FINANCING AGREEMENT

SPECIAL CONDITIONS

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

of the one part, and

the Government of the Republic of Moldova, hereinafter referred to as **"the Partner"**, represented by the Ministry of Finance,

of the other part,

have agreed as follows:

Article 1 - Nature of the action

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

EU4Reforms

NDICI-GEO-NEAR/2021/43053 – OPSYS ACT-60606 linked to JAD.943389

This action is financed from the EU Budget under the following basic act: Neighbourhood, Development and International Cooperation Instrument – Global Europe.

1.2. The total estimated cost of this action is EUR 27 000 000 and the maximum EU contribution to this action is set at EUR 27 000 000.

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

Article 2 – Execution period

2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 96 months after this date.

2.2. The duration of the operational implementation period is fixed at 72 months.

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

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Article 3 – Addresses

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

a) **for the Commission**

Mr Jānis MAŽEIKS
Head of the EU Delegation to the Republic of Moldova
10, Mitropolit Petru Movila Street
MD-2004 Chisinau
Republic of Moldova

b) **for the Partner**

Mr Dumitru BUDIANSCHI
Minister of Finance
of the Republic of Moldova
Constantin Tanase 7 Street
MD-2005 Chisinau
Republic of Moldova

Article 4 – OLAF contact point

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

Mr Valeriu CUPCEA,
Head of the International Cooperation Directorate,
National Anti-corruption Centre,
198, Stefan cel Mare Ave., MD-2004, Chisinau, Republic of Moldova
Tel: +373 22 257 351
Mobile: +373 797 43 505
E-mail: valeriu.cupcea@cna.md

Article 5 - Annexes

5.1. This Financing Agreement is composed of:

(a) these Special Conditions;

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

(c) Annex II: General Conditions;

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

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

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

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

Articles 18, 19, 25.3, 25.4 and 25.5 of Annex II (General Conditions) do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement

Where the Partner is the grant beneficiary of an international organisation or national agency entrusted by the Commission with the action, Articles 1.3, 1.5. 1.6, 8.2, 8.3, 8.4 and 8.5 of Annex II (General Conditions) shall apply to the EU-financed activities of the Partner.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

Done in two original copies, one copy being handed to the Commission and one to the Partner.

For the Partner:	For the Commission:
H.E. Dumitru BUDIANSCHI	Mr Lawrence MEREDITH
Minister of Finance of the Republic of Moldova	Director Neighbourhood East and Institution Building Directorate-General for Neighbourhood and Enlargement Negotiations
Signature: D. Budy	Signature:
Date: 09.11.2022	Date: 13.10.2022.

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ANNEX 1: Technical and Administrative Provisions

1. SYNOPSIS

1.1. Action Summary Table

1. Title **CRIS/OPSYS** **Basic Act**	EU4Reforms *Annual measure in favour of the Republic of Moldova for 2021* CRIS number: NDICI-GEO-NEAR/2021/43053 – OPSYS ACT-60606 linked to JAD.943389 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI – Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried in the Republic of Moldova
4. Programming document	Multi-annual Indicative Programme (MIP) 2021-2027 for the Republic of Moldova[1]
5. Link with relevant MIP(s) objectives/expected results	Priority area 2: Accountable institutions, the rule of law and security
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Population Policies/Programmes & Reproductive Health (130), Government & Civil Society-general (151), Conflict, Peace & Security (152)
7. Sustainable Development Goals (SDGs)	Main SDGs: 16 Peace, justice and strong institutions; Secondary SDGs: 4 Quality education, 5 Gender equality, 10 Reduced inequalities
8 a) DAC code(s)	13010 – Population policy and administrative management 15 % 15110 – Public sector policy and administrative management 50 % 15130 - Legal and judicial development 15 % 15152 – Legislatures and political parties 5 % 15153 – Media and free flow of information 10 % 15210 – Security system management and reform 5 %
8 b) Main Delivery Channel	42000 - European Commission

[1] C(2022)4323 final – 29.06.2022

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9. Targets	☐ Migration ☐ Climate ☒ Social inclusion and Human Development[2] ☐ Gender ☐ Biodiversity ☒ Human Rights, Democracy and Governance			
10. Markers (from DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☐	☒
	Aid to environment	☒	☐	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Trade development	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction	☒	☐	☐
	Inclusion of persons with Disabilities	☒	☐	☐
	Nutrition	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	☒	☐	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐
11. Internal markers	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	☒	☐ ☐ ☐ ☐ ☐ ☐ ☐	☐ ☐ ☐ ☐ ☐ ☐ ☐
	Connectivity Tags: transport people2people	☒	☐ ☐	☐ ☐

[2] For the Neighbourhood, activities related to education shall be marked as part of the "Social Inclusion and Human Development" target, in line with the NDICI-GE programming guidelines.

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	energy digital connectivity		☐ ☐ ☐	☐ ☐ ☐
	Migration	☒	☐	☐
	Reduction of Inequalities	☒	☐	☐
	COVID-19	☒	☐	☐

BUDGET INFORMATION	
12. Amounts concerned	Budget line: 14.020111 Eastern Neighbourhood Total estimated cost: EUR 27 000 000[3] Total amount of EU budget contribution EUR 27 000 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing and implementation modality(ies)	**Direct management** through: - Grants - Procurement **Indirect management** with the entrusted entities to be selected in accordance with the criteria set out in section 3.1.3

1.2. Summary of the action

In light of the priority areas of EU assistance in Moldova as included in the Multiannual Indicative Programme 2021-2027 for the Republic of Moldova, this action aims to further implement the EU-Moldova Association Agreement with a focus on relevant reforms in the area of governance, highlighting the importance of the rule of law, the role of parliament in a democratic society, justice, improving public administration structures and security. Governance is directly linked to sustainable economic development. Legal certainty and functioning democratic institutions are key to attracting investment, supporting political stability, ensuring human rights and rule of law reforms. These efforts are in line with the Association Agenda 2021-2027 (to be adopted), the Economic Recovery Plan for Moldova, and the 2 July 2021 Joint Staff Working Document on post-2020 Eastern Partnership priorities[4] with its Economic and Investment Plan and five Flagship initiatives for Moldova will support Moldova in the implementation of EU-related commitments by advancing reforms in the area of governance and security.

This action will support the Republic of Moldova in the implementation of reforms linked to the EU-Moldova Association Agreement (AA) including a Deep and Comprehensive Free Trade Area (DCFTA) and Association Agenda 2021-2027 with a particular focus on the following topics:

- A continuation of the High Level Adviser's Mission (HLA) will provide support to central and local public authorities including to help build capacity within the government which is instrumental for the efficient and effective implementation of the Association Agreement and Association Agenda.
- Strengthen the Parliament's oversight functions and its institutional capacities, based on its clear commitment to reforms and to legislative approximation and implementation of the EU-Moldova Association Agreement /DCFTA. Support will also be offered in view of a comprehensive review of the electoral legislative framework in line with outstanding OSCE/ODHIR recommendations.

[3] The budget for this action may increase subject to the allocation of umbrella funds

[4] SWD(2021) 186 final

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- Enhancing the capacity and accountability of the justice sector at various levels, including through increased technical assistance to support the implementation of reforms.
- Support for the implementation of the Public Order and Security Integrated Concept will aim at improving the main forces responsible in this sector, the Carabinieri and the Police, with a central focus on strengthening the respect for human rights standards in exercising law enforcement duties in the context of regional security challenges to tackle hybrid threats and transnational crime.
    - Support for the establishment of a Deoxyribonucleic Acid (DNA) database accessible for EU Member States' law enforcement agencies will further contribute to security and stability of Moldova and strengthen capacity-building in data protection and privacy in line with human rights standards and principles. Furthermore, this action serves as a tangible expression of the external dimension of the EU Security Union (EU Security Union Strategy, July 2020).
- Support for the National Bureau of Statistics to conduct the 2024 population and housing census in line with Eurostat and the United Nations Economic Commission for Europe (UNECE) standards, as well as further expand the collection of statistics with sex disaggregation. This will ensure data comparability of Moldovan census results with the other European countries and the correct estimation of the official population, Gross domestic product (GDP) and all other people-related national statistics. Based on the official data provided by the National Bureau of Statistics, national programmes for different sectors are developed, including reallocation from the state budget to local budgets.
- Support for increased visibility of EU assistance for the Republic of Moldova, and targeted support for independent media, strategic communications and building resilience to disinformation, including through improving media and information literacy.

2. DESCRIPTION OF THE ACTION

2.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to support Moldova in the implementation of EU-related commitments, notably the Association Agreement/DCFTA.

It will also enhance Moldova's resilience to respond to urgent needs by the Moldovan central and local authorities as well as the population that are resulting or could result from the war situation following the Russian aggression against Ukraine.

The Specific Objectives (Outcomes) of this action are:

1. Moldovan reform efforts in good governance have been advanced;
2. Moldovan reform efforts have been supported including through a diverse media landscape, strategic communication on EU support.

Given the unfolding and unforeseeable consequences of a the war in Ukraine initiated by Russia, the specific Objective (Outcomes) of this action are also

3. To address the immediate needs of population affected by the war in Ukraine:
    - building resilience of Moldova to deal with crisis situations such as large influx of refugees, as a result of the war in Ukraine, by developing infrastructures for sanitation, food, shelter, and to allow for orderly transit for those people wishing to leave Moldova;

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- addressing the needs of victims of the armed conflict in Ukraine who are temporarily settled in Moldova, to benefit from a minimum of socio-economic standards;
- tackling migration and forced displacement caused by the armed conflict.

4. To strengthen resilience and build capacities to respond to war-generated impacts:
   - enhancing capacities to respond to cyber-security and information security and hybrid threats by contributing to a resilient digital environment in line with human rights standards and principles;
   - strengthening economic resilience and supporting individuals, communities, institutions, and countries to quickly recover from the shocks of the armed conflict;
   - enhancing societal resilience including support to fight against disinformation and by promoting an enabling environment for media, civil society and the support to internally displaced people and refugees;
   - contributing to the enhancement of the country's energy resilience by restoring and strengthening its production capacity, including by enhancing energy security and diversification of energy sources;
   - enhancing the resilience of institutions at national and local level, and promoting international cooperation, including support to European integration.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1.1 contributing to Specific Objective 1: The level of capacity by national authorities of the EU approximation process and the implementation of the Association Agreement and Agendas has been significantly increased.

1.2 contributing to Specific Objective 1: Strengthened oversight by the Parliament in the form of greater accountability for government decisions, as well as an open, transparent and participatory legislative process in the context of EU approximation is key to strengthen democratic principles, the rule of law and good governance in the Republic of Moldova.

1.3 contributing to Specific Objective 1: The independence integrity and accountability of the justice sector at various levels has been strengthened, reform capacity has been enhanced and the reorganisation and capacities of Moldovan courts has been facilitated.

1.4 contributing to Specific Objective 1: The public order forces' capacity within the Ministry of Internal Affairs targeting specifically the Carabinieri for professional service delivery has been strengthened in line with EU Member States' best practices.

1.5 contributing to Specific Objective 1: The bilateral police cooperation between EU Member States and Moldova based on the exchange of DNA profiles has been strengthened

1.6 contributing to Specific Objective 1: The institutional capacity of the NBS for efficient and effective organisation and conducting the 2024 census has been strengthened.

2.1 contributing to Specific Objective 2: Citizens' access to strategic communication products on EU assistance in the development of the country is increased and access to diversified media content and the capacities and sustainability of media outlets have been improved.

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2.2. Indicative Activities

Activities related to Output 1.1:

- capacity building,
- technical expertise,
- policy dialogue,
- performance monitoring and reporting and
- reinforcing country systems;

Activities related to Output 1.2:

- training,
- analysis and studies,
- legal and legislative review
- policy advice,
- institutional support,
- workshops, discussion round,
- visibility and awareness events,
- study tours,
- peer review exercises,
- peer evaluations;

Activities related to Output 1.3:

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- increasing the overall level of technical assistance to the justice sector through a structural approach
- training and training for trainers,
- analysis and legislative review
- studies and designs,
- drafting support of legal and policy documents,
- study tours,
- legislative and policy support,
- support to the institutional functioning of justice stakeholders,
- awareness raising activities,
- workshops, discussion rounds,
- visibility and awareness events,
- support to the integrity check of candidates / members of the SCM, SCP and National Institute of Justice (NIJ), and support to the extraordinary evaluation of judges and prosecutors,
- support to the secondment of a Liaison Prosecutor to Eurojust
- establishment of a research database;

Activities related to Output 1.4:

- training,
- digitalisation of specific processes,
- study tours,
- analysis and studies,
- provision of expert advice,
- drafting support of legal and policy documents,
- workshops, discussion round,
- visibility and awareness events,
- revision of organisational charts;

Activities related to Output 1.5:

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- establishment of a DNA database
- specific equipment,
- provision of expert advice,
- analysis,
- workshops, discussion round,
- visibility and awareness events,
- study tours,
- training;

Activities related to Output 1.6:

- capacity building of the staff involved in the census enumeration,
- methodological support for the planning, organisation and implementation of the census enumeration and evaluation of results,
- support in improving the ICT infrastructure of the NBS,
- organisation of a thorough communication campaign to ensure a complete coverage of the population and provision of reliable data from respondents,
- provide support to improve the dissemination of census results at different territorial levels,
- improve access to microdata and data confidentiality issues;

Activities related to Output 2.1:

Activities for strategic communication and media support:

- targeted and impactful communication campaigns on EU assistance and support,
  events and communication activities organised at Europe Café premises and EU Info Centres and Euroclubs, involvement of Young European Ambassadors in relevant communication and visibility activities,
- development of communication activities/event/products,
- joint activities with EU Member States from the perspective of communication/visibility,
- support activities to media outlets and journalists (trainings, mentoring, study visits, etc.) as well as EU funded projects from the perspective of strategic communication on EU support and assistance;
- provide strategic communication support to Moldovan government and institutions

2.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project).

The EIA screening classified the action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project).

The CRA screening concluded that this action is no or low risk (no need for further assessment).

Gender Equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender and diversity issues will be mainstreamed into the design of reforms undertaken under this programme. The inclusion of women in decision-making processes will be one of the principles in the capacity building aspect.

However, since it is designed as a demand-driven action, inclusion of gender equality related issues will be defined at a later stage, before contracting. Efforts will be made to ensure greater participation of women in politics. Support in the area of statistics will aim to contribute towards making sex-

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disaggregated data available in Moldova. Target groups for support will have a distinct gender dimension: media users, energy consumers, court users, IT users.

Proposed action will address gender issues (though rather indirectly as regards the main barriers to poverty reduction for women and girls) in the Republic of Moldova: it furthers women's access to justice and their specific needs in the area of governance, especially in areas where women are largely under-represented. It will address gender imbalances and promote gender equality within the service of the Moldovan Carabinieri, and generally advocate for mainstreaming gender in the transposition of law in specific policy areas (justice, law enforcement, media and gender policy) by the Moldovan Parliament. The implementation of this action will be guided by the principles and objectives of the EU Gender Action Plan III[5]. The outputs and outcomes of the Action will be disaggregated along gender lines. Proposed actions will also support the implementation of UN Security Council Resolution 1325 and further Resolutions on Women, Peace and Security in respective areas.

Human Rights
All efforts to advance public administration reform in Moldova will apply the human rights based approach and be based on the principles of good governance, equality, equity, and the inclusion of socially or economically deprived groups.

The proposed action is consistent with the Human Rights National Action Plan for the Republic of Moldova and addresses concerns raised by International Treaty Bodies as well as deficiencies identified by the European Court of Human Rights of the Council of Europe.

Disability
As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the inclusion of persons with disabilities is not a significant objective of this action.

Democracy
The capacity building aspect of this programme will focus on supporting and strengthening the commitment of the Moldovan Government to the principles of public administration developed by the European Commission in close cooperation with the OECD/SIGMA.

Conflict sensitivity, peace, and resilience
Conflict sensitivity of the action will be ensured by allocating part of the budget to activities allowing of the Transnistria region to benefit from the support of this action applying the EU confidence building measures approach.

Disaster Risk Reduction
Not targeted.

2.4. The Intervention Logic

This action aims to support the Republic of Moldova in the implementation of EU related commitments, notably the Association Agreement/Deep and Comprehensive Free Trade Area (DCFTA), through reform efforts in the areas of justice, law enforcement, anti-corruption, parliamentary oversight and a population and housing census.

The underlying intervention logic is that this action contributes towards this Impact as a result of the achievement of the following two Outcomes:

[5] The EU Gender Action Plan (GAP) III is a Joint Communication of the European Commission and the High Representative JOIN(2020) 17 final

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Outcome 1: Moldovan reform efforts in good governance have been advanced. It will be realised through a technical cooperation facility which will achieve the following six outputs:

- Output 1.1: The level of capacity of national authorities regarding the EU approximation process and the implementation of the Association Agreement and Agendas has been significantly increased. Capacity of national authorities to communicate the reforms to Moldovan citizens has been significantly improved.

- Output 1.2 Strengthened oversight by the Parliament in the form of greater accountability for government decisions, as well as an open, transparent and participatory legislative process in the context of EU approximation is key to strengthen democratic principles, the rule of law and good governance in the Republic of Moldova (Output 1.2). It shall further help developing, consolidating and increasing the stability and effectiveness of democratic institutions and the rule of law, as stipulated by the Association Agreement and the Association Agenda.
  The underlying assumption is that a strengthened Parliament oversight will facilitate the institutional and functional development of public authorities, in order to assist an efficient, transparent decision-making and a participatory strategic reform process.

- Output 1.3: The independence, integrity and accountability of the justice sector at various levels has been strengthened, reform capacity has been enhanced and the reorganisation and capacities of Moldovan courts has been facilitated. (Output 1.3). It will therefore facilitate the commitments of the Republic of Moldova made in the Association Agreement and the 2021-20217 Association Agenda.

  To this end, this action will provide support through overall increased and structural technical assistance to implement reforms in the justice sector and to to strengthening the independence of the judiciary, including assistance in constitutional and legislative reforms, implementation of the Strategy for ensuring the independence and integrity of the justice sector and support to address key issues related to the functioning and the integrity of the Superior Council of Magistracy, the Superior Council of Prosecutors (in particular through the pre-vetting of candidates for judicial and prosecutorial self-governance bodies), the National Institute of Justice (NIJ), as well as the integrity and capacities of individual judges and prosecutors; conduct a comprehensive analysis of the political economy of all relevant justice institutions and stakeholders; enhance the capacities of staff of the Ministry of Justice; supports the strengthening of the capacity of the National Institute of Justice; assists the realisation of the Judicial Map including through support to the Court Administration Agency and design of new court premises; increase the capacities and digitalization of the Constitutional Court of the Republic of Moldova; and assist reform efforts in line with the new Justice Reform Strategy.

  The underlying assumption for sustainable results includes political will and commitment towards genuine reform of the justice sector.

- Output 1.4: The public order forces' capacity within the Ministry of Internal Affairs targeting specifically the Carabinieri for professional service delivery has been strengthened in line with EU Member States' best practices.. (Output 1.4). This groundwork will facilitate the realization of Moldova's commitments enshrined in the Association Agreement/DCFTA. The development of a new Public Order and Security Development Programme for 2022-2025, based on the previous 2017-2020 Strategy, is fully in line with the 2021-2027 Association Agenda. To this end, sufficient institutional and absorption capacity to ensure longer-term sustainability will be crucial; it is assumed that trained personnel would remain in place and expertise and institutional memory would be retained in the institution.

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Output 1.5: The bilateral police cooperation between EU Member States and Moldova based on the exchange of DNA profiles has been strengthened (Output 1.5). It is assumed that the establishment of an operational, centralised DNA database in Moldova will facilitate operational and strategic cooperation with Europol and operational cooperation between police and other law enforcement units of EU Member States. The number of cross-border crime investigations is expected to increase which will be supported by a faster and more effective exchange of information on DNA profiles. Outputs will include a national DNA database available to EU Member States' law enforcement organisations.

- Output 1.6: The institutional capacity of the NBS for efficient and effective organisation and conducting the 2024 census has been strengthened
  The Population and Housing Census is the most comprehensive statistical data collection operation on number and characteristics of a country's population and dwellings (occupied and unoccupied), living conditions, housing stock and their territorial distribution; it serves as the basis for the production of all other people-related national statistics. Census data are used for better planning and implementation of a variety of programmes, including education and training, health and social services. It provides detailed statistics that are important for industries and communities and all line ministries in elaborating their policies for different sectors. Trade associations, chambers of commerce, and businesses rely on this information for economic development, business decisions, and strategic planning. Therefore, the intervention will contribute directly to the implementation of Moldovan reform on good governance. Additional support will be provided on the development and modernisation of the Information and Communication Technology System, especially considering the new operational (crisis) conditions, capacity building of the staff involved in the census enumeration, methodological support for the planning, organisation and implementation of the census enumeration and evaluation of census results, equipment for digitalisation of data collection and processing.

  Assumptions: The National Bureau of Statistics elaborated the draft law on population and housing census which has been passed by the Parliament on 28 July 2022. NBS is committed to implement the new law on census organisation.

Outcome 2: Moldovan reform efforts have been supported including through a diverse media landscape, strategic communication on EU support. It will be realised through the achievement of the following output:

- Output 2.1: Citizens' access to strategic communication products on EU assistance's role in the development of the country is increased and access to diversified media content and the capacities and sustainability of media outlets have been improved.

From the perspective of support to strategic communication and media, the outputs to be accomplished will contribute to advancing efforts related to reforms in good governance by giving the citizens of the country access to information and media resources which are accurate, impactful, objective and present the overall importance of the role of reforms and progress in the country, based on the context provided by EU support and assistance to various sectors. An underlying assumption from the logframe of this action is connected to the percentage of population that has access to such communication and information products currently and how this indicator can improve with the implementation of the action.

Regarding its horizontal logic, established indicators will serve to monitor / measure progress towards results (outputs) of the action.

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2.5. Indicative Logical Framework Matrix

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (()): Main expected results (maximum 10)	Indicators (): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To support Moldova in the implementation of EU related commitments, notably the Association Agreement/DCFTA	*1Rule of Law score in relation to countries benefiting from EU assistance (NDICI 1)*				*Not applicable*
Outcome 1	1. Moldovan reform efforts in good governance have been advanced	*1.1 Number of reform policies renewed or in place in good governance, law enforcement and security* *1.2 Number of gender-sensitive reform policies in good governance, justice, law enforcement, and security sectors* *1.3 Number of public policies developed and/or revised with internal and external consultations with national and local stakeholders with EU support*	Tbd	Tbd		No political crisis occurs or has no impact on the government's ability and commitment to implement provisions of the AA/, and to adopt needed development strategies and programmes for specific sectors.
Outcome 2	3. Moldovan reform efforts have been supported	*2.1 % of population who has increased awareness levels*	tbd	Tbd	2.1 Surveys	The political context in the Republic of

	including through a diverse media landscape, strategic communication on EU support	*of EU support and assistance, sex-disaggregated* *2.2 % of media outlets that increased their financial and technical capacities* *2.3 % of media outlets that produce products free from gender stereotypes* *2.4 Media outlets covering strategically the reform efforts supported by the EU*			2.2 In-house assessments 2.3 Reports of stakeholders, as relevant NGOs in the sector and associations	Moldova will have no impact on the communication efforts undertaken and on the cooperation and support for media outlets.
Output 1.1	1.1 The capacities of national authorities relating to the EU approximation process and the implementation of the Association Agreement and Agenda have significantly increased.	*1.1.1 % of reform goals of EUHLAs achieved* *1.1.2 % of EU regulation approximated and effectively implemented coming from AA requirements*	tbd 2020	1.1.1 50-80% increase 1.1.2 Tbd	1.1.1 National Mechanism for Reporting and Planning 1.1.2 Available data from the MFAEI, State Chancellery and Ministry of Finance	The Government remains committed and able to allocate sufficient resources to implementation of the AA reforms and strategies. The beneficiary institutions properly staffed and with necessary absorption capacity to receive and benefit from the proposed actions.
Output 1.2	1.2 Strengthened oversight by the Parliament in the form of greater accountability for government decisions, as well as an open, transparent and participatory legislative process in the context of EU	*1.2.1 Number of initiatives launched by the Parliament in exercising its oversight functions*	tbd	tbd	1.2.1 Government Reports 1.2.2 Reports by independent local and international	The political situation allows for the realization of objective oversight committees and oversight interventions are free

	approximation is key to strengthen democratic principles, the rule of law and good governance in the Republic of Moldova	*1.2.2 Number of legal acts of governmental institutions/agencies under scrutiny by the parliament* *1.2.3 Number of requests for clarification and information from governmental agencies in exercising its oversight functions*			Civil Society Organisations 1.2.3 Statistics and Reports by International Organisations	from political influence. The work of the Government and Parliament is disrupted by political disputes
Output 1.3	1.3 The independence, integrity and accountability of the justice sector at various levels has been strengthened, reform capacity has been enhanced and the reorganisation and capacities of Moldovan courts has been facilitated.	*1.3.1 Reduced Nr. of cases decided against the Republic of Moldova by the ECtHR, including those related to violence against women* *1.3.2 Number of a) judges, b) prosecutors and c) lawyers and d) court staff trained with EU support on European standards and EU acquis* *1.3.3 Legislation aimed at strengthening the independence of the judiciary adopted* *1.3.4 Number of relevant GRECO recommendations addressed by the Government/Ministry of Justice* *1.3.5 Nr. of MoJ staff trained on management and*	tbd	tbd	1.3.1 Government Reports 1.3.2 Reports by independent local and international Civil Society Organisations 1.3.3 Statistics and Reports by International Organisations	There is political will and commitment towards genuine reform of the justice sector

		coordination skills, sex-disaggregated *1.3.6 Comprehensive political economy analysis of the Justice Sector conducted* *1.3.7 " Integrity standards applied as set out, in particular, in the relevant opinions of the Venice Commission. Number of judicial actors evaluated including for these integrity standards* *1.3.8 Number of court premises designed and level improvement of court case research database* *1.3.9 Level of Justice Strategy implemented*				
Output 1.4	1.4 The public order forces' capacity for professional service delivery in line with EU Member States' best practices has been strengthened	*1.4.1 Revised National Strategy for Public Order and Security and recommendation for the institutional road-map for the implementation of the new strategic document as well as the organisation chart implemented in line with the Carabinieri's legal*	1.4.1 *evaluation of the educational system of the Ministry of Internal Affairs from Moldova* 1.4.2 Organisational chart as well as any other relevant MIA	tbd tbd tbd	1.4.1 Training handbook/ catalogue 1.4.2 Government Decisions 1.4.3 Updated Functional Analysis	There is sufficient institutional and absorption capacity to ensure longer-term sustainability. Trained Carabinieri personnel and other relevant public order personnel remains in place and expertise and institutional memory is

		mandate and role in role in society *1.4.2 Number of trainings conducted to increase the professional conduct of staff of the Moldovan Carabinieri and other relevant security forces engaged in public order.* *1.4.3 Number of Carabinieri and other relevant security forces engaged in public order staff trained including on gender responsive policing/conduct, sex-disaggregated* *1.4.4 Increased capabilities to assume public order duties and responsibilities, in compliance with established standards and practices related to human rights, gender equality in policing*	document for that purpose. 1.4.3 Functional Analysis of the General Inspectorate of Carabinieri, the police as well as the Ministry of Internal Affairs in coordinating and managing public order. tbd			retained in the institution -
Output 1.5	1.5 The bilateral police cooperation between EU Member States and Moldova based on the exchange of DNA profiles has been strengthened	*1.5.1 A national DNA database is established and managed in full compliance with a national DNA law's provisions.*	1.5.1 No operational centralized DNA database (2021)	tbd	1.5.1 Government's establishment report 1.5.2 Statistical reporting from the	A Government Decision on appoints responsible authority for the data base (e.g. Ministry of Justice versus Ministry of Internal Affairs)

		1.5.2 Selected DNA profiles are made available to EU Member States' competent law enforcement organisations on a hit/no-hit basis.	1.5.2 Selected DNA profiles not systematically available (2021)	tbd	Government and qualitative feedback from EU MS.	Government aligns operations and procedures to the EU Prüm Council Decisions (2008) Moldova can be connected to the TESTA-network
Output 1.6	1.6 Strengthened institutional capacity of the National Bureau of Statistics for efficient and effective organisation and conducting the 2024 census	*1.6.1 Number of the NBS staff trained on different aspects related to conducting a census, including in gender equality related topics, sex-disaggregated;* *1.6.2 Number of new technologies (ICT infrastructure (hardware and software) applied for census enumeration with the EU support;* *1.6.3Number of new statistical data collection methods implemented at enumeration stage of the census, including in gender equality related topics*	1.6.1 30% (2022) 1.6.2 (0)2022 1.6.3 2 (2022)	1.6.1 70 % (2023) 1.6.2 20(2023) 1.6.3 5 (2023)	1.6.1 NBS Annual Reports, 1.6.2 Project reports	The National Bureau of Statistics elaborated the draft law on population and housing census which has been passed by the Parliament on 28 July 2022. NBS is committed to implement the new law on census organisation.

Output 2.1	Citizens' access to strategic communication products on EU assistance in the development of the country is increased and access to diversified media content and the capacities and sustainability of media outlets have been improved	*2.1.1 % of citizens having a good awareness level of EU and the assistance provided to the Republic of Moldova* *2.1.2 % of citizens having a basic understanding of the role of bilateral EU MS support towards the development of the country* *2.1.3 % of citizens having a good understanding of EU values and cooperation aspects with the Republic of Moldova* *2.1.4 % of citizens having access to diverse products of media outlets*	2.1.1 2020-2021 (for all indicators)	2.1.1 2024-2025 (for all indicators)	2.1.1 National surveys performed by EU Neighbours East Project and/or suveys/reports undertaken by the communication and visibility projects	The political situation and developments in the country that could have no impact on the effectiveness and outcomes of the activities undertaken

3. IMPLEMENTATION ARRANGEMENTS

3.1. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[6].

3.1.1. Direct Management (Grants)

3.1.1.1 Twinning Grant – Parliament

(a) Purpose of the grant

Under **Output 1.2**, the Parliament shall be supported to become more effective in its role as an oversights body. This action shall be implemented through a Twinning Grant.

(b) Type of applicants targeted

The Twinning Grant under Output 1.2 in support of the Moldovan Parliament shall be implemented by an EU Member State administration and/or mandated body.

3.1.2. Direct Management (Procurement)

Procurements will contribute to Outputs 1.1 and 2.1.

3.1.3. Indirect Management with pillar assessed entities[7]

3.1.3.1 – Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity(ies), which will be selected by the Commission's services using the following criteria:

- proven knowledge and expertise in justice sector,
- as well as a track record and the capacity to develop good working relations with local partners and
- demonstrated capacity to deliver work.

The implementation by this(ese) entity(ies) entails strengthening the independence and accountability of the justice sector at various levels, enhancing reform capacity and facilitating the reorganisation and capacities of Moldovan courts (**Output 1.3**).

3.1.3.2 – Indirect management with an entrusted entity

A part of this action may be implemented in indirect management with an entity(ies), which will be selected by the Commission's services using the following criteria:

- proven knowledge and expertise in police sector,
- as well as a track record and the capacity to develop good working relations with local partners and
- demonstrated capacity to deliver work.

[6] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

[7] The signature of a contribution agreement with the chosen entity/ies is subject to the completion of the necessary pillar assessments

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The implementation by this(ese) entity(ies) entails entails strengthening the Carabinieri's and police force's capacity within the Ministry of Internal Affairs for professional service delivery in line with EU Member States' best practices (**Output 1.4**).

3.1.3.3 – Indirect management with an entrusted entity

A part of this action may be implemented in indirect management with an entity(ies), which will be selected by the Commission's services using the following criteria:

- proven knowledge and expertise in the area DNA Database sector,
- as well as a track record and the capacity to develop good working relations with local partners and
- demonstrated capacity to deliver work.

The implementation by this(ese) entity(ies) entails creating a DNA Database to enable the exchange of DNA profiles with EU Member States (**Output 1.5**).

3.1.3.4 –Indirect management with an entrusted entity

A part of this action may be implemented in indirect management with an entity(ies), which will be selected by the Commission's services using the following criteria:

- proven knowledge and expertise in the statistics office,
- as well as a track record and the capacity to develop good working relations with local partners and
- demonstrated capacity to deliver work.

The implementation by this(ese) entity(ies) entails strengthening the capacities of the National Bureau of Statistics for efficient and effective organisation and conducting the 2024 census (**Output 1.6**).

3.1.3.5 – Indirect management with an entrusted entity

A part of this action may be implemented in indirect management with an entity(ies), which will be selected by the Commission's services using the following criteria:

- proven knowledge and expertise in the area of public administration reform,
- as well as a track record and the capacity to develop good working relations with local partners and
- demonstrated capacity to deliver work.

The implementation by this(ese) entity(ies) entails transform the country and reforming its public administration (**Output 1.1**).

3.1.4. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances (one alternative second option)

The preferred implementation modality under section **3.1.3.1, 3.1.3.3 and 3.1.3.4 and 3.1.3.5** is indirect management with entrusted entities. In case that no agreement can be reached, direct management (**procurement**) will be used as per section 3.1.2 to implement these actions.

The preferred implementation modality under section **3.1.3.2** is indirect management with an entrusted entity. In case that no agreement can be reached, direct management (**twinning grant**) will be used as per section 3.1.1 to implement this action.

3.2. Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

3.3. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Output 1.1 – HLA mission and reform support, composed of	
Indirect management - section 3.1.3.5	3 000 000
Procurement (direct management) – section 3.1.2	N/A
Output 1.2 – Parliament oversight, composed of	
Grants (direct management) – section 3.1.1.1	N/A
Output 1.3 – Justice Support, composed of	
Indirect management - section 3.1.3.1	6 500 000
Output 1.4 – Carabinieri support, composed of	
Indirect management - section 3.1.3.2	2 000 000
Output 1.5 – DNA database exchange, composed of	
Indirect management – section 3.1.3.3	1 000 000
Output 1.6 – Population and housing census, composed of	
Indirect management – section 3.1.3.4	2 000 000
Output 2.1 – Media and strategic communication, composed of	.
Procurement (direct management) – section 3.1.2	N/A
Total grants – section 3.1.1	1 400 000
Total procurement– section 3.1.2	11 000 000
Evaluation – section 4.2 **Audit** – section 4.3	**100 000**
Communication and visibility – section 5	N.A.
Totals	**27 000 000**

3.4. Organisational Set-up and Responsibilities

The Delegation of the European Union to the Republic of Moldova, represented by the relevant programme officers from the Delegation's Cooperation section, will be responsible for supervising the implementation of the projects.

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The implementing entities will be responsible for the day-to-day management of the projects and mobilisation of all needed resources. The implementing entities will assist the Project beneficiaries in establishing the Project Steering Committees to guide the project implementation. The Project Steering Committees will oversee and validate the overall direction and policy of the project (or other responsibilities to be specified). The implementing entity will report regularly to the Project Steering Committee, which will review the project progress and give guidance on key issues. The Project Steering Committees shall meet on a regular basis, indicatively once or twice a year. Ad-hoc meetings can be convened in case of need. The Project Steering Committee shall be made up of representatives of key stakeholders.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the EU Delegation may participate in the above governance structures set up for governing the implementation of the action

4. PERFORMANCE MEASUREMENT

4.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

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

Roles and responsibilities for data collection, analysis and monitoring:

- Baselines setting: Baselines, targets and sources of data have been partially defined in the logframe. These will be reconfirmed or amended if necessary at the time of the contracting. If needed, additional studies will be commissioned.
- Data collection and reporting: Data collection and reporting will be under the responsibility of the implementing partners.
- Monitoring & Evaluation (M&E) Capacities: M&E capacities of the partner country are strengthened through a dedicated intervention. While this action doesn't foresee specific support on M&E, it will certainly require active involvement of the country M&E system.
- Active and meaningful participation of stakeholders: This action has been designed based on consultations with a large group of stakeholders, including the Government, the business sector and the civil society. It is in line with many of the priorities identified as a result of the consultation and with Government strategies and programmes. It is expected that a large number of stakeholders will benefit from it and will be actively supporting it. Due care will be taken to raise awareness about the action and its benefits to ensure active stakeholders' participation.

4.2. Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that that follow up actions may be launched under some of the priorities.

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The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.
The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.
Evaluation services may be contracted under a framework contract.

4.3. Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

5. COMMUNICATION AND VISIBILITY

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

To that end they must comply with the instructions given in the *Communication and Visibility Requirements* of 2018 (as updated by the communication and visibility requirements in force under the current programming period 2021 - 2027), notably with regard to the use of the EU emblem and the elaboration of a dedicated communication and visibility plan, to be completed for every action at the start of implementation.

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

ANNEX II - GENERAL CONDITIONS

Table of Contents

Part One: Provisions Applicable to Activities for which thePartner is the Contracting Authority **2**
Article 1 - General principles 2
Article 2 - Deadline for the signature of contracts and agreements by the Partner 6
Article 3 – Exclusion and administrative sanctions 7
Article 4 - Partial delegation 8
Article 5 - Imprest component of the programme estimate 11
Article 6 – Pool fund managed by the Partner 13
Article 7 - Publication of information on procurement and grant contracts by the Partner 14
Article 8 - Recovery of funds 15
Article 9 - Financial claims under procurement and grant contracts 15
Article 10 - Cost overruns and ways of financing them 16
Part Two: Provisions Applicable to Budget Support **16**
Article 11 - Policy dialogue 16
Article 12 - Verification of conditions and disbursement 16
Article 13 - Transparency of budget support 17
Article 14 - Recovery of budget support 17
Part Three: Provisions Applicable to this Action as a Whole,Irrespective of the Management Mode **17**
Article 15 - Execution period and contracting deadline 17
Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors 18
Article 17 - Tasks of the Partner in fighting irregularities, fraud and corruption 18
Article 18 - Suspension of payments 19
Article 19 - Allocation of funds recovered by the Commission to the action 20
Article 20 - Right of establishment and residence 20
Article 21 - Tax and customs provisions and foreign exchange arrangements 21
Article 22 - Confidentiality 21
Article 23 - Use of studies 21
Article 24 - Consultation between the Partner and the Commission 21
Article 25 - Amendment of this Financing Agreement 22
Article 26 - Suspension of this Financing Agreement 22
Article 27 - Termination of this Financing Agreement 23
Article 28 - Dispute settlement arrangements 24

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

Article 1 - General principles

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

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

These tasks encompass the implementation by the Partner as contracting authority of procedures for the award of procurement contracts, grant contracts and contribution agreements as well as the awarding, signing and enforcing of the resulting procurement contracts, grant contracts and contribution agreements. For the purpose of Part One of this Financing Agreement, every reference to grant contracts shall also include contribution agreement and every reference to grant beneficiaries shall also include organisations having signed contribution agreements.

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

As contracting authority, the Partner shall act under partial delegation, except when it acts under the imprest component of a programme estimate or under a Partner managed pool fund:

- Under partial delegation, the Partner acts as contracting authority for procurement contracts, grant contracts , whereby the Commission controls ex ante all award procedures and executes all related payments to the contractors and grant beneficiaries;
- Under the imprest component of a programme estimate, the Partner acts as contracting authority for procurement and grant contracts, whereby it may, up to established thresholds, conduct procurement and grant award procedures without or with limited ex ante control of the Commission and execute payments to the contractors and grant beneficiaries, as well as in the context of direct labour.
- Under a Partner managed pool fund, the Partner acts as contracting authority for procurement contracts and grant contracts, whereby the Commission does not control ex ante any award procedure and the Partner executes all related payments to the contractors and grant beneficiaries.

Where the Partner is an ACP State and the action is financed by the EDF pursuant to Article 1.1

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of the Special Conditions, the tasks entrusted shall be those listed in points (c) to (k) of the sixth subparagraph of Article 35(1) and in Article 35(2) of Annex IV to the ACP-EC Partnership Agreement

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

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

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

A conflict of interest exists where the impartial and objective exercise of the functions of any responsible person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.

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

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

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

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

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

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

Procurement procedures:

a. Forecast notice with proof of publication of the procurement notice and any corrigenda
b. Appointment of shortlist panel
c. Shortlist report (incl. annexes) and applications
d. Proof of publication of the shortlist notice
e. Letters to non-shortlisted candidates
f. Invitation to tender or equivalent
g. Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication
h. Appointment of the evaluation committee
i. Tender opening report, including annexes
j. Evaluation / negotiation report, including annexes and bids received[1]
k. Notification letter
l. Supporting documents
m. Cover letter for submission of contract
n. Letters to unsuccessful candidates
o. Award / cancellation notice, including proof of publication
p. Signed contracts, amendments, riders and relevant correspondence

Calls for proposals and direct award of grants:

a. Appointment of the evaluation committee
b. Opening and administrative report including annexes and applications received[2]
c. Letters to successful and unsuccessful applicants following concept note evaluation
d. Concept note evaluation report

[1] Elimination of unsuccessful bids five years after the closure of the procurement procedure
[2] Elimination of unsuccessful applications three years after the closure of the grant procedure.

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e. Evaluation report of the full application or negotiation report with relevant annexes

f. Eligibility check and supporting documents

g. Letters to successful and unsuccessful applicants with approved reserve list following full application evaluation

h. Cover letter for submission of grant contract

1. Award/cancellation notice with proof of publication

j. Signed contracts, amendments, riders and relevant correspondence.

1.7 The Partner shall ensure an appropriate protection of personal data. Personal data means any information relating to an identified or identifiable natural person.

Personal data shall be:

- Processed lawfully, fairly and in a transparent manner in relation to the data subject;
- Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- Adequate, relevant and limited to what is necessary in relation to the purposes for which theyare processed;
- Accurate and, where necessary, kept up to date;
- Processed in a manner that ensures appropriate security of the personal data and
- Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed. Personal data included in documents to be kept by the Partner in accordance with Article 16.1 has to be deleted once the deadline set out in Article 16.1 has expired.

Any operation involving the processing of personal data, such as collection, recording, organisation, storage, adaption or alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on rules and procedures of the Partner and shall only be done as far as it is necessary for the implementation of this Financing Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

c. contracts relating to audit and evaluation, which may also be signed during the closure period;

d. operating costs referred to in Article 5.1;

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

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

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

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Article 3 – Exclusion and administrative sanctions

3.1 Exclusion criteria

3.1.1 When applying the procedures and standard documents laid down and published by the Commission for the award of procurement and grant contracts, the Partner shall accordingly ensure that no EU financed procurement or grant contract is awarded to an economic operator or grant applicant if the economic operator or grant applicant either itself, or a person having powers of representation, decision making or control over it, is in one of the exclusion situations provided for in the relevant procedures and standard documents of the Commission.

3.1.2 When applying its own (including, in the case of a Partner managed pool fund, those agreed upon by the pool fund's donors) procedures and standard documents for the award of procurement and grant contracts, the Partner shall adopt measures, in accordance with its own national legislation, to ensure that no EU financed procurement or grant contract is awarded to an economic operator or grant applicant if the Partner 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;

d) have been the subject of a final judgment or of a final administrative decision establishing that the entities have created an entity under a different jurisdiction with the intention to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;

e) have been created with the intention described in point d) above as established by a final judgment or a final administrative decision.

The Partner may take into account, as appropriate and on its own responsibility, the information contained in the Commission's Early Detection and Exclusion System when awarding procurement and grant contracts. Access to the information can be provided through the liaison point(s) or via consultation to the Commission (European Commission, Directorate-General for Budget, Accounting Officer of the Commission, BRE2-13/505, B-1049 Brussels, Belgium and by email to BUDG-C01-EXCL-DB@ec.europa.eu in copy to the Commission address identified in Article 3 of the Special Conditions). The Commission may refuse payments to a contractor or grant beneficiary in an exclusion situation.

3.2 Information duty

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

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3.3 Administrative sanctions

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

The Partner may be exempted from the obligations under the first paragraph where:

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

In such cases, the Partner will notify its impediment to the Commission. The Commission may decide to impose to the economic operator or grant applicant an exclusion from future EU financed award procedures and/or a financial penalty between 2 % and 10 % of the total value of the contract concerned.

Article 4 - Partial delegation

Award procedures

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

Ex ante control

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

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

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

Report / Management Declaration

4.3 If Article 5 of the Special Conditions so provides, the report on the implementation of the tasks entrusted to the Partner shall follow the template provided in Annex III and the management

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

Payment procedures

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

(a) for pre-financing specified in the procurement contract and grant contract:

(i) 15 calendar days for an action financed under the Budget;

(ii) 30 calendar days for an action financed under the EDF;

b) 45 calendar days for other payments

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

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

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

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

If disagreement between the Partner and the Commission persists, the Commission may pay the undisputed part of the invoiced amount provided that it is clearly separable from the disputed

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amount. It shall inform the Partner and the contractor or grant beneficiary of this partial payment.

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

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

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

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

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

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

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

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

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

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Article 5 - Imprest component of the programme estimate

Application

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

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

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

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

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

Under the imprest component of the programme estimate, the implementing body may, up to established thresholds, conduct procurement and grant award procedures without or with limited ex ante control of the Commission and execute payments to the contractors and grant beneficiaries, as well as in the context of direct labour.

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

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

Award procedures

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

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

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

Ex ante control

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

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

Management declaration

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

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

Payments

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

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

Late-payment interest shall be due pursuant to the applicable Financial Regulation. The time-limit for the payment may be suspended by the Commission by informing the Partner, at any time during the period referred to above, that the payment request cannot be met, either because

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the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request comes to the notice of the Commission, the Commission may suspend the time-limit for the payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The suspension and the reasons for it shall be communicated to the Partner as soon as possible. The time-limit for the payment shall resume once the missing supporting documents have been provided or the payment request has been corrected.

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

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

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

Article 6 – Pool fund managed by the Partner

Application

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

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

Award procedures

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

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Implementation

6.3 As regards the EU Contribution to a Partner managed pool fund, in addition to the rights and obligations already laid down in these General Conditions, further rules detailed in Annex V to the Financing Agreement shall apply to the Partner for the implementation of the EU Contribution to the pool fund.

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

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

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

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

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

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

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

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

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

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

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

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

Article 8 - Recovery of funds

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

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

8.2 Without prejudice to the above responsibility of the Partner to recover funds unduly paid, the Partner agrees that the Commission may, in accordance with the provisions of the Financial Regulation applicable and this Financing Agreement, formally establish an amount as being unduly paid under procurement contracts and grant contracts financed under Part One and proceed to its recovery by any means on behalf of the Partner, including by offsetting the amount owed by the contractor or grant beneficiary against any of its claims against the EU and by forced recovery before the competent courts.

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

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

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

Article 9 - Financial claims under procurement and grant contracts

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

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Article 10 - Cost overruns and ways of financing them

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

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

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

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue

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

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

Article 12 - Verification of conditions and disbursement

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

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

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

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

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Article 13 - Transparency of budget support

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

Article 14 - Recovery of budget support

All or part of the budget support disbursements may be recovered by the Commission, with due respect to the principle of proportionality, if the Commission establishes that payment has been vitiated by a serious irregularity attributable to the Partner, in particular if the Partner provided unreliable or incorrect information, or if corruption or fraud was involved.

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

Article 15 - Execution period and contracting deadline

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

- an operational implementation period, in which the operational activities of the action are carried out. This period shall start on the entry into force of this Financing Agreement or on the date stipulated in the Special Conditions and end with the opening of the closure period.
- a closure period, during which final audit and evaluation are carried out and contracts and the programme estimate for the implementation of this Financing Agreement are technically and financially closed. The duration of this period is stipulated in Article 2.3 of the Special Conditions. It starts after the end of the operational implementation period.

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

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

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

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

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15.5 Article 2 of these General Conditions shall apply to procurement contracts, grant contracts and contribution agreements awarded by the Commission as contracting authority with the exception of the last subparagraph of Article 2.1.

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

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

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

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

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

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

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

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

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

17.2 The Partner shall ensure and check regularly that the actions financed from the budget are effectively carried out and implemented correctly. It shall take appropriate measures to prevent,

detect and correct irregularities and fraud and where necessary, bring prosecutions and recover funds unduly paid.

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

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

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the EU or the EDF;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

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

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

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

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

Article 18 - Suspension of payments

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

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

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

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

d) it is necessary to prevent significant damage to the financial interests of the EU.

18.2 The Commission shall immediately inform the Partner about the suspension of payments and of the reasons for this suspension.

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

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

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

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

Article 20 - Right of establishment and residence

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

20.2 The Partner shall also entitle procurement contractors, grant beneficiaries, organisations having signed contribution agreements and natural persons whose services are required for the performance of this action and members of their families with similar rights during the implementation of the action.

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Article 21 - Tax and customs provisions and foreign exchange arrangements

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

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

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

Article 22 - Confidentiality

22.1 The Partner agrees that documents and information related to the Action and held by any entity may be forwarded to the Commission, by that entity, for the sole purpose of implementing this or another Financing Agreement.

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

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

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

22.5 The Partner shall also comply with the obligations under Article 1.7 where the Commission provides personal data to the Partner, for example in the context of procedures and contracts managed by the Commission.

Article 23 - Use of studies

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

Article 24 - Consultation between the Partner and the Commission

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

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

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

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

Article 25 - Amendment of this Financing Agreement

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

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

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

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

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

Article 26 - Suspension of this Financing Agreement

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

- The Commission may suspend the implementation of this Financing Agreement if the Partner breaches an obligation under this Financing Agreement.
- The Commission may suspend the implementation of this Financing Agreement if the Partner breaches any obligation set under the procedures and standard documents referred to in Articles 1, 4, 5 and 6 of these General Conditions.
- The Commission may suspend this Financing Agreement if the Partner breaches an obligation relating to respect for human rights, democratic principles and the rule of law, in serious cases of corruption or if the Partner is guilty of grave professional misconduct proven by any justified means. Grave professional misconduct is to be understood as any of the following:
  - a violation of applicable laws or regulations or ethical standards of the profession to which a person or entity belongs, or
  - any wrongful conduct of a person or entity which has an impact on its professional

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credibility where such conduct denotes wrongful intent or gross negligence.

- This Financing Agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage. Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes measures to minimise any possible damage.
- In cases such as crisis or change of position at national level (e.g. on its policy priorities).

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

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

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

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

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

Article 27 - Termination of this Financing Agreement

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

27.2. Without prejudice to Article 27.1 above, if at any time, the Commission believes that the purpose of this Financing Agreement can no longer effectively or appropriately performed, this Financing Agreement may be terminated by serving (30) thirty days written motivated notice.

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

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27.4 The consequences of such terminations on the ongoing activities may be analysed, where relevant, and determined on a case by case basis.

Article 28 - Dispute settlement arrangements

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

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

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

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

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

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