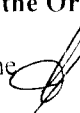


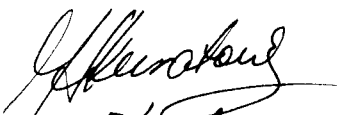
- Annex III: Budget for the Action
- Annex IV: Financial identification form
- Annex V: Standard request for payment

6(2) In the event of a conflict between the provisions of the Annexes and those of the Special Conditions, 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 Khartoum in three originals in the English language, two for the Contracting Authority and one for the Organisation.

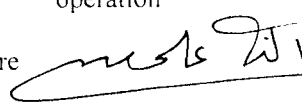
For the Organisation

Name  Manuel Aranda da Silva
 Position UNDP Resident Representative

Signature 
 Date 17/07/06.

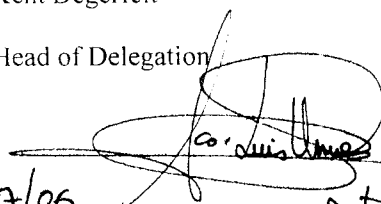
For the Contracting Authority

Name  El-Tigani Salih Fidail
 Position Minister of International Co-operation

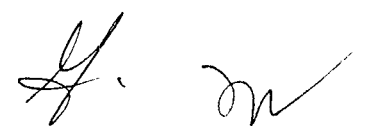
Signature  EL FATIH ALI SIDDIG
 Date 17.07.06 UNDOCS
 MIC

Endorsed for financing by the European Community

Name Kent Degerfelt
 Position Head of Delegation

Signature 
 Date 16/07/06 Acting in the HD





**EUROPEAN COMMUNITY CONTRIBUTION AGREEMENT
WITH AN INTERNATIONAL ORGANISATION**

9 ACP SU 1 - 7

The National Authorising Officer of the Government of Sudan, Ministry of International Co-operation, P.O. Box 2092, Khartoum, Sudan, ("the Contracting Authority"),

of the one part,

and

The United Nations Development Programme (UNDP) with its Head office at 1 UN Plaza, New-York, NY 10017, United States, ("the Organisation")

of the other part,

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: **Capacity Development for Aid Management and Coordination** ("the Action") as described in Annex 1.
- 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) signed on 29 April 2003 between the European Community and the United Nations and consists of these special conditions ("Special Conditions") and their annexes.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action under its own responsibility.

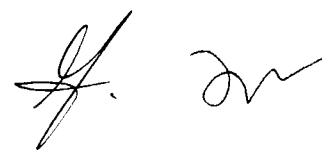
Article 2 – Entry into force and Implementation Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation of this Agreement will begin on the day following that on which the last of the two parties signs.
- 2(3) The implementation period of this Agreement, as laid down in Annex 1, is 29 months.

Article 3 - Financing the Action

- 3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at € 3,010,361 as set out in Annex III.

2/11

1


- 3(2) The Contracting Authority undertakes to finance a maximum of € 2,000,000, equivalent to 66.44 % of the estimated total eligible cost specified in paragraph 1. The final amount will be established in accordance with Article 17 of Annex II .

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:

Pre-financing (90% of first year forecast budget)	€ 730,724.46
2nd instalment (10% of first year + 90% of second year) (subject to the provisions of Annex II)	€ 883,260.63
Forecast final payment (subject to the provisions of Annex II)	€ 386,014.91
Total Payment	<u>€ 2,000,000.00</u>

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:

Any communication relating to this agreement shall be in writing, shall state the number and title of the Action and shall use the following address:

The National Authorising Officer of the Government of Sudan
Ref. Capacity Development for Aid Management and Coordination
Ministry of International Co-operation
P.O. Box 2092
Khartoum - Sudan

For the Organisation:

Manuel Aranda da Silva
UNDP Resident Representative
Ref: Capacity Development for Aid Management and Coordination
House 7, Block 5 Gama'a Avenue
P.O. Box 913
Khartoum 11111 - Sudan

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 Community contribution agreements with international organisations

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 the first prefinancing/further instalment of prefinancing/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:

- signed Agreement (for the payment of the first prefinancing)
- narrative and financial progress report (for further instalments of prefinancing)
- final implementation report (for payment of the balance)⁴

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

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]

Please do not forget to address a copy of this letter to the Commission delegation mentioned in Article 5.1 of the Special Conditions of the Agreement.

¹ Delete the two options which do not apply.

² Delete the option which does not apply.

³ Delete the items which do not apply.

⁴ 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. Further instalments of prefinancing and final payments are subject to the approval of the corresponding report (see Article 15(1) of the General Conditions of Agreement)

2006



FINANCIAL IDENTIFICATION


ACCOUNT HOLDER	
NAME	U N I T E D N A T I O N S D E V E L O P M E N T P R O G R A M
ADDRESS	U N D P
TOWN / CITY	I U N I T E D N A T I O N S P L A Z A
	N E W Y O R K POST CODE N Y 1 0 0 1 7
COUNTRY	U N I T E D S T A T E S VAT NUMBER
CONTACT PERSON	
TELEPHONE	FAX
E - MAIL	

BANK	
BANK NAME	I N G B E L G I U M S . A . / N . V .
BRANCH ADDRESS	6 0 C O U R S S T M I C H E L
TOWN / CITY	B R U S S E L S POST CODE 1 0 4 0
COUNTRY	B E L G I U M
ACCOUNT NUMBER	3 0 1 - 0 1 8 6 1 3 9 - 7 7
IBAN	B E 8 0 3 0 1 0 1 8 6 1 3 9 7 7

REMARKS :

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE
(Both Obligatory)


Michel COPPIN
Assistant Regional Manager



ING Belgium SA/NV
avenue Marnixlaan 24
1000 Brussels

DATE + SIGNATURE of ACCOUNT HOLDER
(Obligatory)

HAZEL P
Deputy Director &c.



Handwritten mark

Handwritten signature

Capacity Development for Aid Management and Coordination
Expected sources of funding

	Amount (In EUR)	Percentage of Total
Applicant's financial contribution	1,010,361	33.56
Commission contribution sought in this application	2,000,000	66.44
Contribution(s) from other European Institutions or EU Member States		0.00
Contributions from other organisations: <i>Name</i>	-	0.00
TOTAL CONTRIBUTIONS	3,010,361	100.00
Direct revenue from the project	-	0.00
OVERALL TOTAL	3,010,361	100.00

SA

SA

Annex III. Budget for the Action (29 months)	All Years						
	Expenses	Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
1. Human Resources							
<i>1.1 Salaries (gross amounts, local)</i>							
1.1.1. Database manager and trainer	Per month	29	3,647	3039.12	105,761	88,134	
1.1.2. Website manager and trainer	Per month	29	1,980	1649.81	57,413	47,844	
1.1.3. Project Officer (capacity development)	Per month	29	2,501	2083.97	72,522	60,435	
1.1.4. Project Associate (admin & finance)	Per month	29	1,511	1259.06	43,815	36,513	
1.1.5. Project Associate (reporting)	Per month	29	1,980	1649.81	57,413	47,844	
1.1.6. Drivers	Per month	90	575	478.82	51,713	43,094	
1.1.7. ICT & other short-term consultants/techn. staff	Per diem	760	210	175.15	159,740	133,117	
<i>1.2 Salaries (gross amounts, expat/int. staff)</i>							
1.2.1. Senior Aid Management Advisor	Per month	29	14,588	12156.47	423,045	352,538	
1.2.2. Senior Monitoring and Evaluation Advisor	Per month	24	13,325	11104.17	319,800	266,500	
1.2.4. Project Officer (O&M and PPBS)	Per month	29	10,941	9117.35	317,284	264,403	
1.2.5. ICT & other short-term consultants/techn. staff	Per diem	400	522	435.29	208,940	174,117	
Subtotal Human Resources					1,817,447	1,514,539	
2. Travel							
2.1. missions/travel in-country	Per mission	75	836	696.67	62,700	52,250	
2.2. missions/travel abroad for study/workshop	Per mission	10	9,193	7661.13	91,934	76,611	
2.3. missions/travel for R&R	Per mission	21	1,766	1472.02	37,095	30,912	
Subtotal Travel					191,728	159,774	
3. Equipment and supplies							
3.1 Vehicle (2)	Per unit	2	48,000	40000.00	96,000	80,000	
3.2 Computers (50 desktops & 10 laptops) with table	Per unit	60	2,450	2041.67	147,000	122,500	
3.3 Printers (16) with table	Per unit	16	500	416.67	8,000	6,667	
3.4 UPS (5KVA batteries)	Per unit	9	2,500	2083.33	22,500	18,750	
3.5 Photocopiers multifunction (8) - Ricoh 2022 type	Per unit	8	9,000	7500.00	72,000	60,000	
3.6 Office archival equipment	Per unit	16	2,500	2083.33	40,000	33,333	
3.7 Training equipment (datashow)	Per unit	8	1,500	1250.00	12,000	10,000	
3.7 Spare parts/equipments for machines, tools	Per month	29	2,605	2170.80	75,544	62,953	
Subtotal Equipment and supplies					473,044	394,203	
4. Local office/project costs							
4.1 Vehicles costs maintenance	Per month	29	834	694.66	24,174	20,145	
4.2 Consumables and utilities - office	Per month	29	1,667	1389.31	48,348	40,290	
4.3 Other services (maintenance/service of equipments)	Per month	29	961	801.22	27,883	23,235	
Subtotal Local office/project costs					100,405	83,670	

Annex III. Budget for the Action (29 months)	Year 1					
	Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
Expenses						
5. Other costs, services						
5.1 Network and database software (assessment, purchase, customization, training, addit. modules)	Per contract	3	30,000	25,000.00	90,000	75,000
5.2 ICT Installation/connectivity (within MIC and other key aid ministries)	Per contract	3	15,000	12,500.00	45,000	37,500
5.3 Counterpart Training - 50 to 80 applicants per training - in MIC and some 25 core and line ministries, plus at least 6 States (in Participatory Planning, Planning Programming Budgeting Systems, Project Cycle Management from formulation to monitoring and evaluation, Aid Management Concepts, ...) & other workshops to support aid-effectiveness (in PRSP process, Paris declaration, MDGs) at federal and state level		12	15,000	12,500.00	180,000	150,000
5.4 Evaluation costs	Per contract	1	20,000	16,666.67	20,000	16,667
Subtotal Other costs, services					335,000	279,167
6. Subtotal direct project costs (1-5.)					1,372,300	1,143,583
7. Administrative costs (maximum 7 % of 6., direct eligible project cost)					96,061	80,051
8. Total eligible project costs (6.+ 7.)					1,468,361	1,223,634

Annex III. Budget for the Action (29 months)		Year 1					
		Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
Expenses							
1. Human Resources							
<i>1.1 Salaries (gross amounts, local)</i>							
1.1.1. Database manager and trainer	Per month	12	3,500	2,916.67	42,000	35,000	
1.1.2. Website manager and trainer	Per month	12	1,900	1,583.33	22,800	19,000	
1.1.3. Project Officer (capacity development)	Per month	12	2,400	2,000.00	28,800	24,000	
1.1.4. Project Associate (admin & finance)	Per month	12	1,450	1,208.33	17,400	14,500	
1.1.5. Project Associate (reporting)	Per month	12	1,900	1,583.33	22,800	19,000	
1.1.6. Drivers	Per month	36	550	458.33	19,800	16,500	
1.1.7. ICT & other short-term consultants/techn.staff	Per diem	280	200	166.67	56,000	46,667	
<i>1.2 Salaries (gross amounts, expat/int. staff)</i>							
1.2.1. Senior Aid Management Advisor	Per month	12	14,000	11,666.67	168,000	140,000	
1.2.2. Senior Monitoring and Evaluation Advisor	Per month	12	13,000	10,833.33	156,000	130,000	
1.2.4. Project Officer (O&M and PPBS)	Per month	12	10,500	8,750.00	126,000	105,000	
1.2.5. ICT & other short-term consultants/techn.staff	Per diem	160	500	416.67	80,000	66,667	
Subtotal Human Resources					739,600	616,333	
2. Travel							
2.1. missions/travel in-country	Per mission	30	800	666.67	24,000	20,000	
2.2. missions/travel abroad for study/workshop	Per mission	4	8,800	7,333.33	35,200	29,333	
2.3. missions/travel for R&R	Per mission	9	1,700	1,416.67	15,300	12,750	
Subtotal Travel					74,500	62,083	
3. Equipment and supplies							
3.1 Vehicle (2)	Per unit	1	47,000	39,166.67	47,000	39,167	
3.2 Computers (50 desktops & 10 laptops) with table	Per unit	20	2,450	2,041.67	49,000	40,833	
3.3 Printers (16) with table	Per unit	6	500	416.67	3,000	2,500	
3.4 UPS (5KVA batteries)	Per unit	3	2,500	2,083.33	7,500	6,250	
3.5 Photocopiers multifunction (8) - Ricoh 2022 type	Per unit	3	9,000	7,500.00	27,000	22,500	
3.6 Office archival equipment	Per unit	6	2,500	2,083.33	15,000	12,500	
3.7 Training equipment (datashow)	Per unit	3	1,500	1,250.00	4,500	3,750	
3.7 Spare parts/equipments for machines, tools	Per month	12	2,500	2,083.33	30,000	25,000	
Subtotal Equipment and supplies					183,000	152,500	
4. Local office/project costs							
4.1 Vehicles costs maintenance	Per month	12	800	666.67	9,600	8,000	
4.2 Consumables and utilities - office	Per month	12	1,600	1,333.33	19,200	16,000	
4.3 Other services (maintenance/service of equipments)	Per month	12	950	791.67	11,400	9,500	
Subtotal Local office/project costs					40,200	33,500	

Annex III. Budget for the Action (29 months)		Year 2					
		Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
Expenses							
5. Other costs, services							
5.1 Network and database software (assessment, purchase, customization, training, addit. modules)	Per contract	3	31,500	26,250.00		78,750	
5.2 ICT Installation/connectivity (within MIC and other key aid ministries)	Per contract	3	15,750	13,125.00		39,375	
5.3 Counterpart Training - 50 to 80 applicants per training - in MIC and some 25 core and line ministries, plus at least 6 States (in Participatory Planning, Planning Programming Budgeting Systems, Project Cycle Management from formulation to monitoring and evaluation, Aid Management Concepts, ...) & other workshops to support aid-effectiveness (in PRSP process, Paris declaration, MDGs) at federal and state level		12	15,750	13,125.00		157,500	
5.4 Evaluation costs	Per contract	1	21,000	17,500.00		17,500	
Subtotal Other costs, services							
6. Subtotal direct project costs (1.-5.)							
1,524,195 1,270,163							
7. Administrative costs (maximum 7 % of 6., direct eligible project cost)					106,694	88,911	
8. Total eligible project costs (6.+ 7.)							
1,630,889 1,359,074							

Annex III. Budget for the Action (29 months)		Year 2					
		Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
Expenses							
1. Human Resources							
<i>1.1 Salaries (gross amounts, local)</i>							
1.1.1. Database manager and trainer	Per month	12	3,675	3,062.50	44,100	36,750	
1.1.2. Website manager and trainer	Per month	12	1,995	1,662.50	23,940	19,950	
1.1.3. Project Officer (capacity development)	Per month	12	2,520	2,100.00	30,240	25,200	
1.1.4. Project Associate (admin & finance)	Per month	12	1,523	1,268.75	18,270	15,225	
1.1.5. Project Associate (reporting)	Per month	12	1,995	1,662.50	23,940	19,950	
1.1.6. Drivers	Per month	36	578	481.25	20,790	17,325	
1.1.7. ICT & other short-term consultants/techn. staff	Per diem	280	210	175.00	58,800	49,000	
<i>1.2 Salaries (gross amounts, expat/int. staff)</i>							
1.2.1. Senior Aid Management Advisor	Per month	12	14,700	12,250.00	176,400	147,000	
1.2.2. Senior Monitoring and Evaluation Advisor	Per month	12	13,650	11,375.00	163,800	136,500	
1.2.4. Project Officer (O&M and PPBS)	Per month	12	11,025	9,187.50	132,300	110,250	
1.2.5. ICT & other short-term consultants/techn. staff	Per diem	160	525	437.50	84,000	70,000	
Subtotal Human Resources					776,580	647,150	
2. Travel							
2.1. missions/travel in-country	Per mission	30	840	700.00	25,200	21,000	
2.2. missions/travel abroad for study/workshop	Per mission	4	9,240	7,700.00	36,960	30,800	
2.3. missions/travel for R&R	Per mission	9	1,785	1,487.50	16,065	13,388	
Subtotal Travel					78,225	65,188	
3. Equipment and supplies							
3.1 Vehicle (2)	Per unit	1	49,000	40,833.33	49,000	40,833	
3.2 Computers (50 desktops & 10 laptops) with table	Per unit	40	2,450	2,041.67	98,000	81,667	
3.3 Printers (16) with table	Per unit	10	500	416.67	5,000	4,167	
3.4 UPS (5KVA batteries)	Per unit	6	2,500	2,083.33	15,000	12,500	
3.5 Photocopiers multifunction (8) - Ricoh 2022 type	Per unit	5	9,000	7,500.00	45,000	37,500	
3.6 Office archival equipment	Per unit	10	2,500	2,083.33	25,000	20,833	
3.7 Training equipment (datashow)	Per unit	5	1,500	1,250.00	7,500	6,250	
3.7 Spare parts/equipments for machines, tools	Per month	12	2,625	2,187.50	31,500	26,250	
Subtotal Equipment and supplies					276,000	230,000	
4. Local office/project costs							
4.1 Vehicles costs maintenance	Per month	12	840	700.00	10,080	8,400	
4.2 Consumables and utilities - office	Per month	12	1,680	1,400.00	20,160	16,800	
4.3 Other services (maintenance/service of equipments)	Per month	12	950	791.67	11,400	9,500	
Subtotal Local office/project costs					41,640	34,700	

Annex III. Budget for the Action (29 months)	Year 3 (5 months)						
	Expenses	Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
5. Other costs, services				0			
5.1 Network and database software (assessment, purchase, customization, training, addit. modules)				33,705		0	0
5.2 ICT Installation/connectivity (within MIC and other key aid ministries)				16,853		0	0
5.3 Counterpart Training - 50 to 80 applicants per training - in MIC and some 25 core and line ministries, plus at least 6 States (in Participatory Planning, Planning Programming Budgeting Systems, Project Cycle Management from formulation to monitoring and evaluation, Aid Management Concepts, ...) & other workshops to support aid-effectiveness (in PRSP process. Paris declaration, MDGs) at federal and state level			5	16,853	14043.75	84,263	70,219
5.4 Evaluation costs	Per contract		1	22,470	18725.00	22,470	18,725
Subtotal Other costs, services				0		106,733	88,944
6. Subtotal direct project costs (1.-5.)						479,611	399,676
7. Administrative costs (maximum 7 % of 6., direct eligible project cost)						33,573	27,977
8. Total eligible project costs (6.+ 7.)						513,183	427,653

Annex III. Budget for the Action (29 months)		Year 3 (5 months)					
		Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
Expenses							
1. Human Resources							
<i>1.1 Salaries (gross amounts, local)</i>							
1.1.1. Database manager and trainer	Per month	5	3,932	3276.88	19,661	16,384	
1.1.2. Website manager and trainer	Per month	5	2,135	1778.88	10,673	8,894	
1.1.3. Project Officer (capacity development)	Per month	5	2,696	2247.00	13,482	11,235	
1.1.4. Project Associate (admin & finance)	Per month	5	1,629	1357.56	8,145	6,788	
1.1.5. Project Associate (reporting)	Per month	5	2,135	1778.88	10,673	8,894	
1.1.6. Drivers	Per month	18	618	514.94	11,123	9,269	
1.1.7. ICT & other short-term consultants/techn. staff	Per diem	200	225	187.25	44,940	37,450	
<i>1.2 Salaries (gross amounts, expat/int. staff)</i>							
1.2.1. Senior Aid Management Advisor	Per month	5	15,729	13107.50	78,645	65,538	
1.2.2. Senior Monitoring and Evaluation Advisor			14,606				
1.2.4. Project Officer (O&M and PPBS)	Per month	5	11,797	9830.63	58,984	49,153	
1.2.5. ICT & other short-term consultants/techn. staff	Per diem	80	562	468.13	44,940	37,450	
Subtotal Human Resources			0		301,267	251,055	
2. Travel							
2.1. missions/travel in-country	Per mission	15	900	750.00	13,500	11,250	
2.2. missions/travel abroad for study/workshop	Per mission	2	9,887	8239.00	19,774	16,478	
2.3. missions/travel for R&R	Per mission	3	1,910	1591.63	5,730	4,775	
Subtotal Travel			0		39,003	32,503	
3. Equipment and supplies							
3.1. Vehicle (2)			52,430				
3.2. Computers (50 desktops & 10 laptops) with table			2,622				
3.3. Printers (16) with table			535				
3.4. UPS (5KVA batteries)			2,675				
3.5. Photocopiers multifunction (8) - Ricoh 2022 type			9,630				
3.6. Office archival equipment			2,675				
3.7. Training equipment (datashow)			1,605				
3.7. Spare parts/equipments for machines, tools	Per month	5	2,809	2340.63	14,044	11,703	
Subtotal Equipment and supplies			0		14,044	11,703	
4. Local office/project costs							
4.1. Vehicles costs maintenance	Per month	5	899	749.00	4,494	3,745	
4.2. Consumables and utilities - office	Per month	5	1,798	1498.00	8,988	7,490	
4.3. Other services (maintenance/service of equipments)	Per month	5	1,017	847.08	5,083	4,235	
Subtotal Local office/project costs			0		18,565	15,470	

Annex III. Budget for the Action (29 months)	All Years						
	Expenses	Unit	# of units	Unit rate (in USD)	Unit rate (in EUR)	Costs (in USD)	Costs (in EUR)
5. Other costs, services							
5.1 Network and database software (assessment, purchase, customization, training, addit. modules)	Per contract	6	30,750		25625.00	184,500	153,750
5.2 ICT Installation/connectivity (within MIC and other key aid ministries)	Per contract	6	15,375		12812.50	92,250	76,875
5.3 Counterpart Training - 50 to 80 applicants per training - in MIC and some 25 core and line ministries, plus at least 6 States (in Participatory Planning, Planning Programming Budgeting Systems, Project Cycle Management from formulation to monitoring and evaluation, Aid Management Concepts, ...) & other workshops to support aid-effectiveness (in PRSP process. Paris declaration, MDGs) at federal and state level	Per unit	29	15,630		13024.78	453,263	377,719
5.4 Evaluation costs	Per contract	3	21,157		17630.56	63,470	52,892
Subtotal Other costs, services						793,483	661,235
6. Subtotal direct project costs (1.-5.)						3,376,106	2,813,421
7. Administrative costs (maximum 7 % of 6., direct eligible project cost)						236,327	196,940
8. Total eligible project costs (6.+ 7.)						3,612,433	3,010,361

ANNEX II

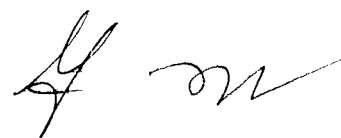
General Conditions applicable to European Community contribution agreements with international organisations

General and administrative provisions

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GENERAL AND ADMINISTRATIVE PROVISIONS

ARTICLE 1 – GENERAL OBLIGATIONS

1.1. The Organisation shall ensure that the Action is carried out in accordance with the Description of the Action contained in Annex 1 and is responsible for achieving the objectives set out therein. The Organisation shall report on the indicators of achievement specified in the Description of the Action.

1.2. The Organisation shall implement the Action with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

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

1.3. The Organisation may act either alone or in partnership with one or more organisations mentioned in the Description of the Action. It may also contract parts of the Action, in accordance with the provisions of article 10 hereof.

Partners participate in implementing the Action, and the costs they incur are eligible under the same conditions as those incurred by the Organisation.

The Organisation is fully responsible for the co-ordination and execution of all contracted activities. The Contracting Authority recognises no contractual link between itself and the Organisation's partner(s) or between itself and a contractor.

1.4. The Organisation undertakes to ensure that the conditions imposed upon it under Articles 1, 3, 4, 5, 6, 7, 14, 16 and 17 of this Agreement also apply to all partners and 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 must 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 Community or the Contracting Authority, and 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 may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

1.7. Where the performance of the Action requires the pooling of resources from a number of donors, and where it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure, the provisions regarding "Multi-donor Actions" in these General Conditions will apply. In addition, Article 3(2) of the Special Conditions will not show the percentage of estimated total eligible cost, to which

the Contracting Authority contributes, where the final funding of the Action is not known at the time of signing the Agreement.

- 1.8. Where the European Community 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 eventually paid by the European Community budget¹, 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 during the implementation period. To that end, the Organisation shall provide before signature of this Agreement a work plan for the first period of implementation as 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 the Contracting Authority progress reports 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 all expenses actually incurred by the Organisation), 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 description and activities foreseen in this Agreement);
- Difficulties encountered and measures taken to overcome problems;
- Changes introduced in implementation;

Achievements/results by using the indicators included in this Agreement;

Work plan for the following period including objectives and indicators of achievement. If the report is sent after the end of the period covered by the preceding work plan, a new work plan, albeit provisional, is always required before such date.

¹ Where the contribution is financed out of the European Development Fund, mentions of European Community financing must be read as referring to European Development Fund financing.

2.5. The final report shall contain the above information (excluding the last indent) covering the whole implementation period of this Agreement, information on the measures taken to identify the European Union as the source of financing and details on the transfers of assets mentioned in article 7.3 if relevant, plus a full summary of the Action's income and expenditure and payments received.

2.6. The reports shall be presented in the same language as the 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 twelve-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 further instalment of prefinancing;

- 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 will be submitted in Euro, and may be drawn from financial statements denominated in other currencies as per the Organisation's legislative requirements. Where necessary, actual expenditure will be converted into Euro using the rate of exchange at which the Contracting Authority's contribution was recorded in the Organisation's accounts, unless otherwise specified in article 4(3) of the Special Conditions.

2.8. Any additional reporting requirement will 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 twelve-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 (the "Parties") 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 any legal obligation incumbent on it.
- 3.2. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot therefore 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 undertakes to 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.

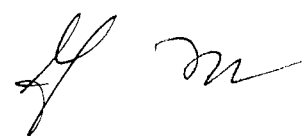
There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party.

ARTICLE 5 – CONFIDENTIALITY

Subject to article 16, the Contracting Authority and the Organisation undertake to preserve the confidentiality of any document, information or other material directly related to the 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

- 6.1. Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that an Action has received funding from the European Union. Information given to the press, the beneficiaries of an 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).



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 Community, the Organisation shall include appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo (twelve yellow stars on a blue background) provided that such actions do not jeopardise the Organisation's privileges and immunities and the safety and security of the Organisation's staff.

- 6.2 The size and prominence of the acknowledgement and European Union logo shall be clearly visible in a manner that will 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 Actions that have received funding from the European Community, 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 Community contribution is not transferred to local partners of the Organisation or the final recipient of the Action at the end of the implementation period of this Agreement, the visibility requirements as regards this equipment (in particular display of the European logo) shall continue to apply between the end of the implementation period of this Agreement and the end of the overall Action, if the latter is longer.
- 6.5 Publicity pertaining to European Community contributions shall quote these contributions in Euro, 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 cofinancing.

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.

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 grants 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 partners (excluding commercial contractors) of the Organisation or to the final recipients of the Action by the end of the Action. The documentary proof of those transfers shall be kept for verification along with the documents mentioned in article 16.3.

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. This 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 of the Agreement, including the annexes thereto, shall be set out in writing in an amendment.

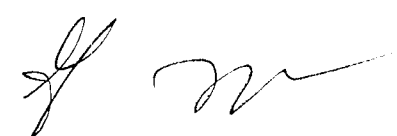
If the request for an amendment comes from the Organisation, the latter shall submit that request to the Contracting Authority one month before the amendment is intended to enter into force, unless there are special circumstances duly substantiated by the Organisation and accepted by the Contracting Authority. A request to extend the implementation period of this Agreement must be duly justified and submitted no later than one month before the end of it.

- 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, 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) under each relevant heading for eligible costs, the Organisation may apply the modification and shall inform the Contracting Authority accordingly in writing. This method may 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.

ARTICLE 10 – CONTRACTING AND PROCUREMENT

- 10.1. If parts of the Action are contracted, the contracting arrangements will 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 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, including the award of contract to the tender offering best value for money, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.

- 10.3. In Multi-donor Actions and if allowed by the applicable regulatory provisions of the European Community, 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. In any event goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Community shall be eligible.

In all other cases the partners, contractors, experts and goods, the cost of which are financed out of the Contracting Authority's contribution, shall originate in the European Community or the country or countries eligible under the programme of which the Action is part. Any departure from the rules of origin set out above is subject to prior written approval from the Contracting Authority, which shall deal expeditiously with any request accompanied with proper justification.

- 10.4. In the event of failure to comply with the above provisions the relevant costs shall not be eligible for funding by the Contracting Authority.

ARTICLE 11 – IMPLEMENTATION PERIOD OF THE AGREEMENT, SUSPENSION, *FORCE MAJEURE*

- 11.1. Irrespective of the starting date and implementation period of the Action, the implementation period of this Agreement shall be as set out in Article 2 of the Special Conditions
- 11.2. The Organisation may suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it too difficult or dangerous to continue. It shall inform the Contracting Authority without delay and provide 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.
- 11.3. The Contracting Authority may request the Organisation to suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it impossible or too difficult or dangerous to continue. 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 shall resume implementation of the Action once the conditions allow, with the prior written approval of the Contracting Authority.
- 11.4. 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.

- 11.5. *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 11.2 and 11.3 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.

- 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, without prior 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 (exceptionally) the 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 prefinancing) within three years of its signature.
- 12.5. Unless this Agreement is earlier terminated pursuant to this Article 12, the payment obligations of the European Community 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 notifies 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 this Agreement.
- 13.2. The language to be used in the arbitral proceedings shall be English. 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.

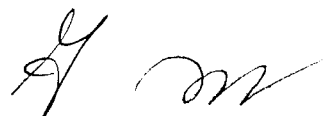
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FINANCIAL PROVISIONS

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 actually been 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;
 - be recorded in the Organisation's or Organisation's partners' accounts, be identifiable, backed by originals of supporting evidence (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 10.4, 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). Identifiable personnel costs at headquarters level arising as a direct consequence of the Action may be included. Salaries and costs will 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).
- 14.3. The following costs shall not be considered eligible:
- debts and provisions for possible future losses or debts;
 - interest owed by the Organisation to any third party;
 - items already financed from other sources;
 - purchases of land or buildings;
 - currency exchange losses;



- taxes, duties and charges (unless the Organisation is not able to reclaim them and if allowed by the applicable regulatory provisions of the European Community).

14.4. A fixed percentage of direct eligible costs, not exceeding 7 %, shall be eligible as indirect costs.

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

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.

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 Community during the period in question.

14.5. A contingency reserve may be included in the Budget of the Action, to cover any adjustment necessary in the light of changed circumstances on the ground. The contingency reserve should not be higher than 5% of eligible costs and can only be used with the prior written (by letter) authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

14.6. In the case of co-financing, contributions in kind made by the Organisation or its partners may not be considered as co-financing nor as eligible costs. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget for the Action when paid by the Organisation or its partners.

ARTICLE 15 – PAYMENTS

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

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

The Contracting Authority will provide a payment of prefinancing of from 80% up to 95% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

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 payment of prefinancing of from 80% to 95% of that part of the forecast budget for the first 12 months of an Action which is being financed by it (excluding contingencies) within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

Each further instalment of prefinancing will cover the remainder of the Contracting Authority's part of the planned budget for the previous period (including any approved contingencies) plus a prefinancing of from 80% to 95% of that part of the forecast budget for the subsequent 12-month period (or of the remaining period if shorter as regards the last instalment of prefinancing) which is financed by it (excluding contingencies), and be made by the Contracting Authority within 45 days of approving a progress report, provided that at least 70% of the immediately preceding payment (and 100% of previous payments if any) has been incurred, as proven by the relevant report. For the purpose of this provision funds are incurred when they are the subject of a formal legal commitment between the Organisation (or its partners) and a third party.

The Contracting Authority will pay the balance within 45 days of approving the 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.

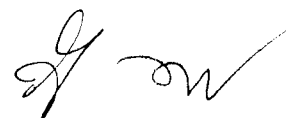
Reports shall be presented in accordance with the stipulations of Article 2.

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

- 15.3. On expiry of the payment period specified in article 15.1, the Organisation may, within two months of receiving late payment, demand interest 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.

The interest shall not be treated as an income for the purposes of determining the final amount of Community 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 prefinancing referred to in article 15.1 above shall be set at a level of between 30% 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 EUR 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 Beneficiary 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. For Multi-donor Actions, the Organisation's rules and procedures pertaining to bank interest shall apply, and an equal treatment among donors shall be ensured. This is based on the understanding that these rules and procedures conform to internationally accepted standards.

In all other cases, interest earned by the Organisation on funds received from the Contracting Authority shall be identified as such and reflected in reports to the Contracting Authority. Interest earned shall be reimbursed 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 shall be kept for each Action, and shall detail all income and expenditure.

For Multi-donor Actions, the accounting regulations and rules of the Organisation shall apply. This is based on the understanding that these regulations and rules conform to internationally accepted standards.

In all other cases the Organisation shall use a dedicated double-entry book-keeping system as part of or as an adjunct to the Organisation's own accounts. This dedicated system shall follow the procedures dictated by professional practice and provide precise details of interest accruing on funds paid by the Contracting Authority.

- 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 Communities, 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 Communities 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 Community.

ARTICLE 17 – FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

- 17.1. The total amount to be paid by the Contracting Authority to the Organisation may not exceed the maximum contribution established by Article 3(2) of the Special Conditions, even if the overall actual expenditure exceeds 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 may be limited to the amount produced by multiplying the actual expenditure 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 will 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 and expenditure for the Action and that it may not in any circumstances result in a surplus for the Organisation.

- 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, including interest earned where applicable, will be reimbursed to the Contracting Authority.

- 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 undertakes to repay to the Contracting Authority within 45 days of receiving a request from the latter 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 by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Organisation.

