe. Their total population is around 11 million, with about two thirds residing in Papua New Guinea alone. In contrast, the combined Exclusive Economic Zone (EEZ) of these small islands is some 20 million sq. km.

Achieving economies of scale in the Pacific Region is extremely difficult due to the scattered nature of the islands, their small populations and large distances between them. Agriculture and fisheries remain important sectors of the regional economy, as does a growing tourism sector; which is also heavily reliant on the sustainability of the natural environment, amongst others. Slow economic reform processes and regular disasters from natural hazard events such as cyclones, tsunamis, floods, storm surges and droughts have contributed to weak economic results for the Pacific over the last 20 years. Institutional, geographic and demographic constraints have affected economic development for decades, despite remittances and substantial flows of aid to the region, the largest per capita recipient of development assistance in the world.

An essential issue in the Pacific Region which will be addressed as a cross-cutting issue through the TECCBUF programme is addressing gender inequalities and ensuring equal participation and opportunities for women and girls. As identified during the review of Pacific Gender Profile (2014), of concern, are the barriers to the development of women, particularly gender equality, including social and cultural norms, limited economic opportunities and institutional capacity constraints. Incidences of Violence against Women in the Pacific are amongst the highest in the world. It is therefore, imperative to integrate and mainstream gender issues as a first step to lower the barriers that currently exist.

Similarly, climate change mainstreaming will be given equal importance as the second cross-cutting issue through the TECCBUF programme. The Pacific Islands region is the most severely affected by the negative impact of climate change with six of the top twelve most vulnerable countries worldwide being located in the region.

Targeting both these initiatives (gender mainstreaming and climate change mainstreaming) through the TECCBUF programme will contribute to achieving progress on the 2030 Agenda for Sustainable Development, in particular the targeted Sustainable Development Goals (SDG's) under this Action (5, 13, 14 and 17).

The Pacific Region has benefitted significantly from previous European Development Funds (EDF). Under EDF10, a series of lessons learnt have contributed to the programming of the current TECCBUF programme. They are as follows:-

- First of all, quite a number of recovery orders had to be issued to a number of CROP Agencies. This has been addressed in two ways: a) through a new approach whereby following a Pillar Assessed Grant or Delegation Agreement (PAGODA) assessment, CROP agencies are now to be allowed to use their own procedures to implement programmes EU Regional Programmes and b) by cataloguing experiences under EDF10, it has been possible through an exchange of letters between PIFS and the EUD to further clarify the way forward for implementation of the new EDF11 programmes.

- Secondly it was clarified that a major role of the RAO office is not limiting communications with CROP’s but NAO’s of individual countries and other Technical Implementing Agencies (TIA’s), so that they are aware of the PRIP and its impact upon their countries. As a result a Communications and Visibility Strategy has been commissioned by the RAO office and this is now under implementation.
• Capacity building amongst CROP agencies and NAO’s is an important consideration and via a Training Needs Assessment (TNA), which will be reviewed annually, full attention will be paid to this element of the new programme.

• It will also be important to develop a monitoring system based on indicators (including gender sensitive, climate change and environmental indicators), that are also in line with both EU and Pacific requirements;

• In order to reduce transaction costs, greater investment and use of video conferencing will be made to reduce travel costs in coordinating implementation of the new programme.

• Under the 10th EDF, the CSO/NSA component focussed largely on Suva based CSO’s/NSA’s. Under TECCBUF, it is envisaged to broaden the scope of the CSO/NSA programme to include more regional CSO/NSA’s, while at the same time strengthening the capacity of CSO/NSA’s to participate in regional dialogue on relevant issues.

• Proper coordination of EU funded programmes funded through the PRIP, NIP, Intra-ACP, thematic and EU Member State financed programmes will prove to be a major challenge of this new programme.

• Donor coordination mechanisms also need to be strengthened in the region, although through new EDF 11 programmes such as Priority Areas 2.1 PEUMP, 3.1 PFM and 3.2 EVAWG, evidence of sound donor coordination is starting to emerge.

2. Relevance of the Action

There are five key overarching problems which the EU Regional and National Programmes in the Pacific face. They are as follows:

• First, capacity support to the RAO Office to coordinate the programming, monitoring and communication and dissemination of information on the EDF Regional Programmes, including Intra-ACP initiatives throughout the Pacific Region.

• Secondly, the limited capacity throughout the CROPs and Technical Implementing Agencies (TIA’s) to implement EU programmes under the new PAGODA System. This is a new innovative approach for both the EUD and their implementing partners, which will benefit from networking, sharing communications and close coordination.

• Thirdly, the limited capacity of the National Authorising Offices (NAO’s), particularly from the Small Island Developing States (SIDS’s) as well as CSO’s to manage all aspects of the EU project cycle, especially when it comes to financial monitoring and reporting. Limited capacities and high staff turnover rates threatens effective implementation, sustainability and the value of the EU grant funds towards development.

• Fourthly, the capacity constraints of the CSO’s in terms of their ability to participate in regional policy dialogue with Leaders.

• Fifthly, the need to support the PACP States in the negotiations for the Post Cotonou Accord, particularly in representing the views of the Small Island Developing States (SIDS).

• Finally and importantly, it will be important to support the EU and CROP Agencies in the preparation of the next programming cycle.

In the case of CROPs’ capacity, this links to the initial seven (7) pillar assessment which highlighted weak internal control systems. Therefore, by making available technical assistance resources to provide training in programme design, studies, financial management,
monitoring and evaluation, and specific technical tasks, this programme will make an important contribution to the smooth implementation of all EU assistance to the region.

In terms of the SIDS’s need for continual capacity building, including ‘hand holding’ and more formal training in EDF procedures, this is essential if their National Indicative Programmes (NIP’s) are to go smoothly ahead.

With regards to the capacity constraints of CSO’s in regional policy dialogue, there is no doubt that CSO’s bring a diversity of perspectives, experiences and networks that can enrich the policy dialogue and broaden the reach of implementation, both at national and regional levels. However, a large number of these CSO’s have limited capacity for policy engagement and limited awareness and understanding of how and where to engage. Hence, this Action will also contribute to the promotion of good governance in the Pacific by strengthening the ability/voices of CSO’s to participate effectively in regional policy engagements and to ensure that CSO perspectives are reflected in regional policy development processes and dialogues.

TECCBUF will also support the ability of the Pacific to effectively participate in the negotiations on defining the Post-Cotonou EU-Pacific Accord and to support early programming of possible support under a new framework from 2020.

Where aid effectiveness and coordination at a sectoral level is concerned, there are some avenues in place for this. While some CROPs are mandated in terms of aid effectiveness and coordination at a sectoral level, better coordination is still needed. Recently, a more sector wide approach (SWAp) has started to take hold in some selected areas. However, there is a pressing need to further develop sectorial working groups, since it brings together governments, donors and other stakeholders within a particular sector, thereby reducing overlap and duplication, resulting in greater aid effectiveness.

Efforts are also underway to coordinate a regional approach towards the implementation of the Agenda 2030, on the basis of key SDG targets and indicators of particular importance for the Pacific. In this context, TECCBUF will support activities to ensure complementarity and synergies between programmes under the RIP, the national and other EU supported programmes, such as intra-ACP and thematic line programmes as well as support measures to the four OCTs in the region.

In the coming years, the EU and its partners in the Pacific region will need to successfully translate and integrate the joint commitments made in the Accra Agenda for Action (AAA), the SDGs and the Paris Agreement into its cooperation and, more concretely, reflect them in the design of new actions. In this regard, the TECCBUF aims to build regional capacities and provide training, as well as supporting selected Pacific political representatives to represent the Pacific views effectively in the main global fora, such as COP, IMO and ICAO meetings.

3. Objectives (overall and indicators outputs)

3.1 Objectives

The overall objective of the project is to contribute to the effective implementation of EU’s development cooperation within the Pacific ACP region in line with the Pacific Leaders’
vision for inclusive development to achieve a region of peace, harmony, security and economic prosperity.

The project purpose is strengthened capacities of the RAO and the Pacific Island State NAO’s for improved management of their respective EDF portfolios (including Intra-ACP programmes), as well as strengthened voices of the CSO’s/NSA’s where regional policy dialogue is concerned for effective CSO participation in policy engagement and implementation.

3.2 Expected Results

These are as follows:-

**KRA 1:** RAO better coordinates and steers the design and early implementation of RIP, NIP and Intra-ACP funded actions in the Pacific region under EDF 11 and post 2020 programmes. Also to ensure more effective oversight, monitoring and reporting. Lessons learnt will also be incorporated in the negotiations for a Post Cotonou Accord.

**KRA 2:** Improved capacities of Regional organizations and other relevant stakeholders at regional and national level in the Pacific region to implement EU programmes, especially in light of joint commitments made under the SDGs and the Paris Agreement on Climate Change.

**KRA 3:** Enhanced policy dialogue and coordination between Pacific ACP States, CROP agencies, the OCTs, the DMRO, the EU and other development partners, thereby contributing to more sustainable cooperation programmes in the future, particularly via the negotiations for the Post Cotonou accord.

**KRA 4:** NSAs and CSOs (including women’s groups) participate more effectively in regional policy making, development and implementation processes.

4. Activities

The main activities are foreseen as follows:

**Corresponding to KRA 1:**

1.1. Provide technical support to the RAO, in his or her technical and financial monitoring and coordination role on behalf of the South Pacific. A key element will be the recruitment of adequate staffing and material resources to perform this duty. A Senior Technical Advisor, EU-Programme Officer, Monitoring and Communications Officer and an Admin and Finance Assistant will be key appointments. The positions of the Senior Technical Advisor, EU-Programme Officer are existing under the current programme will continue into TECCBUF, plus the replacement of the Admin Assistant and incorporating finance support duties into the scope task for the position. A short term TA for Communications and Visibility will be recruited to provide capacity building support during the RSCP meetings.
1.2. Organise training workshops based on the results of a regional training needs assessment (TNA) carried out annually by interviews with PACP-NAO’s. The first TNA was conducted in 2016 and finalised in first half of 2017. This will involve site visits to provide regular updates on EU procedures and progress in implementing the PRIP. This sub activity is budgeted together with sub-activity 2.1 given the similar nature of the activities.

1.3. Support the coordination regional strategic priorities such as the Framework for Resilience and Development for the Pacific, and the regional framework for implementing the SDG’s for Agenda 2030. This will mostly be through workshops/conferences which PIFS/DMRO will host.

1.4. Support workshops and consultation over policy dialogues on the post Cotonou Accord from 2020 onwards. In addition, this sub activity will fund the PIFS’s position “Pacific Island Representative to ACP Group and EU” in Brussels, during the Post Cotonou negotiation process, which must be completed by February 2020, when the new protocol should come into effect. In the dialogue, specific attention will be paid to mainstreaming gender issues and also the more direct involvement of CSO’s in the consultation process.

1.5. Provision of experts to support programming of the PACP and EU framework of cooperation, the priority areas of cooperation, and early identification of priority programmes to be supported from 2020 onwards.

Corresponding to KRA 2:

2.1 Provide support to relevant stakeholders and target groups, including regional organisations, staff of the NAO and national line-ministries involved in PRIP implementation, including CSO’s and women's organizations/groups. Provide capacity building support, including financial management and, where relevant, the use of EU procedures on the mainstreaming of gender, environment and climate change mainstreaming in development cooperation. This will be enhanced by the establishment of a ‘virtual help desk’ at the RAO Support Unit, whereby the STA and PO can assist in the resolution of EU procedural queries, so that the NAO offices, particularly those with limited support capacity, can seek assistance prior to their corresponding interaction with the EU Delegation.

A part from the RAO support to the respective PACP countries, at least three one-off EDF training workshops will be done with the service of external EDF training expert, 2 for the NAOs and 1 for the TIAs. RAO office will fund and recruit EDF trainers and organise training workshop. Considerations will also be sub-regional training taking into account the different challenges and level of capacities of the PACPs. The idea of peer learning will be considered.

It is envisaged that a “framework” service contract will be concluded which the RAO office will draw upon for TA needs, throughout the duration of the programme.

This activity will also support the monitoring and evaluation activities under the programme.
2.2 Provide sensitisation and awareness training on both the SDG’s and the Paris Agreement on Aid Effectiveness within the frame of the Framework for Pacific Regionalism (FPR). In this context particular attention will be paid to supporting appropriate platforms for advancing gender (SDG 5), and environment and climate change (SDG 13.3) mainstreaming. Support will also be provided for effective preparations and the participation of selected Pacific representatives in the main global climate change related fora, such as relevant COP, IMO and ICAO meetings.

2.3 Close collaboration with the Pacific Regional Investment Facility (PRIF) for blending will be provided in coordination and preparation of 11th EDF investment initiatives for blending resources.

2.4 Continued assistance with on-going work to support the final detailing of implementation agreements, and provide relevant training where appropriate in close consultation with the EU Delegation. In the course of the training gender sensitive topics will be given due consideration. For instance, gender mainstreaming and gender responsive budgeting will be key elements. This activity is budgeted together with sub-activity 2.1.

**Corresponding to KRA 3:**

3.1 Facilitate the annual Regional Steering Committee of the Pacific (RSCP) meeting for all P-ACP Countries, including supporting participation of OCT’s, CROP Agencies, CSO’s and the Private Sector. This very important annual meeting is co-chaired by the RAO and EU. It informs PACP representatives of progress in implementation and also provides a forum for discussion and problem resolution.

3.2 In order to coordinate and monitor implementation of programmes on behalf of the Pacific Region, provision is also made for the staff of the RAO office to be represented at all EDF Regional and Programme Steering Committee (PSC) meetings. Similarly, with the Intra-ACP programmes such as those on Coconut Development, GCCA+PACRES and the Environmental budget line programme- GCCA+ SUPA.

3.3 Supporting the preparations and organisation of particular policy dialogue meetings with key stakeholders, in order to promote EU-Pacific cooperation in all priority areas of the Pacific Regional Indicative Programme (PRIP); taking into account the particular sub-national, national and regional governance structures in the Pacific.

3.4 Promote the idea of sectoral thematic working groups, consisting of all donors and other development partners.

3.5 In line with the Communication and Visibility Strategy developed under the existing capacity building programme, implementation of the strategy as planned in full compliance with the EU communication and visibility principles. This activity is budgeted under Communication and Visibility budget line.
Corresponding to KRA 4:

4.1 Strengthen and institutionalise arrangements for PIFS-NSA collaboration in regional policy development and implementation. A review of the current PIFS Engagement Strategy and provisions of regular spaces for PIFS-NSA engagement is targeted under this activity. This activity is PIFS funded, but supported by the NSA Unit.

4.2 Capacity building workshops engaging national and regional CSOs from PIF countries will focus on strengthening technical skills relating to policy engagement. Training modules will target various aspects of policy development including: analysis, advocacy, coalition building, influencing. Some mentoring of these same CSOs will also be supported without any direct cost.

Small grants for CSOs for project work relating to policy engagement (research, consultative processes, advocacy, coalition building). The Grant Facility will target regionally focused NSAs and national level representative/umbrella organisations. Building on the PIFS NSA Programme funded under EDF10, the purpose of grants is to support NSAs to translate their policy engagement into concrete mechanisms and actions, to reinforce their linkages with constituencies, and strengthen internal governance and coordination structures. There will be one single Call for Proposals under this activity for the duration of the Programme. This will be initiated in the first quarter of 2019 to expedite the Grants Process. The allocation of the grant will be approximately 801800 Euros. Items Grants will likely to be FJD20000-$100000 targeting 1 to 2 CSO per country for 12-24 months; and 2-5 grants of FJD100 000 to 500 000 for Regional agencies, and 300 000 to Monitoring Support and Capacity Assessments.

4.4 Institutional strengthening of NSAs. A Preparatory workshop for grants recipients will target institutional strengthening for grants recipients in the areas of finance, administration and governance. Workshops for grant recipients on grant administration. Where appropriate there will also be tailored TA/exchanges or training based on outcomes of capacity assessments for applicants. A workshop targeting sustainable financing will also be held to build capacity of NSAs to diversify funds.

4.5 Coordination of regional CSO events and policy seminar series to facilitate policy dialogue. An annual Regional CSO Forum to identify CSO issues and develop and advisory strategy for the annual series of the PIFS meetings including FFAM, FEMM and the leaders. The target beneficiaries of this intervention will include civil society organizations, non-government organizations, research institutes, think tanks, networks, issue based coalitions and organizations that represent the private sector. The Programme will specifically target CSO's in the Pacific Region that have an interest or stake in regional policy dialogues.

4.6 Facilitate CSO engagement at high-level policy dialogue with Forum Leaders, Ministers and Officials. Governments of the Forum Leaders Meeting have included the Civil Society Organisation (CSO) engagement with the Leaders as a feature of Leader’s week. Selected CSO representatives whom will meet the leaders will provide an opportunity for Forum Leaders to hear CSOs’ perspectives on the current regional priorities based on the work of the CSO organisations.
around the Leaders Meetings' theme. This will serve to complement and triangulate policy advice in terms of public sentiment relating to the priorities of the region.

The target beneficiaries of this intervention will include CSO’s, non-government organisations (NGO’s), research institutes, think tanks, networks, issue based coalitions and organisations that represent the Private Sector. The programme will specifically target CSO in the Pacific Region that have an interest or stake in regional policy dialogues.

5. Methodology

The activities supported will aim at strengthening the capacity of RAO to play its role of coordination, monitoring and oversight of the programming and implementation of the programme. To ensure efficient implementation of the EU programmes region wide, support will also be provided to regional organisations, NAO’s and other key stakeholders both in technical and policy terms, including gender, climate change and environmental mainstreaming.

Meaningful dialogue and coordination between the PRIP stakeholders (including at national levels), and Pacific OCT’s representatives will also be enhanced by promoting a greater synergy between the various EU assistance streams. The programme will also support strengthening the ability of NSA's/CSO’s to participate effectively in regional (and national) policy making processes and implementation.

An annual Programme Steering Committee meeting will be held comprising key stakeholders including the EUD, relevant CROP agencies, selected NAO’s and representatives of Civil Society.

Day to day management of the programme will be under the responsibility of the Senior Technical Adviser (EU), who will be supported by the Programme Officer (EU). The Senior Technical Advisor will report directly to the Deputy Secretary General (DSG) who is also the Deputy Regional Authorising Officer (DRAO). Two other positions will be recruited which include the Monitoring and Communications Officer and Admin and Finance Assistant.

With respect to Key Result Area (KRA) Implementation, KRA’s 1, 2 and 3 will be implemented by the PIFS RAO Services, whereas KRA4 will be implemented by a separate management team based at the current NSA offices within PIFS, as part of the Non State Actors Support Unit (NSASU). This NSA component will only start once the current EDF10 programme Strengthening Non State Actor Engagement in Regional Policy Development (FED/2014/347-770) comes to an end.

KRA-1

Apart from day to day support to the RAO, it will be important for the support to the RAO (SPRAO) team to ensure that the Unit is adequately staffed to carry out its duties. Therefore, it will be important to proceed as quickly as possible with the recruitment of the key support staff outlined above. This will be particularly important bearing in mind the significant role
that the RAO office will play in early identification of priority programmes to be supported from 2020 onwards.

**KRA-2**

At the outset of TECCBUF, a very high priority will be to provide assistance to new EDF 11 programmes as they get underway. Help with finalization of delegation and co-delegation agreements may still be needed, and in one specific case (3.1 Public Finances Management (PFM)), assistance in preparing and getting approval of a Programme Estimate.

Capacity Building will be a very important part of the work of the programme, particularly in the Small Island Developing States (SIDS), where limited capacity is often found and high staff turnover rates are common. This only confirms that capacity building is not a “one off exercise. It has to be repeated at regular intervals following annual Training Need Assessment updates for the PACP’s and TIA’s and in close collaboration with the European Union office in Suva.

Over the 5-year period of implementation, training workshops to be done for NAOs and TIAIs where specific training will be on larger scale by external trainers and others will be conducted by RAO staff on one-on-one basis. STA support will, amongst others, will cover delivering of the larger training courses on EDF procedures for NAOs and PAGODA/Delegation Agreements for TIAIs; support to 11th EDF programme in their initial start-up implementation; EDF programme closure; support to PACP country level needs specific to thematic areas related to PRIP, Communication and Visibility TA for RAO office and support to the coordination with PRIF and 11th EDF investment initiatives for blending. A large service contract that RAO office can draw from on demand led basis over the duration of the programme will be facilitated.

Apart from capacity building activities, technical assistance may be made available to PACPs on a demand led basis to support the advancement of the priority areas of the PRIP.

TA support will be provided to assist CROP agencies and TIA’s, to help them start their EDF11 Regional Programmes in a timely fashion.

In addition, support will be given to PIFS in the coordination of regional strategic priorities such as the Framework for Resilience and Development for the Pacific (FRDP), and the regional framework for implementing the SDG’s for Agenda 2030. Costs relating to consultation and workshop may be deemed necessary.

**KRA-3**

The annual 11th EDF Regional Steering Committee of the Pacific (RSCP) is the key event in the TECCBUF Calendar. This is when the NAO’s, CROPS, relevant CSO’s/NGO’s meet to discuss progress over the year with respect to implementation of EU programmes. The RSCP is jointly chaired by a senior representative from the EU Commission in Brussels. It provides an excellent opportunity to learn at first-hand the problems of implementation and chart the way forward. It also provides us with an opportunity to examine progress in budget line programmes and Intra-ACP programmes which are underway.
Stocktaking of the existing policy dialogue meetings facilitated by PIFS that are relevant to the EU-Pacific Cooperation in areas related to the PRIP. This may involve consultation at the initial months of implementation, with the relevant Divisions within PIFS and external regional stakeholders. Specific areas for support will be identified and supported, once they can be agreed by the Senior Management Team (SMT).

The Promotion of the idea of sectoral thematic working groups, consisting of all donors and other development partners will be encouraged. And again, this will involve consultation with the relevant Divisions within PIFS and external regional stakeholders. There is already evidence of good cooperation between donors in 2.1 the Pacific-EU Marine Programme (PEUMP) and 3.2 Ending Violence against Women and Girls (EVAWG), but more can be done, especially as the Pacific is the highest per capita recipient of development cooperation finance in the world.

In line with the Communication and Visibility (C&V) Strategy developed under the existing capacity building programme, the strategy will be executed as planned in full compliance with the EU C&V principles. Human resources dedicated to oversee and drive the C&V activities of the programme will also be put in place.

KRA 4

It is important to understand that the NSA component of TECCBUF will only start once their current EDF10 NSA programme comes to an end, scheduled for November 2018. As mentioned, it will be managed by the Non State Actors Support Unit (NSASU), which will oversee all EU funded NSA related programmes that PIFS is, or will be, implementing. This also includes the Gender Programme under the Priority Area 3.2-Ending Violence Against Women and Girls (EVAWG).

The NSASU will have a Team Leader, who will have overall responsibility for project management and co-ordination and will be funded 50% from TECCBUF and 50% from the project 'Pacific Partnership To End Violence Against Women And Girls' (PP-EVAWG; CTR FED/2018/ 391-274). The Team Leader will predominantly be responsible for: donor and partner liaison; planning; programme governance; budget oversight; reporting; monitoring and evaluation. He or she will manage a team of three (3) support staff consisting of a Programme Support Officer (50% financed from TECCBUF and 50% from PP-EVAWG), a Grants Officer (100% financed from TECCBUF) and a full time Gender Specialist (100% financed from PP-EVAWG). He or she will also engage regularly with the UN Women’s Coordination Team, the SP2RAO and the PIFS Social Policy Team to ensure overall programme cohesiveness and relevance. It is anticipated that the Team Leader will split his or her time equally between the Gender Programme and the existing EU-PIFS NSA Programme.

The Programme Support Officer will provide support to both the Gender and the EU-PIFS NSA Programme. The support will cover monitoring, data collection, information management, communications support and back up support towards grant administration.

With the guidance of the Team Leader, it is anticipated that the Programme Support Officer will liaise directly with the M&E Specialist and the Communications Officer at the UN Women Programme Coordination Team to provide the relevant monitoring, reporting and communications information.
The Grants Officer will manage the PIFS NSA Grants Facility and will coordinate all grant related programme activity. The NSASU will also have a full time Gender Specialist, who will be the lead technical resource for the Gender Programme. In addition, the Gender Specialist will provide advice to all EDF related programmes implemented by PIFS and will maintain an ongoing liaison with the PIFS Social Policy Team.

6. Indicative Action Plan

An inception phase will extend over the first three months of implementation, during which a more detailed overall work plan and budget will be elaborated. An indicative amount for the post in Brussels has been inserted in the budget, however, this will be further refined pending the approval from the first Programme Steering Committee (PSC) meeting of TECCBUF which should be held by the end of September 2018. This will also require further consultation with CROP Partners, NAO’s, CSO’s and NGO’s in the region. A detailed indicative work plan for the first full year of activities and the overall indicative work plan for the entire project is presented in Annex 1B.

The overall budget for each of the KRA’s over the operational phase of the implementation period as defined in the Financing Agreement is provided and is drawn up respectively by the RAO team and the NSA Team (for KRA 4).

7. Implementation Arrangements

7.1 Oversight

A PSC will be established to provide guidance and oversight to TECCBUF’s implementation. The PSC will be comprised of representatives of PIFS, the EU Delegation to the Pacific, CROPS and representatives of the PACP States (one nominated representative from each of the three main island groupings). PIFS will coordinate the development of terms of reference (TOR) for the PSC, to ensure that all partners are in agreement to the PSC’s role and function. The PSC will be co-chaired by the EU and PIFS.

The PSC will meet annually, for the purposes of reviewing and approving work plans, reviewing draft reports and lessons learnt, monitoring risk and assessing programme quality on a continual basis. The PSC will play a key role in project evaluations by quality assuring the evaluation process and methodology and using evaluation learning for performance improvement, accountability and learning. Lessons learnt from the evaluation process will also be used for performance improvement, accountability and learning.

7.2 Day to Day Management

The project will be implemented through the Support to the RAO Office (SP2RAO) based at the Pacific Island Forum Secretariat, and the project office will be established within the PIFS building. Items to carry out the action by the team will include, but not be limited to (i) office equipment, office furniture, portable laptop computers, a printer, projectors and related visual aid items and (ii) office consumables, i.e. stationery, toner supplies, overseas phone calls and workshop memorabilia (shirts, folders, catering costs etc.). A limited travel budget
will be required for Programme Steering Committee Meetings, oversight monitoring and capacity building field visits, particularly to the SIDS countries of the Pacific. Also travel costs for supporting meetings related to SDG’s, the Blue Ocean, the International Maritime Organisation and Climate Change Initiatives will also be required.

Other costs related to the project office in Fiji (utilities, security, local transport to meetings, etc. will be covered by PIFS through the Indirect Costs/project management budget line. In order to implement this action, a Financing Agreement with the PIFS, the DMRO for the Pacific Region has already been concluded.

The NSA Component will be implemented by the NSASU based at PIFS. The Team Leader will split time equally between the Gender Programme and the existing PIFS NSA Programme. It is envisaged that the grants would be disbursed following a single Call for Proposals in early 2019 and a total of €770,192.12 to be expended in Years 2 and 3 of TECCBUF. This Small Grants Facility will empower CSOs to actively participate in regional policy initiatives and development of the same. All contracts under the Grants Facility will be awarded and implemented in accordance with RAO procedures and standard documents laid down and published by the EU.

7.3 Indicative budget

See Annex III.

7.4 Organisational set-up and responsibilities

PIFS, in consultation with the respective CROP agencies and other stakeholders, will prepare annual work programmes, in agreement with the EUD. These work-programmes will be approved by an annual Steering Committee, which will comprise the key-stakeholders, including the relevant CROP agencies, selected NAOs and representatives of civil society including women’s groups/organizations. The steering committee will be co-chaired by PIFS and EU.

Also meetings of the Regional Steering Committee of the Pacific (RSCP), for which the PIFS provides the Secretariat, will be financed by this instrument. The PIFS will closely monitor implementation of each assignment, ensuring all experts recruited under this facility will be provided with adequate support in terms of office space, communication and transport facilities. The PIFS will further ensure the timely submission of their reports to the Steering Committee and ensure that the EU Delegation and other key actors are kept fully informed of progress in implementation.

It should be mentioned that the current EDF10 NSA programme has its own Advisory committee that will oversee the implementation of the KRA 4 activities. Incorporation of this structure into the management of TECCBUF is yet to be resolved, but will be completed before the NSA component begins implementation.

7.5 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action, which has three relatively distinct components will be the responsibility of the RAO office.
They will establish a permanent internal technical and financial monitoring system for the whole action and elaborate regular progress reports (not less than annual) and final reports for the Steering Committee and the EU’s approval, each report will provide an accurate account of progress in implementing all three components of the programme. It will also describe the difficulties encountered, the proposed solutions and a revised timeframe for implementation. This work will be led by the Monitoring and Communications Officer.

7.6 Evaluation

A mid-term and final evaluation will be carried out for this action or its components via independent consultants with gender expertise, contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to better mitigate programmatic concerns and take corrective measures. This midterm evaluation is foreseen for July 2021. The evaluation team must consist of both international and regional consultants to be helpful.

In case of the final evaluation, it will be carried out for accountability and learning purposes at various levels (including for policy revision) taking into account in particular the fact that the evaluation will analyse specific elements of the 11th EDF programme that could potentially be considered for future programme formulation. This final evaluation is foreseen for July 2023.

7.8 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.

7.9 General Overview on Communications and Visibility (C&V)

The programme will dedicate attention to ensuring strategic and effective communications with regard to disseminating knowledge and supporting policy advocacy. A C&V Plan 2018-2022 (Annex IV) has been developed in close cooperation with the EU. This plan outlines the guiding rules and key actions for implementation of C&V. It aims to guide the effective implementation of the programmes communications, expanding the partnerships among various stakeholder in the Pacific and effectively disseminating programme results.

To this effect, a Monitoring and Communications Officer will be hired under TECCBUF to ensure that the objectives of the C&V Strategy are realized, and the C&V work of regional programmes is well coordinated. In addition, a C&V Technical Assistant will be hired on a local TA contract to provide guidance to the monitoring and communications officer and ensure that the C&V elements of RSCP meeting are managed successfully.

It should also be noted that the C&V costs for the NSA component will come out of KRA 4.

8. Leverage Effect

It could be argued that the TECCBUF project is leveraging the whole of the 11th EDF PRIP. However to be more specific, significant third party contributions can be found in 2.1 the
PEUMP programme, 3.1 the Public Finances Management Programme and 3.2 the EVAWG Programme. In addition, it is hoped that even more significant leverage will come about through investments in Blending and possibly Electrify.

9. Sustainability

As already pointed out the project will contribute to a wide range of Sustainable Development Goals. Also by supporting the Pacific Framework for Regionalism, the Programme will also ensure that actions endorsed by this programme will contribute in a sustainable way to the overall development of the Pacific Region.

In terms of overall sustainability of the Action, it is possible for the EU and PIFS to consider how to institutionalise the support to the RAO in the future.

10. Logical Framework

The Logical Framework for this programme can be found as Annex 1A.
<table>
<thead>
<tr>
<th>Results</th>
<th>Indicator</th>
<th>Baseline</th>
<th>Target</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objectives</td>
<td>To contribute to the effective implementation of EU's development cooperation within the Pacific ACP region in line with the Pacific Leaders' vision for inclusive development to achieve a region of peace, harmony, security and economic prosperity.</td>
<td>1. Number of inclusive development partnerships established</td>
<td>1. 09 (EDF 10)</td>
<td>1. 12 (EDF 11)</td>
<td>Regional Steering Committee Minutes and signed Financing Agreements</td>
</tr>
<tr>
<td>Specific objectives</td>
<td>To improve management of the EDF portfolio (including Intra-ACP programmes) by the RAO and regional organisations.</td>
<td>1.1 % of AD's being drafted in consultation with relevant stakeholders including CSO's, and women's organizations during the consultations</td>
<td>1.1. 33 % (2018)</td>
<td>1.1. 100 % (first quarter 2018)</td>
<td>1.1. Annual Regional Steering Committee reports and minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.2. % of projects with red traffic lights for implementation progress.</td>
<td>1.2. 6.25 % (2016)</td>
<td>1.2. 5.75 % or lower (annual)</td>
<td>1.2 KPI 5 of EMAR report</td>
</tr>
<tr>
<td></td>
<td>To facilitate CSOs and NSAs effective participation in policy engagement and implementation.</td>
<td>2.1 Number of high level policy dialogue involving the CSO's/NSA's supported by the action.</td>
<td>2.1 29 (EDF 10)</td>
<td>2.1 40 (2022)</td>
<td>2.1 Beneficiary reporting/ programme update reports and minutes of meeting on the policy dialogue.</td>
</tr>
<tr>
<td></td>
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<td>Continued commitment and ownership of programmes by the CROPS.</td>
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<td></td>
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<td></td>
<td>Following the 7 pillar assessment the CROP agencies will remain committed to maintain the levels and to implement in line with their procedures. There will be also an effort to pass more pillars if useful. The EU Delegation continues to support the CROP agencies in this context. Better understanding of EU procedures and reduced amounts on ineligibilities.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>The voices of CSO's and NSA's are heard at the policy level.</td>
</tr>
<tr>
<td>Outputs</td>
<td>2.2 % Positive feedback received by the recipients of the services provided by the Regional NSA.</td>
<td>2.2 72 % (EDF 10)</td>
<td>2.2 80 % (annual)</td>
<td>2.2 Feedback reports</td>
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<tr>
<td>O1 (SO 1)</td>
<td>RAO better coordinates and steers the design and implementation of RIP and Intra-ACP funded actions in the Pacific region, and provides more effective oversight, monitoring and reporting.</td>
<td>1.1. Annual percentage of beneficiaries indicating the assistance provided by the RAO Helpdesk was useful in successfully implementing EU programmes.</td>
<td>1.1. 70 % (2016)</td>
<td>1.1. Participant feedback reports.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.2. Annual number of oversight missions conducted with positive feedback from stakeholders.</td>
<td>1.2. 1 (annual)</td>
<td>1.2. 5-6 (annual)</td>
<td>1.2. Mission reports and beneficiary progress reports.</td>
<td></td>
</tr>
<tr>
<td>O2 (SO 1)</td>
<td>Improved capacities of Regional organizations and other relevant stakeholders at regional and national level in the Pacific region to implement EU programmes in light of joint commitments made under the SDGs and the Paris Agreement on Climate Change.</td>
<td>2.1 % of participants rating the SDG training as useful.</td>
<td>2.1. 75 % (2016)</td>
<td>2.1. Training feedback assessment</td>
<td></td>
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<tr>
<td></td>
<td>2.2. Number of sectoral thematic working groups established and positively engaged with during the period of the RIP implementation*.</td>
<td>2.2. 0 (EDF 10)</td>
<td>2.2. 5 (2022)</td>
<td>2.2. Working Group reports/minutes</td>
<td></td>
</tr>
<tr>
<td>O3 (SO 1)</td>
<td>Enhanced policy dialogue and coordination between Pacific ACP States, the OCTs, CROP agencies, the DMRO, the EU and other</td>
<td>3.1. Percentage of submissions to the post 2020 partnership consultation which take into account the views of key stakeholders including women's groups, CSO/NGO's, human rights</td>
<td>3.1. 50 % (2015-2016)</td>
<td>3.1. Copy of the submission report circulated via the official circular.</td>
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<td></td>
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<td>3.1. 100 % (annual)</td>
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</tbody>
</table>

* Reduction of delays in programme implementation.  
Better understanding of EU procedures and reduced amounts on ineligibilities.  
Coordination with like-minded development partners on environmental and climate change issues is effective.  
Greater ownership of programmes.  
Improved integration between regional and national programmes to further strengthen synergies and complementarities.
<table>
<thead>
<tr>
<th>O4 (SO 2)</th>
<th>Strengthened voices and capacities of the CSO's/NSA's where regional policy dialogue is concerned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>Annual number of dialogue sessions on EU's development policies within the ACP's, CROPS, OCTs as well as the women's groups.</td>
</tr>
<tr>
<td>3.2</td>
<td>2</td>
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<tr>
<td>(annual)</td>
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<tr>
<td>3.2</td>
<td>3-4</td>
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<tr>
<td>(annual)</td>
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<tr>
<td>3.2 reports from the annual Regional Steering Committee</td>
<td></td>
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</tbody>
</table>

- **Number of CSO's and NSA's directly benefitting from the capacity building initiative:**
  - 4.1
  - 35 (EDF 10)

- **Number of training packages developed and used:**
  - 4.2
  - 3 (EDF 10)

- **Progress Reports, annual work plans and ROM reports:**
  - 4.1
  - 50-60 (EDF 11)

- **Progress Reports, ROM reports:**
  - 4.2
  - 5 (EDF 11)

RAO has the capacity to efficiently undertake the dialogue sessions.

The helpdesk is effective in promoting awareness and building capacity of NSA's and CSO's to further strengthen their participation at the level of policy dialogue and to positively influence policies.
## ANNEX 1B: TENTATIVE IMPLEMENTATION SCHEDULE

### Annex IA

<table>
<thead>
<tr>
<th>Activity</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Closure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EAO OFFICE COMPONENT</strong></td>
<td>QTR1</td>
<td>QTR2</td>
<td>QTR3</td>
<td>QTR4</td>
<td>QTR1</td>
<td>QTR2</td>
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<tr>
<td>KRA 1 - EAO better coordinates and stream the design and</td>
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<tr>
<td>early implementation of RFP, NIP and intra-ACP funded</td>
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<tr>
<td>actions in the Pacific region</td>
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<tr>
<td><strong>INCEPTION PERIOD</strong></td>
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<tr>
<td>1.1. Technical support to EAO office</td>
<td></td>
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<tr>
<td>Salary, etc - Senior Technical Adviser to the EAO office</td>
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<tr>
<td>Salary, etc - Programme Officer</td>
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<tr>
<td>Salary, etc - Monitoring and Communication Officer</td>
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<tr>
<td>Salary, etc - Admin and Finance Assistant</td>
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<tr>
<td>Annual programme audit</td>
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<tr>
<td>Office and IT Equipment</td>
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<tr>
<td>Consumables and Office supplies</td>
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<tr>
<td>Project Office Telecommunication, including fees, freight</td>
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<tr>
<td>and postage</td>
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<td>Bank Charges</td>
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<tr>
<td>1.2. Organise training workshops based on result of regional</td>
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<tr>
<td>training needs assessment relating to EBF funded programme</td>
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<tr>
<td>(Activity merged with 2.1)</td>
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</tbody>
</table>

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Technical Cooperation and Capacity Building Facility (TECCBUP) – FED/2018/396-498
1. Support to coordination of regional strategic priorities

- Coordination meeting and workshops relating to PRIF, SDGs and other priorities of the region
- Travel for participants, including per diem and accommodation

1.4. Post Consultations and negotiations

- Workshops and Meeting - PRIF, COP, PACP, CRO and other relevant stakeholder participation
- Travel for staff and participants, including per diem and accommodation
- PRIS Representative for the PRIF consultations in Brussels

1.5. TA support to programming process after Consultation

- STTs for sector analysis and advisory support to the PRIF/RAD office
- Workshops and Meetings relating to the programming process
- Travel relating to the Programming process

KRA 2. Improved capacities of Regional organizations and other relevant stakeholders at regional and national level

| 3.1. Capacity Building for NAOs especially SE, regional organizations, etc. |
| Workshops/conferences seminars relating to capacity building, and not interaction between PRIF/PRIS and EU and PACPs |
| Participants and staff travel relating to capacity activity for PACPs, COP, PRIS, and other relevant organizations |
| TA support to PACPs, COPs, subregional organizations, etc |

3.3. Support representation of the Pacific Islands in global forums relating to FPR, etc.

- Travel etc. - Pacific Rep participation in COP, IFAD, IFAD, and any other relevant global meetings related regarding Pacific representation

3.4. Support toward facilitation of the Pacific Infrastructure Facility

- Participant travel relating to the coordination with PRIF and 11th EDI investment initiative for Meeting
- STT support relating to the coordination with PRIF and 11th EDI investment initiative for Meeting
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1</td>
<td>ESC meeting annually plus the Steering Committee</td>
</tr>
<tr>
<td>5.1.2</td>
<td>Participant travel, including per diem and accommodation</td>
</tr>
<tr>
<td>5.1.3</td>
<td>Catering and entertainment</td>
</tr>
<tr>
<td>5.1.4</td>
<td>Equipment Hire, which may include ICT equipment, etc</td>
</tr>
<tr>
<td>5.1.5</td>
<td>Other logistical costs such as local transport, etc</td>
</tr>
<tr>
<td>3.2.1</td>
<td>Support the policy dialogue in relation to the PRIP areas</td>
</tr>
<tr>
<td>3.2.2</td>
<td>Workshops and NERD relating to Policy dialogue promoting priorities of PRIP</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Travel in relation to policy dialogue on PRIP areas</td>
</tr>
<tr>
<td>3.3.1</td>
<td>Promotion of thematic working groups</td>
</tr>
<tr>
<td>3.3.2</td>
<td>Workshops and NERD relating to Policy dialogue promoting priorities of PRIP</td>
</tr>
<tr>
<td>3.3.3</td>
<td>Travel in relation to policy dialogue in relation to the PRIP areas</td>
</tr>
</tbody>
</table>

**Technical Cooperation and Capacity Building Facility (TEC³³UF) – FED/2018/396-488**
<table>
<thead>
<tr>
<th>4.2 Capacity building programme on policy engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshops and meeting</td>
</tr>
<tr>
<td>Travel, perdiem and accommodation</td>
</tr>
<tr>
<td>Consultancy (Design &amp; Delivery Training)</td>
</tr>
<tr>
<td>4.3 Small grants</td>
</tr>
<tr>
<td>Grants inclusive of related components</td>
</tr>
<tr>
<td>4.4 Institutional strengthening of NSAs</td>
</tr>
<tr>
<td>Workshops and meetings</td>
</tr>
<tr>
<td>TA support</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>4.5 Coordination of regional CSO events and policy seminars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional CSO Forum</td>
</tr>
<tr>
<td>Travel related to coordination</td>
</tr>
<tr>
<td>Advisory Support Meeting</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>4.6 Policy Dialogue with Forum Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshops and meetings</td>
</tr>
<tr>
<td>Travels</td>
</tr>
<tr>
<td>Facilitations and Technical Support</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Communication and Visibility - KRAs 1, 2 and 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 - CV Materials and equipment</td>
</tr>
<tr>
<td>C1 - Viewpoints, brochures, pamphlets, etc</td>
</tr>
<tr>
<td>C1 - Video Production</td>
</tr>
<tr>
<td>C1 - White board Animation</td>
</tr>
<tr>
<td>C1 - Travel relating to CV activities</td>
</tr>
</tbody>
</table>

| CLOSURE OF THE PROGRAMME                                  |

Technical Cooperation and Capacity Building Facility (TECCBUF) – FED/2018/396-488
**Annex 1C: LIST OF ACRONYMS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CROPS</td>
<td>Council of Regional Organisations in the Pacific</td>
</tr>
<tr>
<td>CSO(s)</td>
<td>Civil Society Organisation(s)</td>
</tr>
<tr>
<td>DMRO</td>
<td>Duly Mandated Regional Organisation</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FPR</td>
<td>Framework for Pacific Regionalism</td>
</tr>
<tr>
<td>ICAO</td>
<td>International Civil Aviation Organization</td>
</tr>
<tr>
<td>IMO</td>
<td>International Maritime Organization</td>
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PART I: Common provisions applicable to PA Grant and Delegation Agreements

Article 1: Definitions

Action: the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I.

Contractor: a natural or legal person with whom a Procurement Contract has been signed.

CFSP: Common Foreign and Security Policy of the European Union.

Days: all references to "days" are to calendar days.

End Date: the date by which the Agreement ends, i.e. is the moment of the payment of the balance by the Contracting Authority in accordance with Article 19 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 20. If any of the Parties invokes a dispute settlement procedure in accordance with Article 14, the End Date is postponed until the completion of such procedure.

EU External Action: Action financed under EDF, DCI, ENI, IPA II, INSC, IeSP, PI, EIDHR and their predecessors. All other Actions are Internal Policies.

Final Beneficiary: a natural or legal person ultimately benefiting from the Action.

Force Majeure: any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of its obligations under the Agreement, which may not be attributed to error or negligence on either part (or the part of the Grant Beneficiaries, Co-Delegates, Co-Beneficiaries, Affiliated Entities, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.

Indicator: the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure the achievement of the Results of an Action.

Internal Control System: a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives:

a) effectiveness, efficiency and economy of operations;

b) reliability of reporting;

c) safeguarding of assets and information;

d) prevention, detection, correction and follow-up of fraud and irregularities;

e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

Outcome: the likely or achieved short-term and medium-term effects of an Action's Outputs;

Output: the products, capital goods and services which result from an Action's activities.

Procurement Contract: a contract signed between the Organisation, a Co-Beneficiary, Co-Delegate or an Affiliated Entity and a Contractor under which the Contractor provides services, supplies or works.

Result: the Output or Outcome of an Action.

Regulations and Rules: regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.

Sound Financial Management: principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including regarding internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.
Definitions applicable to Delegation Agreements only

Co-Delegatee: an entity implementing part of the Action and being a party to the relevant Delegation Agreement together with the Organisation. The Co-Delegates together with the Organisation are referred to as "Delegates".

Early Detection and Exclusion System: system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015) which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.

Grant: a direct financial contribution by way of donation given by the Organisation or Co-Delegatee to finance third parties activities.

Grant Beneficiary: a natural or legal person to whom a Grant has been awarded. Grant Beneficiaries can sub-grant and procure for the implementation of their activities.

Multi-donor Action: an Action co-financed by the EU contribution (whether or not earmarked) and other donor(s).

Definitions applicable to PA Grant Agreements only

Affiliated Entity: an entity having a structural link with the Organisation or a Co-Beneficiary, in particular a legal or capital link, and implementing part of the Action.

Co-Beneficiary: an entity implementing part of the Action and being a party to the Agreement together with the Organisation. The Organisation signs the Agreement also on behalf of the Co-Beneficiaries.

Article 2: General obligations

Implementation of the Action

2.1 The Organisation is responsible for the implementation of the Action described in Annex I of the Agreement, regardless whether the activities are carried out by the Organisation itself, an Affiliated Entity, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.

Responsibility

2.2 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due professional degree of care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds.

2.3 Under Delegation Agreements, the Organisation shall have full financial responsibility towards the Contracting Authority for all funds including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU is effectively carried out and implemented correctly. The Organisation shall inform the European Commission of irregularities and fraud detected in the management of EU funds and the measures taken. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds.
claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs of the Action.

Other obligations
2.4 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.6, 3. Conflict of Interests, 7-Data protection, 8-Communication and Visibility, 16-Accounts and archiving and Article 17-Access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

2.5 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the pillar assessment undergone by the Organisation or (ii) those which may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement according to Article 13.3.

2.6 The Organisation shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

2.7 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, which shall only confer on it rights and obligations where explicitly stated. This is without prejudice to the European Commission’s role in promoting a consistent interpretation of the terms of this Agreement.

Article 3: Obligations regarding information and reporting
General issues
3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.

3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of achievement of its Results (Outcomes or Outputs) as measured by corresponding indicators. The report shall be laid out in such a way as to allow monitoring of the objective(s), the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.

3.3 Where the Action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request - in addition to the final reports to be submitted under Article 3.8 - the final reports of the Action, once available.

3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.

3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation’s Regulations and Rules, such information shall be supplied within 30 days of receipt of the request. The Organisation may submit a reasoned request to extend the 30-day deadline.
1.6 The Organisation shall notify the Contracting Authority without delay on any circumstances likely to adversely affect the implementation and management of the Action or to delay or jeopardise the performance of the activities.

Content of the reports

3.7 The progress report(s) shall directly relate to this Agreement and shall at least include:
   a) summary and context of the Action;
   b) actual Results: an updated table based on a logical framework matrix including reporting of Results achieved by the Action (Outcomes or Outputs) as measured by their corresponding Indicators, agreed baselines and targets, and relevant data sources;
   c) activities carried out during the reporting period (i.e. directly related to the Action and described in this Agreement);
   d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;
   e) information on the implementation of the Visibility and Communication Plan (Annex VI) and any additional measures taken to identify the EU as source of financing;
   f) information on the costs incurred as well as the legal commitments entered into by the Organisation during the reporting period;
   g) a summary of controls carried out, if any under PA Grant Agreements, and available final audit reports in line with the Organisation’s policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, analysis of their nature and extent as well as information on corrective measures taken or planned shall also be provided;
   h) where applicable, a request for payment;
   i) work plan and forecast budget for the next reporting period.

3.8 The final report shall cover the entire period of implementation and include:
   a) all the information requested in Article 3.7 a) to h);
   b) a summary of the Action’s receipts, payments received and of the eligible costs incurred;
   c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;
   d) under a Delegation Agreement, the exact link to the webpage where, according to Article 21.1, information on Grant Beneficiaries and Contractors is available;
   e) for EU External Actions and CFSP, if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 9;
   f) in the case of Multi-donor Actions and where the EU contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the Contracting Authority have been covered by other donors’ contributions.

3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions as from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by EU funds. Progress reports shall be submitted within 60 days after the period covered by such report. For EU External Actions and CFSP, the final report shall be submitted at the latest six months after the end of the Implementation Period. For Internal Policies, the final report shall be submitted at the latest three months after the end of the Implementation Period.

Management declaration and audit or control opinion under Delegation Agreements

Management declaration

3.10 Every progress or final report shall be accompanied by a management declaration in accordance with the template of Annex VII, unless, in the fields of EU External Actions and CFSP, Article 1.5 of the Special Conditions states that an annual management declaration shall be sent to the European Commission headquarters, separately from the reports provided under this Agreement.

1 For EU External Actions and CFSP, by default, the reporting period is every 12 months as from the commencement of the Implementation Period.
3.11 In case the Organisation is not an international organisation, an audit or control opinion shall be provided in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

3.12 Such audit or control opinion shall be provided up to 1 month following the management declaration sent with every progress or final report, unless, in the field of EU External Actions, Article 1.5 of the Special Conditions states that the management declaration and the audit or control opinion shall be sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 3 of the Special Conditions.

3.14 The Organisation shall convert legal commitments, the Action’s receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

3.15 If the Organisation is unable to present a progress or final report and the accompanying documents by the end of the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons, and shall provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 13, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

4.1 The European Commission shall not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.

4.2 The European Commission shall not under any circumstances or for any reason whatsoever be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.

4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation’s Regulations and Rules committed by the Organisation or Organisation’s employees or individuals for whom those employees are responsible, or as a result of a violation of a third party’s rights in the context of the implementation of the Action.

Article 5: Conflict of interests

5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.

5.2 There is a conflict of interests where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is not in the public domain.
communicated to a third party on a confidential basis when the rules binding upon the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put into jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors or the Final Beneficiaries of the Action.

6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:
   a) the communicating Party agrees to release the other Party from the earlier confidentiality obligations; or
   b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or
   c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.

6.3 The Parties shall remain bound by confidentiality for five years after the End Date of the Agreement or longer as specified by the communicating Party at the time of communication.

6.4 Where the European Commission is not the Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority and shall maintain the same level of confidentiality.

Article 7: Data Protection
The Organisation shall ensure an appropriate protection of personal data in accordance with its applicable Regulations and Rules.

Article 8: Communication and visibility

8.1 The Organisation shall implement the Communication and Visibility Plan detailed in Annex VI.

8.2 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Information given to the press and to the Final Beneficiaries, as well as all related publicity material, official notices, reports and publications shall acknowledge that the Action was carried out "with funding by the European Union" and shall display the EU logo (twelve yellow stars on a blue background) in an appropriate way. Publications by the Organisation pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following disclaimer: "This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union." In the case of EU External Actions and CFSP such measures shall be carried out in accordance with the Communication and Visibility Manual published by the European Commission or with any other guidelines agreed between the European Commission and the Organisation.

8.3 If during the implementation of the Action, equipment, vehicles or major supplies are purchased using EU funds, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU logo (twelve yellow stars on a blue background) in an appropriate way. Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU logo shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.

8.4 In the case of EU External Actions and CFSP, if in application of Article 9.5, the equipment, vehicles or remaining major supplies purchased using EU funds have not been transferred to the local authorities, local Co-Beneficiaries, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU logo) shall continue to apply between submission of the final report and

the end of the Action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 9.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.

8.5 Unless otherwise provided in the Special Conditions if disclosure risks threatening the Organisation’s safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium, including on its internet sites, the name and address of the Organisation, the purpose and amount of the EU contribution.

8.6 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions, as and when they are issued.

8.7 The Parties will consult immediately and strive to remedy any detected shortcoming in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Article 9: Right to use results and transfer of equipment

Right to use

9.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.

9.2 Where the results mentioned in Article 9.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall accordingly inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority).

Transfer (EU External Actions and CFSP only)

9.3 In the field of EU External Actions and CFSP, the equipment, vehicles and remaining major supplies purchased with the EU contribution in the framework of the Action shall be transferred to or remain with local authorities, local Co-Beneficiaries, local Grant Beneficiaries or the Final Beneficiaries, at the latest when submitting the final report.

9.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 16.2.

9.5 By way of derogation from Article 9.3, the equipment, vehicles and remaining major supplies purchased with the EU contribution in the framework of Actions which continue after the end of the Implementation Period may be transferred at the end of the Action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.

9.6 In the event that there are no local authorities, local Co-Beneficiaries, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another Action funded by the EU or, exceptionally, retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due time and at the latest with the submission of the final report.

In no event may the end use jeopardize the sustainability of the Action.

Article 10: Evaluation and monitoring of the Action

10.1 The Organisation shall invite representatives of the Contracting Authority and the European Commission to participate at their own costs in the main monitoring and evaluation missions relating to the performance of the Action. The Organisation shall report the results of such missions to the European Commission.

10.2 Article 10.1 is without prejudice to any evaluation or monitoring mission which the European Commission or the Contracting Authority launches.
Evaluation and monitoring missions by representatives of the European Commission or Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or the Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make the draft report of the evaluation or monitoring mission available to the Organisation for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final report to the Organisation once issued.

Article 11: Amendment to the Agreement

11.1 Any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.

11.2 The requesting Party shall request in writing any amendment 30 days before the amendment is intended to enter into force and no later than 30 days before the End Date, unless there are special circumstances duly substantiated by it and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than 30 days after the date when the amendment request was received.

11.3 By derogation from Articles 11.1 and 11.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action, such as its objectives, strategy and priority areas, and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25% or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report. The Organisation may also, in agreement with the Contracting Authority, change outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main purpose of the Action.

11.4 The method described in Article 11.3 shall not be used to amend the contingency reserve, nor the rate for remuneration/indirect costs or the amounts or rates of simplified cost options. Under a PA Grant Agreement, amendments shall not have the purpose or the effect of making such changes to the Agreement as would call into question the award decision or, where applicable, be contrary to the equal treatment of applicants.

11.5 Annex VI may be changed by the Organisation in agreement with the European Commission, without the need for a formal addendum to the Agreement.

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

Article 12: Suspension

Suspension of the time limit for payment

12.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:
   a) the amount is not due; or
   b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubt about compliance by the Organisation with its obligations in the implementation of the Action; or
   c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported costs; or
   d) under a Delegation Agreement, credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious financial report.

The Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or the Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make the draft report of the evaluation or monitoring mission available to the Organisation for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final report to the Organisation once issued.

Article 11: Amendment to the Agreement

11.1 Any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.

11.2 The requesting Party shall request in writing any amendment 30 days before the amendment is intended to enter into force and no later than 30 days before the End Date, unless there are special circumstances duly substantiated by it and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than 30 days after the date when the amendment request was received.

11.3 By derogation from Articles 11.1 and 11.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action, such as its objectives, strategy and priority areas, and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25% or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report. The Organisation may also, in agreement with the Contracting Authority, change outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main purpose of the Action.

11.4 The method described in Article 11.3 shall not be used to amend the contingency reserve, nor the rate for remuneration/indirect costs or the amounts or rates of simplified cost options. Under a PA Grant Agreement, amendments shall not have the purpose or the effect of making such changes to the Agreement as would call into question the award decision or, where applicable, be contrary to the equal treatment of applicants.

11.5 Annex VI may be changed by the Organisation in agreement with the European Commission, without the need for a formal addendum to the Agreement.

11.6 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.
12.2 In the situations listed in Article 12.1 the Contracting Authority shall notify to the Organisation as soon as possible and in any case within 30 days from the date on which the payment request was received the reasons for the suspension, specifying, where applicable, the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

12.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:

a) the Contracting Authority has proof that substantial errors, irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its pillar assessment or in the implementation of the Action;

b) under a Delegation Agreement, the Contracting Authority has proof that systemic errors have occurred which call into question the reliability of the Organisation’s Internal Control System or the legality and regularity of the underlying transactions;

c) the Contracting Authority has proof that the Organisation has committed systematic or recurrent errors, irregularities, fraud or breach of obligations under other agreements, funded by EU funds provided that those errors, irregularities, fraud or breach of obligations have a material impact on this Agreement.

12.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within 10 days from the receipt of the notification. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving 7 days’ prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation which is not suspended. Any expenditure or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed or covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 13.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

12.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional or unforeseen circumstances beyond the control of the Organisation make such implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.

12.6 The Contracting Authority may also notify to the Organisation the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:

a) when a relevant EU Decision identifying a violation of human rights has been adopted;

b) in cases such as crisis entailing a change of EU policy.

12.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it is prevented from fulfilling them by Force Majeure or exceptional circumstances as set forth under Articles 12.5 and 12.6 provided it takes any measure to minimise any possible damage.

12.8 In the situations listed in Articles 12.5 and 12.6, the Parties shall minimise the duration of the interruption and resume implementation as quickly as possible.
the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement which may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period and, for Delegation Agreements, the contracting deadline, or to the termination of the Agreement in accordance with Article 13.3. In case of suspension due to Force Majeure or if the Action is a Multi-donor Action, the contracting deadline under Delegation Agreements and the Implementation Period are automatically extended by an amount of time equivalent to the duration of the suspension.

Article 13: Termination

13.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:

a) fails to fulfill a substantial obligation incumbent on it under the terms of the Agreement;

b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU contribution or provides reports that do not reflect reality to obtain or keep the EU contribution without cause;

c) is bankrupt or being wound up, or is subject to any other similar proceedings;

d) is guilty of grave professional misconduct proven by any justified means;

e) has committed fraud, corruption or any other illegal activity to the detriment of the EU’s financial interests on the basis of proof in the possession of the Contracting Authority;

f) fails to comply with the reporting obligations in accordance with Article 3.15;

g) has committed any of the failings described in Article 12.3 on the basis of proof in the possession of the Contracting Authority.

13.2 Before terminating the Agreement in accordance with Article 13.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within 30 days from the receipt of the notification. During this period and until the termination takes effect, the Contracting Authority may suspend the time limit for any payment in accordance with Article 12.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving 7 days' prior notice. During that period the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 20 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.

13.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving 60 days written notice. In this case, the final amount shall cover:

a) payment only for the part of the Action carried out up to the date of termination;

b) in the situations described in Articles 12.5 and 12.6, the unavoidable residual expenditures incurred during the notice period; and,

c) in the situations described in Articles 12.5 and 12.6 under a Delegation Agreement reimbursement of legal commitments the Organisation entered into for implementing the Action before the written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.
13.4 In the event of termination, a final report and a request for payment of the balance have to be submitted according to Articles 3.8, 3.9 and 19. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

**Article 14: Applicable law and settlement of disputes**

14.1 The Parties shall endeavour to amicably settle any dispute or complaint relating to the interpretation, application or validity of the Agreement, including its existence, or termination.

14.2 Where the Organisation is not an international organisation and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented if necessary by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 14.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

14.3 Where the Organisation is not an international organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European Commission. If no settlement is reached within 120 days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.

14.4 Where the Organisation is an international organisation:
   a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;
   b) in the absence of amicable settlement in accordance with Article 14.1 above, any dispute shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organizations and States, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator’s decision shall be binding on all Parties and there shall be no appeal.

**Article 15: Recovery**

15.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay to the Contracting Authority the amount due.

15.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within 30 days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.

15.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:
   a) by offsetting it against any amounts owed to the Organisation by the EU;
c) In exceptional circumstances, justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.

15.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 19.5(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.

15.5 Bank charges incurred from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Organisation.

15.6 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.

15.7 Where the Contracting Authority is the European Commission, it may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 16: Accounts and archiving

Accounting

16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. The accounting Regulations and Rules of the Organisation shall apply, provided that these Regulations and Rules conform to internationally accepted standards. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Regulations and Rules of the Organisation.

Archiving

16.2 For a period of five years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 17 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts, Grant agreements and financial support to third parties concluded under this Agreement.

Article 17: Access and financial checks

17.1 The Organisation shall allow the European Commission, or any authorised representatives to conduct desk reviews and on-the-spot checks on the use made of the EU contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.

17.2 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.

17.3 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.

17.4 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information which the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other
17.5 Where applicable, the desk reviews, investigations and on-the-spot checks referred to in Article 17.1 to 17.4 shall refer to a verification which shall be performed in accordance with the verification clauses agreed between the Organisation and the Commission. This is without prejudice to any cooperation agreement between OLAF and the Organisation's anti-fraud bodies.

17.6 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.

17.7 Failure to comply with the obligations set forth in Article 17 constitutes a case of breach of a substantial obligation under this Agreement.

Article 18: Eligibility of costs

18.1 The eligible direct costs of the Action are costs that meet all the following criteria:
   a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;
   b) they are incurred in accordance with the provisions of this Agreement;
   c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 18.5;
   d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;
   e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
   f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;
   g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I;
   h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.

18.2 The following costs may not be considered eligible direct costs but may be charged as part of the remuneration/indirect costs: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).

18.3 The remuneration/indirect costs shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration/indirect costs do not need to be supported by accounting documents. For Multi-donor and comparable Actions, the remuneration/indirect costs shall not be higher than that charged by the Organisation to comparable contributions.

18.4 The following costs are ineligible for Union financing:
   a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or other insurance funds run by the Organisation may only be eligible to the extent they do not exceed the actual payments made by these schemes and that the amount provisioned does not exceed the contribution that could have been made to an external fund.
   b) expenses directly linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).
   c) expenses for a desk office.
   d) expenses for other activities that the Union finances, such as projects or programmes.
   e) expenses for agents appointed by the European Commission.
   f) expenses for meetings, seminars, workshops, conferences or symposia.
   g) expenses for third parties not indicating in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).
   h) expenses for third parties not agreeing on the terms of the Agreement.
   i) expenses for third parties not agreeing on the terms of the Agreement.
   j) expenses for third parties not agreeing on the terms of the Agreement.
   k) expenses for third parties not agreeing on the terms of the Agreement.
   l) expenses for third parties not agreeing on the terms of the Agreement.
   m) expenses for third parties not agreeing on the terms of the Agreement.
   n) expenses for third parties not agreeing on the terms of the Agreement.
   o) expenses for third parties not agreeing on the terms of the Agreement.
   p) expenses for third parties not agreeing on the terms of the Agreement.
   q) expenses for third parties not agreeing on the terms of the Agreement.
   r) expenses for third parties not agreeing on the terms of the Agreement.
   s) expenses for third parties not agreeing on the terms of the Agreement.
   t) expenses for third parties not agreeing on the terms of the Agreement.
   u) expenses for third parties not agreeing on the terms of the Agreement.
   v) expenses for third parties not agreeing on the terms of the Agreement.
   w) expenses for third parties not agreeing on the terms of the Agreement.
   x) expenses for third parties not agreeing on the terms of the Agreement.
   y) expenses for third parties not agreeing on the terms of the Agreement.
   z) expenses for third parties not agreeing on the terms of the Agreement.

and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.
b. full-purchase cost of equipment and assets unless, for EU External Actions and CFSP, the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 9;
c. duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
d. return of capital;
e. debts and debt service charges;
f. provision for losses, debts or potential future liabilities;
g. banking charges for the transfers from the Contracting Authority;
h. costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 12.8;
i. costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);
j. contributions in kind. The cost of staff assigned to the Action and actually incurred by the Organisation is not a contribution in kind and may be declared as direct eligible cost if it complies with the conditions set out in Article 18.1;
k. costs of purchase of land or buildings, unless otherwise provided in the Special Conditions;
l. for PA Grants: Salary costs of the personnel of national administrations, except if stated in the Special Conditions and if they relate to activities which the relevant public authority would not carry out if the Action were not undertaken.

**Simplified cost options**

18.5 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing. The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 18.1, 18.2 and 18.4, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall ensure reasonably that no profit is generated. These methods shall be based on the Organisation’s historical or actual accounting data, its usual accounting practices or on external information where available and appropriate.

18.6 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the agreed method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.

18.7 For staff costs, the unit cost (the hourly, daily or half-daily rate) is calculated using the number of annual productive units (respectively productive hours, days or half-days).

a) For the number of annual productive units, the Organisation may choose one of the following:

i) 1720 hours or 215 days or 430 half-days for persons working full time (or corresponding pro-rata for persons not working full time);

ii) the total number of hours or days or half-days worked by the person in the year for the Organisation, defined as the annual workable hours or days or half-days of the person (according to the employment contract, applicable labour agreement or national law) plus overtime worked minus absences (such as sick leave and special leave);

iii) the standard number of annual hours or days or half-days generally applied by the Organisation for its staff in accordance with its usual cost accounting practices. This number must be at least 90% of the standard annual workable hours or days or half-days.

For the purposes of points (ii) and (iii), the annual workable hours or days or half-days mean the period during which the staff must be working, at the Organisation’s disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

b) The number of actual units (hours or days or half-days) declared by the Organisation shall be necessary for the implementation of the Action and shall be identifiable and verifiable.

18.8 The total amount declared on the basis of simplified cost options may not exceed EUR 60,000, unless otherwise provided for in the Special Conditions. The ceiling of EUR 60,000 does not apply to staff costs determined on the basis of the usual accounting practices of the Organisation as referred to in Article 18.7, nor to the costs of project offices where declared using a simplified allocation method as outlined in the Special Conditions.
18.9 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

18.10 Upon request of the Organisation, the European Commission may validate ex-ante the compliance of the methods used for determining the unit costs, lump sums or flat-rates or of the usual costs accounting practices. In such case, costs declared in compliance with those methods and accounting practices will not be challenged by ex post controls if the Organisation did not conceal any information for the purpose of their approval.

**Article 19: Payments**

19.1 Payment procedures shall be as follows:

a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within 30 days of receiving this Agreement signed by both Parties;

b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:

i) the reporting period is intended as a twelve-month period unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to 18 months, the reporting period shall cover it entirely;

ii) if at the end of the reporting period less than 70% of the immediately preceding payment (and 100% of previous payments, if any) has been subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70% of the immediately pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been subject to a legal commitment;

iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70% of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;

c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 20 and following approval of the request for payment of the balance and of the final report;

d) the Contracting Authority shall pay the further pre-financing instalments and the balance within 90 days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 12 or 13.

19.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in the Special Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 20. If the balance is negative, the payment of the balance takes the form of recovery.

19.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.

19.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions into the bank account referred to in the financial identification form in Annex IV.

Late payment interest

19.5 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following

a) on expiry of the time limits for payments specified in Article 19.1, if the Organisation is not an EU Member State, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;
b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 12 or 13 shall not be considered as late payment;
c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 19.1. Any partial payment shall first cover the interest;
d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two months of it receiving late payment;
e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two months of it receiving late payment;
f) for the purpose of Article 23.2, the interest shall not be treated as a receipt.

Article 20: Final amount of the EU contribution

20.1 The Contracting Authority shall determine the final amount of the EU contribution when approving the Organisation’s final report. The Contracting Authority shall then determine the balance:

a) to be paid to the Organisation in accordance with Article 19 where the final amount of the EU contribution is higher than the total amount already paid to the Organisation; or
b) to be recovered from the Organisation in accordance with Article 15 where the final amount of the EU contribution is lower than the total amount already paid to the Organisation.

20.2 Without prejudice to Article 23, the final amount shall be the lower of the following amounts:

a) the maximum EU Contribution referred to in Article 3.1 (for Delegation Agreements) and Article 3.2 (for PA Grant Agreements) of the Special Conditions in terms of absolute value;
b) the amount obtained after reduction of the EU contribution in accordance with Article 20.3;
c) for PA Grant Agreements only, the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the eligible costs of the Action approved by the Contracting Authority.

20.3 Where the Action is not implemented, is not implemented in line with the Agreement, is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU contribution in proportion to the seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Part II: Additional Provisions applicable only to Delegation Agreements

Article 21: Ex-post publication of information on Contractors and Grant Beneficiaries

21.1 The Organisation shall publish, on an annual basis, on its internet site, the following information on Procurement Contracts exceeding EUR 15,000 and all Grants financed by the EU: title of the contract/project, nature and purpose of the contract/project, name and locality of the Contractor or Grant Beneficiary and amount of the contract/project. The term “locality” shall mean the address for legal persons and the Region on NUTS'2 level, or equivalent, for natural persons. This information shall not be published for scholarships paid to natural persons and other direct support paid to natural persons in most need. This information shall be published with due observance of the requirements of confidentiality security and in particular the protection of personal data. The publication shall be
waived, if such disclosure risks threatening rights and freedoms as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the Contractors or Grant Beneficiaries.

21.2 The Organisation shall provide to the European Commission the address of the internet site where this information can be found and shall authorise the publication of such address on the European Commission’s internet site.

21.3 In the field of EU External Actions, where the Action is a Multi-donor Action and the EU contribution is not earmarked, the publication of information on Contractors and Grant Beneficiaries shall follow the rules of the Organisation.

Article 22: Contracting and Early Detection and Exclusion System

Contracting

22.1 The Procurement Contracts and Grant contracts implementing the EU contribution shall be signed by the contracting authority within the time limits set out in Article 2.4 of the Special Conditions. After the contracting deadline, only contracts following early termination of an existing contract, addenda to existing contracts and contracts concerning final audits and evaluation may be signed.

22.2 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation’s relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible.

22.3 The Organisation shall adopt reasonable measures, in accordance with its own Regulations and Rules, to ensure that potential candidates and tenderers and applicants shall be excluded from the participation in a procurement or grant award procedure and from the award of a Procurement Contract or Grant financed by EU funds, if the Organisation becomes aware that these entities:

a) or persons having powers of representation, decision making or control over them, have been the subject of a final judgement or of a final administrative decision for fraud, corruption, involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings;

b) or persons having powers of representation, decision making or control over them have been the subject of a final judgement or of a final administrative decision for an irregularity affecting the EU's financial interest;

c) are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or if they fail to supply this information.

Early Detection and Exclusion System

22.4 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has found that a third party is in one of the situations referred to in Article 22.3 (a) and (b) or if it has detected a fraud and/or an irregularity according to Article 22.2. The European Commission will introduce this information in the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified, updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.

22.5 Without prejudice to the power of the European Commission to exclude an entity from future procurement contracts and grants financed by the EU, the Organisation may impose financial penalties on Contractors and Grant Beneficiaries according to its own Regulations and Rules ensuring, where applicable, the right of defence of the Contractor or Grant Beneficiary.

22.6 The Organisation may take into account, as appropriate and on its own responsibility the information contained in the Early Detection and Exclusion System, when implementing EU funds. Access to the
PART III: Additional provisions applicable only to PA Grants

Article 23: No Profit

23.1 The EU contribution may not produce a profit in the framework of the Action, unless specified otherwise in Article 7 of the Special Conditions. Profit is defined as a surplus of the receipts over the eligible costs approved by the Contracting Authority when the request for payment of the balance is made.

23.2 The receipts to be taken into account are the consolidated receipts on the date on which the payment request for the balance is made by the Organisation that fall within one of the two following categories:
   a) income generated by the Action, unless otherwise specified in the Special Conditions;
   b) financial contributions specifically assigned by the donors to the financing of the same eligible costs financed by the Agreement and declared by the Organisation as actual costs under the Agreement. Any financial contribution that may be used by the Organisation to cover costs other than those eligible under this Agreement or that are not due to the donor where unused at the end of the Action are not to be considered as a receipt to be taken into account for the purpose of verifying whether the EU contribution produces a profit in the framework of the Action.

23.3 Where the final amount of the EU contribution determined in accordance with the Agreement would result in a profit, it shall be reduced by the percentage of the profit corresponding to the final EU contribution to the eligible costs actually incurred approved by the Contracting Authority.

23.4 The provisions in Articles 23.1 to 23.3 shall not apply to:
   a) Actions the objective of which is the reinforcement of the financial capacity of the Organisation if specified in Article 7 of the Special Conditions;
   b) Actions which generate an income to ensure their continuity beyond the end of this Agreement, if specified in Article 7 of the Special Conditions;
   c) EU contributions of EUR 60,000 or less.

Article 24: Contracting

24.1 Where the implementation of the Action requires the procurement of goods, works or services, the Organisation shall award the Procurement Contracts to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, it shall avoid any conflict of interests.

24.2 In the field of EU External Actions: where the Organisation or another donor provides co-financing other than in-kind contributions to the Action, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation’s Regulations and Rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible.

\( ^4 \) The Organisation shall be allowed to have direct access to the Early Detection and Exclusion System through an authorised person when the Organisation certifies to the Contracting Authority that it implements adequate data protection measures as provided in the Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).
<table>
<thead>
<tr>
<th>KEY RESULT AREAS AND ACTIVITIES</th>
<th>ALL YEARS</th>
<th>YEAR 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPONENT 1 - RAO Office Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRA 1 - RAO better coordinates and steers the design and early implementation of R1P, NIP and Intra-ACP funded actions in the Pacific region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1. Technical support to RAO office</td>
<td>695,088.25</td>
<td>184,172.75</td>
</tr>
<tr>
<td>1.2. Organise training workshops based on result of regional training needs assessment relating to EDF funded programmes</td>
<td>17,362.80</td>
<td>5,787.60</td>
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<tr>
<td>1.3. Support to coordination of strategic priorities</td>
<td>400,633.00</td>
<td>83,010.21</td>
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<tr>
<td>1.4. Post Colloquium Consultations and negotiations</td>
<td></td>
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<tr>
<td>1.5. TA support to post Colloquium programming process</td>
<td>60,108.36</td>
<td></td>
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<tr>
<td><strong>Sub-total KRA 1</strong></td>
<td><strong>1,563,192.45</strong></td>
<td><strong>273,277.66</strong></td>
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<tr>
<td>KRA 2 - Improved capacities of Regional organizations and other relevant stakeholders at regional and national level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Capacity Building for NACOs, regional organizations, etc</td>
<td>1,715,610.00</td>
<td>558,090.00</td>
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<tr>
<td>2.2. Support representation of the Pacific Islands in global forums relating to FP, etc</td>
<td>512,616.00</td>
<td>138,154.00</td>
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<tr>
<td>2.3. Support towards facilitation of the PACIFIC Investment Facility implementation</td>
<td>24,804.00</td>
<td>4,960.80</td>
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<tr>
<td><strong>Sub-total KRA 2</strong></td>
<td><strong>2,253,030.00</strong></td>
<td><strong>691,204.80</strong></td>
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<tr>
<td>KRA 3 - Enhanced policy dialogue and coordination between Pacific ACP States, CROP agencies, the OCTs, the DMRO, the EU and other development partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1. RSC meeting annually</td>
<td>245,359.60</td>
<td>85,160.40</td>
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<tr>
<td>3.2. Support the policy dialogue in relation to the FRP; etc</td>
<td>14,469.00</td>
<td>7,234.50</td>
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<tr>
<td>3.3. Promotion of thematic working groups</td>
<td>13,642.20</td>
<td>6,821.10</td>
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<tr>
<td><strong>Sub-total KRA 3</strong></td>
<td><strong>273,370.80</strong></td>
<td><strong>99,215.00</strong></td>
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<tr>
<td><strong>COMPONENT 1 - KRA 1, 2, 3 Total</strong></td>
<td><strong>4,089,893.25</strong></td>
<td><strong>1,463,699.46</strong></td>
</tr>
</tbody>
</table>

<p>| COMPONENT 2: NSA Support | | |
| KRA 4 - NSAs and CSOs (including women's groups) participate more effectively in regional policy making, development and implementation processes. | | |
| NSA Support Unit | 347,318.46 | - |
| Communication and Visibility | 20,670.00 | - |
| 4.1. PIFS-NSA collaboration in regional policy development | - | - |
| 4.2. Capacity building programme | 210,120.60 | - |
| 4.3. Small grants | 826,800.00 | - |
| 4.4. Institutional strengthening of NSAs | 107,997.40 | - |
| 4.5. Coordination of regional CSO events and policy seminars | 275,324.40 | - |
| 4.6. Policy Dialogue with Forum Leaders | 211,495.44 | - |</p>
<table>
<thead>
<tr>
<th>COMPONENT 2: NSA Support Total</th>
<th>1,999,826.30</th>
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<tbody>
<tr>
<td>5. Communication and Visibility</td>
<td>47,871.72</td>
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<tr>
<td>TOTAL DIRECT COSTS</td>
<td>5,137,891.37</td>
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<tr>
<td>6. Administrative Costs</td>
<td>429,630.39</td>
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<tr>
<td>7. Contingency</td>
<td>184,270.34</td>
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<tr>
<td>TOTAL PROGRAMME COSTS</td>
<td>6,751,761.00</td>
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