

EUROPEAN UNION CONTRIBUTION AGREEMENT WITH AN INTERNATIONAL ORGANISATION

ENPI/2014/346688

(the "Agreement")

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

of the one part,

and

The United Nations Development Programme, hereinafter referred as "the UNDP" with its head office at 1 United Nations Plaza, New York, NY 10017 USA, ("the Organisation")

of the other part,

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

Special Conditions

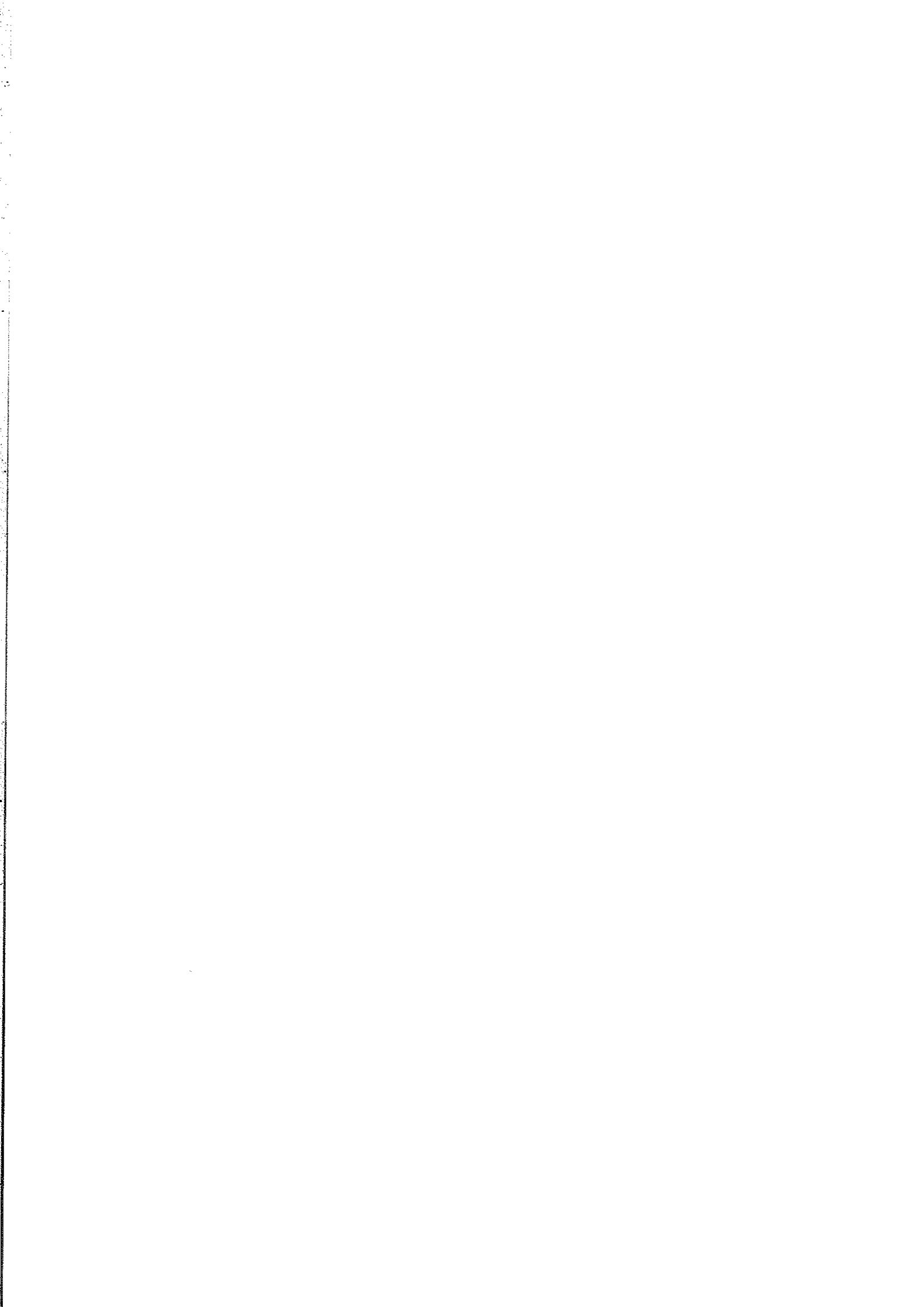
Article 1 - Purpose

- 1(1) The purpose of this Agreement is a contribution by the Contracting Authority for the implementation of the action entitled: *Better coordination of protection of the land border between Georgia and Azerbaijan* (the "Action") as described in Annex I.
- 1(2) The Organisation will be awarded the contribution on the terms and conditions set out in this Agreement, which complies with the provisions of Financial and Administrative framework Agreement between the Commission and the United Nations (FAFA) signed on 29 April 2003 and consists of these special conditions (the "Special Conditions") and their annexes, including General Conditions.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action under its own responsibility.
- 1(4) The Action is a Joint Management Action for all purposes of this Agreement.
- 1(5) The Action is a Multi-donor Action for all purposes of this Agreement.

Article 2 – Entry into force, Implementation Period and Execution Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation period of this Agreement (the "Implementation Period") will begin on:
 - the day following that on which the last of the two Parties signs
- 2(3) The Implementation Period, as laid down in Annex I, is **36 months**.

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

2(5) The terms of Article 11.2 of Annex II do not apply.

Article 3 - Financing the Action

3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 5,360,000, as set out in Annex III.

3(2) The Contracting Authority undertakes to finance a maximum of EUR 4,500,000.00; the final amount will be established in accordance with Articles 14 and 17 of Annex II.

3(3) Pursuant to Article 14.4 of Annex II, 7% of the final amount of direct eligible costs of the Action to be reimbursed by the Contracting Authority to the Organisation in accordance with Articles 14 and 17 of Annex II, may be claimed by the Organisation as indirect costs.

3(4) The interest yield by pre-financing is not due.

3(5) VAT is not eligible.

Article 4 - Narrative and financial reporting and payment arrangements

4(1) Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex II.

4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15.1, the following will apply:

First instalment	EUR 1,391,095.00
Second installment	EUR 1,847, 550.00
Third instalment	EUR 1,084,073.00
Forecast final payment	EUR 177,282.00

(All subject to the provisions of Annex II)

Article 5 - Contact addresses

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

For the Contracting Authority:

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

European Union Delegation to Georgia
38 Nino Chkheidze Street



0102 Tbilisi, Georgia
For the attention of Contracts and Finance Section

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Union Delegation to Georgia
38 Nino Chkheidze Street
0102 Tbilisi, Georgia
For the attention of Operations Section

For the Organisation:

United Nations Development Programme (UNDP) Georgia
9 Eristavi Street
UN House
Tbilisi, Georgia

Article 6 - Annexes

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

Annex I: Description of the Action

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

Annex III: Budget for the Action

Annex IV: Financial identification form

Annex V: Standard request for payment

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

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

For the Organisation

Name

Niels Scott

Position

Resident
Representative

Signature

Date

26.09.14

For the Contracting Authority

Name

Philip Dimitrov

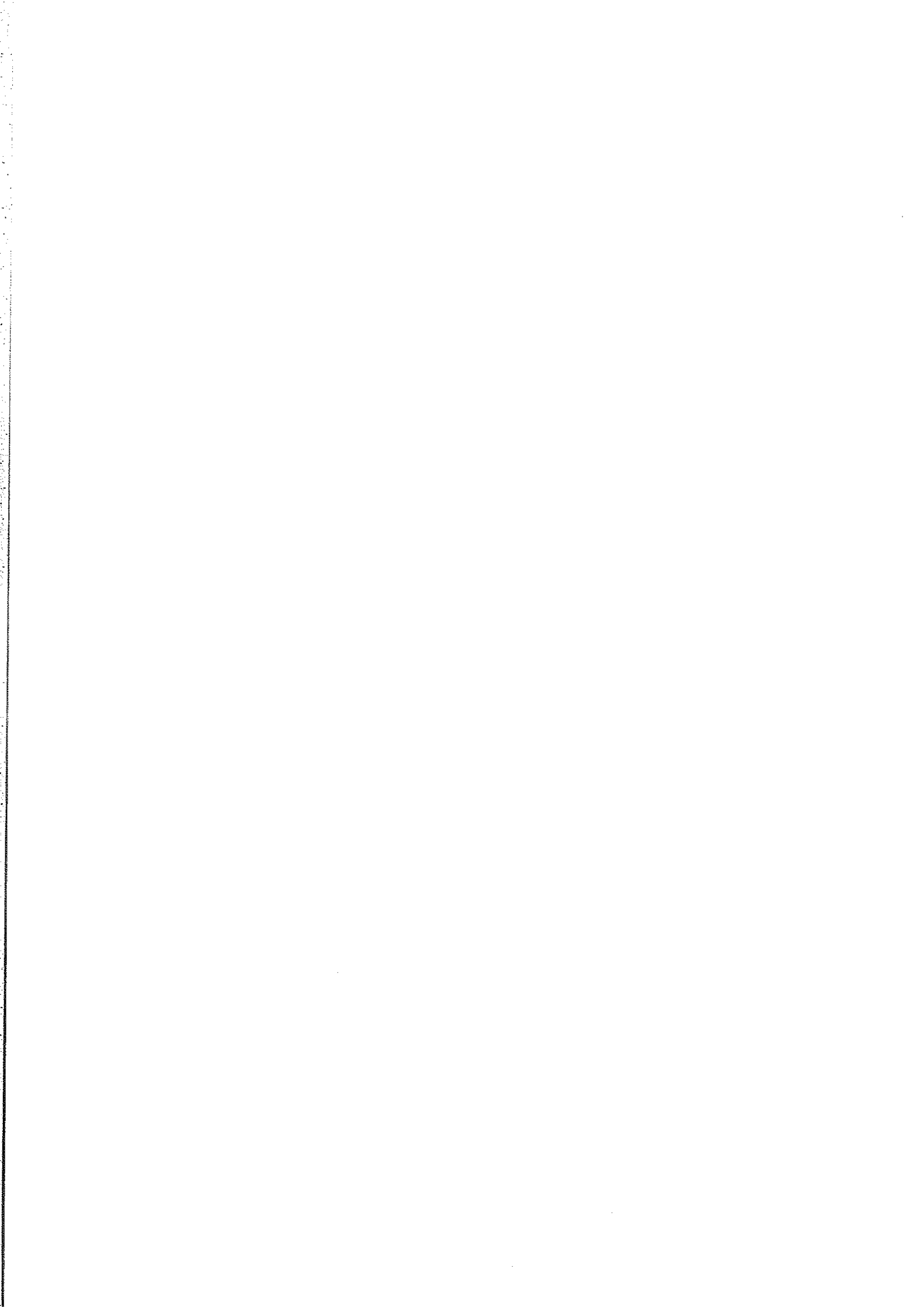
Position

Head of Delegation

Signature

Date

10.09.2014



Annex I

Better coordination of protection of the land border between Georgia and Azerbaijan

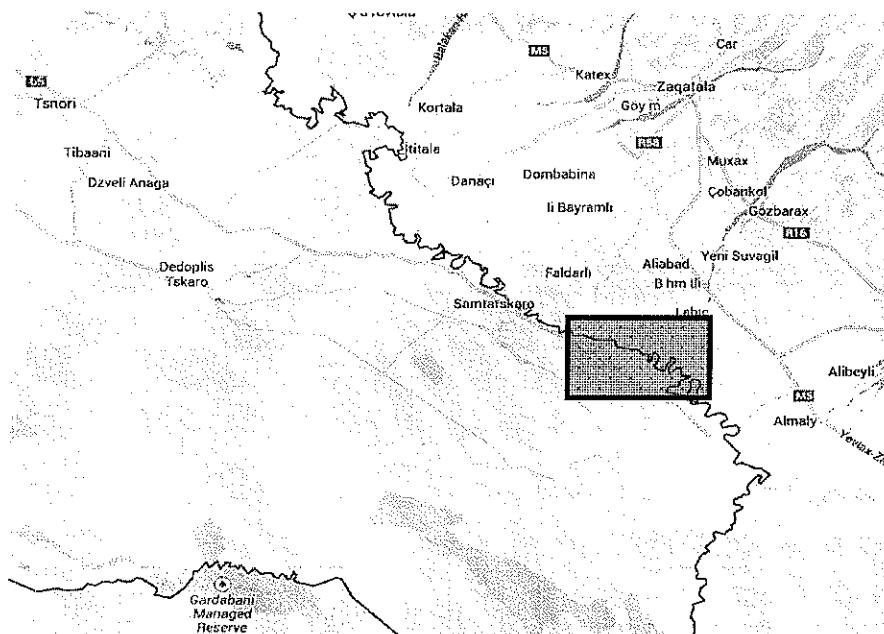
1. DESCRIPTION

1.1. Title

Better coordination of protection of the land border between Georgia and Azerbaijan

1.2. Location

Pirosmani and Sabatlo border sectors of the Dedoplistsqaro Border Police Regional Office on Georgian side and Border intersection from Kapanakhchi settlement of Zaqatala region through Qindirga settlement of Qakh region on Azerbaijani side that comes under responsibility of Shamkir Border Detachment of the State Border Service of Azerbaijan Republic.



1.3. Cost of the action and amount requested from the Contracting Authority

Total eligible cost of the action (A)	Amount requested from the Contracting Authority (B)	% of total eligible cost of action (B/Ax100)
EUR 5 360 000 Euro	EUR 4500 000 Euro	EC: 83,96%

1.4. Summary

Total duration of the action	36 Months
Objectives of the action	<p>Overall Objective: The overall objective of the action is to improve operational capacities of the border agencies of Azerbaijan and Georgia by organising and carrying out coordinated operations at green border with eventual positive impact on overall security in the region and whole European Neighbourhood.</p> <p>Specific Objectives:</p> <ol style="list-style-type: none"> 1. To support institutional development and capacity building of the Georgian Border Police and State Border Service of Azerbaijan, including building capacity to conduct coordinated and joint actions and exchange of information as appropriate. 2. To improve operational capacities of the Georgian Border Police and State Border Service of Azerbaijan through provision of better infrastructure and modern technology.
Partner(s)	Border Management agencies of EU Member States, ICMPD
Target group(s)	National authorities responsible for IBM in Georgia & Azerbaijan Border Agencies, Georgia & Azerbaijan
Final beneficiaries	The final beneficiaries are the Border Agencies of the two countries, as well as the general public of Georgia and Azerbaijan, who will benefit from secure borders.
Anticipated results	<p>RESULT 1: Cooperation between Georgian Border Police and Azerbaijani State Border Service is strengthened. Operational capacities of the beneficiaries to implement coordinated activities such as observation, exchange of information and training is enhanced. EU best practices in the field of land border protection are introduced.</p> <p>RESULT 2: Improved coordination of operations at selected part of the border and improved surveillance of the border;</p> <p>RESULT 3: Training programs for the border guard agencies of two countries are in place and use; Pool of Trainers to conduct training according to the new training program is created.</p> <p>RESULT 4: Modern infrastructure and equipment is provided based on prior detailed needs assessment; Specialised equipment is installed and operational; Border service staff in Azerbaijan and Georgia are trained in the use and maintenance of the new equipment.</p>
Main activities	<p>The following activities will be carried out to reach the aforementioned results:</p> <p>Result 1 Activity 1: Establishment of coordination mechanism and awareness</p>

raising

- 1.1 Inception Phase/Drafting Needs Assessment Report as reflected in 3.1 and 4.1/ Opening Conference
- 1.2 Creation and Support to the work of bilateral cooperation mechanism;
- 1.3 Development and delivery of the specific training programs for staff of the relevant units;
- 1.4 Organizing study visits to EU MSs for the members of the relevant units involved in the project in order to get acquainted with the best practices of EU member States.
- 1.5 Final Assessment & Closing Conference

Result 2

Activity 2: Coordinated operations at the selected part of the land border. Improvement of land border protection and control procedures

- 2.1 Risk assessment and development of a joint approach in strengthening the control in identified areas;
- 2.2. Implementation of coordinated approach between the relevant services on investigation of trans-border crimes at the state border between the countries;
- 2.3. Conducting coordinated activities in the sphere of observation and experience exchange among relevant units of the border agencies of Georgia and Azerbaijan.

Result 3

Activity 3. Development and delivery of the comprehensive training program

- 3.1 Needs analysis in both countries on current training needs of relevant services;
- 3.2 Development of the Training Program (TP);
- 3.3 Training of Trainers (ToT) organised based on TP
- 3.4 Bilateral and National Trainings

Result 4

Activity 4: Infrastructure and Equipment

- 4.1 Needs assessment of the required additional infrastructure, analysis of the current equipment needs of selected land border segment; Development of the Technical Specifications for the construction of the additional infrastructure;
- 4.2 Procurement, delivery and installation of specialized equipment for border management, in line with needs assessment and upgrade of

	specialised infrastructure. 4.3 Delivery of the training programs on use of the procured equipment.
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2. DESCRIPTION OF THE ACTION

2.1. *Current Situation*

In recent years, significant progress has been achieved in the two countries towards introduction of the IBM principles, enhancement of inter-agency and bilateral cooperation.

Due to a focused approach of national governments and international assistance, procedures at the border crossing points (BCPs) were significantly improved creating a proper balance between security and facilitation of movement. However, illegal migration, smuggling and other threats for border security cannot be prevented having porous land borders between BCPs.

Total length of Georgian-Azerbaijani border is 446 km. There are five border crossing points at the border – two international land border crossing points, two interstate land border crossing points and one railway crossing point. The green border section is mixed in geographical character. It runs in valleys, desert, on the lake and a small section of the border lies in the high mountainous area of the Caucasus. Currently, the green border segments are protected by 2 Border Detachments operating at 20 border posts from Azerbaijani side and by three Border Police Regional Offices and 20 border sectors from Georgian side.

The border represents the old soviet administrative boundary line and is not delimited yet. The negotiations between the two countries are ongoing and only 2/3 of the border is agreed upon. Hence, the border is not demarcated either.

In general, the Georgian side of the border can be characterized as extremely underdeveloped. In terms of infrastructure, only about a quarter of all infrastructures have the minimal, elementary conditions for human beings to carry out their service. About 75% of all infrastructures, however, are mainly made up of shacks, unfit for secure and human existence, all the more for keeping weapons and other security equipment in a safe way. Metal containers are used for sleeping and relaxation purposes without proper ventilation or heating.

At the Azerbaijani side the infrastructure situation seems to be in acceptable condition with minor deficiencies (like no running water, old heating system etc.) at some of the places.

The identified border segment for the project, is located at Kapanakchi settlement of Zagatala region through Qindirga settlement of Qakh region on Azerbaijani side and on territory of the Pirosmeni and Sabatlo border sectors of the Dedoplists Tsqaro Border Police Regional Office on Georgian side. It is a particularly porous segment of the border. In particular, considering the weather conditions, it is possible to cross border on feet or by horse and/or with 4-wheel drive vehicles along 85% of the border. This certainly increases risks of smuggling considering the difference in prices of fuel at both sides of the border.

There are several general factors that have an adverse impact on overall border security in the countries. Territories of Azerbaijan and Georgia are increasingly used by third country nationals as the transit route on their way to final destinations in Europe. Consequently, the attempts of illegal migration and human trafficking are on a rise. Putting into operation Baku-Tbilisi-Kars railway would also increase the number of passengers crossing the state borders and would require enhanced capacity and good cooperation of border guards to deter criminal activities.

Cooperation between the border services of Azerbaijan and Georgia is improving. The main problem lies in the different structural situation in the two countries: in Azerbaijan the State Border Service is an independent service, implementing the control of the whole border: border crossing points as well as the green (land) and blue (sea) border sections. Its commander is subordinated only to the Prime Minister, raising the level of this service to the level of a Ministry. In Georgia, there are two services controlling the border: the Patrol Police Department of the Ministry of Interior is responsible for the control of BCPs and the Border Police Department is responsible for the control of the green border. Both the difference in the level of the structure as well as the incompatibility of the heads of the services and departments makes it difficult to maintain a fruitful cooperation. However, lower in the structure, at regional or local level of command, the systems can fully cooperate;

Therefore authorities of both countries decided to develop and implement this joint project that would assist governments of Georgia and Azerbaijan to strengthen cooperation also at the green borders.

The border cooperation between Azerbaijan and Georgia is presently regulated on the basis of the following bilateral legal framework:

- Agreement between Azerbaijan and Georgia of 3rd February 1993 on "Visa free entry /exit of citizens of Azerbaijan and Georgia"
- Intergovernmental agreement between Azerbaijan and Georgia of 18th February 1997 "On cooperation on Border issues" and three protocols deriving from this agreement:
 - Protocol between Ministry of National Security of Azerbaijan and State Border Department of Georgia dated 26.03.02 on "Cooperation in investigation and search operations";
 - Protocol between Ministry of National Security of Azerbaijan and State Border Department of Georgia dated 26.03.02 on "Cooperation in border control at the State Border between Azerbaijan and Georgia";
 - Protocol between Ministry of National Security of Azerbaijan and State Border Department of Georgia dated 26.03.02 "On procedures for an information exchange between Azerbaijan and Georgia on situation at the border";

Draft agreements on "Border crossing points at the state border" and "Border delegates' activities" are prepared (the latter with assistance of the South Caucasus Integrated Border Management Programme) and currently being considered by the leaderships of the two agencies.

In Georgia, border staff receive professional training at the Police Academy. Border Police Faculty of the academy trains and re-trains personnel of Border and Patrol Police working at state borders of Georgia. In addition, the faculty is responsible for preparation of teaching materials. Currently, Border Police Faculty conducts the following basic training and

retraining courses: Special basic course for border guards of Land Border Protection Department of Border Police for new recruits, who are appointed at ordinary position; Basic course designed for border Controllers of Border-migration Control Division of PPD. Retraining courses for Border Controllers of Border-migration Control Division of PPD and shift leaders in the fields of legislation, travel documents, PIRS and management.

In general, these trainings are of high quality, but more support is required to mentor instructors in modern pedagogical methods and ensure targeted development of professional capacities of staff serving at green border through advanced training, on-the-job training as well as specialised skills training.

3. BENEFICIARIES AND TARGET GROUPS

In the Republic of Azerbaijan the main beneficiary of the project is the State Border Service (SBS) which has sole responsibility to protect the state border of the country.

In Georgia, the main beneficiary is the Border Police Department of the Ministry of Interior, which is responsible for protecting the green border segment of the state border.

Supporting them in capacity building will have a positive impact on their everyday activities related to border security. The relevant institutional framework and the organisational capacity in the respective authorities of both countries were assessed during the feasibility study on the present project conducted by the EU experts. Local commitment to the project and ownership of the process was found sufficient for the planning and implementation. In addition, the commitment and ownership of both governments had once again been confirmed with the active cooperation and communication with regard to the present initiative within the Eastern Partnership IBM panel.

4. OVERALL OBJECTIVE & PURPOSE OF THE ACTION

The main objective of the project is development of the operational capacities of the border authorities in Azerbaijan and Georgia to create and apply mechanism of Coordinated Operations at green border between the countries with eventual positive impact on overall security situation in the region and whole European Neighbourhood.

Specific objectives of the project are to support institutional development and capacity building of the Georgian Border Police and State Border Service of Azerbaijan, including building capacity to conduct coordinated and joint actions and exchange of information as appropriate as well as to improve their operational capacities through provision of better infrastructure and modern technology.

Project activities will be piloted at the part of the border that lay from Kapanakchi settlement of Zagatala region through Qindirga settlement of Qakh region on Azerbaijani side and on territory of the Pirosmani and Sabatlo border sectors of the Dedoplistsqaro Border Police Regional Office on Georgian side.

It is anticipated that the experience gained during the implementation of the project would be replicated by the Border Agencies of Georgia and Azerbaijan at other parts of the state border.

4.1 Anticipated results

It is anticipated that at the end of the action, the following results will have been achieved:

RESULT 1: Cooperation between Georgian Border Police and Azerbaijani State Border Service is strengthened. Operational capacities of the beneficiaries to implement coordinated activities such as observation, exchange of information and training is enhanced. EU best practices in the field of land border protection are introduced.

RESULT 2: Improved coordination of operations at selected part of the border and improved surveillance of the border;

RESULT 3: Training programs for the border guard agencies of the two countries are in place and use; Pool of Trainers to conduct training according to the new training program is created.

RESULT 4: Modern infrastructure and equipment is provided based on prior detailed needs assessment; Specialised equipment is installed and operational; Border service staff in Azerbaijan and Georgia are trained in the use and maintenance of the new equipment.

4.2 Activities and Outputs

The tables below outline the proposed set of activities and their outputs, which will allow the Project team to systematically address and achieve the proposed action's specific objectives by generating the results. Activities are divided into four modules, each corresponding to the four results to be achieved.

Activity 1	Policy
Result 1	Cooperation between Georgian Border Police and Azerbaijani State Border Service is strengthened. Operational capacities of the beneficiaries to implement coordinated activities such as observation, exchange of information and training is enhanced. EU best practices in the field of land border protection introduced.
	Activities
➤ Activity 1.1	Inception Phase Planning & Coordination/Opening Conference
Description of Activity 1.1	The Project will begin with a three-month Inception Phase aimed at operationalizing the project team, detailed planning review with Government counterparts, and coordination with other donor initiatives. Project Work Plan and needs assessment reports (see activity 3.1 and 4.1) will be elaborated. An Opening Conference will be held to bring together all national and international stakeholders and promote visibility for Government and EU efforts in regard to the support of integrated border management and its various components.
Output	Project Workplan
Target Group	GBP, SBS, international community
➤ Activity 1.2	Creation and support to the work of bilateral cooperation mechanism
Description	The Project will facilitate meetings of beneficiaries in order to establish

of Activity 1.2	coordination mechanism upon request and provide technical expertise to meet <i>ad hoc</i> requests. The project will also support introduction of institution of border delegates between the countries.
Outputs	Coordination mechanism between GBP and SBS established;
Target Group	Beneficiary agencies
➤ Activity 1.3	Development and delivery of the specific training programs for staff of the relevant units;
Description of Activity 1.3	Bilateral workshops will be held to bring together staff from the regional border offices and HQ responsible for cross-border cooperation to train them on regulations necessary to operationalize selected cross-border IBM cooperation mechanisms.
Outputs	Workshop Report/Participant Feedback Questionnaires
Target Group	Border Delegates and/or other cross-border Liaison Officers, Heads of Regional Units;
➤ Activity 1.4	Two study visits to EUMS
Description of Activity 1.4	Border Agency staff from both Georgia and Azerbaijan will participate in study visits to the green border sectors of the counterpart EUMS countries and appropriate training institutions. The objective of these study tours is closer familiarization of the border management staff with the operational principles and procedures of partner EU agencies, international cooperation mechanisms and curricula and teaching methods at training institutions.
Output	Study Tour Report/Participant Feedback Questionnaires
Target Group	Nominated Border Agency operational and mentoring staff;
➤ Activity 1.5	Final Assessment and Closing Conference
Description of Activity 1.5	A final assessment will be made by EUMS experts in order to measure progress. A Closing Conference will be held to bring together all national and international stakeholders, review results of the project, and promote visibility for Government and EU efforts and achievements.
Output	Expert Assessment Report, Closing Conference conclusions
Target Group	GBP, SBS, international community

Activity 2	Coordinated Operations
Result 2	Improved coordination of operations at selected part of the border and improved surveillance of the border;
	Activities
➤ Activity 2.1	Risk assessment and development of a joint approach in strengthening the control in identified areas;
Description of Activity 2.1	A joint team of GBP and SBS together with experts from EU MS will be deployed to assess specific risks, review the existing situation and based on the findings support in designing joint approach towards strengthening surveillance.

Outputs	Recommendations for joint approach to strengthening border surveillance
Target Group	GBP, SBS
	<i>Activities</i>
➤ Activity 2.2	Implementation of coordinated approach between the relevant services on investigation of trans-border crimes at the state border between the countries;
Description of Activity 2.2	Border Agencies will be supported in creating coordination mechanism for investigation of crimes at the state border.
Outputs	Recommendations for creation of coordination mechanism on investigation of trans-border crimes.
Target Group	GBP, SBS
➤ Activity 2.3	Support in conducting coordinated activities in the sphere of observation and experience exchange among relevant units of the border agencies of Georgia and Azerbaijan.
Description of Activity 2.3	Carry out of coordinated observation exercises. Improved exchange of information between the border agencies and possible coordinated patrolling operations conducted.
Target Group	GBP, SBS
Activity 3	Training
	<i>Activities</i>
Result 3	Training programs for the border guard agencies of two countries are in place and use; Pool of Trainers to conduct training according to the new training program is created.
➤ Activity 3.1	Conducting of the needs assessment in both countries on current training needs of relevant services;
Description of Activity 3.1	Current training needs and gaps in national border guard training systems will be identified.
Output	Report on training needs
Target Group	GBP, SBS, MIA Academy of Georgia, SBS Academy
➤ Activity 3.2	Development of the Training Program (TP)
Description of Activity 3.2	Training program will be developed for Georgian and Azerbaijani border guards in coordination with national training institutions.
Output	Training Programme
Target Group	GBP, SBS, MIA Academy of Georgia, SBS Academy
➤ Activity 3.3	Training of Trainers (ToT)
Description of Activity 3.3	Trainers from respective border management agencies of Georgia and Azerbaijan will be trained in different subjects identified in the report as well as other subject matter trainings upon request.
Outputs	Workshop/feedback questionnaires
Target Group	Nominated Trainers from Georgian and Azerbaijani agencies
➤ Activity 3.4	Bilateral and National Trainings
Description of Activity 3.4	A series of bilateral workshops will be held in each country, reflecting the needs identified in the report on training needs. A series of national workshops in each country will also be held based on national priorities

	and requests from training institutions
Outputs	Workshop Reports/Participant Feedback Questionnaires
Target Group	GBP and SBS officers
Activity 4	<i>Infrastructure and Equipment</i>
	<i>Activities</i>
Result 4	Modern infrastructure and equipment provided based on prior detailed needs assessment; Specialised equipment installed and operational; Border service staff in Azerbaijan and Georgia trained in the use of the new equipment.
➤ Activity 4.1	Conducting needs assessment of the required additional infrastructure, analysis of the current equipment needs of selected land border segment; Development of the Technical Specifications for the construction of the additional infrastructure;
Description of Activity 4.1	EUMS expert team together with GBP and SBS teams will conduct the assessment of infrastructural and equipment needs for the project area units and create a list of equipment and infrastructure to be procured in the framework of the project.
Output	List of equipment and infrastructure; Technical specifications for infrastructure
Target Group	GBP, SBS
➤ Activity 4.2	Procurement, delivery and installation of specialized equipment for border management, in line with needs assessment and upgrading of specialised infrastructure.
Description of Activity 4.2	International tender will be announced by UNDP Georgia and UNDP Azerbaijan to build new infrastructure and where applicable to procure and install new border surveillance equipment , as per needs assessment.
Output	Handover Documents
Target Group	GBP, SBS
➤ Activity 4.3	Delivery of the training programs on use of the procured equipment
Description of Activity 4.3	Special training will be conducted for GBP and SBS officials on the use and maintenance of the procured equipment.
Output	Activity Report
Target Group	GBP, SBS officers

5. IMPLEMENTATION ARRANGEMENTS

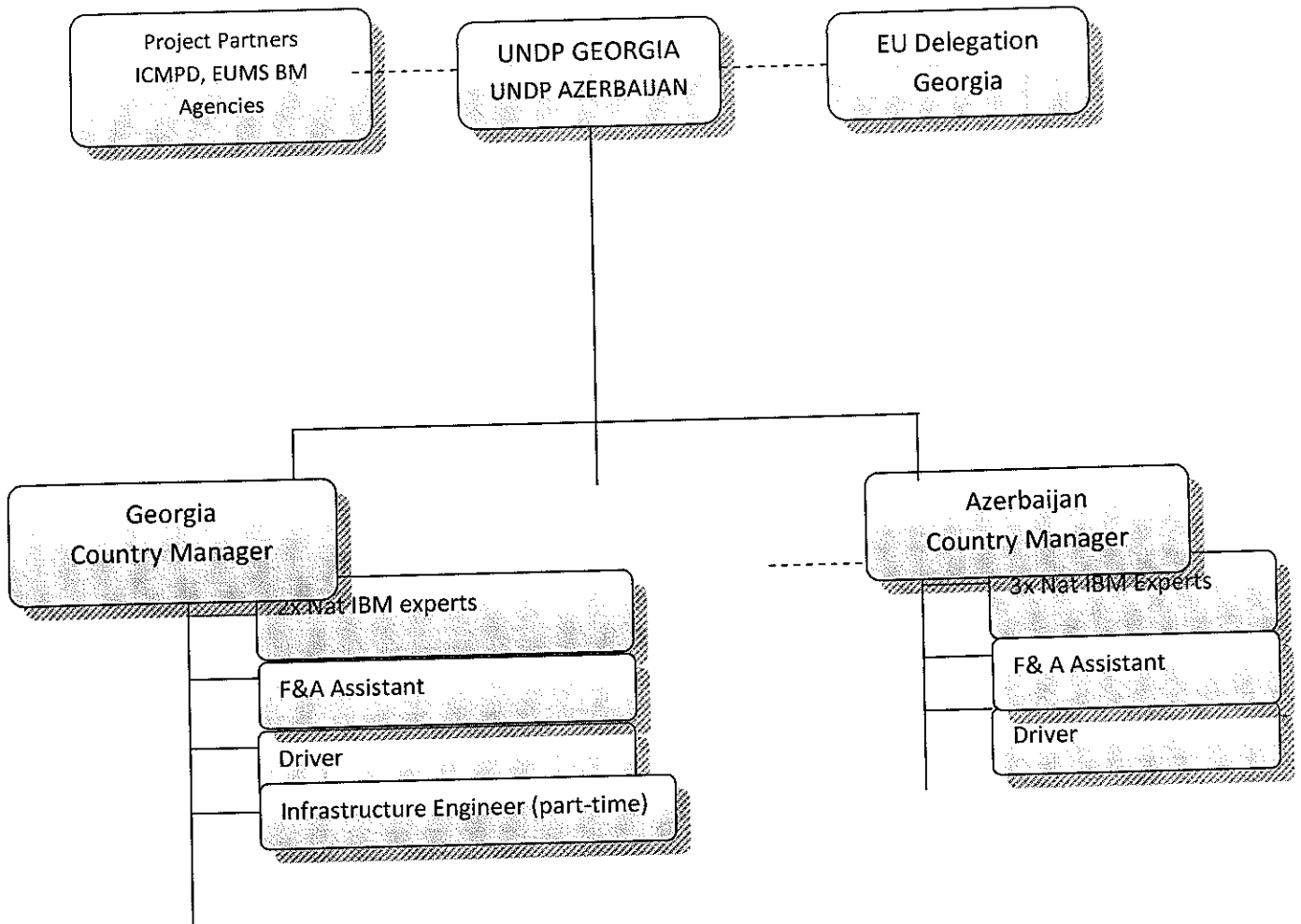
5.1. Management & Organisational Structure

UNDP Georgia will be signatory to the contract of which this Description of the Action forms the first Annex, and will take overall responsibility for quality assurance and administration, including narrative and financial reporting.

Two project teams will be established, one in Georgia and one in Azerbaijan, each comprising a Country Manager, two national Border Management experts in Georgia and three – in Azerbaijan, a Finance/Admin Assistant and a Driver. In addition to this, the project team in Georgia will also include part-time Infrastructure Engineer. A Country Manager will lead each project team, and report directly to nominated individuals within their respective UNDP Country Offices.

Steering Committees will be held on a semi-annual basis in each country, comprising the relevant decision makers from border management agencies, as well as representatives of UNDP, the European Commission, and invited observers representing European Union Member States.

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5.2. *Partners to the Action: Roles & Responsibilities*

In order to ensure successful implementation of activities and achievement of results and objectives, UNDP will work with the International Center for Migration Policy Development (ICMPD), through which the required international expertise will be provided.

UNDP and the ICMPD signed a strengthened Memorandum of Understanding between the two organisations in the fall of 2012, which covers cooperation in the field of border management. This follows successful collaboration under both - the EC-funded SCIBM, BOMCA Programmes (Border Management for Central Asia) as well as Ninotsmnda-Bavra IBM project. ICMPD has been identified as a partner in the project due to the experience in border management projects that have been successfully implemented in the Western Balkans and the EaP countries, including the ones from the South Caucasus countries.

For the purposes of the project described herein, UNDP Georgia will sign a Letter of Agreement/MOU with the International Centre for Migration Policy Development to coordinate and reimburse the agreed activities of EUMS experts, and to supply the expertise required to implement these Activities.

5.3. *Anticipated Synergies*

The project will be fully coordinated with the work of other EU-funded IBM initiatives in Georgia and Azerbaijan. Regular contact and coordination will be sought with other UN Agencies through the UN Resident Coordinators in each country – namely, UNODC, UNHCR and IOM as well as regular contact and coordination with EU through EU Delegations in each country. Coordination meetings will be utilised to establish all possible synergies with the work of other actors, including Frontex, EU Member States involved in twinning projects in Georgia and Azerbaijan, and relevant US-funded assistance programmes.

5.4. *Inception Phase*

Detailed project planning will be undertaken during a three-month Inception Phase to begin immediately following contract signature by both parties. The Inception Phase will include the Opening Conference and the initial assessment to be undertaken by the Project Teams to produce needs assessment documents as per activity 3.1 and 4.1.

UNDP will contract project staff and establish project offices during the Inception Phase, as well as administrative modalities for interaction between the partners to the Programme (see Section 5.2, Partners to the Action). It is anticipated that the same staff of the EU funded and UNDP implemented IBM Projects will be recruited in order to ensure the continuity of the work initiated by these projects.

5.5. *Project Reporting*

UNDP will report on project progress to the European Commission according to Articles 2 and 15.1 of the General Conditions (Annex II to the EU-UNDP contribution agreement

5.6. *EU Visibility*

UNDP is committed to ensuring EU visibility to the highest possible standard, fully compliant with the Joint Visibility Guidelines agreed for use between the European Commission and United Nations Agencies operating under the Financial & Administrative Framework Agreement (FAFA) of May 2003.

Four 'sets' of visibility activities are envisaged:

1. Establishment of standardized project identity;
2. Production of promotional materials;
3. Project information outreach to the general public;
4. Border management-specific information & promotion.

A project website to ensure public outreach and EU visibility will be prepared during the Inception Phase of the project and regularly updated.

5.7. *Indicative Work Plan*

Duration of the action: 36 months.

6. SUSTAINABILITY

6.1. *Baseline & Success Indicators*

It is not possible to measure improvements in border security, given the impossibility of establishing reliable baseline information. Statistics on crime capture only crimes detected, not the extent of criminal activity. Whilst it is hoped that the project will contribute to an increase in the detection of crime, such an increase may be attributable to raised levels of criminality instead. A logical argument can be made that strengthening security capacities at one sector will displace criminal activity to less secure crossing points, and that the number of crimes detected will therefore decrease at the project location.

For this reason, project indicators for this component remain input rather than impact based, and it is proposed that project progress in this area should be measured through feedback from national authorities, expressed at bi-annual Steering Committees and through final assessment by EUMS experts (final assessment under Activity 1.5).

6.2. *Cross-Cutting Issues*

The following cross-cutting issues will be addressed:

Good governance and human rights: While promoting better dialogue between different levels of the state administration, the project will promote good governance principles (particularly ownership, equity, transparency and anti-corruption). It will also promote respect to human rights in general and the asylum seekers in particular, through specific training.

Environmental impact: No significant environmental impact is foreseen in the course of project implementation even though it contains infrastructural component that would replace the old infrastructure.

Gender impact: The project will encourage Border Agencies to move toward gender balance in the staffing. Specific attention will be given to raising awareness of border management officials to the specific needs of various population groups, especially women, minors and individuals at risk of trafficking in human beings.

6.3. *Assumptions & Preconditions*

It is assumed that the general political and socio-economic situation in the region will remain stable, and that inter-governmental relations between Georgia and Azerbaijan will continue to develop on the good neighbourly track necessary to secure the required bilateral agreements in favour of cross-border cooperation on integrated border management.

It is a precondition that government counterparts maintain high level of commitment toward the project and demonstrate sense of ownership for the process. This includes participation in Inter-Agency Working Group and project Steering Committee meetings, nomination of participants for the envisaged activities, willingness to review, endorse and legislate as necessary.

6.4. Risk Analysis & Risk Mitigation Strategy

The matrix below details the character of some key risks that might be relevant to the project. The matrix also provides the level of risk severity (low, medium, high). The section below the matrix reflects actions to be taken by the project to mitigate the identified risks.

No.	Character of Risk	Risk Type	Severity	Mitigation measures
1	Lessening Government commitment toward implementing IBM	Political	Low	<p>The project will ensure formal approval and adoption of draft operational documents developed during the implementation of the project. Meetings organized with the Government officials to explain the IBM benefits and enforce the stipulations of the national and EU legislation.</p> <p>Georgia adopts its 2014-2018 IBM Strategy, strengthening governmental commitment to IBM reforms.</p>
2	National and/or bilateral tensions	Political	Medium	<p>Careful monitoring of the situation during the implementation of the project will be applied. Depending on the situation, the possibility of splitting activities under strategic and operational levels will be considered. If the EU decides to further develop relations with certain countries the project will follow the EU Commission recommendations.</p> <p>Through the engagement of high-level officials to discuss the nature, causes of the tension and suggest the way-out to be reported at the highest political</p>

				level for taking actions.
3	Frequent changes of Government counterparts	Political	High	To maintain the relations and engage as many people/beneficiaries from the side of the governments as possible. To ensure the continuity of advance information exchange with the Govt. counterparts to envisage the changes, risks for the project and take the corrective actions.
4	Lack of cooperation between Border Agencies	Political	Low	To act as catalyser and encourage the counterparts to follow the provisions of the project stipulating cooperation and information exchange. To create a favourable and trustworthy environment for enhancing the inter-service cooperation.
5	Changes in staffing of border agency officials and inadequate staffing provision	Political	Medium	Provide Training of Trainers and support to institutionalise trainings and education in the agencies to compensate for possible fluctuation of staff. To follow up with the national authorities and encourage them to include the adequate funds into the state budget for recruiting enough number of staff to provide adequate protection of the border.
6	Rent-seeking by corrupt officials	Socio-Economic	Low	Advocate for and replicate the Georgian model for introducing transparent, accountable

				border management services by considering the lessons learnt in this process.
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1. Lessening Government commitment toward implementing IBM: Both Georgia and Azerbaijan are currently committed to the implementation of integrated border management methodologies. The risk that either Government will back-track on commitments already made is considered unlikely, especially when Georgia is now adopting a new IBM strategy for 2014-2018. Nevertheless, in the case of unwillingness, the immediate involvement of senior officials from UNDP, EC and the EUMS will be secured.
2. National and/or bilateral tensions: The project is not in a position to mitigate this risk in any meaningful way.
3. Frequent changes of Government counterparts: it is considered likely and normal that counterparts may change. The project team will meet with newly-appointed officials to brief them on past work, commitments made, and future plans, and will maintain a flexible approach to adjusting activities and work plans as required.
4. Lack of cooperation between Border Agencies: lack of cooperation between Border Agencies may present difficulties in coordinated operations. This is deemed low risk, given commitment of both Governments to deepen cooperation in this area and the fact that the project was designed by the ministries themselves.
5. Changes in staffing of border agency officials and inadequate Border Agency staffing provision: project will support institutionalisation of the trainings so that the agencies develop the capacity to cope with staff fluctuation; the project staff will discuss staffing levels with Border Agencies early on within the project, and insist on the integral nature of this requirement to the recommendations for introduction of coordinated operations and trainings.
6. Rent-seeking by corrupt officials. Instances of corrupt individuals occur in all societies. However, the project will be designed in a way to avoid any type of rent-seeking by corrupt officials. Border Agencies of Georgia and Azerbaijan are committed to achieving and maintaining the highest standards of professional integrity of their staff.



ANNEX II

General Conditions applicable to European Union contribution agreements with international organisations

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GENERAL AND ADMINISTRATIVE PROVISIONS

Article 1 - GENERAL OBLIGATIONS

- 1.1 The Organisation shall ensure that the Action is carried out in accordance with the Description of the Action contained in Annex 1 and is responsible for achieving the objectives set out therein. The Organisation shall report on the indicators of achievement specified in the Description of the Action.
- 1.2 The Organisation shall implement the Action with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

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

- 1.3 The Organisation may act either alone or in partnership with one or more organisations mentioned in the Description of the Action (implementing partners or partners). Partners shall actually participate in implementing the Action, and the costs they incur shall then be eligible under the same conditions as those incurred by the Organisation.

It may also contract parts of the Action, in accordance with the provisions of article 10 hereof.

Where the EU contribution has been awarded to the Organisation in the form of a grant following a call for proposals or a direct award, and therefore not as a Joint Management Action, and in particular where the implementation of the Action requires financial support to be given to third parties, the Organisation may only award grants to third parties ("sub-grants") as provided for in the Special Conditions, and only in order to support the achievement of the objectives of the Action. The Description of the Action shall include a list and description of the types of activity which may be eligible for sub-grants, together with the criteria for the selection of the beneficiaries of these sub-grants. The Description of the Action shall also establish the total amount which may be used for awarding sub-grants as well as the criteria for fixing the exact amount per sub-grant. The maximum amount of a sub-grant shall be limited to EUR 60 000 per third party, except in cases where the financial support in the form of grants and sub-grants is the primary aim of the action and it is not funded by the European Development Fund. The sub-grants awarded by the Organisation are subject to the nationality and eligibility rules for selection provided for in Article 10.3.

Where the Action is not a Joint Management Action, the bulk of the Action shall be undertaken by the Organisation, and where applicable, its partners.

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

- 1.4 The Organisation undertakes to ensure that the conditions imposed upon it under Articles 1, 3, 4, 5, 6, 7, 10, 14, 16 and 17 shall also apply to all partners and, where applicable, contractors involved.

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

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

- 1.6 Without prejudice to Articles 1.3 and 10, the Agreement and the payments attached to it shall not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.
- 1.7 The provisions regarding "Joint Management Actions" in these General Conditions may be applied if provided for in the Special Conditions and where at least one of the following conditions is met:
- the performance of the Action requires the pooling of resources from a number of donors, and it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure (hereinafter, "Multi-donor Actions"), or
 - the European Commission and the Organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation; or
 - the European Commission and the Organisation have jointly assessed the feasibility and defined the terms for implementation of the Action.
- 1.8 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, which shall only confer on it rights and obligations where explicitly stated. It will nevertheless endorse the Agreement to ensure that the Contracting Authority's contribution is actually paid by the EU budget, and the provisions on visibility in this Agreement will apply accordingly.

Article 2 - OBLIGATIONS REGARDING INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall provide before signature of this Agreement a work plan for the first period of implementation specified in the Description of the Action. The Organisation shall also draw up progress reports and a final report. These reports shall consist of a narrative part and a financial part. Reporting, narrative as well as financial, shall cover the whole of the Action, regardless of whether this Action is wholly financed or co-financed by the Contracting Authority.
- 2.2 The Contracting Authority may request additional information at any time, providing the reasons for the request. Such information shall be supplied within 30 days of the request.

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

The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed (in particular separate information on the amounts subject to legal commitment and on costs incurred by the Organisation, and where applicable, its partners), the results expected and obtained and the budget details for the Action. The level of detail in any report should match that of the Description of the Action and of the Budget for the Action.

- 2.4 The narrative report shall directly relate to this Agreement and shall at least include:
- Summary and context of the Action;
 - Activities carried out during the reporting period (i.e. directly related to the Action and activities described in this Agreement);
 - Difficulties encountered and measures taken to overcome problems;
 - Changes introduced in implementation;
 - Achievements and results measured in accordance with the performance indicators prescribed in this Agreement;
 - Work plan for the following period including objectives and performance indicators of achievement. If the report cannot be sent before the end date fixed for the period covered by the preceding work plan, a new work plan, albeit provisional, shall be provided before such date.

- 2.5 The final report shall contain the above information on the activities and results of the Action (except for a work plan mentioned in the last indent, without purpose at the end of the Action) covering the whole Implementation Period, information on the measures taken to identify the European Union as the source of financing, and details on the transfers of assets provided for in Article 7.3 if relevant, plus a full summary of the Action's income, contributions received and cost incurred.

- 2.6 The reports shall be presented in the same language as this Agreement. They shall be submitted at the following intervals:

if payments follow option 1 in Article 15.1:

- a progress report shall be forwarded to the Contracting Authority at the end of every 12-month period, where the Implementation Period of this Agreement is longer;
- a final report shall be forwarded to the Contracting Authority within six months of the end of the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions;

if payments follow option 2 in Article 15.1:

- a progress report shall accompany every request for pre-financing or interim payments;

-- the final report shall be forwarded to the Contracting Authority within six months of the end of the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions.

2.7 Reports shall be submitted in Euro and in the holding currency used by the Organisation, and may be drawn from financial statements denominated in other currencies as per the Organisation's legislative requirements. In such case and for the purpose of reporting, conversion into Euro shall be made using the rate of exchange at which the Contracting Authority's contribution was recorded in the Organisation's accounts (weighted average), unless otherwise specified in article 4(3) of the Special Conditions.

2.8 Any additional reporting requirement shall be set out in the Special Conditions.

2.9 If the Organisation fails to supply a final report by the final report deadline laid down in Article 2.6, and fails to furnish an acceptable written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may refuse to pay any outstanding amount and recover any amounts unduly paid.

Furthermore, where the Organisation fails to present a progress report and where relevant a request for payment by the end of each 12-month period following the date laid down in Article 2(2) of the Special Conditions, the Organisation shall inform the Contracting Authority of the reasons why it is unable to do so, and shall provide a summary of the state of progress of the Action. If the Organisation fails to comply with this obligation, the Contracting Authority may terminate the Agreement in accordance with the first indent of Article 12.2, refuse to pay any outstanding amount and recover any amounts unduly paid.

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

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

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

Article 3 - LIABILITY

3.1 The Organisation shall have sole responsibility for complying with all legal obligations incumbent on it.

3.2 The Contracting Authority may not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. Therefore, the Contracting Authority may not accept any claim for compensation or increases in payment in connection with such damage or injury.

- 3.3 Subject to the rules governing the Organisation's privileges and immunities, the Organisation shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the Action. The Organisation shall discharge the Contracting Authority of all liability associated with any claim or action brought as a result of an infringement by the Organisation or the Organisation's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

Article 4 - CONFLICT OF INTERESTS

The Organisation shall take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person implementing this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party such as a contractor or grant beneficiary, or the final recipients of funds.

Article 5 - CONFIDENTIALITY

Subject to Article 16, the Contracting Authority and the Organisation shall preserve the confidentiality of any document, information or other material directly related to this Agreement and duly classified as confidential, until at least five years after the end date as specified in Article 12.5. Where the European Commission is not the Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority, and will maintain the same confidentiality.

Article 6 - VISIBILITY AND TRANSPARENCY

- 6.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the European Union. Information given to the press, the beneficiaries of the Action, all related publicity material, official notices, reports and publications, shall acknowledge that the Action was carried out "with funding by the European Union" and shall display in an appropriate way the European logo (twelve yellow stars on a blue background). Such measures will be carried out in accordance with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission, or any other guidelines agreed between the European Commission and the Organisation.

It is understood that the Organisation's equipment and vehicles may routinely carry its emblem and other indications of ownership prominently displayed. In cases where equipment or vehicles and major supplies have been purchased using funds provided by the European Union, the Organisation shall display appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo). Where such display could jeopardise the Organisation's privileges and immunities or the safety and security of the Organisation's staff, the Organisation shall propose appropriate alternative arrangements.

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

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

- 6.7 With due regard to the applicable rules on confidentiality, security and protection of personal data, the Organisation shall publish, on an annual basis, on its website, the following information on grant and procurement contracts exceeding EUR 15.000 financed by the Contracting Authority: title of the contract/project, nature and purpose of the contract/project, name and locality of the contractor or grant beneficiary and amount of the contract/project. The term "locality" shall mean the address for legal persons and the Region on NUTS¹ 2 level, or equivalent, for natural persons.
- 6.8 The Organisation shall provide to the Contracting Authority the address of the website where this information can be found and shall authorise the publication of such address in the Contracting Authority's internet site.

The Organisation ensures that the obligation to publish this information shall be also applied by its implementing partners as described in Annex I of this Agreement, with

¹ Nomenclature of Territorial Units for Statistics, available at:
<http://ec.europa.eu/eurostat/ramon>

regard to their own grant and procurement contracts financed by the Contracting Authority.

Article 7 - OWNERSHIP/USE OF RESULTS AND EQUIPMENT

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

By way of derogation from the preceding paragraph, the equipment, vehicle and supplies purchased in the framework of multi-donor actions which continue after the end of the Implementation Period of this Agreement, may be transferred to these local authorities, partners or final recipients at the end of the project, programme or action of the Organisation. The Organisation pledges to use the assets to the benefit of those benefiting from the present Action. The Organisation shall inform the Contracting Authority on the end use of the assets in the final report.

In the event that there are no local authorities or partners to whom the equipment, vehicles and supplies could be transferred, the Organisation may transfer the assets to another action funded by the European Union or Contracting Authority or, exceptionally, retain ownership of the equipment, vehicles and supplies at the end of the Action. In such cases, it should submit a justified written request with an inventory listing the items concerned and a proposal concerning their use in due time and at the latest with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action or result in a profit for the Organisation.

Article 8 - EVALUATION OF THE ACTION

- 8.1 Representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action. The results of such missions shall be reported to the European Commission.
- 8.2 Article 8.1 is without prejudice to any evaluation mission which the European Commission as a donor may wish to perform. Evaluation missions by representatives of the European Commission should be planned and completed in a collaborative manner between the Organisation's staff and the European Commission's representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of this Agreement. These missions are to be planned ahead and procedural matters are to

be agreed upon by the European Commission and the Organisation in advance. The mission will offer to make a draft of its report available to the Organisation for comments prior to final issuance.

Article 9 - AMENDMENT OF THE AGREEMENT

- 9.1 Any modification to the Agreement, including the annexes thereto, shall be set out in writing in an amendment. This Agreement can only be modified during the execution period set out in Article 2(4) of the Special Conditions.

If the request for an amendment comes from the Organisation, the latter shall submit that request to the Contracting Authority one month before the amendment is intended to enter into force, and in any case no later than one month before the end of the execution period, unless there are special circumstances duly substantiated by the Organisation and accepted by the Contracting Authority.

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

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

- 9.3 An amendment shall not have the purpose or the effect of making changes that would call into question the award decision. In cases the Agreement follows a call for proposals the amendment may not be contrary to the equal treatment of applicants or increase the maximum amount referred to in Article 3.2 of the Special Conditions.

Article 10 - CONTRACTING

- 10.1 If parts of the Action are contracted, the contracting arrangements, including in particular the principles for the award of procurement and grants, shall be as specified in the Description of the Action. If they are not specified therein, the Organisation will present them to the Contracting Authority as soon as they are available. The Organisation will also inform the Contracting Authority, with as much prior notice as possible, of changes in these arrangements. The Organisation will provide detailed information on contracting arrangements in the final report.
- 10.2 Unless otherwise agreed by the Parties in writing, the procurement of any goods, works or services and the award of grants by the Organisation and its partners in the context of the Action shall be carried out in accordance with the applicable rules and procedures adopted by the Organisation.

This is based on the understanding that the Organisation's rules and procedures conform to internationally accepted standards, in compliance with the principles of transparency,

proportionality, sound financial management, equal treatment and non discrimination, care being taken to avoid any conflict of interests.

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

- grants shall not be cumulative, awarded retrospectively or have the purpose or effect of producing a profit for the grant beneficiary;
- grants must involve co-financing from other donors, save in cases of humanitarian and crisis situation, the protection of health and fundamental rights of people, where the grant beneficiaries are third countries or other international organisations and where it is in the interest of the European Union to be the sole donor.

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

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

- a. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b. they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgement of a competent authority of a Member State which has the force of res judicata;
- c. they or persons having powers of representation, decision making or control over them have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity detrimental to the EU's financial interests;
- d. they 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.
- e. they are subject to a conflict of interests.

The Organisation shall inform the European Commission when a candidate or tenderer is in one of the situations under point (c) or when a contractor financed from the present contribution has been found guilty of making false declarations or committing substantial errors, irregularities and fraud.

Without prejudice to the power of the European Commission or of the Contracting Authority to exclude an entity from future contracts and grants financed by the EU, financial penalties may be imposed to contractors by the Organisation according to its own rules and procedures.

- 10.5 In the event of failure to comply with the above provisions the relevant costs may be declared ineligible for funding by the Contracting Authority or by the European Commission, at the latest before acceptance of the Final Report.

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

- 11.1 Irrespective of the starting date and implementation period of the project, programme or action of the Organisation, the Implementation Period of this Agreement shall be as set out in Article 2 of the Special Conditions.
- 11.2 The individual contracts implementing the Action under this Agreement shall be concluded as specified in Article 2.5 of the Special Conditions. This contracting deadline also applies to all the individual contracts signed by the Implementing partner(s). After this contracting deadline and up to submission of Final Report, only contracts concerning final audits, evaluation, closure activities and individual contracts concluded after early termination of an existing contract may be concluded. The deadline for conclusion of individual contracts implementing the Action under the Agreement set out in Article 2.5 of the Special Conditions cannot be extended.
- 11.3 The Organisation may suspend without delay implementation of all or part of the Action if circumstances so require, in particular in case of *force majeure*, and informs the Contracting Authority immediately providing all the necessary details. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration of the suspension and may resume implementation of the Action once the conditions allow, and shall inform the Contracting Authority accordingly.
- 11.4 The Contracting Authority may request the Organisation to suspend implementation of all or part of the Action if circumstances so require in particular in cases of *force majeure* and in cases such as crisis entailing a change of policy. This Agreement may then be subsequently terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation and the Contracting Authority shall endeavour to minimise the duration of the suspension and shall resume implementation of the Action once the conditions allow, with the prior written approval of the Contracting Authority.
- 11.5 The Implementation Period of this Agreement is automatically extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to the Agreement which may be necessary to adapt the Action to the new implementing conditions or to Article 12.1, or to a termination in accordance with Article 12.1.
- 11.6 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them

available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting party. Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it is prevented from fulfilling them by *force majeure*. Without prejudice to Articles 11.3 and 11.4 above, the Party invoking *force majeure* shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

Article 12 - TERMINATION OF THE AGREEMENT

12.1 If, at any time, either Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, either Party may terminate this Agreement by serving two months' written notice. In this event, the Organisation shall be entitled to payment of the contribution only for the part of the Action carried out, and to reimbursement of commitments entered into by the Organisation for the implementation of the Action, which the Organisation cannot reasonably terminate on legal grounds. The part of the EU contribution unspent or not spent in accordance with this Agreement, shall be recovered by the Contracting Authority in accordance with Articles 17 and 18, after all liabilities incurred by the Organisation have been satisfied, including interest earned where applicable.

12.2 Where the Organisation:

- fails, without justification, to fulfil any of the obligations incumbent on it and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
- fails to comply with articles 1.5, 1.6 or 4;
- makes false or incomplete statements to obtain the contribution provided for in the Agreement or provides reports that do not reflect reality;
- commits financial irregularities or is guilty of grave professional misconduct;
- undergoes legal, financial, technical or organisational change that is liable to affect this Agreement substantially or to call the award decision into question;

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

12.3 Prior to or instead of terminating the Agreement as provided for in Article 12.2, the Contracting Authority may suspend payments or the declaration of eligibility of expenses as a precautionary measure, informing the Organisation immediately.

12.4 This Agreement shall be automatically terminated if it has not given rise to a payment by the Contracting Authority (including pre-financing) within two years of its signature.

12.5 Unless this Agreement is terminated earlier pursuant to Article 12, the payment obligations of the European Union hereunder shall cease at the "end date", which shall

occur 18 months after the end of the Implementation Period as defined in Article 2 of the Special Conditions.

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

Article 13 - SETTLEMENT OF DISPUTES

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

FINANCIAL PROVISIONS

Article 14 - ELIGIBLE COSTS

- 14.1 To be considered eligible as direct costs under this Agreement, costs must:
 - be necessary for carrying out the Action, be provided for specifically in this Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
 - have been actually incurred during the Implementation Period of this Agreement as defined in Article 2 of the Special Conditions, whatever the time of actual disbursement by the Organisation, in particular:
 - (i) Costs relating to services and works properly provided shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Consequently, cash transfers between the Organisation and its partners, signature of a contract, placing of an order, or entering into any commitment for future delivery of services, works or supplies undertaken before or after expiry of the implementation period do not meet this requirement.
 - (ii) Except for multi-donor actions, costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment.

(iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Action, which may be incurred after the implementation period of the Action.

(iv) Procedures to award contracts, as referred to in Article 10, may have been initiated and contracts may be concluded by the Organisation and its partners before the start of the implementation period of the Action.

- be recorded in the Organisation's or Organisation's partners' accounts, be identifiable, backed by effective supporting evidence (originals, as the case may be in electronic form), and verifiable pursuant to the provisions of Article 16.4.

14.2 Subject to the above and without prejudice to Article 10.5, the following direct costs of the Organisation or its implementing partners may in particular be eligible:

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

14.3 The following costs shall not be considered eligible:

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

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

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

A fixed percentage of direct eligible costs, not exceeding 7 %, may be claimed as indirect costs by the Organisation to cover the administrative overheads incurred for the Action. Funding in respect of indirect costs does not need to be supported by accounting documents.

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

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

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

14.5 Any contingency reserve included in the Budget of the Action, to cover any adjustment necessary in the light of changed circumstances on the ground, may not exceed 5% of eligible costs and shall only be used with the prior written (by letter) authorisation of the Contracting Authority, upon a duly justified request from the Organisation through an exchange of letters.

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

Article 15 - PAYMENTS

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

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

The Contracting Authority will provide a pre-financing from 80% up to 95% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 30 days of receiving the Agreement signed by both Parties.

The Contracting Authority will pay the balance within 90 days of receiving a request for payment accompanied by a final report. Approval of the report will be done within 45 days and in accordance with Article 15.2. The Contracting Authority will pay the balance within 45 days of approving the final report.

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

The Contracting Authority will provide a pre-financing from 80% to 95% of that part of the budget for the first 12 months of the Action which is being financed by it (excluding contingencies) within 30 days of receiving the Agreement signed by both Parties.

Each further instalment will consist of (1) an interim payment that will cover the remainder of the Contracting Authority's part of the budget for the previous period (including any approved contingencies) and (2) a pre-financing from 80% to 95% of that part of the budget for the subsequent 12-month period (or of the remaining period if shorter as regards the last instalment of pre-financing) which is financed by it (excluding contingencies), provided that at least 70% of the immediately preceding instalment (and 100% of previous instalments if any) has been subject to a legal commitment between the organization or its partner and a third party as proven by the relevant report.

The instalments and final payment will be made by the Contracting Authority within 90 days of receiving a request for payment accompanied by a progress or final report. Approval of any report will be done within 45 days and in accordance with Article 15.2. The Contracting Authority will then pay within 45 days of approving the progress or final report.

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

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

Reports shall be presented in accordance with Article 2.

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

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

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

By way of exception, when the interest calculated in accordance with this provision is lower than or equal to EUR 200, it will be paid to the Organisation only upon demand submitted within two months of receiving late payment.

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

- 15.4 The level of pre-financing referred to in Article 15.1 above shall be set at a level of between 80% and 95 % in 5% increments taking into account past record of the Organisation in particular as regards timely submission of the final report.
- 15.5 The Contracting Authority will make payments in Euro into the bank account referred to in the financial identification form in Annex IV. Where payment is to be made to a bank account which is already known to the Contracting Authority, the Organisation may provide a copy of the relevant financial identification form.
- 15.6 Where feasible, the funds paid by the Contracting Authority shall be maintained in Euro denominated bank accounts. They may be pooled together with contributions from other donors. They may be exchanged for other currencies in order to facilitate their disbursement.
- 15.7 Where according to the Special Conditions interest earned by the Organisation on funds received from the Contracting Authority is due, it shall be deducted from the payment of the balance, re-used for the Action or recovered by the Contracting Authority. In that case, interest shall be identified as such and reflected in reports to the Contracting Authority.

Article 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

- 16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. Separate accounts or sub-accounts shall be kept for each Action, and shall detail all income generated by the Action, donor contributions and expenditure.

The accounting regulations and rules of the Organisation shall apply, provided that these regulations and rules conform to internationally accepted standards.

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

- 16.3 The Organisation shall, until at least five years after the end date as specified in article 12.5:
- keep financial accounting documents concerning the activities financed by the contribution and,
 - make available to the competent bodies of the European Union, upon request, all relevant financial information, including statements of accounts concerning the Action, whether they are executed by the Organisation or by its implementing partners or contractors.
- 16.4 In conformity with its financial regulations, the European Union, including its Court of Auditors, may undertake, including on the spot, checks related to the Actions financed by the Contracting authority.
- 16.5 These provisions shall be applied in accordance with any specific agreement concluded in this respect by the Organisation and the European Union.

Article 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

- 17.1 The total final amount to be paid by the Contracting Authority to the Organisation shall not exceed the maximum contribution established by Article 3(2) of the Special Conditions, even if the overall costs incurred exceed the estimated total budget set out in Annex III.
- 17.2 Where Article 3(2) of the Special Conditions sets out a maximum percentage of estimated total eligible cost to be financed by the Contracting Authority, and if the eligible costs at the end of the Action are less than the estimated total cost specified in Article 3(1) of the Special Conditions, the contribution of the Contracting Authority shall be limited to the amount resulting from multiplying the eligible costs by the percentage laid down in Article 3(2) of the Special Conditions.

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

- 17.3 The Organisation accepts that the contribution of the Contracting Authority shall be limited to the amount required to balance income generated by the Action, donor contributions and expenditure for the Action and that it may not in any circumstances result in a surplus for the Organisation.

In the event of a final surplus balance of total financing over expenditures at the financial closure of the Action, the Organisation shall specify in the final report the amount of the surplus balance in the holding currency used by the Organisation together with the estimated amount in Euro and where the exchange rate of the Organisation can be consulted. This surplus in the Organisation's accounts expressed in holding currency used by the Organisation shall be converted into Euro using the rate of exchange of the Organisation in force on the day when the Contracting Authority's internal recovery order is established, which amount is later reflected in the debit note sent to the Organisation. The resulting Euro equivalent shall then be refunded to the Contracting Authority. This provision shall not apply to the exchange rates used for reporting.

- 17.4 In cases where the Action is suspended or not completed within the Implementation Period of this Agreement, the funds that remain unexpended after all liabilities incurred in this period have been satisfied will be reimbursed to the Contracting Authority, including, where applicable, interest earned.
- 17.5 Where the Action is not carried out at all, or is not carried out properly, in full or on time and without prejudice to its right to terminate this Agreement pursuant to Article 12.2, the Contracting Authority may, after allowing the Organisation to submit its observations and without prejudice to Article 13, reduce the contribution pro rata the actual implementation of the Action on the terms laid down in this Agreement.

Article 18 - RECOVERY

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



Costs	All Years					Year 1				
	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)		
1. Human Resources										
1.1 Salaries (gross salaries including social security charges and other related costs, local staff ⁴)										
1.1.1 Technical										
1.1.1.1 National IBM Expert (3 persons)	Per month	108.00	2,023.43	218,530.80	Per month	36.00	2,023.43	72,843.60		
1.1.1.2 National Legal Expert	Per month	36.00	1,596.30	57,466.68	Per month	12.00	1,596.30	19,155.60		
1.1.1.3 Law Enforcement Coordinator	Per month	36.00	1,457.42	52,467.12	Per month	12.00	1,457.42	17,489.04		
1.1.1.4 Part-Time Infrastructure Engineer	Per month	10.00	1,000.00	10,000.00	Per month	10.00	1,000.00	10,000.00		
1.1.2 Administrative support staff										
1.1.2.1 Country Manager	Per month	72.00	2,169.00	156,168.00	Per month	24.00	2,169.00	52,056.00		
1.1.2.2 Supporting Staff (ICMPD) - Project assistant	Per month	7.00	4,602.29	32,216.03	Per month	3.00	4,602.29	13,806.87		
1.1.2.3 Admin/Finance Assistant	Per month	72.00	1,502.50	108,180.00	Per month	24.00	1,502.50	36,060.00		
1.1.2.4 Driver	Per month	72.00	767.50	55,260.00	Per month	24.00	767.50	18,420.00		
1.1.2.5 Cleaner	Per month	72.00	160.00	11,520.00	Per month	24.00	160.00	3,840.00		
1.1.2.6 UNDP Georgia Programme officer	Per month	3.60	4,370.00	15,732.00	Per month	1.20	4,370.00	5,244.00		
1.1.2.7 UNDP Georgia Programme associate	Per month	3.60	2,686.00	9,669.60	Per month	1.20	2,686.00	3,223.20		
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)										
1.2.1 Salary International Experts	Per Day/Per Exp/Per	388.00	500.00	194,100.00	Per Day/Per Exp/Per	136.00	500.00	68,000.00		
1.3 Per diems for missions/travel										
1.3.1 Abroad (staff assigned to the Action)	Per diem				Per diem					
1.3.2 Local (staff assigned to the Action)	Per diem	120.00	112.00	13,440.00	Per diem	40.00	112.00	4,480.00		
1.3.3 Seminar/conference/study tour participants	Per diem				Per diem					
1.3.3.1 Per Diem, Workshop Participants	Per diem	1,161.00	150.00	174,150.00	Per diem	406.00	150.00	60,900.00		
1.3.3.2 Per Diem, Study Tour Participants	Per diem	192.00	290.00	55,680.00	Per diem	96.00	290.00	27,840.00		
1.3.3.3 Per Diem for International Experts and ICMPD in Georgia and Azerbaijan	Per diem	364.00	170.00	61,880.00	Per diem	128.00	170.00	21,760.00		
Subtotal Human Resources				1,226,360.35				435,118.31		
2. Travel										
2.1 International travel for international experts and ICMPD	Per flight	80.00	650.00	52,000.00	Per flight	28.00	650.00	18,200.00		
2.2 International travel for Study Tour and Workshop Participants	Per flight	158.00	475.00	75,050.00	Per event	58.00	475.00	27,550.00		
2.3 Local transportation	Per event	18.00	400.00	7,200.00	Per event	6.00	400.00	2,400.00		
Subtotal Travel				134,250.00				48,150.00		
3. Equipment and supplies⁷										
3.1 Purchase or rent of vehicles	Per vehicle	2.00	27,500.00	55,000.00	Per vehicle	2.00	27,500.00	55,000.00		
3.2 Furniture, computer equipment		2.00	6,615.00	13,230.00	Lump-sum	1.60	6,615.00	10,584.00		
3.3 Machines, tools...										
3.4 Spare parts/equipment for machines, tools										
3.5 Border Surveillance equipment for green border sectors in Georgia and Azerbaijan		1	2,400,000.00	2,400,000.00		0.15	2,400,000.00	360,000.00		
Subtotal Equipment and supplies				2,468,230.00				455,584.00		
4. Local office										
4.1 Vehicle costs for two offices	Per month	72.00	575.00	41,400.00	Per month	24	575.00	13,800.00		
4.2 Office rent for two offices	Per month	72.00	729.80	52,545.60	Per month	24	729.80	17,515.20		
4.3 Consumables - office supplies for two offices	Per month	72.00	560.00	40,320.00	Per month	24	560.00	13,440.00		
4.4 Other services (telex, electricity/heating, maintenance) for two offices	Per month	72.00	570.00	41,040.00	Per month	24	570.00	13,680.00		
Subtotal Local office				175,305.60				58,435.20		
5. Other costs, services⁸										
5.1 Publications ⁸	Per year	6.00	2,700.00	16,200.00	Per year	2.00	2,700.00	5,400.00		
5.2 Studies, research ⁹										



5.3 Expenditure verification										
5.4 Evaluation costs										
5.5 Translation, interpreters	Per year	6.00	5,000.00				Per year	2.00	5,000.00	10,000.00
5.6 Financial services (bank guarantee costs etc.)										
5.7 Costs of conferences/seminars ⁹	Per event	50.00	3,500.00				Per event	17	3,500.00	59,500.00
5.8 Visibility actions ¹⁰	Per action	2.00	15,000.00				Per action	0.8	15,000	12,000.00
Subtotal Other costs - services										86,900.00
6. Other										
6.1. Modernization of infrastructure at Border sectors	Per activity	2.00	377,000.00				Per activity	2	377,000.00	754,000.00
Subtotal Other										754,000.00
7. Subtotal direct eligible costs of the Action (1-6)										1,808,187.51
8. Proportion of costs to be borne by the beneficiary (maximum 3% of 7, subtotal of 7)										
9. Total direct eligible costs of the Action (7+8)										5,009,345.95
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)										350,654
11. Total eligible costs (9+10)										5,360,000
12. Taxes ¹¹										
13. Total accepted¹¹ costs of the Action (11+12)										1,934,761

1. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and the unit value must be specified for each item depending on the indications provided.

2. This section must be completed if the Action is to be implemented over more than one reporting period (usually 12 months).

3. If the Contracting Authority is not the European Commission, the budget may be established in euro or in the currency of the country of the Contracting Authority. Costs and unit values are rounded to the nearest euro cent.

4. If staff are not working full time on the Action, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit value).

5. Indicate the country where the per diems are incurred and the applicable rates (in any case the final eligible cost may not exceed the scales published by the E.C. at the time of such mission). If information is not available, enter a global amount. Per diems cover accommodation, meals and local travel within the place of the mission and sundry expenses.

Per diems are not considered a simplified cost option for the purposes of Union financing when the Grant Beneficiary reimburses a fixed amount to its staff according to its staff rules and asks for the reimbursement of that same amount in the action budget. That is an actual cost. Otherwise, if the Beneficiary proposes a reimbursement on the basis of simplified costs option (for instance a "unit cost"), it must specify "UNIT COST per diem" in the "unit value" column.

6. Costs for CO2 offsetting of air travel may be included. CO2 offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure and the destination. If information is not available, enter a global amount.

7. Please separate cost for purchase or rental.

8. Specify the typology of costs or services. Global amounts will not be accepted.

9. Only indicate here when fully subcontracted.

10. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation.

11. Only to be filled in when provided for in the Call for Proposal (i.e. taxes are not eligible and the beneficiary(ies) can show they cannot reclaim them). Please see glossary of terms (Annex A 1) of the Practical Guide to contract procedures for EU external actions for the definition of taxes. Please note that direct taxes are not included (such as taxes on salary of staff working for the action which are part of the gross salary). Note: Where the Call for Proposal does not exclude the coverage of taxes and the beneficiary can show it cannot reclaim, taxes will be eligible and should be included in each relevant heading. Taxes that can be reclaimed are not considered as eligible nor accepted costs.

12. Only to be filled in when contributions in kind as may be accepted as co-financing. The amount indicated must be identical to the one indicated in worksheet 3 "expected sources of funding"



13. Use "UNIT COST per flight/month/kit etc..." or "LUMPSUM" or "FLAT RATE" in case of simplified cost options. Use different lines for each type of simplified cost options and per beneficiary. In worksheet 2, the methods used to determine and calculate them must be clearly described and substantiated and the Beneficiary proposing and using them must be univocally identified. (for more guidance see Annex K - Guidelines-Checklist for simplified cost options).

NB: The Beneficiary(ies) alone are responsible for the correctness of the financial information provided in these tables.



3. Expected sources of funding & summary of estimated costs¹

		Amount	Percentage
		EUR	%
Expected Contributions			
EU/EDF contribution sought in this application (A)		4,500,000	
Other contributions (Applicant, other Donors etc)			
<i>Name</i>	<i>Conditions</i>		
Government of Georgia		430,000	
Government of Azerbaijan		430,000	
Revenue from the Action			
To be inserted if applicable and allowed by the guidelines: In-kind contributions ⁵			
Expected TOTAL CONTRIBUTIONS		5,360,000	
Estimated Costs			
Estimated TOTAL ELIGIBLE COSTS ² (B)		5,360,000	
EU/EDF contribution expressed as a percentage of total eligible costs ⁴ (A/B x 100)			83,9%
In case of non eligibility of taxes and the Beneficiary(ies) or its affiliated entity(ies) cannot reclaim them:			
Estimated TOTAL ACCEPTED COSTS ³ (C)			
EU/EDF contribution expressed as a percentage of total accepted costs ⁴ (A/C x 100)			

1. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form (part 6 of the full application form)
2. as per heading 11 of the Budget of the Action
3. as per heading 13 of the Budget of the Action
4. do not round, enter percentage with 2 decimals (e.g. 74,38%)
5. as per heading 12 of the Budget of the Action



ANNEX V

Request for payment for contribution agreement with an international organisation

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

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Agreement>¹

Reference number of the Agreement: ...

Title of the Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of prefinancing/interim payment/balance² under the Agreement mentioned above.

The amount requested is [as indicated in Article 4(2) of the Special Conditions of the Agreement/the following: ...]³

Please find attached the following supporting documents:

- narrative and financial progress report (for prefinancing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

The payment should be made to the following bank account:...⁵

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

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

Yours faithfully,

<signature>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Agreement.

² Delete the options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the identification form annexed to the Agreement. In the event of change of bank account, please complete and attach a new identification form as per model.

n.g.





FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/execution/ftiers_fr.htm

ACCOUNT NAME

ACCOUNT NAME(1) UNITED NATIONS DEVELOPMENT PROGRAMME

ADDRESS ONE UNITED NATIONS PLAZA

TOWN/CITY NEW YORK POSTCODE NY 10017

COUNTRY UNITED STATES

CONTACT Ms. Julie Anne Mejia, Treasurer

TELEPHONE +1-212-906-5690 FAX +1-212-906-5645

E - MAIL julie.anne.mejia@undp.org

BANK

BANK NAME ING Belgium SA/NV

BRANCH ADDRESS 60 COURS ST MICHEL

TOWN/CITY BRUSSELS POSTCODE 1040

COUNTRY BELGIUM

ACCOUNT NUMBER 301-0186139-77

IBAN(2) BE80301018613977

REMARKS:

Empty box for remarks.

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE

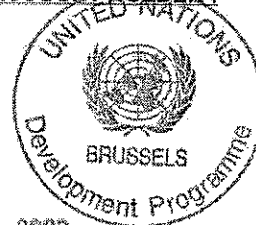
(Both Obligatory)(3)

Antoinette D'YVE
Relationship Manager
Institutionals

ING Belgium SA/NV
avenue Marnixlaan, 24
1000 BRUSSELS
Phone 02/547.21.11

DATE + SIGNATURE ACCOUNT HOLDER :

(Obligatory)



DATE

1 FEB. 2009

- (1) The name or title under which the account has been opened and not the name of the authorized agent
- (2) If the IBAN Code (International Bank account number) is applied in the country where your bank is situated
- (3) It is preferable to attach a copy of recent bank statement, in which event the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.

n-g

