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### Article 1: Definitions and Interpretation

**Action:** the cooperation program or project partly or wholly financed by the EU, which may be carried out by the Organisation itself and/or the Sub-delegatees, as described in Annex I.

**Budget Implementation Tasks** tasks consisting of carrying out procurement and grant award procedures, and awarding, signing and executing the resulting procurement and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid, where works, services, supplies and other benefits are not for the own use of the Organisation.

**Central Exclusion Database:** database of all legal and natural persons excluded from EU funding set up by Commission Regulation (EC, Euratom) No. 1302/2008, of 17 December 2008, on the central exclusion database (OJ L 344/12, 20.12.2008).

**Contractor:** a natural or legal person with whom a procurement contract has been signed.

**Economy:** the principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price.

**Effectiveness:** the principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results.

Efficiency:	the principle of efficiency concerns the best relationship between resources employed and results achieved.
Grant Beneficiary:	a natural or legal person to whom a grant has been awarded. Grant beneficiaries can sub-grant and procure for the implementation of their activities.
Final Beneficiary:	a natural or legal person ultimately benefitting from the Action.
Force Majeure:	any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of its obligations under the Agreement, which may not be attributed to error or negligence on either part (or the part of the Sub-delegatees, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as force majeure by the defaulting Party.
Internal Control:	a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives: (a) effectiveness, efficiency and economy of operations; (b) reliability of reporting; (c) safeguarding of assets and information; (d) prevention, detection, correction and follow-up of fraud and Irregularities; (e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
Sub-delegation	the entrustment of Budget Implementation Tasks by the Organisation to another body.
Substantial Error or Irregularity:	infringement of a provision of an agreement resulting from an act or an omission which causes or might cause a loss to the EU contribution.
Sound Financial Management:	principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency.

## Article 2: General obligations

### Implementation of the Action

- 2.1 The Organisation is responsible for carrying out the activities relating to the implementation of the Action described in Annex I of the Agreement, which shall specify the indicators to measure achievements. Both Parties will endeavour to strengthen their mutual contacts with a view to improving the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Commission shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the Commission to join any donor committee which may be set up in connection with Multi-donor Actions.
- 2.2 In performing the activities entrusted to it under the Agreement, the Organisation shall not modify the main features of the Action as described in Annex I, such as its objectives, strategies and priority areas as well as any other essential element specified in the Special Conditions of this Agreement.
- 2.3 The Organisation shall perform the activities assigned to it under the Agreement in accordance with the principle of Sound Financial Management, transparency and non-discrimination.
- 2.4 The Organisation undertakes to do everything in its powers to mobilise all financial, human and material resources required for full implementation of the Action, as specified in Annex I.
- 2.5 In the performance of the activities, the Organisation shall apply its own accounting system, which shall provide timely, accurate, complete and reliable information; ensure the functioning of an effective and efficient Internal Control System and be subject to an independent audit performed in accordance with internationally accepted auditing standards by a functionally independent audit service.

- 2.6. In case the Organisation, accordance with Article 1.3.b of the Special Conditions, uses its own rules for grant and/or procurement procedures, the Organisation shall ensure that transparent, non-discriminatory, efficient and effective review procedures are in place.

#### Responsibility

##### 2.7. Responsibility of the Organisation

- a) The Organisation shall remain fully responsible towards the Commission for the implementation of the Action and for ensuring compliance with the provisions of the Agreement, regardless whether the activities are carried out by the Organisation itself or a Sub-delegatee, a Contractor or a Grant Beneficiary.
- b) The Organisation, in accordance with its rules and regulations, shall take all necessary measures to resolve problems encountered in proportion to their seriousness, including the suspension of the agreements with Sub-delegatees and the suspension of payments. Where the situation so requires, the Organisation shall terminate the agreements with Sub-delegatees and/or the contracts with Contractors and Grant Beneficiaries.
- c) The Organisation shall take measures to prevent, detect and correct Irregularities and fraud when executing the activities. To this end, the Organisation shall carry out, in accordance with the principle of proportionality, ex ante and ex post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the actions financed by the EU are effectively carried out and implemented correctly.
- d) The Organisation shall have full financial responsibility towards the Commission for all funds unduly paid to Sub-delegatees, Contractors and Grant Beneficiaries. The Organisation shall take all necessary measures to recover funds unduly paid or incorrectly used, including bringing legal proceedings against Sub-delegatees, Contractors and Grant Beneficiaries. The Commission will be entitled to recover funds:
  - i) from the Organisation in accordance with the provisions on recovery in Article 21.
  - ii) from the Sub-delegatees when the Organisation could not recover itself from the Sub-delegatees and the Organisation has included in the agreements with Sub-delegatees the right of the Commission to proceed itself to the recovery by any means if the Sub-delegatee does not reimburse the Organisation.

#### Other obligations

- 2.8 The Organisation shall ensure that the obligations stated in this Agreement under Article 8-Data protection applies to all Contractors and that Articles 6-Conflict of interest, 7-Confidentiality, 9-Communication and Visibility, 11-Ownership, right to use and transfer of results and equipment, and 22-Accounts, technical and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.
- 2.9 The Organisation shall notify the Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) changes affecting the pillars assessment undergone by the Organisation, (ii) those which may affect the conditions for eligibility provided for in the applicable legal instruments of the EU, or (iii) any other circumstance likely to affect the implementation of the Action or delay or jeopardise the performance of the activities. The Commission reserves the right to adopt additional measures in response to said changes or to terminate the Agreement pursuant to the provisions of Article 16 hereafter.

#### Article 3: Sub-delegation

- 3.1 The Organisation may delegate activities to one or more Sub-delegatees, as described in Annex I. When the Sub-delegatees are not stated in Article 1.5 of the Special Conditions, the Organisation shall ask prior written approval of the Commission once they are identified.

- 3.2 The Sub-delegatee may not further sub-delegate the activities delegated to it by the Organisation.
- 3.3 Sub-delegation of activities is only possible where the following conditions are met:
- a) the Sub-delegatee is a third country or the body that it has designated, an international organisation or one of its agencies, a public law body or a body governed by private law with a public service mission to the extent that it provides adequate financial guarantees. In the case of EU Member States bodies and international organisations, sub-delegation is also possible to non-profit organisations possessing the appropriate operational and financial capacity;
  - b) the Sub-delegatee has been positively assessed ex ante by the Commission to work in indirect management, or it has been positively assessed ex-ante by the Organisation which carried out a pillars assessment equivalent to the one performed by the Commission on the Organisation. Where approved in the ex-ante assessment of the Organisation by the Commission, the ex-ante assessment of the Sub-delegatee can be replaced in whole or in part, by the Organisation imposing rules on the Sub-delegatee which provide guarantees equivalent to those referred to in Article 1.3 of the Special Conditions, and approving ex-ante the Budget Implementation Tasks implemented by the Sub-delegatee;
  - c) the Organisation ensures that the necessary ex-post controls are in place in order to guarantee the sound financial management of the EU contribution;
  - d) the Organisation entrusts to the Sub-delegatee a part of the Action described in Annex I consisting in Budget Implementation Tasks.
- 3.4 The Organisation shall ensure that (i) Sub-delegatees carry out the activities entrusted to them for the implementation of the Action and (ii) the costs incurred by the Sub-delegatees are eligible in accordance with Article 18. The Organisation shall conduct regular checks to ensure that the Action is implemented correctly by the Sub-delegatees.
- 3.5 The Organisation shall ensure that the provisions laid down in Articles: 2.3, 2.4, 2.5, 2.6, 2.7.b), 2.7.c), 2.8 and 2.9- General obligations, 4 – Reporting, 5- Liability, 6-Conflict of interest, 7-Confidentiality, 8- Data protection, 9-Communication and Visibility, 10-Ex-post publication of Contractors and Grant Beneficiaries, 11-Ownership, right to use and transfer of results and equipment, 12-Evaluation and monitoring of the Action, 14-Contracting and Central Exclusion Database and 22-Accounts, technical and financial checks apply mutatis mutandis to Sub-delegatees.

#### **Article 4: Obligations regarding information and reporting**

##### **General issues**

- 4.1 The Organisation shall provide the Commission with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first part of the Implementation Period. The Organisation shall submit to the Commission progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.
- 4.2 Every report shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall also describe the implementation of the Action according to the indicators set out in Annex I. The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged and employed, the results expected and obtained and the budget details for the Action. The level of detail in any report shall match that of Annexes I and III.
- 4.3 In case of Multi-donor Actions where the project or programme of the Organisation lasts longer than the implementation period of this Agreement, the Commission may request the final reports of the project or programme once available. This is without prejudice to the close of the execution period of this Agreement following Article 16.4.
- 4.4 Any additional reporting requirement shall be set out in the Special Conditions.

- 4.5 The Commission may request additional information at any time, providing the reasons for that request. Such information shall be supplied within 30 calendar days of receipt of the request.

**Content of the reports**

- 4.7 The progress report(s) shall directly relate to this Agreement and shall at least include:
- a) Summary and context of the Action;
  - b) Activities carried out during the reporting period (i.e. directly related to the Action and described in this Agreement) and broken down by operation if the Action covers more than one operation;
  - c) Information on the implementation of the Visibility and Communication Plan (Annex VI) and any additional measures taken to identify the EU as source of financing;
  - d) The accounts drawn up for the costs incurred in the execution of the activities entrusted. Such financial reports shall include information on legal commitments and costs incurred.
  - e) Difficulties encountered and measures taken to overcome problems;
  - f) Changes introduced in implementation;
  - g) Achievements and results measured in accordance with the indicators to measure achievements prescribed in Annex I;
  - h) A summary of any controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses were identified, analysis of their nature and extent as well as information on corrective measures should also be provided;
  - i) Control measures carried out on Sub-delegatees. In case weaknesses are detected, information on their nature and extent as well as corrective measures adopted;
  - j) When appropriate, a request for payment;
  - k) Work plan for the following period.

- 4.8 The final report shall include:

For the last reporting period:

- a) All the information requested in Article 4.7 a) to k).

As concerns the overall implementation of the Action:

- b) A full summary of the Action's income and payments received;
- c) Where applicable, an overview of any funds unduly paid or incorrectly used of which the Organisation could or could not recover itself;
- d) Description of the results generated (broken down by operation if the Action covers more than one operation) and their impact in relation to the objectives of the Action using the indicators to measure achievements prescribed in Annex I;
- e) The exact link to the webpage where, according to Article 10.2, information on beneficiaries is available;
- f) If relevant, details of transfers of equipment, vehicles and major supplies mentioned in Article 11;
- g) The costs of funding Budget Implementation Tasks.

- 4.9 The Organisation shall submit a report for every twelve-month period as from the commencement of the Implementation Period. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by EU funds. Progress Reports shall be submitted within 60 calendar days after the period covered by such report, and the final report shall be submitted at the latest six months after the end of the Implementation Period.

**Management declaration and audit or control opinion**

- 4.10 Every report shall be accompanied by a management declaration in accordance with the template in Annex VII;
- 4.11 In case the Organisation is not an international organisation, it shall provide the Commission, within one month from submitting each report with an opinion by an independent audit body in accordance with Article 4.13.

- 4.12 In case the Organisation is an international organisation, it shall provide the Commission, within six months from submitting each report, with an opinion by an independent audit body in accordance with Article 4.13 or an opinion by the internal audit or control body of the Organisation.
- 4.13 The opinion referred to in Articles 4.11 and 4.12 shall be drawn up in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are legal and regular. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

#### **Exchange rate**

- 4.14 The reports shall be submitted in Euro. When the Organisation's accounting requirements impose the use of another currency, reports will be submitted both in Euro and in the holding currency used by the Organisation. For the purpose of reporting, conversion into Euro shall be made using one of the options listed below and specified in Article 4.3 of the Special Conditions:
- a) The rate applied by the European Central Bank as published in the Official Journal in force on the day on which the EU contribution was recorded in the accounts of the Organisation<sup>1</sup>;
  - b) The Organisation's exchange rate, according to its accounting principle, on the day on which the EU contribution was recorded in the accounts of the Organisation.
- 4.15 When the EU contribution is made in several instalments, the expenditure incurred will be reported using the exchange rate at which each instalment was recorded, unless otherwise provided in the Special Conditions.

#### **Failure to comply with reporting obligations**

- 4.16 If the Organisation is unable to present a progress or final report and the accompanying documents by the end of the deadline set out in Article 4.9, the Organisation shall inform the Commission in writing of the reasons, and shall provide a summary of the state of progress of the Action and a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 4.9, the Commission may terminate the Agreement in accordance with Article 16, refuse to pay any outstanding amount and recover any amounts unduly paid.

#### **Article 5: Liability towards third parties**

- 5.1 The Commission shall not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out or as a consequence of the Action. The Commission shall not therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 5.2 Subject to the rules governing the Organisation's privileges and immunities, if applicable, 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 implementation of the Action.
- 5.3 The Organisation shall discharge the Commission of all liability associated with any claim or action brought as a result of an infringement of the Organization's rules and regulations committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights.

#### **Article 6: Conflict of interest**

- 6.1 The Organisation shall refrain from any action which may give rise to a conflict of interest.
- 6.2 There is a conflict of interest where the impartial and objective exercise of the functions of any person implementing the 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.

<sup>1</sup> Available at <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>

### Article 7: Confidentiality

- 7.1 The Commission and the Organisation shall preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is confidential. Subject to Article 22, the Commission may have access upon request, on a confidential basis, to such documents, information or other material. The confidential nature of a document shall not prevent from it being communicated on a confidential basis when the rules binding upon the Parties so require.
- 7.2 The Parties shall obtain each other's prior written consent before publicly disclosing such information unless:
- a) the concerned Party agrees to release the other Party from the earlier confidentiality obligations;
  - b) the confidential information becomes public through other means than in breach of the confidentiality obligation through disclosure by the Party bound by that obligation;
  - c) the disclosure of confidential information is required by law. In no case can disclosure put into jeopardy the Organisation's privileges and immunities or the safety and security of the Organisation's staff.
- 7.3 The Parties shall remain bound by confidentiality for at least five years after the End Date of the Agreement.

### Article 8: Data Protection

- 8.1 The Organisation shall ensure a reasonable protection of personal data. Personal data means any information related to a natural person. Any operation performed upon personal data, such as collection, recording, organisation, storage, adaption or alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on the rules and procedures of the Organisation and shall only be done as far as it is necessary for the performance of the mandate of the Organisation.
- 8.2 In particular, the Organisation shall take appropriate technical and organisational security measures concerning the risks inherent in any such operation and the nature of the information relating to the natural person concerned, in order to:
- a) Prevent any unauthorised person from gaining access to computer systems performing such operations, and especially unauthorised reading, copying, alteration or removal of storage media, this includes unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored information;
  - b) Ensure that authorised users of an IT system performing such operations can access only the information to which their access right refers;
  - c) Design its organisational structure in such a way that it meets the above requirements.

### Article 9: Communication and visibility

- 9.1 The Organisation shall implement the Communication and Visibility Plan detailed in Annex VI.
- 9.2 Unless the Commission requests or agrees otherwise, the Organisation shall take all necessary measures to publicise the fact that the Action has received funding from the EU. Information given to the press and to the Final Beneficiaries, as well as all related publicity material, official notices, reports and publications shall acknowledge that the Action was carried out "with funding by the European Union" and shall display the EU logo (twelve yellow stars on a blue background) in an appropriate way. Such measures shall be carried out in accordance with the Communication and Visibility Manual for EU External Actions<sup>2</sup> published by the Commission or any other guidelines agreed between the Commission and the Organisation. All publications by the Organisation pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following disclaimer: "This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."
- 9.3 If during the implementation of the Action, equipment, vehicles or major supplies are purchased using EU funds, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU logo (twelve yellow stars on a blue background),

<sup>2</sup> [http://ec.europa.eu/europeaid/work/visibility/documents/communication\\_and\\_visibility\\_manual\\_en.pdf](http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf)

provided that such display does not jeopardise the safety and security of the Organisation or the Organisation's staff.

- 9.4 The acknowledgement and the EU logo shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, the ownership of the equipment, vehicles or major supplies by the Organisation.
- 9.5 If in application of Article 11, the equipment, vehicles or major supplies purchased using EU funds have not been transferred to the local authorities, local Sub-delegatees, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU logo) shall continue to apply between submission of the final report and the end of the Action, if the latter is longer.
- 9.6 Publicity pertaining to the EU contribution shall quote the EU contribution in Euro (€ or EUR). In case of international organisations, the publications and reports of the Organisation prepared in accordance with its rules and procedures are excluded from this provision.
- 9.7 The Organisation accepts that the Commission publishes in any form and medium, including on its internet sites, the name and address of the Organisation, the purpose and amount of the EU contribution. The Commission may forego such publicity if disclosure of the above information would risk threatening the Organisation's safety or harming its interests.
- 9.8 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the Commission as and when they are issued.

#### **Article 10: Ex-post publication of information on Contractors and Grant Beneficiaries**

- 10.1 The Organisation shall publish, on an annual basis, on its internet site, the following information on procurement contracts exceeding EUR 15.000 and all grants financed by the EU: title of the contract/project, nature and purpose of the contract/project, name and locality of the Contractor or Grant Beneficiary and amount of the contract/project. The term "locality" shall mean the address for legal persons and the Region on NUTS<sup>3</sup> 2 level, or equivalent, for natural persons. This information shall not be published for scholarships paid to natural persons and other direct support paid to natural persons in most need. This information shall be published with due observance of the requirements of confidentiality and security.
- 10.2 The Organisation shall provide to the Commission the address of the internet site where this information can be found and shall authorise the publication of such address on the Commission's internet site.
- 10.3 If the Action is a Multi-Donor Action, the publication of information on Contractors and Grant Beneficiaries shall follow the rules of the Organisation.

#### **Article 11: Ownership, right to use and transfer of results and equipment**

##### **Ownership**

- 11.1 To the extent legally possible, ownership, title and industrial and intellectual property rights of 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 otherwise agreed by the Organisation.

##### **Right to use**

- 11.2 Notwithstanding the provisions of the first paragraph and subject to Article 7, the Organisation shall grant, and shall act to ensure that the third party concerned (Sub-delegatee, Grant Beneficiary or Contractor) grants the Commission the right to use free of charge all results of the Action, whatever their form, provided it does not breach existing industrial and intellectual property rights.

##### **Transfer**

- 11.3 The equipment, vehicles and major supplies purchased with the EU contribution in the framework of the Action shall be transferred to local authorities, local Sub-delegatees, local Grant Beneficiaries or to the Final Beneficiaries, at the latest when submitting the Final Report.



- 11.4 The documentary proof of those transfers shall be kept for verification for the duration and along with the documents mentioned in Article 22.3.
- 11.5 By way of derogation from Article 11.3, the equipment, vehicles and major supplies purchased with the EU contribution in the framework of Multi-Donor Actions which continue after the end of the Implementation Period may be transferred at the end of the project or programme. The Organisation shall use the equipment, vehicles and major supplies to the benefit of the Final Beneficiaries. The Organisation shall inform the Commission on the end use of the equipment, vehicles and major supplies in the Final Report.
- 11.6 In the event that there are no local authorities, local Sub-delegatees or Final Beneficiaries to whom the equipment, vehicles and major supplies could be transferred, the Organisation may transfer them to another Action funded by the EU or, exceptionally, retain ownership of the equipment, vehicles and supplies at the end of the Action. In such cases, it shall 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.

#### **Article 12: Evaluation and monitoring of the Action**

- 12.1 The Organisation shall invite representatives of the Commission to participate in the main monitoring and evaluation missions relating to the performance of the Action. The Organisation shall report the results of such missions to the Commission.
- 12.2 Article 12.1 is without prejudice to any evaluation or monitoring mission which the Commission as a donor may wish to perform. Evaluation and monitoring missions by representatives of the Commission shall be planned and completed in a collaborative manner between the staff of the Organisation and the Commission's representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The Commission and the Organisation shall agree on procedural matters in advance. The Commission shall make the draft report of the evaluation or monitoring mission available to the Organisation for comments prior to final issuance. The Commission shall send the final report to the Organisation once issued.

#### **Article 13: Amendment to the Agreement**

- 13.1 Any amendment to this Agreement, including its annexes, shall be set out in writing in a rider signed by both Parties. This Agreement can only be amended during the Execution Period.
- 13.2 The requesting Party shall submit in writing to the other Party any request for amendment to this Agreement, including its annexes.
- 13.3 The requesting Party shall request any amendment 30 calendar days before the amendment is intended to enter into force and no later than 30 calendar days before the end of the Execution Period, unless there are special circumstances duly substantiated by it and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed no later than 30 calendar days after the date when the amendment request was received.
- 13.4 By derogation from Articles 13.1, 13.2 and 13.3, where an amendment to Annex I and/or Annex III 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 amended by a written rider) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Commission accordingly in writing. This method shall not be used to amend the contingency reserve.
- 13.5 Changes of address and of bank account shall be notified in writing to the Commission. Where applicable, changes of bank account must be specified in the request for payment, using the Commission's financial identification form attached as Annex IV.

#### **Article 14: Contracting and Central Exclusion Database**

##### **Contracting**



- 14.1. The procurement and grant contracts implementing the EU Contribution shall be signed by the contracting deadline set out in Article 2.5 of the Special Conditions. After the Contracting Deadline up to submission of the final report, only contracts following early termination of an existing contract and contracts concerning final audits and evaluation may be signed.
- 14.2. Procedures to award contracts, as referred to in Article 14.1, may have been initiated and contracts may be signed by the Organisation before the start of the Implementation Period.
- 14.3. 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.
- 14.4. The Organisation shall adopt reasonable measures, in accordance with its own rules and procedures, to ensure that potential candidates or tenderers and applicants shall be excluded from the participation in a procurement or grant award procedure and from the award of a procurement contract or grant financed by EU Funds, if these persons:
- a) 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) 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 which has the force of res judicata;
  - c) 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) 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) are subject to a conflict of interests.

#### Central Exclusion Database

- 14.5. The Organisation shall inform the Commission if it has found that a third party is in one of the situations referred to in Article 14.4.c. The information shall be transmitted using the ad-hoc template<sup>4</sup>, which shall be sent to the Commission with an indication of the duration of the exclusion, decided on the basis of the judgement which is being notified. Copy of the definitive judgement and where available and applicable of the necessary documents establishing the legal existence of the entity concerned shall also be provided. The Commission shall introduce this information in the Central Exclusion Database. The Organisation shall inform whenever information transmitted needs to be rectified, updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the Commission and may be included in the Central Exclusion Database.
- 14.6. Without prejudice to the power of the Commission to exclude an entity from future contracts and grants financed by the EU, the Organisation may impose financial penalties to Contractors and Grant Beneficiaries according to its own rules and procedures ensuring the right of defence of the Contractor or Grant Beneficiary.
- 14.7. The Organisation may take into account, as appropriate and on its own responsibility the information contained in the Central Exclusion Database, when awarding contracts. Access to the information can be provided through the liaison point(s) or via consultation to the Commission as referred in Article 5.6 of the Special Conditions<sup>5</sup> when the Organisation applies the adequate data protection measures as provided in the Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18

<sup>4</sup> <http://ec.europa.eu/europeaid/companion/annexes.do?annexId=92>

<sup>5</sup> The Organisation shall be allowed to have direct access to the Central exclusion database through a liaison point when the Organisation certifies to the Commission service responsible that it applies the adequate data protection measures as provided in the Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).