

EUROPEAN UNION CONTRIBUTION AGREEMENT WITH AN INTERNATIONAL ORGANISATION

FED/2013/315-685

(the "Agreement")

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

of the one part,

and

The United Nations Development Programme (UNDP) with its Head office at One UN Plaza, New York, NY 10017, USA, represented for the purpose of this agreement by the Office of the Resident Representative, Level 7 Kadavu House, 414 Victoria Parade, Suva, Fiji (the "Organisation"); of the other part

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: **"Strengthening Civic Education and Dialogues to Support Transition to Democracy and the rule of Law in Fiji"** (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 the Financial and Administrative Framework Agreement (FAFA) between the Commission and the United Nations 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 33 months.
- 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 2,630,000, as set out in Annex III.
- 3(2) The Contracting Authority undertakes to finance a maximum of EUR 2,000,000 from the European Development Fund; 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) Interest yield by pre-financing payments is not due.

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:

Option 2

Option 2

First instalment	EUR 1,029,228
Second instalment	EUR 546,620
Third instalment	EUR 404,240
Forecast final payment	EUR 19,912

(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:

Delegation of the European Union

Level 4 FDB Building

360 Victoria Parade

Suva, Fiji

For the attention of the *Financial Section*

For the Organisation:

United Nations Development Programme (UNDP)

Level 7 Kadavu House, 414 Victoria Parade

Suva, Fiji

For the attention of the UNDP Resident Representative

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

For the Organisation

Name KNUT OSFEM
Position RESIDENT REP.
Signature [Signature]
Date 9/5/2013

For the Contracting Authority

Name ANDREW JACOBS
Position HEAD OF DELEGATION
Signature [Signature]
Date 080513

26

ANNEX I

Description of the Action

ANNEX I

PROJECT DESCRIPTION

1. RATIONALE

1.1. Summary

This Project builds on the success of phase 1 of the UNDP National Initiative for Civic Education (NICE) Project (2008-2011) jointly supported by the European Union and New Zealand Aid Programme. The "Supporting Civic Education and Dialogue in Fiji" (CivED) aims to empower citizens and civil society organizations, in Fiji, to contribute effectively to the Government's planned constitutional and electoral reforms in 2012-2014.

The Project aims at ensuring the maximum participation of all citizens in the electoral process, providing timely, accurate and relevant information in order for people to make informed decisions about the constitution and the voting system, enabling spaces for dialogue and strengthening relationships to ensure the constitutional review process and voting process is peaceful and inclusive.

1.2. Sector context

The Republic of Fiji has a strong record of political instability, undergoing four coups d'états in the last 20 years. The instability lies in competition over land and access to resources between Indigenous Fijians and Indo-Fijians of Indian origin. Inequalities and structural divisions in legislation and policies have encouraged ethnic polarisation and social and economic tensions: Indigenous Fijians feared losing their identity, political control and rights to community-owned land and Indo-Fijians, in turn, worried that they might be evicted from lands that they have farmed, as tenants, for generations. The Indo-Fijian community was a slight majority (around 52%) until the first coup 1987, but mainly due to emigration, currently only represents about 38% of the population. Additional factors impacting on conflict dynamics in Fiji include the legacy of a "coup culture", legitimising the use of force as conflict resolution; the rural to urban and peri-urban migration with an increased number of squatter settlements and high unemployment; and increasing poverty in rural areas impacting all communities, independently of ethnicity¹.

While previous military coups occurred in pursuit of indigenous rights, the 2006 coup embraced a good governance agenda, calling for the ending of ethnic divisions. It resulted in a National Council for Building a Better Fiji, which was set to design the "People's Charter for Change, Peace and Progress". However, in 2009, the Government cancelled planned elections, abrogated the Constitution and issued a Public Emergency Regulation (PER), severely restricting basic human rights. The PER was lifted in 2011 and replaced by the Public Order Amendment (POR) Decree which, although containing similarly restrictive measures, has been only partially enforced².

The "Strategic Framework for Change" announced by the interim Government after the abrogation of the Constitution in 2009, set out a roadmap which envisaged a new Constitution

¹ Narsey, W.L. "Poverty in Fiji. Changes 2002-3 to 2008-09 and policy implications", Fiji Bureau of Statistics Suva May 2012

² and in some cases waived in the context of the consultations undertaken in the ongoing constitutional reform.

and elections by September 2014. A timeline was announced in March 2012 anticipating (i) civic education in May-June 2012, (ii) consultations with citizens in July-October 2012 and the preparation of the Constitution at the end of 2012 by a Constitutional Commission; (iii) the review and adoption of a final draft text by a Constituent Assembly (January-March 2013); (iv) assent to the new Constitution by the President of Fiji (March/April 2013); (v) paving the way for the adoption of a new electoral law, and for parliamentary elections no later than September 2014. The timeline has been maintained and with the support of donors, the constitutional review process is on-going. In addition, in July 2012, Government also embarked on a national wide electronic voter-registration exercise.

The consultation process for the purpose of the new Constitution started in June 2012, by the Constitutional Commission led by Prof Yash Gaj, a prominent constitution scholar.

Participation in consultation meetings was important and a draft Constitution document submitted to the President of Fiji at the end of December 2012. However, the draft has been rejected by the interim Government. Allegedly the document was perceived as giving considerable power to unelected structures such as the Great Council of Chiefs, the National People's Assembly and the National Consultative Land Forum. The interim Government has therefore embarked in the preparation of a new draft to be delivered to the Constituent Assembly, after its expected nomination in mid February. In March 2013, the interim Government has made public the revised draft and decided to not create a Constituent Assembly but allowed for public scrutiny within a tight timeline. The new Constitution is expected in April 2013, as planned. In the meantime, a Decree on Political Parties adopted in January 2014 further constrains the political space in Fiji by imposing re-registration of political parties within a limited time-frame, by requiring a relatively high number of members (5,000) spread proportionally across the four divisions of the country and by forbidding trade unions officials to be party officials.

Those developments, together with the immunity provisions demanded by the Government for those involved in the 2006 coup and the continuing restrictive atmosphere for independent media reporting are serious concerns to large part of civil society and the international community.

Nonetheless, the preparation of the election is continuing and the interim Government has formally requested assistance to the international community. There are widespread rumours about the timeline for election being anticipated, possibly as early as end of 2013.

Up to now, the Government has shown little capacity and interest to implement the civic education component of the constitutional agenda and has not been supportive of international community efforts to setting up a second phase of the national civic education initiative (EU funded NICE programme, in place from 2008 to 2011). On the other hand Government has left open to civil society organisations to organise initial activities around civic education country-wide, with the support of international partners, and facilitated their work by lifting the permit requirement for holding public meetings.

The constitutional and electoral reform process presents a number of opportunities and challenges for transition to democracy in a context where, historically, the past four coups reflect the failure of reaching consensus among Fijian population on governance.

In respect of the opportunities, the space has now been opened up to discuss a number of key issues closely related to democracy, rights and the rule of law. Some of these issues remain highly controversial with views differing on a number of points among and between some sectors of the Fiji population. Despite initial scepticism and decisions not to engage in the

process, most communities and organizations have decided to see this as an opportunity to make their voices heard. Leaders and facilitators from a wide range of organizations are organizing discussions in most geographical areas of Fiji and are encouraging members to make submissions to the Constitution Commission. Some of the larger and more rights-based non-governmental organizations have developed extensive programmes around awareness about the constitution, women's participation in politics, inclusion of diversity etc. and the outreach base of a number of these organization's has been extended. The partnership and convening ability of many of these organizations has also increased during this process. This is a good sign for establishing a sustained and longer term national capacity for civic education and rights awareness among civil society across a wide and geographically diverse cross section of the community.

The challenges relate to the legitimacy of the process itself and to the way that the controversial issues are being raised, discussed or dealt with. For the process, it seems that the Constitution Commission and its process for receiving submissions have been mostly accepted as legitimate by the people of Fiji. Yet, once the Commissioners have drafted the Constitution, the next milestone is whether the people of Fiji will accept that the Constitutional Assembly is representative of the people of Fiji and the Constitution is an acceptable document. Similar legitimacy issue surround the future electoral process and the outcome of the expected September 2014 election. Regarding controversial issues, a range of differing opinions has already emerged during the Constitution review process and are likely to intensify as elections draws near. Examples of these issues include the secular state, common citizenry, land ownership, the role of the military, recognition of some minority rights etc. Even if some of the issues are "laid to rest" in the constitution itself, they will continue to be points of divergence and are susceptible to being used by political leaders to fuel existing social and ethnic division.

Against this background, it is critical that accurate and unbiased information about all aspects on the road to democracy, including the transition, the constitution, the new electoral system, be easily accessible and widely available (civic education). In addition to having the correct understanding of what the different terminology means and how different aspects of a democratic system may be implemented, people must be given sufficient opportunities to safely and peacefully discuss/debate controversial issues in ways that bridge divisions rather than deepen them (dialogue spaces). Dialogue spaces do not only provide opportunities for different stakeholders with divergent views to openly discuss issues, they also serve to build new relationships of trust. These new relationships of trust can move constituencies toward each other without resorting to violence and/or further division.

Developing synergies between the civic education efforts and the dialogue spaces established will contribute to deepen and widen the impact on Fijian population and will contribute to a successful transition to democracy and the rule of law in Fiji

1.3 Lessons learnt

The Action is built on the previous EU and NZAID funded National Civic Education (NICE) program implemented by UNDP from 2008 to 2011 and on the ongoing EU-EIDHR country based support scheme, with grants focusing on democracy, multiculturalism and conflict resolution. The NICE program developed a civic education curriculum which was disseminated through institutional partnerships with eight local CSOs along with training of Civic Education Facilitators and community leaders. Key lessons learnt include the need for (i) greater participation of CSOs (and building trust between CSOs and promoting CSOs working in partnership), (ii) specifically target youth in civic education initiatives;(iii) longer timeframes

for development of teaching materials, (iv) the importance of the use of vernacular languages, (v) a greater attention to be paid to mapping outreach and field activities to preclude duplication and (iv) supporting civil society in delivering and monitoring their activities. In addition, efforts are also needed for civic education programmes to retain their relevance in an evolving political context without compromising good governance orientations and to transcend political differences.

The Action also build on two key UNDP programs, the roundtables processes organised by the "*Strengthening Peace and Development Dialogue in Fiji*" project and the CPAD³ regional project supporting conflict prevention activities and dialogue in the Pacific, notably though the creation of an online community of practice and the award of grants to civil society organisations. Lessons learnt from these two projects highlights: (i) the successful role of UNDP as facilitators and impartial negotiator building trust during formal and informal dialogue processes at higher and lower levels in society (i) the importance of maintaining safe space for dialogue at different levels, (ii) conduct careful political analysis (ii) building trust as a first priority before the start of the dialogue program; (iv) the importance of side or bi-lateral meetings before formal meeting or roundtable take place; (v) the need for linking dialogue to specific issues or objectives to be reached after dialogue processes have run their course.

1.4 Complementary actions

EU bilateral support to Fiji was suspended in October 2007, in line with Article 96 of the EU-ACP Partnership Agreement (Cotonou). Since then the EU has continued to provide support to CSOs working on human rights under the EIDHR and on social mitigation and agricultural diversification program in the sugar belt area. Within a constrained framework for action due to the limitation of CSOs active in the field of democracy, the EIDHR allocation (€ 3.1M between 2008 and 2012) has supported dialogue on democratic values and rule of law and actions on the rights of women, youth and vulnerable or marginalised groups. The Action represents a component of the overall EU assistance to the return to democracy in Fiji and is complementary to the Instrument for Stability funded component (approximately € 1.7M), focusing on direct support to the constitutional review process, by supporting the works of the constitutional commission and constitutional assembly. Further technical assistance to the election process and election monitoring may be developed in 2013.

1.5 Donor coordination update

There is regular coordination among a limited number of donors interested in supporting the transition to democracy (EU, NZ aid, Aus Aid, UK, UNDP etc.). Donors are currently engaged in securing funds to the work of the Constitutional Commission and Constitutional Assembly. AusAID has committed €0.49M while USAID provided €0.19M through the American Bar Association. The UK has pledged €62,000. New Zealand Aid foresees a contribution of close to €0.4M. AusAid and NZAID are also supporting the ongoing electronic voting registration exercise. AusAID has provided €0.48M to the UNDP CPAD programme for civic education and along with USAID have established a fast track starter pack running until end of 2012; providing small scale grants to CSOs. UNDP through its global partnership has secured funds €0.5M for roundtable dialogue until end of 2012.

2. OBJECTIVIES, RESULTS, ACTIVITIES

³ "Strenghtening Capacities for Peace and Development in the Pacific"

2.1 Objectives

The *overall objective* is to contribute to transition to democracy and the rule of law in Fiji. The *project purpose* is to encourage the active and peaceful participation of Fiji's citizens in the constitutional and electoral processes, while respecting the rule of law, human rights and accepting the outcome of free and fair elections

The project includes the implementation of a number of interrelated activities that will reinforce and strengthen efforts to promote democracy, peace and stability in Fiji. The on-going dialogue process provides a platform for helping identify strategies for dealing with a wide range of critical and diverse issues that continue to be flagged in many of the submissions made to the Constitutional Commission. These strategies will help inform the approaches adopted in the design of the civic education materials and the multi-media campaigns developed under this project. It is also envisaged that the dialogue processes will help build the trust of the Government in the role and responsibility of civic educators to create a more aware and better informed voter population. A key element of this project is to build the capacity of civil society and those involved in civic education to encourage fair and accurate awareness raising, underscoring the importance of a rights-based approach to civic education in a fully functioning democracy. The neutral nature of the implementing partner (UNDP), with recognised experience in the field of civic education (NICE) and political dialogue in Fiji ("*Strengthening Peace and Development Dialogue in Fiji*"), to implement such initiative is of paramount importance to the success of the Action.

2.2. Expected results

The expected results are :

1. Fiji's citizens and CSOs are informed and increasingly engaged in public debate on relevant national and local issues which upholds core democratic principles and values
- 2: Dialogue spaces are in place during the election and post-election phase, for inclusive political dialogue on civic, economic development and social issues and relationship building between and amongst different constituencies

2.3 Activities

Activity 1: Support to non-state actors and CSOs to deliver high quality civic education processes

Given that the last election took place in 2006, the expertise and capacity of CSOs to monitor the exercise of political rights in the lead-up to, and of the election itself, remains limited. UNDP will work with and support non-state actors to improve the scale, reach and quality of their civic education work and of their independent monitoring. In addition, UNDP can build the capacity of CSOs, political parties, and possibly the Fiji human rights commission (depending on their mandate in the new constitution) in monitoring the exercise of political rights in the lead up to the elections, which may facilitate training for independent election monitoring. The overall modality is to work with different types of organizations in Fiji to ensure that materials are developed or revised, outreach activities take place and public awareness is heightened through multi-media campaigns. The manner in which this is done is through technical support and capacity building for non-state actors.

Particular attention will be paid to special interest groups who require a more tailored and specific civic education approach and/or groups that have fallen outside of the larger more traditional NGO's reach. While the focus of the capacity building for civic education outreach is on civil society, government ministries wherever relevant and possible will be included in the awareness raising, training and capacity building.

Grants may be awarded to a NGOs or NGO consortiums to do the common messaging and revisions and to develop additional civic education materials, including specific material on voter education.

Smaller grants may be disbursed to other NGOs who have specific messaging requirements. UNDP can support and assist with messaging and materials development, as well as the use of language and interpretation. Emphasis will also be given to innovative and participatory training and educative methods such as mock elections and so on

This activity will make use of the existing small grant facility set up at the UNDP Pacific Centre in Suva to manage grants for the CPAD project to support the first phase of the electoral process which is supporting the people's submissions to the Constitutional Commission.

Grants will support civil society organizations in developing their own strategies to civic education while UNDP will provide assistance and capacity development support while harmonizing and overseeing fairness of the messages and trainings and coverage.

Sub-activities include:

a. Mapping the civic education terrain: key issues for the initial phase is the mapping of key and potential organisations and their capacity, type of existing material developed, coverage of population and geographical area, issues to be prioritized, which groups have been targeted, existing experience and capacity with regards to monitoring, documentation and familiarity with electoral processes. Particular attention will be paid to special interest groups who require a more tailored and specific civic education approach and/or groups that have fallen outside of the larger more traditional NGO's reach. While the focus of the capacity building for civic education outreach is on civil society, government ministries wherever relevant and possible will be included in the awareness raising, training and capacity building.

From this mapping it should be possible to outline further activities based on what needs to be done in the areas of materials, outreach and messaging.

b. Civic Educational materials: Re-develop and/or review/ and/or translated. New material might also need to be developed around the new constitution and electoral system including available complaints mechanisms to respond to the need for voter education as a component of broader civic education. A link will be made to the EU funded programme expected to support the Constitutional Commission (and its successor) to promote awareness in relation to the new Constitution.

c. Increasing and improving outreach: Train/retrain civic educators; facilitate/support/organize workshops. This will include reaching groups outside of the urban centres, as well as special interest groups. Emphasis will also be given to innovative and participatory training and educative methods such as mock elections and so on

d. Methods for discussing difficult issues: work-shopped with different focus groups to develop a method for discussing these difficult issues

e. Public events: design and implement of public events to raise awareness (lecture series, public debates, school competitions etc.)

f. Multi-media outreach: design and implement public multi-media campaigns

g. Specialized mechanisms to be set up in the lead-up and following the elections: material and training for civil society organizations and political parties, where possible and relevant, on political rights and electoral process monitoring, including monitoring of complaints adjudications following the elections. There may be a need for mentoring and backstopping throughout the lead-up process and during the election.

UNDP support, beyond grant management will ensure transfer of skills related to civic education, to all grantees. This is often related to:

i. Training in skills required to run civic education programmers, including understanding the content and methods that work

After the mapping exercise has been done, gaps and areas for attention will become more apparent. This might relate to issues of understanding the content; how to link the content of rights awareness etc. to people's daily lives, skills in facilitating workshops, skills in handling difficult questions and better knowledge about the issues in the transition phase. These skills building workshops can take place at a sub-national level in the different provinces.

ii. Workshop and outreach design

The outreach of civic education should ideally cover the following demographics: *geographical reach*; *age* (youth; elderly; retired; public sector); *gender and sex* (women's groups, sexual minorities); *sector interest* (trade unions, cane growers, market vendors, professional associations, private sector, shoeshine "boys"); different faiths (Hindu, Muslim); and marginalized groups (urban poor; detainees; ex-convicts etc.). Smaller or special interest groups falling outside of the reach of the larger NGOs also need to be supported.

iii. Capacity-building on political rights and electoral monitoring before, during, and after the elections

Materials and training for CSOs and political parties on political rights monitoring in the lead-up to the elections might be a good opportunity to strengthen the monitoring of electoral processes during and immediately following the vote. UNDP has in-house experience on building capacity on rights-monitoring, including during elections, and will facilitate the provision of targeted capacity-building on monitoring of electoral processes.

iv. Materials development

Based on the mapping, it will become clear which additional materials needs to be developed, which materials need revision and which materials need to be translated or re-written for certain audiences (be it at the level at which the material is pitched e.g. grassroots level, or the needs of special interest groups, or around certain processes such as on voting, or the campaign period). NGOs or a consortium of NGOs may develop the base line educational outreach materials. UNDP can bring other global examples to spark

new interest, support different types of messaging at different levels and assist in making messages accessible.

v. Facilitation skills

Facilitation skills are very important in civic education work. The larger NGOs will most likely be training trainers to implement the civic education programmes, UNDP can assist in supporting these NGOs in their Training of Trainers and up skilling any of their methods where needed.

vi. Assistance to raise public profile and communication strategies

UNDP has a dedicated communications team that can assist any of the NGOs with communication's strategy, public outreach and campaigns where needed. It is likely that a few of the larger specialized NGOs will be active in public multi-media campaigns and UNDP can ensure that these include both mainstream and community based media outreach.

vii. Coaching and mentoring support

In addition to capacity building, through its network of CPAD and NICE members, UNDP can assist and support certain organizations on a one-to-one basis in their civic education work as requested. UNDP can further backstop and provide mentoring support to organizations engaged in political rights monitoring before, during, and after the elections.

viii. Where specifically relevant, support for organizational development and financial management

In the case of some of the NGOs who are looking to scale up their work through this project, UNDP can provide financial, management and organizational development support to strengthen the infra-structure of organizations.

Activity 2. Dialogue process and relationship building

UNDP will continue to facilitate the on-going high level dialogue and the exchange of views in order to continue the confidence and relationship building process around critical issues facing Fiji's transition to democracy. Some of these significant issues include, but are not limited to land, state and religion, national identity, the Military's role through the transition period, etc. The emphasis shall continue to be engaging in dialogue with high-level officials in a safe, neutral space to identify issues jointly and building trust and strategic relationship building based on developing a deep understanding of different points of view, in order to engage in joint problem solving and to bridge the gap between the State and Fiji's society key stakeholders who are perceived as strong critics and opponents of the present Government.

Main Sub- activities include:

a. Convening high level leadership roundtable dialogues: These dialogue processes (tentatively 14 roundtables) can be convened with key stakeholders from Government, Civil Society, political parties, prominent traditional leaders, etc. The gatherings might focus of continued relationship building as well as identifying strategies for dealing with critical issues such as land, state and religion, national identity, the Military's role through the transition period, etc.

b. Convening side discussions: These side discussions with subgroups from the roundtable processes can discuss actions possible on critical issues outlined in the roundtable meetings as well as determine other issues/sub-issues to discuss in the next roundtable meeting based on the evolving political context.

c. Implementing shuttle diplomacy: bilaterally addressing fears and concerns through shuttle diplomacy between individual stakeholders. This involves organizing informal conversations in small groups and undertaking explicit and implicit confidence building activities

d. Support to mid-level and grassroots dialogue processes: support to key CSOs working on democracy (i.e. Dialogue Fiji, CCF, Fiji Women Rights Movement and other CSOs) to engage in more mid-level and provincial dialogue processes and relationship building. This can be done through technical support in the form of workshop design, training facilitators, convening stakeholders.

e. Build capacity of political parties: As Fiji transitions to a democracy, political parties will be key to the institutionalization of a culture of peaceful elections and to support community efforts to rise above conflict and political violence. It is important to prevent political parties from forming wings that engage in political intimidation and electoral abuses. Thus, it might be possible and relevant to work with political parties and conduct awareness raising on non-violence and conflict management for party members at different levels to increase conflict sensitivity awareness and articulate the responsibilities of parties in bringing about peaceful elections and maintain the peace throughout the election cycle.

3. RISKS AND ASSUMPTIONS

The key assumption at present is that the **interim Government remains committed** to holding of elections in 2014 thus allowing for the implementation of the Action. Risks however exist: (i) Government could seek to influence the process through intensified restrictions on the basic freedoms necessary for an open and inclusive exercise (i.e. re-introduction of permit request for workshops and public meetings); (ii) Government raises objections to UNDP's role in providing a national civic education programme during Fiji's transition phase and decline to engage in dialogue process.

Another key risk for the Action is the **political tension during the transition period** stemming from the present government's lack of legitimacy; concerns regarding the independence of the judiciary; mistrust of the security forces; self-censorship of the media; lack of public political space for open debate; doubts regarding the legitimacy and credibility of the process as well as the "free and fair" character of the 2014 electoral process. The risk is for the political context to evolve in a manner that makes it impossible to create genuine safe spaces for dialogue and/or civic education, or makes it impossible to have genuine engagement from participants (e.g. limited government commitment to the process or limited willingness of NSA to engage constructively with the authorities).

A key mitigating measure will be the **continued strong coordination of international community** behind the initiative ultimately leading to the authorities and civil society partners to remain engage in the process. In addition, the implementation of the Action will follow a **flexible approach**, highly adaptable to changing context, and responding to the needs of the various target beneficiaries (e.g. voter population, NGO representative, political party leaders etc.).

The first 6 to 10 months of the Action will be key in factoring all evolutions of the overall context and various dynamics at play, notably through the mapping exercises, political analysis as well as regular monitoring activities built in the project. In that context a key mitigating factor will be the Action's collaboration with CSOs, whose past and current work in monitoring Government accountability and rule of law will continue to provide crucial information. Ultimately, the dialogue process and civic education efforts supported by the Action will act as mitigating factors and help guide the transition to a fruitful end.

4. CROSS-CUTTING ISSUES

In Fiji, customary governance systems continue to co-exist with modern Government systems. Some of the underlying values of customary systems are often viewed as inconsistent with human rights principles, norms and standards, in particular the lack of participation by women and youth in decision-making structures. The Action will, among others, focus on the needs of young people and women who remain culturally and politically marginalised in decision making processes and in general in debates related to nation-building. A particular emphasize will be put on women living in rural areas. In addition, it is expected that the voting age will be lowered from 21 to 18 years old for the next elections thus offering an opportunity for youth to become more active citizens.

5. STAKEHOLDERS

The target group for civic education on the constitutional reform process and the upcoming elections remains the **general population of Fiji** (estimated number of voters at 600,000 with youth aged 18-34 making up almost half of the electorate).

The final number of population registered in the initial electronic voter registration exercise is 484,843, with the largest numbers residing in the two largest main islands of the country. However electronic voters registration has been reopened in November 2012 and in reopen in successive periods until 2014, in order to allow for additional voters to get registered.

DIVISION	REGISTERED VOTERS
CENTRAL	195,868
EASTERN	22,379
WESTERN	185,930
NORTHERN	80,666
TOTAL	484,843*

*figures at 31/08/2012 final date of first electronic voter registration, data cleaning and breakdown per age not yet available.

The action will also have specific emphasis on:

- (i) young people, in particular those who will be voting for the first time in 2014,
- (ii) women, in particular in rural communities and

(iii) specific groups marginalised in political life such as rural Indo-Fijians; women and squatter communities; people with disabilities and (iv) the network of social and political actors in Fiji participating or willing to be engaged in peace dialogue processes.

UNDP is the implementing partner for the Action. It has been working with CSOs, key influential actors and Government since 2009 on establishing and strengthening strategic relationships among different groups in society. This has been done through the EU funded National Initiative for Civic Education (NICE), the CPAD project and the Roundtable on Peace and Development process. Beyond ensuring financial accountability of EU funds and sending a political message of donor alignment to the authorities, a Contribution Agreement with UNDP will guarantee the neutrality of the implementation vis-à-vis the authorities as well as the NSA, the development of unbiased messages and the harmonization of those messages across diverse and, at times, antagonistic NGOs in Fiji. It will also ensure transfer of skills related to civic education, voter education to all grantees, and will help develop synergies between the two main components of the Action (i.e. civic education and dialogue) thus strengthening the impact of both on the transition process. Training of NGOs in skills required to run civic education programmes, including on content (e.g. on civic and political rights, electoral monitoring), on communication methods, on outreach strategies, on materials development among others will be provided. In addition, UNDP will ensure coaching and mentoring of NGOs before, during and after the elections and, where relevant, support for organizational development and financial management.

Civil Society Organisations (CSOs) will be both a beneficiary of the Action and an instrument to achieve the objectives set out by the programme. NGOs have played a key role in the past years in civic education and strengthening awareness of people's in Fiji about civic and political rights. Mistrust and divisiveness⁴ between CSOs emerged after the 2006 coup and may be further exacerbated in the run up to the 2014 elections. However there has been recent progress and concrete examples of strategic relationships and promising partnerships across CSOs serving the purpose of preparing citizens for election have emerged in the past two years. In 2011, a joint civil society initiative, Dialogue Fiji, evolved with the support from the UNDP CPAD programme, building civil society skills in peace building, conflict resolution and reconciliation. This initiative has helped built trust by uncovering divergent and shared perspective on the multiple effects of political instability, healing and mending relationship across and within CSOs⁵. Four key women organisations have convened a National Women Forum in the first semester of 2012 to agree on women's organisations position and active actions in support of the electoral process.

During the project implementation period, UNDP will partner with prominent CSOs that are active in the democracy and rule of law field. Funding to CSOs will be provided through a competitive process. However, it is expected that some of the key and larger human rights and pro-democracy organisations (i.e. Fiji Women Rights Movement, Citizens Constitutional Forum, Fem'link, ECREA etc) may qualify for larger grants focusing on developing of educational and awareness messages, capacity development of other CSOs, media campaigns.

Other organisations with a limited or more specific geographical or sectoral focus will be recipient of small to medium grants promoting civic education activities in their own areas or sector. These are, among others, community based organisations, women' community networks, Fiji Employers Federation, Fiji Chambers of Commerce, Christian, Muslim and Hindu faith-based organisations, professional bodies such as the sugar famers, teachers, health staff, youth networks, private sector representatives, trade unions and Political Parties). The involvement of such a variety of non-state

⁴ Some CSOS have welcomed the People's Charter process formulated by the Government process with the hope to influence the design of an improved democratic system, other have remained outside the process or withdrawn subsequently.

⁵P. Baleinakorodawa, R. Spence, M. O'Loughlin. "Civic education partnerships: civil society organisations, donors and the state in Fiji". *International Education Journal: Comparative Perspectives*, 2012, 10(2) 127-139.

actors groups will help maximise the outreach of civic education activities to those groups of population that might have a specific needs or that are living in remote areas.

Beyond the CSOs world, participants in the Dialogue process will be clear stakeholders in this process. They will be key actors in the relationship building process being put in place in the coming years and will support, at their respective level, the messages developed by Civil Society organisation throughout the transition process. As election draws nearer, political parties members will be key to the institutionalization of a culture of peaceful elections and to support community efforts to rise above conflict and political violence. An active engagement on cross cutting apolitical themes will be critical to help to prevent a radicalisation of the parties and the formation of wings that engage in political intimidation and electoral abuses.

Finally, although **Government of Fiji** has so far not been proactive on civic education, it is expected that the role of State machineries becomes more and more important along the process. As

a result, government officials, at different level and in different institutions, will be associated to ensure that civic education and voter education messages are disseminated also in public administration across the country.

6. LOCATION AND DURATION

The location is Fiji.

The operational implementation period of the programme is 33 months.

An indicative timetable of the activities is provided in annex.

7. IMPLEMENTATION

7.1 Organisational set-up and responsibilities

The EU contribution will be awarded to UNDP through a standard contribution agreement (under the joint management modality). UNDP will set up a grant facility scheme providing grants to civil society organisations to implement sub-activities of the program. Service and procurement contracts will also be signed to provide capacity building and support to project activities.

The project will be implemented in line with applicable programme and operations policies and procedures adopted of UNDP and in accordance with the Financial and Administrative Framework Agreement concluded between the European Union and the United Nations, as laid down in Article 1(2) of the Special Conditions.

A steering committee shall be set up and function as an overall management structure for the project and to oversee transparency, accountability and efficiency of the project operations as well as assess opportunities, risks and political challenges and link the project to other relevant Government and development partners initiatives.

The project steering committee shall be made up of:

- the UN Resident coordinator,
- a representative of the EU
- the Manager of the UNDP Pacific Centre,

- the Deputy Resident Representative of the UNDP Fiji Multi-country office
- the Head of the UNDP Joint Operations Centers
- other multi-lateral or bi-lateral partners

The steering committee will receive six monthly reports, and more often if so deemed necessary, from the Crisis Prevention and Recovery Team Leader at the UNDP Pacific Centre, on the civic education component, and from the UNDP Fiji Multi-country Office, on the dialogue component of the project.

7.2 Reporting

The reporting will be carried out pursuant to the rules and procedures set out in the special and general conditions of this Standard Contribution Agreement. Additional guidance on the contractual requirements is available in the Joint EC-UN Guidelines on Reporting⁶.

8. BUDGET

The total project cost is estimated at €2.63M, of which €2M are financed from the 10th EDF B envelope in the framework of the revised ACP-EU Partnership Agreement. An indicative detailed budget is provided in Annex 3 to the present Contribution Agreement

9. MONITORING AND EVALUATION

9.1. Monitoring

Best practices in monitoring peace building and electoral processes will be considered when setting up the monitoring framework, including an initial mapping and political economy analysis of stakeholders, so to address challenging and constraints as well as mid-term and final evaluations. Indicators includes at least 50% of the voter population reached and 14 roundtable processes organised; enhanced active and responsible citizenship and dialogue process at community level will be monitored through the quality and type of topics in public debate and the number of youth and women in electoral list.

The European Union may carry out Results Oriented Monitoring (ROM) via independent consultants, starting from the sixth month of project activities, which will be finalised at the latest 6 months before the end of the operational implementation phase. In this respect, Commission services shall ensure that advance notice of intended evaluations and monitoring exercises is communicated to international organisations as soon as this is available. The mission will offer to make a draft of its report available to the Organisation's management for comments prior to final issuance.

9.2 Evaluation

⁶http://ec.europa.eu/europeaid/work/procedures/financing/international_organisations/other_documents_related_united_nations/index_en.htm

UNDP will carry out external evaluations, via independent consultants, as follows:

- (i) possibly, a mid-term evaluation mission (upon agreement taken by the Steering Committee or request from the European Union);
- (ii) a final evaluation, at the beginning of the closing phase;

Should a mid-term evaluation be carried out, the project steering committee shall analyse the conclusions and recommendations of the mid-term evaluation and decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The evaluation will be carried out in line with provisions of Art. 8 of the General Conditions, Annex 2 to the present Contribution Agreement

10. COMMUNICATION AND VISIBILITY

Communication and visibility will be ensured in line with Joint visibility guidelines for EC-UN Actions in the Field⁷ through the extensive promotion of education, awareness and research material, media campaigns and organisation of events funded by the project. Where visibility guidelines will be politically unwise to follow, due to the sensitive nature of some of the activities supported (e.g dialogue component), the visibility approach of the EU funded initiatives will be decided through consultation with the EU Head of Delegation.

Any visibility and communication activities will take into account the multi-donor nature of this initiative and equal treatment of all donors shall be assured. This principle will be reflected in the Visibility & Communication Plan to be developed at the onset of the project's implementation.

11. PRE-CONDITIONS

The main pre-condition is the continuation of the constitutional and electoral process as announced by Government.

⁷http://ec.europa.eu/europeaid/work/procedures/financing/international_organisations/other_documents_related_United_nations/document/joint_visibility_guidelines.pdf

APPENDICES

Appendix 1 – Tentative Logical Framework
 Appendix 2 – Indicative operational timetable
 Appendix 1 – Logical Framework

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	To contribute to transition to democracy and the rule of law in Fiji	Peaceful election in 2014	Election monitoring reports/studies	
Specific objective	To encourage the active and peaceful participation of Fiji's citizens in the constitutional and electoral processes, while respecting the rule of law, human rights and accepting the outcome of free and fair elections	At least 50% of estimated voter population reached through multimedia campaign and/or workshop Extent of active citizenship actions/participation Level of observance at all levels in society of democratic values	Quantitative and qualitative reports and analysis, (breakdown edby gender, location, ethnic group)produced by CSOs , UN and independent consultants Reports / complaints to election office on electoral monitoring by CSOs or population Topics discussed/raised in media	Pre condition: Government's commitment to carry out election in 2014
Expected results	1. Fiji's citizens and CSOs are informed and increasingly engaged in public debate	At least 20 civil society organisations and their community based networks receive grants for civic education activities	<i>NB: baseline will be defined by the initial mapping, indicators might be revised following mapping</i>	Risks: political tension during the transition period; continued support from the international community

	<p><i>2. Dialogue spaces are in place during the election and post-election phase</i></p>	<p>At least 400 key stakeholders trained as facilitators at community level and involved in dialogue activities</p> <p>At least 14 round table organised</p>	<p>Mapping study, Progress report, M&E, impact survey reports</p>	
<p>Activities</p>	<p><i>Activity 1. Support to non-state actors and CSOs to deliver high quality civic education activities.</i></p> <p><i>Activity 2. Dialogue process and relationship building</i></p>	<p>Means: Grants to CSOS</p> <p>Technical advisors and support Organisations of meetings, dialogue, side events</p>	<p>Project reports, mapping studies, surveys carried out by CSOs, documentation material,</p>	<p>fair mechanisms to facilitate CSOs engagement in accessing grants</p>

28

Appendix 2 – Indicative Timetable

Activity	Year 1 - 2013				Year 2 - 2014				Year 3 - 2015				Years 5+6	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Result 1														
Civic and Voter education														
Mapping														
Civic education messaging & materials development by CSOs														
Coordination workshops														
Community outreach by CSOs														
Capacity building w/sshops														
Public events & exchange visits														
Multi-media campaigns														
Set up and carry out of M&E framework														
Monitoring visits/ coaching & mentoring														
Result 2														
Roundtable and dialogue processes														
Side meetings & organisation of roundtable dialogue events														
Support to grassroots dialogue processes														
Audit														
Evaluation														
Closure phase														

28

Key Result One: Fiji's citizens and CSOs are informed and increasingly engaged in public debate on relevant national and local issues which upholds core and democratic principles and values		Activity 1: Support to non-state actors and CSOs to deliver high quality civic education processes		PLANNED ACTIVITIES				TIME FRAME					
				Q1	Q2	Q3	Q4	Y1	Y2	Y3	Y4		
INDICATORS ✓ Accurate map of CivEd and political terrain completed identifying gaps, opportunities and challenges ✓ Baseline for project developed ✓ Key messages and approaches developed to guide CivEd work ✓ Key relationships established with relevant stakeholders ✓ Increase in # of CSOs networking with one another ✓ At least 60 CSOs mobilized to engage in civic education/engagement initiatives ✓ At least 4000 citizens involved in civic edu/engagement initiatives ✓ Increase in # of full time and part-time/volunteers secured for civ. ed/engagement related initiatives ✓ Increase in # of CSOs engaging and participating in civic engagement and dialogue ✓ # of people participating in trainings ✓ # of replications of training conducted by CSOs ✓ Trainings include at least 45% women ✓ Increase in % of beneficiaries	PLANNED ACTIVITIES												
	<i>Activity 1.1: Mapping of the Civic education terrain completed</i>												
		a.	Design mapping methodology	X	X								
		b.	Collect data and materials on civic education from Fijian CSOs and government	X	X								
		c.	Meetings & interviews with stakeholders involved in civic education to map out CivEd actors, activities, methodologies, materials, topics, etc.	X	X								
		d.	Analyze data and finalize report on mapping exercise. Apply recommendations to project design & implementation, messaging and capacity-building		X								
		e.	Develop common messaging around key principles, approaches and messages in partnership with stakeholders		X								
		f.	Baseline for M&E framework established		X								
	<i>Activity 1.2: Approve and disburse funds to CSOs</i>												
		a.	Criteria for selection, reporting requirements, and Request for Proposals, developed & published		X								
		b.	Disburse funding to selected orgs			X							X
		c.	Organize/support/ host Public Events			X							X
		d.	Communication strategy developed to ensure wide and ongoing media coverage of CSO initiatives			X							X
		e.	Develop and utilize e-mail, websites and social networking tools (facebook) to aid communication with CSOs and share information with network			X							X
	<i>Activity 1.3: Appropriate capacities developed and training delivered to targeted audiences</i>												
		a.	Develop capacity-building strategy based on mapping and needs assessment		X								
		b.	Design and conduct 8 capacity building events for CSOs & other stakeholders		X								X

<ul style="list-style-type: none"> ✓ targeted from marginalized groups ✓ Increase in # of CSO activities reported in media ✓ # of Ministries and local governments that demonstrate willingness to accommodate public priorities 	<p>c. Develop and deliver 2 trainings to media based organizations based on mapping and needs assessment survey</p>	x	x	x	
<p>INDICATORS</p>	<p>PLANNED ACTIVITIES</p>	<p>TIME FRAME Y1</p>			
		Q1	Q2	Q3	Q4
<p>Performance Indicator</p>	<p><i>Activity Results 2.1: High level leadership Dialogue on relationship building and strategic mapping conducted</i></p>				
<ul style="list-style-type: none"> ✓ Number of Roundtable dialogue on peace and development with participation of key actors 	<p>a. Mapping of stakeholders including key actors to be involved in the dialogue and political process (national healing)</p>	X			
<ul style="list-style-type: none"> ✓ Number of dialogic events between Government and CSOs on key issues relating to Fiji's economic development, political transition and the need for a national healing process. 	<p>b. Design and convene 3 roundtable dialogue process.</p>	X		X	
<ul style="list-style-type: none"> ✓ Number of informal conversations across the divide as a result of the Roundtable and other dialogue initiatives 	<p><i>Activity Results 2.2: Capacity of CSO to engage in mid-level and grassroots dialogue process developed</i></p>				
<ul style="list-style-type: none"> ✓ Increased trust and confidence between Government and CSOs and private sector 	<p>a. Conduct 5 training and experience sharing workshop with CSOs and private sector on peace, dialogue and relationship building</p>		X	X	
<ul style="list-style-type: none"> ✓ At least 50% of women participate in all trainings and experience sharing exercise conducted 	<p>b. Develop and public dialogue tools and manuals for dialogue facilitators</p>		X	X	
<ul style="list-style-type: none"> ✓ Increased confidence and trust amongst government, civil society, private sector, religious leaders and other stakeholders leading to 	<p>c. Organize specialized trainings to develop a core group of certified dialogue facilitators from selected CSOs</p>		X	X	
<p>Outcome Indicators:</p>	<p><i>Activity Results 2.3: Capacity of Political Parties to engage peaceful campaign and elections developed</i></p>				
<ul style="list-style-type: none"> ✓ Increased confidence and trust amongst government, civil society, private sector, religious leaders and other stakeholders leading to 	<p>a. Conduct needs assessment for political parties based on needs analysis on conflict sensitive and peaceful elections campaigns</p>		X	X	
	<p>b. Develop capacity of Political Parties to engage in independent election monitoring and negotiation and mediation skills.</p>		X	X	

sustained dialogue processes and collaboration on peace and development issues.	
Management, Monitoring and Evaluation	
✓ Project Coordinator recruited to manage the project	a. Project Board Meeting established and meetings convened on a quarterly basis to oversee project activities
✓ Monitoring and Evaluation system established and implemented	b. M&E framework with reporting system developed and implemented
✓ CSO monitoring capacity strengthened	c. Monitoring team set up and capacity developed
✓ # of project progress reports prepared and submitted on timely basis	d. Regular monitoring and mentoring conducted and support provided to ensure organizations are able to implement initiatives
✓ 4 board meetings held and decisions implemented	e. Finalize TOR for consultant to conduct mid-term evaluation, recruit Consultant
✓ Quantitative and qualitative data from monitor's reports	f. Submit findings of midterm evaluation and recommendations for Board review.
✓ Mid term review findings incorporated into 2014 workplan.	

ANNEX II

General Conditions

ANNEX II

General Conditions applicable to European Union contribution agreements with international organisations

INDEX

Article 1 -General obligations	2
Article 2 -Obligations regarding information and financial and narrative reports	3
Article 3 -Liability	5
Article 4 -Conflict of interests	6
Article 5 -Confidentiality.....	6
Article 6 -Visibility and Transparency.....	6
Article 7 -Ownership/use of results and equipment	8
Article 8 -Evaluation of the Action	8
Article 9 -Amendment of the Agreement	9
Article 10 -Contracting.....	9
Article 11 -Implementation period of the Agreement, suspension, force majeure	11
Article 12 -Termination of the Agreement.....	12
Article 13 -Settlement of disputes.....	13
Article 14 -Eligible costs	13
Article 15 -Payments.....	15
Article 16 -Accounts and technical and financial checks	17
Article 17 -Final amount of financing by the Contracting Authority	18
Article 18 -Recovery.....	19

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.

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.

(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:

- 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.

ANNEX III

Budget for the Action

Annex 3 Budget

Activities	Actors	Y1	Y2	Y3	Total costs of the Action
		EU, UNDP & other donor contribution	EU, UNDP & other donor contribution	EU, UNDP & other donor contribution	
Civic Education and Dialogue : Mapping Developing/reviewing & producing civic education materials:	Grants to CSOS	51,152	29,019	9,411.00	89,582.52
	Grants to CSOS	36,219	19,559	9,000.00	64,778.08
Community outreach by CSOs:	Grants to CSOS	735,289	261,099	179,274	1,175,660.71
Multi-media campaigns; public messaging; public events/lecture/debates:	Grants to CSOS + UNDP	50,888	27,075	26,944	104,908.35
M&E (including developing framework, Monitoring visits: monitoring visits, includes coaching and mentoring to CSOS, mid term review)	UNDP + consultants	98,347	69,969	52,550	220,866.28
Total Civic Education and Dialogues		971,895	406,721	277,179	1,655,796
Capacity building and Facilitation : Mapping common; media messaging framing training on political rights and electoral monitoring training of trainers community outreach civic education and dialogue activities	UNDP + consultants	174,269	71,736	60,029	306,035
Total capacity building to civil society		174,269	71,736	60,029	306,035
Dialogue & relationship building: Organization of 14 roundtables over 24 months Capacity building and small group meetings	UNDP + consultants	122,732	121,662	85,372	329,765
		62,759	48,539	53,539	164,836
Total Dialogue processes		185,490	170,200	138,910	494,601
Audit and Independent Evaluation		13,568	0	20,000	33,568
Contingencies		0	0	0	0
Total direct costs		1,345,223	648,658	496,119	2,490,000
Indirect Costs (7%)		79,446	32,996	27,558	140,000
Total eligible costs		1,424,669	681,654	523,677	2,630,000

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ANNEX IV

Financial Identification Form



Legal Entity 6000055554

Summary Information

Legal Type :PUBLIC LAW BODY	Blocked (Y/N) :N
Account Group :INTERNATIONAL ORGANISATIONS	Early Warning (Y/N) :N
Country :ETATS-UNIS	Status :VALID
Legal Form :	NGO (Y/N) :
Legal Form FPO Type :	Organisation Type :
Language :English (Anglais)	Audit Records Linked :Y
NUP Number :	ID Number :
VAT Number :	
Per Id :	

Official Names Name : UNITED NATIONS DEVELOPMENT PROGRAMM
First Name :
2 : E*UNDP PROGRAMME DES NATIONS UNIES
3 : POUR LE DEVELOPEMENT PNUD
4 :

Address

Name :UNITED NATIONS DEVELOPMENT PROGRAMM
Streets1 : UNITED NATIONS PLAZA 1
2 :
3 :
PO Box :000
City :10017 - NEW YORK
Country :
Country :ETATS-UNIS
R.O Mailing Address :Optional

Workflow Summary

Workflow Status :FIN
Workflow Level Id :100

Current Workflow Organisation:IEEA
Workflow Center :IEEA_DEFAULT





Bank Account 0001206286

Summary Information

Title :		Blocked (Y/N) :N
Name : UNITED NATIONS DEVELOPMENT PROGRAMME UNDP		Early Warning (Y/N) :N
Bank Account :		Confidential Info (Y/N) :N
IBAN : BE80 3010 1861 3977		Status : VALID

Address

Name : UNITED NATIONS DEVELOPMENT PROGRAMME UNDP
Street : UNITED NATIONS PLAZA 1
PO Box :
City : 10017 - NEW YORK
Country :
Country : ETATS-UNIS

Bank

Name : ING BELGIUM NV/SA (FORMERLY BANK BRUSSELS LAMBERT SA), BRUSS
Street : 60, COURS SAINT MICHEL
PO Box :
City : - BRUSSELS
Country : BELGIQUE

Workflow Summary

Workflow Status : FIN	Current Workflow Organisation : DEVCO
Workflow Level Id : 100	Workflow Center : SINCOM



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

<http://ec.europa.eu/budget/execution/oversight.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⁾	BE30301018613977		

REMARKS:

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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)

(Obligatory)

DATE

- (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.

ANNEX V

Standard request for payment template

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.B.: Instalments of prefinancing, Interim payments and final payments are subject to the approval of the corresponding report (see Article 15(1) of the General Conditions of Agreement)

