



ANNEX A

TWINNING CONTRACT

AND OTHER RELEVANT ANNEXES

Revision 2012



Contracting Authority

< Name of programme >

Twinning Contract

TITLE OF THE TWINNING PROJECT

| | |
|----------------------|--|
| Name of Beneficiary: | |
|----------------------|--|

| | |
|------------|--|
| Dossier No | |
|------------|--|

ANNEX A

TWINNING CONTRACT

“SPECIAL CONDITIONS”

TWINNING CONTRACT
[Twinning contract identification number]

[The European Union, represented by the European Commission], or [full name and address of the Contracting Authority in the BC],^[1] ("the Contracting Authority")

of the one part,

and

[Full name of MS partner or acronym where relevant] with its office at [address of main office for public bodies], ("the Member State Partner" - MSP),

of the other part,

(the "Parties")

have agreed as follows:

Special Conditions

Article 1 - Purpose

- 1.1 The purpose of this contract is the award of a Twinning grant, consisting of reimbursement of expenditures, by the Contracting Authority for the implementation of the Action entitled: [*title of Action*] ("the Action") described in annex A1.
- 1.2 The Member State Partner (MSP) shall be awarded the Twinning grant on the terms and conditions set out in this Contract, which consists of these special conditions ("Special Conditions") and the annexes, which the MSP hereby declares it has noted and accepted.
- 1.3 The MSP accepts the Twinning grant and undertakes to carry out the Action under its own responsibility.
- 1.4 The final recipient of this operation shall be: [.....]

Article 2 – Execution and Implementation period of the Action (legal and work plan duration)

- 2.1 The execution period of the contract (legal duration) shall enter into force upon the date of notification by the Contracting Authority of the contract signed by all parties. The execution period of the contract shall end 3 months after the implementation period of the Action as stipulated in art 2.2.

2.2 The implementation period of the Action shall takemonths and shall begin on the date of the arrival of the Resident Twinning Adviser (RTA). His/her arrival has to take place at the latest within one month following the notification of the Twinning contract.

Twinning Light:

The implementation period of the Action shall take.....months and shall start on the date of the notification of the Twinning Light contract.

Article 3 - Financing the Action

3.1 The total cost of the Action eligible for financing by the Contracting Authority is estimated at ... [.....],^[2] as set out in Annex A3.

3.2 The Contracting Authority undertakes to finance a maximum of ... [...].The final amount shall be established in accordance with Article 17 of Annex A2 except where annex A7 applies. The Action is co-financed as per Annex A3 by the Final Recipient of the Action.

Article 4 - Technical and financial reporting and payment arrangements

4.1 Technical and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of Annex A2, using the relevant twinning templates.

In addition to these reports, the MSP shall send additional interim reports in compliance with article 2.1 of Annex A2 on a quarterly basis. The specific reporting procedure shall follow the provisions spelled out in Annex A7 to this contract.

4.2 Payment shall be made in accordance with Article 15 of Annex A2. Of the options referred to in Article 15.1, the following shall apply:

Option 2

First instalment of pre-financing (80% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority: [.....]

Forecast further instalment(s) of pre-financing: [.....]
(subject to the provisions of Annex A2)

Forecast final payment (minimum 10 %, subject to the provisions of Annex A2): [.....]

4.3 The first instalment of pre-financing, if applicable, shall be paid to the Beneficiary within 45 days, as from the date of reception by the Contracting authority of signed Contract accompanied by the financial guarantee if required in accordance with Article 15.7 of Annex A2. The signed contract serves as payment request for the first pre-financing.

Article 5 - Contact addresses

5.1 Any communication relating to this contract must be in writing, state the number and title of the Action and be sent to the following addresses:

For the Contracting Authority

Option 1: where the Contracting Authority is not the European Commission (after conferral of management with or without ex-ante control):

[address of the Contracting Authority's management department]

A copy of the reports referred to in Article 4.1 must be sent to the concerned service of the European Commission at the following address: *[address of the EU Delegation/ Directorate-General for Enlargement / Directorate-General for Development and Cooperation - EuropeAid]*

Option 2: where the Contracting Authority is a EU Delegation:

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

[address of the finance section of the Delegation]

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

[address of the management section of the Delegation]

Under ENPI ONLY

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

[address of the PAO]

Option 3: Where the Contracting Authority is the European Commission Headquarters

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

European Commission
Directorate-General for Development and Cooperation - EuropeAid / Directorate General for Enlargement
For the attention of the finance unit *[address of the finance unit]*

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

European Commission
Directorate-General for Development and Cooperation - EuropeAid / Directorate General for Enlargement
For the attention of the management unit *[address of the management unit]*

A copy of the reports referred to in Article 4.1 must be sent to the EU Delegation in charge of monitoring the Action, at the following address: *[address of the Delegation]* ^[3]

With reference to the three options:

For the Member State Partner

[address of the MSP for correspondence]

For the Final Recipient of the Action

[*address of the Final Recipient of the Action*]

5.2 The audit firm which shall carry out the verification(s) referred to in Article 15.6 of Annex A2 is <*name, address, telephone and fax numbers*>].

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the contract:

| | |
|-----------|---|
| Annex A1: | Description of the Action (including Work Plan) |
| Annex A2: | General Conditions applicable to European Union-financed grant contracts for external Actions |
| Annex A3: | Budget for the Action (including co-financing part by the Final Recipient of the Action) |
| Annex A4: | Contract-award procedures |
| Annex A5: | Standard request for payment and financial identification form |
| Annex A6: | Expenditure verification report |
| Annex A7: | Special Financial Annex |
| Annex A8: | Mandates (if Member States have formed a consortium) |
| Annex A9: | CVs |

6.2 In the event of conflict between the provisions of the present Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of conflict between the provisions of Annex A2 and those of the other annexes, those of Annex A2 shall take precedence, *except where otherwise specified in the Special Conditions*.

Article 7 - Other specific conditions applying to the Action

7.1 The General Conditions are supplemented by the following:

7.1.1 The Member State Partner is referred to as the Beneficiary within the annexes A2 to A7 to this twinning contract. The word “NGOs” in article 1.3 is replaced by “MSP or designated Mandated Bodies”.

7.1.2. The Action is co-financed as per annex A3 by the Final Recipient of the Action.

7.1.3 In article 7.1 of annex A2, ‘Beneficiary ‘ is replaced by ‘the Final Recipient of the Action’.

7.2 The following derogations from the General Conditions shall apply:

7.2.1 The last sentence of article 2.3 of the General Conditions (Extension of the deadline for submission of the final report) shall not apply.

7.2.2 The provisions of Article 7.1 and 7.2 of the General Conditions (annex A2) are supplemented by the following: all rights to any work done by RTAs in the performance of their duties become the property of the BC in question. The MSP and the Commission will be permitted to use the results of the work elsewhere by permission of the BC. Permission may only be refused where the proposed use is liable to prejudice the interests of the BC or the European Union, or where it is for commercial purposes.

- 7.2.3 By derogation from article 9.2 of the General conditions, changes to the Twinning work plan and budget shall be governed by the procedure spelled out in Special financial annex A7.
- 7.2.4 By derogation from Article 12.1 of the General conditions, either party (BC or MS) may terminate the Twinning Contract at any time by giving three months notice in writing to the other party, after having informed the Commission and the administrative office thereof. Failure of a party to fulfil any of its obligations under the Twinning Contract entitles the other party to terminate the Twinning Contract stating the grounds. If such a failure occurs, or for any other duly substantiated external reason, the Contracting Authority after agreement with the Commission (where the Commission is not the Contracting Authority) may also halt funding of the project by giving three months' notice in writing to the BC and MSP.
- 7.2.5. By derogation from Articles 13.3 and 13.4 of the General Conditions (Annex A2), the following procedure for settlement of disputes shall apply:
The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Twinning Contract, 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.
The language to be used in the arbitral proceedings shall be English, French or German. The appointing authority shall be the President of the Court of Justice of the European Union following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.
- 7.2.6 Eligible costs incurred by the MSP for this Twinning contract are defined in Annex A7. As such, if discrepancies appear between Article 14.2 of the General Conditions and Annex 7, the latter shall prevail.
- 7.2.7 Articles 14.3, 14.4 and 14.5 of the General Conditions shall not apply.
- 7.2.8 The expenditure verification report of Article 15.6 is only required for the final payment. The auditor will be designated in accordance with the regulation prevailing for the MSP. The auditor will be duly notified to the Contracting Authority before the end of the contract.
- 7.2.9 By derogation from Article 15.9 of the General Conditions, costs incurred in other currencies are converted in Euro at the rate published by the Directorate General of the European Commission for Budget, at InforEuro <http://ec.europa.eu/budget/inforeuro/index.cfm> for the month in which the expenditure is incurred.
- 7.2.10A Privacy statement is publicly available on the twinning website at the following address: http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/twinning_en.htm. The information contained therein applies to this Twinning contract.
- 7.2.11 All Twinning partners undertake to facilitate the organisation and conduct of the Twinning review Missions as explained in section 9.2.2 of the Common Twinning Manual, included in Article 9 of Annex A1.

Done at [.....] in [three/four]^[4] originals in the English, French or German language.

For the Member State Partner

For the Contracting Authority

*[name and title of the individual(s)
authorised to sign]*

[signature]

[date]

*[name of the official(s)
authorised to sign]*

[signature]

[date]

Endorsed for financing by the European Union^[5]

*[name of the official(s)
authorised to sign]*

[signature]

[date]

Please ensure that the Contact details of the project leaders (both of the MS and of the BC) are also mentioned, if appropriate, on a separate sheet.

[1] Complete as appropriate: AO, Delegation, PAO or other

[2] Give all amounts in the currency selected for payment (euro)

[3] Delete if not applicable.

[4] Delete as appropriate. Three originals before conferral of management power (one original being for the European Commission one original being for the Member State Partner and one original being for the Beneficiary Administration). Four originals after conferral of management power (one original being for the European Commission, one original being for the Contracting Authority, one original being for the Member State Partner and one original being for the Beneficiary Administration).

[5] Where the Contracting Authority is not the European Commission. Delete if not applicable.

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(FOR ALL PROGRAMMES)**

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ANNEX A1

DESCRIPTION OF THE ACTION



TWINNING WORKPLAN*

The Administration of _____ (hereinafter referred to as the BC)
represented by _____

of the one part,

And the Administration of _____ (hereinafter referred to as the
Member State) represented by _____

of the other part

HAVE AGREED THE FOLLOWING WORK PLAN WHICH THEY UNDERTAKE TO
IMPLEMENT JOINTLY:

ARTICLE 1. BACKGROUND

1. 1. BC policy developments in the sector

Describe briefly the sector of the project in the BC and present the current situation and the reform programme paying special attention to gaps and needs which the project will address (contextual and conceptual overview).

1. 2. Beneficiary institutions and other parties involved

Spell out the ministries and agencies of the BC, which will participate in and benefit from the project. Indicate the contact person in each of the beneficiary institutions, as well as the contact details.

* For TL contract, Annex A1 consists of the detailed Twinning Light project fiche and the selected MS proposal.

1. 3. Parallel or related projects in the field

Indicate any parallel actions / projects (including e.g. investment components of the same project), which contribute to the same Overall Objective. Specify how co-ordination will be assured between the project and those actions;

ARTICLE 2. ACQUIS - PROJECT FICHE FIELD OF COOPERATION WITH THE EU

ENPI: Relevant Field of Cooperation with the EU

Describe how the project field answers to one of the areas of cooperation with the EU. If relevant, list other projects already implemented/under implementation with the EU in this field.

ARTICLE 3. MANDATORY RESULTS (OUTPUTS)

| | Intervention logic | Benchmarks | Sources of information | Assumptions (external to project) |
|---------------------------------------|---------------------------|-------------------|-------------------------------|--|
| Overall Objective | | | | |
| Project Purpose | | | | |
| Mandatory Results (Components) | | | | |
| Activities | | | | |

Clarifications to columns in the table

Intervention Logic

OVERALL OBJECTIVE: Objective beyond the immediate scope of the project, to which the project contributes.

PROJECT PURPOSE: The immediate objective that will be entirely achieved through the implementation of the twinning project.

MANDATORY RESULTS: Results that will be achieved as a result of groups of actions within the project (limit this to 5-10 relatively high-level results).

ACTIVITIES: Numbered lists of Activities, each of them contributing to the achievement of one of the mandatory results.

Benchmarks

How will the achievement of the results at each level of the project (i.e. from Overall Objective down to Activities) be measured?

Make sure that the benchmarks always define the following:

1. *Quantity*
2. *Quality*
3. *Target Group*
4. *Time*
5. *Place*

Sources of Information

How will the Project partners and the administrative office know that the benchmarks have been met? For every level, list sources of information, (e.g. reports, surveys, Official Journal, Commission Regular Report).

The sources should be specified for each of the mandatory results and Activities.

Assumptions

Specify at each level the external conditions related to the project that must be fulfilled in order to guarantee its success.

The table should be read as follows: if these assumptions are fulfilled and the activities are carried out, then the relevant mandatory results will be achieved

ARTICLE 4. TASKS (INPUTS)

Describe each of the activities, providing as a minimum the information required in the form below. The logic is that each Component (corresponding to a mandatory result) is broken down into several Activities. Each Activity constitutes a separate unit in the project design and corresponds to one budget entry.

Under IPA, information can be provided in an abridged version, i.e. listing only the denomination of components and activities.

Component 1

(Specify here, as described in Mandatory Results in Art. 3)

Activity 1.1

(Specify here, as described in Art. 3)

Activity 1.1

Method

- Brief description of activity (What will happen: MS STE mission, study visit, training, consultation, etc), how will it be implemented, by whom (clear share of responsibility MS/BC) and when.

Resources

- MS Human Resources needed. (Number of experts and man / days)*
- Beneficiary Administration Human Resources. (No. of people and their home institutions)*
- Other resources (translation, interpretation, training materials)*

Activity 1.2

Method

- Brief description of activity (What will happen? How will it be implemented, by whom (clear share of responsibility MS/BC) and when.

Resources

- MS Human Resources needed. (Number of experts and man / days)
- BC Human Resources. (Number of people and their home institutions)
- Other resources (translation, interpretation, training materials)

ARTICLE 5. RISKS

Specify the internal conditions related to the project that must be fulfilled in order to guarantee its success.

ARTICLE 6. SCHEDULE

Under IPA, activities can be grouped by quarter instead than by month.

| Project Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---------------------|---|---|---|---|---|---|---|---|---|----|----|----|
| Component 1 | | | | | | | | | | | | |
| Activity 1.1 | | | | | | | | | | | | |
| Activity 1.2 | | | | | | | | | | | | |
| Activity 1.3 | | | | | | | | | | | | |
| Component 2 | | | | | | | | | | | | |
| Activity 2.1 | | | | | | | | | | | | |
| Activity 2.2 | | | | | | | | | | | | |
| Activity 2.3 | | | | | | | | | | | | |

ARTICLE 7. RESOURCES

7.1. Human Resources

7.1.1. Member State(s)

Name the MS institution(s) participating in the project, as well as those providing experts. Indicate their status (Administration or Mandated Body)

Identify and briefly describe the tasks of the key positions in the project, including as a minimum: the **MS Project Leader**, **Junior MS Project Leader** (in case of a consortium) and the **RTA**. For more complex projects (especially those involving a consortium of MS) identify also the **Component Leaders** (key experts). For the MS Project Leader specify additionally how much of his/her time will be spent in the MS and how much in the BC.

Provide career details of individuals performing each of the functions above as well as the **key short-term experts** who will be involved in the project, using the table below.

| Name | Present position | Employer | Years of experience | Nationality | Education | Specialist knowledge | BC experience | Languages |
|------|------------------|----------|---------------------|-------------|-----------|----------------------|---------------|-----------|
| | | | | | | | | |
| | | | | | | | | |

7.1.2. BC

*Identify and briefly describe the tasks of the key positions in the project, including as a minimum: the **BC Project Leader, RTA Counterpart** and **key contacts** in each of the beneficiary institutions. For more complex projects, identify also the BC counterparts for the component leaders.*

7.1.3. Curricula Vitae

Attach the EU format CVs of the following persons:

- (1) MS Project Leader,*
- (2) BC Project Leader,*
- (3) RTA,*
- (4) RTA Counterpart in the BC,*
- (5) Key STEs from the MS (Component Leaders).*

7.2. Material Resources

The BC commits itself to cover the costs of the following provisions:

- Adequately equipped office space for the RTA and the RTA assistant for the entire duration of their secondment.
- Adequate conditions for the STEs to perform their work while on mission to the BC.
- Training and conference venues, costs of catering, as well as presentation and interpretation equipment.

(Costs for travel by BC officials from their capitals to a MS or between MS, e.g. in the framework of study visits, may be eligible for funding except for Twinning projects financed under IPA. Costs for travel by BC officials **within** a MS are on the other hand eligible for reimbursement in any case).

7.3. Indicative Budget

Provide the total budget here, as documented in the detailed breakdown of costs in Annex 3 to the Twinning Contract.

ARTICLE 8 MANAGEMENT AND MONITORING

8.1. Language

The official language of the project will be English, French or German. All formal communication regarding the project, including all reports will be produced in the agreed language.

Some of the STE inputs may be produced in (name any official language of the EU different than the ones above) and will be translated into the BC language. Adequate provision has been made in the budget for this purpose.

8.2. Project Steering Committee

At quarterly intervals, the Project Leaders, the RTA and where applicable, representatives of the administrative office and/or the EU Delegation will meet to discuss the progress of the project, verify the achievement of the outputs and mandatory results and discuss actions to be undertaken in the following quarter. The Project Steering Committee will also discuss the draft of the quarterly report submitted to it beforehand, recommend corrections.

The responsibility for the organisation of the Project Steering Committee meeting lies with both Project Leaders.

Under IPA, it is the responsibility of the Project Steering Committee to update the detailed description of activities in a six month perspective, issuing successive operative side letters, as described in Section 4.1.1 of the Twinning Manual.

8.3. Reporting

Every three months, the MS Project Leader in co-operation with the BC Project Leader will submit interim quarterly reports to the respective institution identified in section 6.4 to the Twinning manual. Each report will cover a three months period calculated from the date of notification of endorsement / signature of the contract.

The interim quarterly reports will be prepared and distributed to all the participants in advance of the meetings of the Project Steering Committee. The template of the report is detailed in Annex C4 to the Twinning manual.

The first report will be due in the fourth month counting from the date of notification of endorsement / signature of the Twinning contract. Failure to submit satisfactory reports in time may lead to the decision to suspend EU financing for the project.

The MS Project Leader shall submit the final report before the end of the legal duration of the Twinning contract.

The final report will be accompanied by a verification expenditure report.

ARTICLE 9 TWINNING REVIEW MISSIONS

Each Twinning project is in principle followed, 6 to 12 months after its finalisation, by a Twinning Review Mission (TRM). This mission aims at reporting whether sustainable impacts or spin offs have been observed after Twinning project finalisation.

The overall objective of a TRM is to assess if the achievements of the Twinning project are still present and if they produced a standing impact, in particular in terms of sustainability.

Normally, a TRM should also identify lessons learned and recommend improvements for the managing of Twinning projects in the given country and/or sector.

A TRM shall analyse the situation in the area/sector covered by the Twinning project concerned, comparing it to the situation prevailing when the project's implementation ended and taking into account the initial situation that the project was called to correct. The scope of the analysis shall be determined by the mandatory results of the Twinning project.

A TRM shall focus on the developments intervened after the end of the Twinning project concerned with particular regard to the legal and institutional level (legislative progress and administrative adaptation), to capacity and skills building (further training of staff and spreading of know-how) and to the structural changes introduced (irreversibility of the new framework).

The Team charged with the performance of the TRM is led by the Twinning Review Expert (TRE), a public sector (or mandated body) expert from a different MS than the Lead or Junior MS partners of the project concerned, who did not participate in the Twinning project in question. In principle and when possible the TRE is a former RTA of a similar project.

The TRE is selected by the Institution Building Unit (IBU) of the Commission, in consultation with MS National Contact Points (NCP) and other stakeholders. He/She is directly invited by the IBU to perform the TRM.

The TRE is responsible for preparing the Reporting Form. The Reporting Form, which the TRE timely distributes to all members of the TRM Team, mentions the project's deliveries and the final report's recommendations

The TRE drafts the review report.

For all or part of the TRM the TRE can be assisted and accompanied by a team of persons who were involved in the project concerned:

- the MS RTA;
- the BC RTA counterpart;
- the MS Project Leader (when appropriate and if available);
- the BC Project Leader (or the official who might have replaced him/her in the same position);
- the task manager from the pertinent EU Delegation who followed the project or the sector involved (or the official who might have replaced him/her in the same position).

If the MS RTA and/or the BC RTA counterpart are not available, the selection of a replacement is decided on a case by case basis by the IBU in close consultation with the pertinent stakeholders.

A more detailed set of guidelines and the template of the Reporting Form are available on the Twinning web-page: http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/twinning_en.htm.

TRM are organised as TAIEX events whose cost is covered by the TAIEX budget. The request to launch a TRM is initiated by the relevant EU Delegation.

The final reports produced by TRM will be included in a database of Twinning assessments accessible to all those involved.

For the administration of the Member State

*[name and title of the individual(s)
authorised to sign]*

[signature]

[date]

For the administration of the BC

*[name and title of the individual(s)
authorised to sign]*

[signature]

[date]

For IPA, Work **plan to be initialled by the administrative office/ EU Delegation**

- FOR ENPI, work plan to be initialled by the Member State Project Leader and the Beneficiary Country Project Leader.
(See section 3.10.2 of the Twinning Manual)

ANNEX A2¹
**General Conditions applicable to European Union-financed grant
contracts for external actions**

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¹ PRAG January 2012

GENERAL AND ADMINISTRATIVE PROVISIONS²

ARTICLE 1 - GENERAL OBLIGATIONS

- 1.1. The Beneficiary shall implement the Action under its own responsibility and in accordance with the Description of the Action in Annex A1 with a view to achieving the objectives laid down therein.
- 1.2. The Beneficiary shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with best practice in the field concerned and in compliance with this Contract.

For this purpose the Beneficiary shall 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 Beneficiary shall act alone or in partnership with one or more non governmental organisations or other bodies identified in the Description of the Action. Partners take part in the implementation of the Action, and the costs they incur are eligible in the same way as those incurred by the Beneficiary.

If the Beneficiary or, where applicable its partners, have to conclude contracts in order to carry out the Action, these may only cover a limited portion of the Action and shall respect the contract-award procedures and rules of nationality and origin set out in Annex A4 of this Contract.

In order to support the achievement of the objectives of the Action, and in particular where the implementation of the Action requires financial support to be given to third parties, the Beneficiary may award sub-grants if so provided for in the Special Conditions. However, sub-granting may not be the main purpose of the Action and it shall be duly justified. The Special Conditions shall establish the total amount which may be used for awarding sub-grants as well as the minimum and maximum amount per sub-grant. The maximum amount of a sub-grant shall be limited to EUR 10 000 per third party while the total amount which may be awarded as sub-grants to third parties shall be limited to EUR 100 000. The Description of the Action shall include a list with the types of activity which may be eligible for sub-grants, together with the criteria for the selection of the beneficiaries of these sub-grants.

The bulk of the Action must, however, be undertaken by the Beneficiary and, where applicable, his partners.

The Beneficiary alone shall be accountable to the Contracting Authority for the implementation of the Action. It shall undertake that the conditions applicable to it under Articles 1, 3, 4, 5, 6, 7, 8, 10, 14, 16 and 17 shall also apply to its partners, and those applicable under Articles 1, 3, 4, 5, 6, 7, 8, 10 and 16 to all its contractors. It shall include provisions to that effect as appropriate in its contracts with them.

- 1.4. The Beneficiary and the Contracting Authority are the only parties to this Contract. Where the European Commission is not the Contracting Authority, it is not party to this Contract, which confers on it only the rights and obligations explicitly mentioned therein.
- 1.5. Any personal data included in the Contract shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the

² Please note that the General Conditions applicable to European Union-financed grant contracts for external actions are subject to regular updates, the latest version of the Practical Guide is available on the website of the Directorate General Development and Cooperation - EuropeAid:
http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

European Union institutions and bodies and on the free movement of such data. The data shall be processed solely for the purposes of the performance, management and monitoring of the Contract by the Contracting Authority without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in application of Union law. The Beneficiary shall have the right of access to his/her personal data and the right to rectify any such data. Should the Beneficiary have any queries concerning the processing of his/her personal data, s/he shall address them to the Contracting Authority. The Beneficiary shall have right of recourse at any time to the European Data Protection Supervisor.

Where the Contract requires the processing of personal data, the Beneficiary may act only under the supervision of the data controller, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.

The data shall be confidential within the meaning of Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by Community institutions and bodies and on the free movement of such data. The Beneficiary shall limit access to the data to the staff strictly necessary for the performance, management and monitoring of the Contract.

The Beneficiary undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:

- a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:
 - unauthorised reading, copying, alteration or removal of storage media;
 - unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - unauthorised persons from using data-processing systems by means of data transmission facilities;
- b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
- c) record which personal data have been communicated, when and to whom;
- d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
- e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- f) design its organisational structure in such a way that it meets data protection requirements.

ARTICLE 2 - OBLIGATION TO PROVIDE INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Beneficiary must provide the Contracting Authority with all required information on the implementation of the Action. To that end, the Beneficiary must draw up interim reports and a final report. These reports shall consist of a narrative section and a financial section and shall conform to the model in Annex C4. They shall cover the Action as a whole, regardless of which part of it is financed by the Contracting Authority. Each report must provide a full account of all aspects of the Action's implementation for the period covered. In case where, in accordance with Article 15.6, no expenditure verification report is required the Beneficiary has to provide a list detailing each item of expenditure incurred in the period covered by the report, and indicating for each its title, amount,

relevant heading in the Budget of the Action and the reference of the justifying document, is annexed to it. The proofs of the transfers of ownership referred to in Article 7.3 are also annexed to the final report.

- 2.2. The Contracting Authority may request additional information at any time and that information must be supplied within 30 days of the request.
- 2.3. The reports shall be drafted in the language of the Contract. They shall be submitted to the Contracting Authority at the following intervals:
 - if payments are made in accordance with option 1 or option 3 of Article 15.1: a single final report shall be forwarded no later than three months after the implementation period as defined in Article 2 of the Special Conditions;
 - if payments are made in accordance with option 2 of Article 15.1:
 - an interim report must accompany every request for payment ;
 - the final report shall be forwarded no later than three months after the implementation period as defined in Article 2 of the Special Conditions.

The deadline for submission of the final report is extended to six months where the Beneficiary does not have its headquarters in the country where the Action is implemented.

- 2.4. Any additional reporting requirement shall be set out in the Special Conditions.
- 2.5. If the Beneficiary fails to supply the Contracting Authority with a final report by the final report deadline laid down in Article 2.3 and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

Furthermore, where payments are made in accordance with option 2 of Article 15.1 and the Beneficiary fails to present an interim report and 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 Beneficiary must inform the Contracting Authority of the reasons why it is unable to do so, and provide a summary of progress in the Action. If the Beneficiary fails to comply with this obligation, the Contracting Authority may terminate the Contract in accordance with Article 12.2 a) and recover the amounts already paid and not substantiated.

ARTICLE 3 - LIABILITY

- 3.1. 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 Beneficiary 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.
- 3.2. The Beneficiary shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Action is being carried out or as a consequence of the Action. The Beneficiary shall discharge the Contracting Authority of all liability arising from any claim or action brought as a result of an infringement by the Beneficiary or the Beneficiary'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 Beneficiary 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 Contract is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

ARTICLE 5 - CONFIDENTIALITY

Subject to Article 16, the Contracting Authority and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment. Where the European Commission is not the Contracting Authority it shall still have access to all documents communicated to the Contracting Authority and shall maintain the same confidentiality.

ARTICLE 6 - VISIBILITY

- 6.1. Unless the European Commission agrees or requests otherwise, the Beneficiary must take all necessary steps to publicise the fact that the European Union has financed or co-financed the Action. Such measures must comply with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission, that can be found at: http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf. The Beneficiary shall submit a communication plan for the approval of the European Commission and report on its implementation in accordance with Article 2.
- 6.2. In particular, the Beneficiary shall mention the Action and the European Union's financial contribution in information given to the final recipients of the Action, in its internal and annual reports, and in any dealings with the media. It shall display the EU logo wherever appropriate.
- 6.3. Any notice or publication by the Beneficiary concerning the Action, including those given at a conference or seminar, must specify that the Action has received EU funding. Any publication by the Beneficiary, in whatever form and by whatever medium, including the internet, must include the following statement: *“This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Beneficiary's name > and can under no circumstances be regarded as reflecting the position of the European Union.”*
- 6.4. The Beneficiary authorises the Contracting Authority and the European Commission (where it is not the Contracting Authority) to publish its name and address, nationality, the purpose of the grant, duration and location as well as the maximum amount of the grant and rate of funding of the Action's costs, as laid down in Article 3 of the Special Conditions. A derogation from publication of this information may be granted if it could endanger the Beneficiary or harm its commercial interests.

ARTICLE 7 - OWNERSHIP/USE OF RESULTS AND ASSETS

- 7.1. Ownership of, and title and intellectual and industrial property rights to, the Action's results, reports and other documents relating to it shall be vested in the Beneficiary.
- 7.2. Notwithstanding the provisions of Article 7.1 and subject to Article 5, the Beneficiary grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use freely and as it sees fit all documents deriving from the

Action, other than those reports referred to in Article 2, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

- 7.3. Where the Beneficiary does not have its headquarters in the country where the Action is implemented and unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Budget for the Action must be transferred to any local partners of the Beneficiary and/or the final beneficiaries of the Action, at the latest when submitting the final report. Copies of the proofs of transfers of equipments and vehicles, the purchase cost of which was more than EUR 5 000 per item, must be attached to the final report. Such proofs must be kept for control in all other cases.

ARTICLE 8 – EVALUATION/MONITORING OF THE ACTION

- 8.1. If the European Commission carries out an interim or ex post evaluation or a monitoring mission, the Beneficiary shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 16.2.
- 8.2. If either party (or the European Commission) carries out or commissions an evaluation in the course of the Action, it must provide the other party and the European Commission (or the Parties) with a copy of the evaluation report.

ARTICLE 9 - AMENDMENT OF THE CONTRACT

- 9.1. Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum. This Contract can be modified only during its execution period.

If an amendment is requested by the Beneficiary, it must submit that request to the Contracting Authority thirty days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Beneficiary and accepted by the Contracting Authority.

- 9.2. However, where the amendment to the Budget or Description of the Action does not affect the basic purpose of the Action and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Beneficiary may amend the budget and inform in writing without delay the Contracting Authority accordingly. This method may not be used to amend the headings for administrative costs or the contingency reserve.

Changes of address, bank account or auditor may simply be notified, although this does not stop the Contracting Authority from opposing the Beneficiary's choice of bank account or auditor.

The Contracting Authority reserves the right to require that the auditor referred to in Article 5.2 of the Special Conditions be replaced if considerations which were unknown when the Contract was signed cast doubt on the auditor's independence or professional standards.

- 9.3. An addendum may not have the purpose or the effect of making changes to the Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants. The maximum grant referred to in Article 3.2 of the Special Conditions may not be increased.

ARTICLE 10 - ASSIGNMENT

The Contract 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.

ARTICLE 11 - IMPLEMENTATION PERIOD OF THE ACTION, EXTENSION, SUSPENSION, FORCE MAJEURE AND END DATE

- 11.1. The implementation period of the Action is laid down in Article 2 of the Special Conditions. The Beneficiary must inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action. The Beneficiary may request an extension of the Action's implementation period in accordance with Article 9. The request must be accompanied by all the supporting evidence needed for its appraisal.
- 11.2. The Beneficiary may suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. The Beneficiary must inform the Contracting Authority without delay and provide all the necessary details. Each party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, and shall inform the Contracting Authority accordingly.
- 11.3. The Contracting Authority may request the Beneficiary to suspend implementation of all or part of the Action if circumstances (chiefly force majeure) make it too difficult or dangerous to continue. Each party may terminate the Contract in accordance with Article 12.1. If the Contract is not terminated, the Beneficiary shall endeavour to minimise the time of its suspension and shall resume implementation once circumstances allow, after obtaining the prior written approval of the Contracting Authority.
- 11.4. The implementation period of the Action shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that 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 contractual obligations, is not attributable to error or negligence on their part (or the part of their subcontractors, agents or employees), and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by force majeure. Without prejudice to Articles 12.2 and 12.4, the party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.
- 11.6. The payment obligations of the European Union under this Contract shall end 18 months after the implementation period laid down in Article 2 of the Special Conditions, unless the Contract is terminated under Article 12.

The Contracting Authority shall notify the Beneficiary of any postponement of the end date.

ARTICLE 12 - TERMINATION OF THE CONTRACT

- 12.1. If a party believes that the Contract can no longer be executed effectively or appropriately, it shall consult the other party. Failing agreement on a solution, either party may terminate the Contract by serving two months' written notice, without being required to pay compensation.
- 12.2. The Contracting Authority may terminate the Contract, by giving a seven day notice and without paying compensation of any kind:

- a) where the Beneficiary 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;
- b) where the Beneficiary is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- c) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of grave professional misconduct; this also applies to partners and agents of the Beneficiary;
- d) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the European Union's financial interests; this also applies to partners and agents of the Beneficiary;
- e) where the Beneficiary changes legal personality, unless an addendum recording that fact is drawn up;
- f) where the Beneficiary does not comply with Articles 4, 10 and 16;
- g) where the Beneficiary makes false or incomplete statements to obtain the grant provided for in the Contract or provides reports that do not reflect reality;
- h) where the Beneficiary has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
- i) where the Contracting Authority has evidence on the Beneficiary or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the grant; this also applies to partners and agents of the Beneficiary;

In the cases referred to in points (c), (d) and (i) above, any related person shall mean any physical person with powers of representation, decision-making or control in relation to the Beneficiary. Any related entity shall mean in particular any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive n° 83/349/EEC of 13 June 1983.

- 12.3. The Beneficiary who has made false declarations, has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations may be excluded from all contracts financed by the Contracting Authority for a maximum of five years from the date on which the infringement is established, as confirmed following the adversarial procedure with the Beneficiary. This period can be extended to 10 years in the event of a repeated offence within 5 years of the date referred above.
- 12.4. In the event of termination, the Beneficiary shall be entitled to payment of the grant only for the part of the Action carried out, excluding costs connected with current commitments that would be implemented after termination. For this purpose the Beneficiary shall introduce a payment request and a final report in accordance with Article 2.
- 12.5. However, in the event of termination of the Contract by the Contracting Authority under the cases specified in points d), e) and g) of Article 12.2, the Contracting Authority may request full or partial repayment of sums already paid from the grant, in proportion to the gravity of the failings in question and after allowing the Beneficiary to submit its observations.
- 12.6. Prior to, or instead of, terminating the Contract as provided for in this Article, the Contracting Authority may suspend payments as a precautionary measure without prior notice.

12.7. This Contract shall be terminated automatically if it has not given rise to any payment by the Contracting Authority within three years of its signature.

ARTICLE 13 - APPLICABLE LAW AND DISPUTE SETTLEMENT

- 13.1. This Contract shall be governed by the law of the Contracting Authority or, where the Contracting Authority is the European Commission, by the European Union law supplemented as appropriate by Belgian law.
- 13.2. The Parties shall do everything possible to settle amicably any dispute arising between them during implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. A party must reply to a request for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced agreement within 120 days of the first request, each party may notify the other that it considers the procedure to have failed.
- 13.3. In the event of failure to reach an amicable agreement, the dispute may by common agreement of the Parties be submitted to the conciliation of the European Commission if it is not the Contracting Authority. If no settlement is reached within 120 days of the opening of the conciliation procedure, each party may notify the other that it considers the procedure to have failed.
- 13.4. In the event of failure of the above procedures, each party may submit the dispute to the courts of the country of the Contracting Authority, or to the Brussels courts where the Contracting Authority is the European Commission.

FINANCIAL PROVISIONS

ARTICLE 14 - ELIGIBLE COSTS

- 14.1. Eligible costs are costs actually incurred by the Beneficiary which meet all the following criteria:
- a) they are incurred during the implementation of the Action as specified in Article 2 of the Special Conditions with the exception of costs relating to final reports, expenditure verification and evaluation of the Action, whatever the time of actual disbursement by the Beneficiary and/or its partners. Procedures to award contracts, as referred to in the Article 1.3, may have been initiated but contracts may not be concluded by the Beneficiary or its partners before the start of the implementation period of the Action, provided the provisions of Annex A4 were respected;
 - b) must be indicated in the estimated overall budget of the Action;
 - c) must be necessary for the implementation of the Action;
 - d) they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary and determined according to the applicable accounting standards of the country where the Beneficiary is established and according to the usual cost accounting practices of the Beneficiary;
 - e) must be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.
- 14.2. Subject to the above and where relevant to the provisions of Annex A4 being respected, the following direct costs of the Beneficiary and its partners shall be eligible:
- the cost of staff assigned to the Action, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Beneficiary or its

partners, as the case may be, unless it is justified by showing that it is essential to carry out the Action;

- travel and subsistence costs for staff and other persons taking part in the Action, provided they do not exceed those normally borne by the Beneficiary or its partners, as the case may be. Any flat-rate reimbursement of the subsistence costs must not exceed the rates set out in Annex A3, which correspond to the scales published by the European Commission at the time of signing this Contract;
- purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Action, and costs of services, provided they correspond to market rates;
- costs of consumables;
- costs entailed by contracts awarded by the Beneficiary for the purposes of the Action referred to in Article 1.3;
- costs deriving directly from the requirements of the Contract (dissemination of information, evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees);
- taxes, including VAT, where the Regulation and/or Financing Agreement with the third country under which the Contract is financed do not exclude coverage of taxes and the Beneficiary (or, where applicable, its partners) can show it cannot reclaim. Notwithstanding, the Beneficiary (or its partners) will not have to show it cannot reclaim taxes in any of the cases set out in Article 14.7.

14.3. A contingency reserve not exceeding 5 % of the direct eligible costs may be included in the Budget of the Action. It can be used only with the prior written authorisation of the Contracting Authority

14.4. A fixed percentage not exceeding the percentage laid down in Article 3 of the Special Conditions of the total amount of direct eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Action, save where the Beneficiary is in receipt of an operating grant financed from the EU budget. The flat-rate funding in respect of indirect costs does not need to be supported by accounting documents.

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

This Article 14.4 does not apply in the case of an operating grant.

14.5. Any contributions in kind, which must be listed separately at Annex A3, do not represent actual expenditure and are not eligible costs. Unless otherwise specified in the Special Conditions, the contributions in kind may not be treated as co-financing by the Beneficiary. Notwithstanding to the above, if the Description of the Action foresees the contributions in kind, such contributions have to be provided.

14.6. The following costs shall not be considered eligible:

- debts and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- costs declared by the Beneficiary and covered by another action or work program;
- purchases of land or buildings, except where necessary for the direct implementation of the Action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest at the end of the Action;
- currency exchange losses;

- credits to third parties, unless otherwise specified in the Special Conditions
- 14.7. The Beneficiary (or, where applicable, its partners) will not have to show it cannot reclaim taxes in any of the following cases:
- where the amount of taxes per invoice is less than EUR 200, within a maximum of EUR 2 500, representing not more than 5% of the Contracting Authority's contribution;
 - where the Beneficiary can demonstrate that the steps necessary for recovery of taxes oblige it to incur costs in a country where it only performs the relevant operations on an ad hoc and isolated basis; and that these costs for recovery (e.g., registration fees in the country or the costs for appointing a tax representative, declaration fees, etc.) clearly exceed the amount of the taxes declared to the Contracting Authority;
 - where a country has been declared in crisis situation or in the need for emergency and post-emergency assistance by the European Commission. This exception is limited to the period in which the declaration is in force. The Beneficiary shall be informed in writing thereof.
- Where the Action relates to the protection of fundamental rights of peoples, as provided for in the Special Conditions.

The Beneficiary shall certify that the concerned taxes have not been or will not be recovered from the local tax authorities and prove that the above requirements are met at the latest when submitting the final report.

ARTICLE 15 - PAYMENT AND INTEREST ON LATE PAYMENT

- 15.1. Payment procedures are set out in Article 4 of the Special Conditions and correspond to one of the three options below:

Option 1: Actions with an implementation period not exceeding 12 months or where the financing provided by the Contracting Authority does not exceed EUR 100 000

The Contracting Authority shall pay the grant to the Beneficiary in the following manner:

- pre-financing of 80% of the sum referred to in Article 3.2 of the Special Conditions following the provisions in Article 4.3 of the Special Conditions.
- the balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by a request for payment of the balance conforming to the model in Annex A5.

Option 2: Actions with an implementation period of more than 12 months and where the financing provided by the Contracting Authority is more than EUR 100 000

The Contracting Authority shall pay the grant to the Beneficiary in the following manner:

- an initial pre-financing instalment of 80% of that part of the estimated budget for the first 12 months financed by the Contracting Authority by applying the percentage to eligible costs laid down in article 3.2 of the Special Conditions, following the provisions in Article 4 of the Special Conditions.
- further pre-financing instalments designed to normally cover the part of the Beneficiary's financing needs for each twelve month period of implementation of the Action financed by the Contracting Authority by applying the percentage to eligible costs laid down in article 3.2 of the Special Conditions. Payment will be made within 45 days of the Contracting Authority approving an interim report in accordance with Article 15.2, accompanied by:
 - a request for payment conforming to the model in Annex A5,

- a forecast budget for the subsequent 12-month period (or of the remaining period if its shorter),
- an expenditure verification report under Article 15.6, if required,
- a financial guarantee if required under Article 15.7;
- the balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:
 - a request for payment of the balance conforming to the model in Annex A5,
 - an expenditure verification report required under Article 15.6.

Further pre-financing may only be given if the part of the expenditure actually incurred which is financed by the Contracting Authority (by applying the percentage set out in Article 3.2 of the Special Conditions) stands at 70% at least of the previous payment (and at 100% of any previous payments) as supported by the corresponding interim report and, where applicable, by an expenditure verification report as specified in Article 15.6.

Where reports are submitted in compliance with Article 2 but where the consumption of the previous pre-financing is less than 70%, the amount of the new pre-financing payment shall be reduced by the amount corresponding to the difference between the 70% threshold and the amount actually consumed of the previous pre-financing payment.

The total sum of pre-financing under the Contract may not exceed 90% of the amount referred to in Article 3.2 of the Special Conditions.

Option 3: All Actions

The grant shall be paid to the Beneficiary by the Contracting Authority in one payment within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by:

- a request for payment of the balance conforming to the model in Annex A5,
- an expenditure verification report if required under Article 15.6.

- 15.2. Any report shall be considered approved if there is no written reply from the Contracting Authority within 45 days of its receipt accompanied by the required documents. Approval of the reports shall not imply recognition of their regularity nor of the authenticity, completeness and correctness of the declarations and information they contain.

The Contracting Authority may suspend the time-limit for approval of a report by notifying the Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension shall take effect when the notification is sent by the Contracting Authority. In such cases, the Contracting Authority may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received.

Reports shall be presented in accordance with Article 2.

- 15.3. The time-limit of 45 days for payment referred to in Article 15.1 above shall expire on the date on which the Contracting Authority's account is debited. Without prejudice to Article 12.6, the Contracting Authority may suspend this time-limit by notifying the Beneficiary that the request for payment is inadmissible, either because the amount in question is not due or because proper supporting documents have not been supplied or it thinks it is necessary to conduct further checks, including on-the-spot checks, to make sure that the expenditure is eligible. Suspension shall take effect when the notification is sent by the Contracting Authority.

The time-limit for payment shall start running again on the date on which a correctly formulated request for payment is recorded.

15.4. Once the time-limit referred to above has expired, the Beneficiary - unless the Beneficiary is a government department or public body in a European Union Member State - may, within two months of receipt of the late payment, receive default interest:

- at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
- at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, if payments are in euro,

on the first day of the month in which the time-limit expired, plus three and a half percentage points. The interest shall be payable for the time elapsed between the expiry of the payment deadline and the date on which the Contracting Authority's account is debited. By way of exception, when the interest calculated in accordance with this provision is lower than or equal to EUR 200, it shall be paid to the Beneficiary only upon demand submitted within two months of receiving late payment. This interest is not considered income for the purposes of Article 17.3.

15.5. Where the award procedure or performance of the Contract is vitiated by substantial errors or irregularities or by fraud attributable to the Beneficiary, the Contracting Authority may refuse to make payments or may recover amounts already paid, in proportion to the seriousness of the errors, irregularities or fraud. The Contracting Authority may also suspend payments in cases where there are suspected or established errors, irregularities or fraud committed by the Beneficiary in the performance of another contract funded by the general budget of the European Union or by EDF, which are likely to affect the performance of the present Contract. Suspension shall take effect when the notification is sent by the Contracting Authority.

15.6. A report on the verification of the Action's expenditure, produced by an approved auditor who meets the specific conditions of the Terms of Reference for the expenditure verification, shall be attached to:

- any request for pre-financing payments per financial year in case of grants of EUR 750 000 or more;
- any final report in the case of a grant of more than EUR 100 000;
- any request for payment of over EUR 100 000 for the financial year, in the case of an operating grant

The auditor examines whether the costs declared by the Beneficiary are real, accurately recorded and eligible in accordance with the Contract, as well as the revenue of the Action and issues an expenditure verification report conforming to the model in Annex A6.

The Beneficiary grants the auditor all access rights mentioned in Article 16.2.

The expenditure verification report accompanying a request for payment of the balance covers all expenditures not covered by any previous expenditure verification report.

Based on the expenditure verification report the Contracting Authority determines the total amount of eligible expenditure which may be deducted from the total sum of prefinancing under the Contract (clearance).

Where the Beneficiary is a government department or a public body or an international organisation, the Contracting Authority may exempt it from the expenditure verification requirement.

15.7. If the total sum of pre-financing paid under the Contract is more than 80% of the Contract amount and exceeds EUR 60 000, its payment must be fully covered by a financial guarantee. Where the Beneficiary is a non governmental organisation, such

guarantee is requested if the total sum of pre-financing paid under the Contract is more than EUR 1 million or 90% of the contracting authority's contribution. The financial guarantee must be denominated in euro or currency of the Contracting Authority, conforming to the model in Annex VIII of the standard grants contract and, unless the Contracting Authority otherwise agrees, provided by an approved bank or financial institution established in one of the Member States of the European Union. This guarantee shall remain in force until its release by the Contracting Authority when the total amount of pre-financing under the Contract is once again less than EUR 1 million or after payment of the balance.

This provision shall not apply if the Beneficiary is a government department or public body or an international organisation, unless otherwise stipulated in the Special Conditions. The payments owed by the Contracting Authority shall be made to the bank account or sub-account referred to in the financial identification form in Annex A5, which identifies the funds paid by the Contracting Authority and allows the calculation of the interests produced by such funds. The funds paid to this account or sub-account shall, in accordance with the law of the State in which the account or sub-account is opened, yield interest or equivalent benefits. Such interest or benefits shall, if they are generated by pre-financing, be deducted from the payment of the balance or recovered by the Contracting Authority as specified in Article 15.9

- 15.8. The Contracting Authority shall make payments in the currency of the country to which it belongs or in euro, in accordance with the Special Conditions. In the latter case, any conversion into euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro for the months covered by the relevant report, unless otherwise provided in the Special Conditions.

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to restructuring the Action in order to lessen the impact of such a fluctuation. Where necessary, the Contracting Authority may take additional measures such as terminating the Contract.

- 15.9. Any interest or equivalent benefits accruing from pre-financing paid by the Contracting Authority to the Beneficiary shall be mentioned in the interim and final reports. Subject to the conditions laid down in the basic act, any interest accruing from pre-financing equal or below EUR 250 000 paid by the Contracting Authority shall not be due to the Contracting Authority and may be used by the Beneficiary for the Action. Any interest accruing from pre financing of more than EUR 250 000 paid by the Contracting Authority shall be assigned to the Action and deducted from the payment of the balance of the amounts due to the Beneficiary, unless the Contracting Authority requests the Beneficiary to reimburse the interest generated by pre-financing payments before the payment of the balance.

Interest shall not be due to the Contracting Authority either for pre-financing paid to the EU Member States or for pre-financing under pre-accession aid.

- 15.10. Subject to the conditions laid down in the basic act, in case of crisis management actions recognized as such by the Contracting Authority, the interests accruing from prefinancing equal or below EUR 750 000 shall not be due to the Contracting Authority and may be used by the Beneficiary for the Action. Any interest accruing from pre-financing of more than EUR 750 000 is due to the Contracting Authority.
- 15.11. Subject to the conditions laid down in basic act, the Contracting Authority shall recover for each reporting period the interests accruing from pre-financing of more than EUR 750 000 at the end of each financial year.
- 15.12. The interests are not taken into account when calculating the total sum of pre-financing under the Contract and are not considered as revenue of the Action for the purposes of final amount as referred to in Article 17.

15.13. All references to days in this Article 15 are to calendar days.

ARTICLE 16 - ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

16.1. The Beneficiary shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and double-entry book-keeping system. These systems may either be an integrated part of the Beneficiary's regular system or an adjunct to that system. This system shall be run in accordance with the accounting and bookkeeping policies and rules that apply in the country concerned. Accounts and expenditure relating to the Action must be easily identifiable and verifiable. This can be done by using separate accounts for the Action concerned or by ensuring that expenditure for the Action concerned can be easily identified and traced to and within the Beneficiary's accounting and bookkeeping systems. Accounts must provide details of interest accruing on funds paid by the Contracting Authority.

The Beneficiary shall ensure that the financial report (both interim and final) as required under Article 2 can be properly and easily reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

16.2. The Beneficiary shall allow the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 7 years after the payment of the balance.

Furthermore, the Beneficiary shall allow the European Anti-Fraud Office and any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to carry out checks and verification on the spot in accordance with the procedures set out in the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities

To this end, the Beneficiary undertakes to give appropriate access to staff or agents of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors as well as to any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to the sites and locations at which the Action is implemented, including its information systems, as well as all documents and databases concerning the technical and financial management of the Action and to take all steps to facilitate their work. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Beneficiary must inform the Contracting Authority of their precise location.

The Beneficiary guarantees that the rights of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors as well as of any external auditor authorised by the Contracting Authority carrying out verifications as required per Article 15.6 to carry out audits, checks and verification shall be equally applicable, under the same conditions and according to the same rules as those set out in this Article 16, to the Beneficiary's partners, contractors and sub-grantees. Where a partner, contractor or sub-grantee is an international organisation, any verification agreement concluded between such organisation and the European Commission applies.

16.3. In addition to the reports mentioned in Article 2, the documents referred to in Article 16.2 include:

- Accounting records (computerised or manual) from the Beneficiary's accounting system such as general ledger, sub ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- Proof of commitments such as contracts and order forms;
- Proof of delivery of services such as approved reports, time sheets, transport tickets , proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- Proof of receipt of goods such as delivery slips from suppliers;
- Proof of completion of works, such as acceptance certificates;
- Proof of purchase such as invoices and receipts.
- Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- Proof that taxes and/or VAT that have been paid cannot actually be reclaimed;
- For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- Staff and payroll records such as contracts, salary statements, time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary. For expatriate and/or European-based staff (if the Action is implemented in Europe) analyses and breakdowns of expenditure per month of actual work; assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

ARTICLE 17 - FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY

17.1. The total amount to be paid by the Contracting Authority to the Beneficiary may not exceed the maximum grant laid down in Article 3.2 of the Special Conditions neither in terms of absolute amount nor in percentage.

17.2. If the total costs of the Action at the end of the Action are less than the estimated total eligible costs as referred to in Article 3.1 of the Special Conditions, the Contracting Authority's contribution shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 of the Special Conditions to the total eligible costs of the Action approved by the Contracting Authority.

17.3. The Beneficiary accepts that the grant can under no circumstances result in a profit for itself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as:

- In the case of a grant for an Action, a surplus of actual receipts over the actual costs of the Action in question when the request is made for payment of the balance. However, in the case of Actions designed specifically to strengthen the financial capacity of the Beneficiary, it is distribution to the members making up the beneficiary body of the surplus revenue resulting from its activity leading to their personal enrichment.
- In the case of an operating grant, a surplus balance on the operating budget of the Beneficiary.

These provisions shall not apply to study, research or training scholarships paid to natural persons, nor in the case of prizes awarded following contests.

17.4. In addition and without prejudice to the right to terminate the Contract in accordance with Article 12.2, the Contracting Authority may, by a duly reasoned decision, if the Action is not implemented or is implemented poorly, partially or late, reduce the grant initially provided for in line with the actual implementation of the Action on the terms laid down in this Contract.

ARTICLE 18 - RECOVERY

18.1. The Beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Contracting Authority within 45 days of the issuing of the debit note, the latter being the letter by which the Contracting Authority requests the amount owed by the Beneficiary.

18.2. Should the Beneficiary fail to make repayment within the deadline set by the Contracting Authority, the Contracting Authority may increase the amounts due by adding interest:

- at the rediscount rate applied by the central bank of the country of the Contracting Authority if payments are in the currency of that country;
- at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro, on the first day of the month in which the time-limit expired, plus three and a half percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the Contracting Authority, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.

18.3. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Beneficiary. This shall not affect the Parties' right 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 Beneficiary.

18.5. Where necessary the European Union may as a donor subrogate itself to the Contracting Authority.

18.6. If the Contract is terminated for any reason whatsoever, the guarantee securing the pre-financing may be invoked forthwith in order to repay the balance of the pre-financing still owed by the Beneficiary, and the guarantor shall not delay payment or raise objection for any reason whatever.



ANNEX A3 Budget

*The Administration of _____ (hereinafter referred to as the BC)
represented by*

of the one part,

*And the Administration of _____ (hereinafter referred to as the
Member State) represented by*

of the other part

HAVE AGREED ON THE FOLLOWING BUDGET:

BUDGET TEMPLATE: BREAKDOWN OF COSTS

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | Cost |
|--|--|-------------|
|--|--|-------------|

| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ³ |
|---|----|----|------------|-------------|-----------------------|------------------------------|
| 1. Resident Twinning Advisor Remuneration | | | | | | |
| Mr./Ms. First Name SURNAME (XXX months) | | | | | | |
| Basic salary and non wage labour costs | | | | | | |
| 6% of salary and non-wage labour costs | | | | | | |
| Total RTA remuneration | | | | | | |
| | | | | | Total BC Co-financing | |
| 2. Resident Twinning Advisor Allowances | | | | | | |
| Daily allowances (50%) | | | | | | |
| Allowances for RTA for first 30 days | | | | | | |
| Allowances for spouse and children for first 30 days at 50% | | | | | | |
| Health and accident insurance for RTA | | | | | | |
| Health and accident insurance for spouse | | | | | | |
| Health and accident insurance for children | | | | | | |
| Accommodation (see appropriate ceiling for each BC) | | | | | | |
| Estate Agent's Fee | | | | | | |
| Removal Costs (up to 780kg for RTA, 390kg for spouse and 195kg per child) | | | | | | |
| Storage Costs | | | | | | |
| Vehicle transport | | | | | | |
| Excess Luggage (up to 50kg) | | | | | | |
| Travel to and from place of duty – RTA | | | | | | |
| Travel to and from place of duty – spouse and/or children | | | | | | |
| Annual return trip – RTA | | | | | | |
| Annual return trip – spouse | | | | | | |
| Monthly allowance for special economically priced return trips ⁴ | | | | | | |
| School fees (X children X years) | | | | | | |
| Total RTA Allowances | | | | | | |
| | | | | | Total BC Co-financing | |
| 3. RTA Training | | | | | | |
| Return fare Brussels | | | | | | |
| 3 per diems BE | | | | 3 | | |
| Total RTA Training | | | | | | |
| | | | | | Total BC Co-financing | |
| 4. RTA Assistant | | | | | | |
| Assistant salary | | | | | | |

³ Non eligible costs under the Twinning budget that need to be covered by the Beneficiary Country.

⁴ NOTE: If this option is chosen, the RTA is not entitled to reimbursement of removal costs and annual trip home, and his/her spouse or children are not entitled to reimbursement for any costs.

| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ³ |
|--|----|----|------------|-------------|---------------|------------------------------|
| Total RTA Assistant Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| 5. Project Preparation | | | | | | |
| RTA/PL Leader fees (XX trips x XX days) | | | | | | |
| 'Twinning Management Costs' | | | | | | |
| Per diems | | | | | | |
| Airfares | | | | | | |
| | | | | | | |
| Total Preparation Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| 6. Project Coordination | | | | | | |
| Participation of PL in PSC meetings Fees (XX missions of XX days) | | | | | | |
| 'Twinning Management Costs' | | | 150% | | | |
| Per diems | | | | | | |
| Airfare | | | | | | |
| Visibility costs ⁵ | | | | | | |
| Audit certificate costs ⁶ | | | | | | |
| Total Project Co-ordination Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| 7. PROJECT ACTIVITIES⁷ | | | | | | |
| 0 Kick-off and Closure Meetings | | | | | | |
| Participation of PL and experts Fees (XX missions of XX days) | | | | | | |
| 'Twinning Management Costs' | | | 150% | | | |
| Per diems | | | | | | |
| Airfare | | | | | | |
| Meeting venue ⁸ | | | | | | |
| Small catering ⁹ | | | | | | |

⁵ Subject to a ceiling of EUR 5 000 for projects with a budget up to and including EUR 1 million and EUR 10 000 for projects above that threshold.

⁶ Recommended estimate for a period of 12 months: EUR 4 000.

⁷ **Under IPA, the only lines that need to be filled for Project Activities are 'Activity Title' and 'Total Activity X.X Costs', 'Component Title' and 'Total Component Y'.**

⁸ If an adequate meeting room is not available in the premises of the beneficiary administration or in those of the EU Delegation.

| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ³ |
|---|----|----|------------|-------------|---------------|------------------------------|
| Total Activity 0 Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| COMPONENT 1: TITLE | | | | | | |
| 1.1 Activity Title | | | | | | |
| X-day seminar in BC | | | | | | |
| XX MS experts (names), XX days | | X | | | | |
| MS Expert fees | | X | | | | |
| ‘Twinning Management Costs’ | | | 150% | | | |
| Per diems ¹⁰ | | | | | | |
| Air tickets for MS Experts | | | | | | |
| Interpretation (XX interpreters x XX days) | | | | | | |
| Translation of XXXX (XX pages) | | | | | | |
| Seminar/traning venues | X | | | | | |
| Total Activity 1.1 Costs | | | | | | |
| 1.2 Activity Title | | | | | | |
| X-week study trip to MS for XX BC staff to the Ministry of ... in ... | | X | | | | |
| Per diems for BC participants (XX x XX days) | | X | | | | |
| Air tickets for BC participants | X | | | | | |
| Incidental costs (at EUR 10 per participant/day) | | | 10 | | | |
| Interpreter fees ¹¹ | | | | | | |
| Air tickets for interpreter | | | | | | |
| Per diems for interpreter | | | | | | |
| Total Activity 1.2 Costs | | | | | | |
| 1.3 Activity Title | | | | | | |
| XX-day training event in region of BC on the subject of XXX | | | | | | |
| XX MS Experts (names) for XX days | | X | | | | |
| Expert fees | | | | | | |
| ‘Twinning Management Costs’ | | | 150% | | | |
| Per diems | | | | | | |
| Air tickets | | | | | | |
| Local travel | | | | | | |
| Interpretation (XX interpreters x XX days) | | | | | | |
| Training venue | X | | | | | |
| Total Activity 1.3 Costs | | | | | | |
| Total Component 1 | | | | | | |
| Total BC Co-financing | | | | | | |
| COMPONENT 2: TITLE | | | | | | |
| 2.1 – 2.9 Activity Title | | | | | | |

⁹ Subject to a ceiling EUR 500 per event.

¹⁰ If the sum of one additional per diem and a special economically priced ticket is lower than that of economy ticket price, then one additional day stay is recommended.

¹¹ If the sum of a BC interpreter’s fees, cost of air tickets and per diems, is lower than the fees of a MS interpreter, then a BC interpreter should be used.

ANNEX A4

CONTRACT AWARD PROCEDURES¹

In principle, Twinning projects are exclusively based on the transfer of **public sector expertise** and know-how to the beneficiary administration with a view to achieving a mandatory result. This entails that private sector input in the format of equipment or private sector services will only be required **in exceptional cases**, subject to due justification, and limited to the overall ceiling of EUR 5 000 in the case of equipment and to EUR 10 000 per budget item in case of services (see sections 5.10 and 5.11 of the Twinning Manual).

Twining projects are in other words self-contained projects centred around public sector co-operation.

In line with the provisions of Section 6.8 of the practical guide (subcontracting in grants), the exceptionally required private sector inputs are in principle tendered **by the MS partner**, which applies the provisions included in this Annex.

An overview of the applicable rules:

Supply of goods

up to EUR 5 000 per twinning project single tender by MS Project Leader

Examples: small equipment to ensure smooth implementation of the project (e.g. laboratory consumables or small measuring equipment)

Procedure: Direct award allowed, invoice included in the framework of quarterly financial report.

over EUR 5 000 per Twinning project :

Such investment **CANNOT** be financed by the Twinning budget. It can be mentioned *pro memoria* in the breakdown of cost only to signify the commitment of the BC that the relevant equipment will be available at that time of the work programme for the project.

Examples: equipment to measure air quality control, veterinary control materials.

Supply of services

up to EUR 10 000 per budget item : single tender by Member state project Leader

¹ Please note that the Contract award procedures are subject to regular updates, the latest version of the Practical Guide is available on the Website of EuropeAid Cooperation Office: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

Examples: travel costs, translation and interpretation services, software, training material, expert private sector inputs to training.

Procedure: MS Project Leader responsible for procurement and contracting.

Above EUR 10 000 per budget item: Subcontracting by Member State Partner subject to the provisions of this Annex

Given (1) the fact that in some instances the Member State twinning partner is a public sector body not allowed to engage in commercial contracts and (2) the exceptional nature of private sector inputs, the Member State partner may ask the Administrative Office in a Beneficiary Country to manage the exceptionally requested private sector inputs (services above EUR 10 000) on its behalf. This may be appropriate especially where the contracting entails VAT charges which cannot be handled by the Member state partner. Examples of possible subcontracting: translation and interpretation services, software, training material, expert private sector inputs to training.

If the Member State partner avails itself of such assistance, amounts for private sector inputs above the ceiling of EUR 10 000 for supply of services will be contracted separately by the AO and will be included in the budget (Annex A3) of the Twinning Agreement with an annotation making clear that they will be contracted by the AO.

In this case, payments due to the Member State partner will obviously not include the private sector sub contracts entered into by the Administrative Office. See Section 7.2 of the Twinning Manual for the payment procedure.

In any case, both the MS project leaders and, if applicable, the AO will apply the Practical Guide to govern the private sector sub-contracting.

DETAILED CONTRACT AWARD PROCEDURES

1. General principles

If the implementation of an Action requires procurement by the Beneficiary, the contract must be awarded to the most economically advantageous tender (ie, the tender offering the best price-quality ratio), in accordance with the principles of transparency and fair competition for potential contractors and taking care to avoid any conflicts of interest.

To this end, the Beneficiary must comply with the rules set out in sections 2 to 7 below, subject to section 8.

In the event of failure to comply with the rules referred to above, expenditure on the operations in question is not eligible for Community financing.

The Commission will carry out ex post checks on Beneficiaries' compliance with the rules.

The provisions of this Annex apply *mutatis mutandis* to contracts to be concluded by the Beneficiary's partners.

2. Eligibility for contracts

2.1. The nationality rule

Participation in tender procedures administered by the Beneficiary is open on equal terms to all natural and legal persons of the Member States and the States and territories of regions expressly covered and/or allowed by the Financial Regulation, the basic legislation or other instruments governing the aid programme under which the grant is being financed. Tenderers must state, in the tender, the country of which they are nationals by presenting the usual proof of nationality under their national legislation.

This rule does not apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the grant.

2.2. The rule of origin

If the basic act or the other instruments applicable to the programme under which the grant is financed contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the tenderer must state the origin of supplies. For the purpose of this annex, the term "origin" is defined in articles 23 and 24 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code and other Community legislation governing non-preferential origin. Contractors must present proof of origin to the Beneficiary no later than when the first invoice is presented, for equipments and vehicles of a unit cost on purchase of more than EUR 5 000. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Community legislation.

Where the basic act or other instruments applicable to the programme under which the grant is financed do not contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the origin of those supplies is free and no certificate of origin is required.

2.3. Exceptions to the rules on nationality and origin

Where an agreement on widening the market for procurement of goods or services applies, the procurement contracts must also be open to nationals of other countries under the conditions laid down in that agreement.

In addition, in duly substantiated exceptional cases, the Commission may allow nationals of countries other than those referred to in section 2.1 to tender for contracts (or supplies of goods originating in such countries) on the basis of the specific conditions laid down in the basic act or other instrument governing the programme under which the grant is financed.

2.4. Grounds for exclusion from participation in procurement

Candidates or tenderers will be excluded from participation in a procurement procedure if:

- (1) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (2) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- (3) they have been guilty of grave professional misconduct proven by any means which the Beneficiary can justify;

- (4) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Beneficiary or those of the country where the contract is to be performed;
- (5) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (6) they are currently subject to an administrative penalty referred to in section 2.3.5 of the Practical Guide to contract procedures for EC external actions.

Candidates or tenderers must certify that they are not in one of the situations listed above.

2.5. Exclusion from award of contracts

Contracts may not be awarded to candidates or tenderers which, during the procurement procedure:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the Beneficiary as a condition of participation in the contract procedure or fail to supply this information.

3. Rules common to all tender procedures

The tender documents must be drafted in accordance with best international practice. If they do not have their own documents, Beneficiaries may use the models published on the European Commission's web site relating to external actions. The European Commission will not publish the tender documents established by the Beneficiary.

The time-limits for receipt of tenders and requests to participate must be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders. All requests to participate and tenders declared as satisfying the requirements must be evaluated and ranked by an evaluation committee on the basis of the exclusion, selection and award criteria announced in advance. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

4. Rules applicable to service contracts

4.1. Contracts of EUR 200 000 or more

Service contracts worth EUR 200 000 or more must be awarded by means of an international restricted tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. It must state the number of candidates which will be invited to submit tenders within a range of four to eight candidates, and must be sufficient to ensure genuine competition.

All would-be service providers fulfilling the conditions referred to in section 2 may ask to participate but only candidates satisfying the published selection criteria and invited in writing by the Beneficiary may submit a tender.

4.2. Contracts under EUR 200 000

Service contracts worth less than EUR 200 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three service providers of its choice and negotiates the terms of the contract with one or more of them.

For services of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

5. Rules applicable to supply contracts

5.1. Contracts of EUR 150 000 or more

Supply contracts worth EUR 150 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any would-be supplier which fulfils the conditions referred to in section 2 may submit a tender.

5.2. Contracts between EUR 60 000 and EUR 150 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible suppliers with the same opportunities as local firms.

5.3. Contracts under EUR 60 000

Supply contracts worth less than EUR 60 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three suppliers of its choice and negotiates the terms of the contract with one or more of them.

For supplies of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

6. Rules applicable to works contracts

6.1. Contracts of EUR 5 000 000 or more

Works contracts worth EUR 5 000 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals.

Any contractor which fulfils the conditions referred to in section 2 may submit a tender.

6.2. Contracts of between EUR 300 000 and EUR 5 000 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible contractors with the same opportunities as local firms.

6.3. Contracts under EUR 300 000

Works contracts worth less than EUR 300 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three contractors of its choice and negotiates the terms of the contract with one or more of them.

For works of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

7. Use of the negotiated procedure

The Beneficiary may use the negotiated procedure on the basis of a single tender in the following cases:

- (a) where, for reasons of extreme urgency brought about by events which the Beneficiary could not have foreseen and which can in no way be attributed to him, the time-limit for the procedures referred to in sections 3 to 6 cannot be kept. The circumstances invoked to justify extreme urgency must in no way be attributable to the Beneficiary.

Actions carried out in crisis situations identified by the Commission are considered to satisfy the test of extreme urgency. The Commission will inform the Beneficiary if a crisis situation exists and when it comes to an end.
- (b) where the services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to peoples in the social field;
- (c) where contracts extend activities already under way which are not included in the main contract but which, because of unforeseen circumstances, have become necessary to perform the contract, or which consist of the repetition of similar services entrusted to the contractor providing services under the initial contract;
- (d) for additional deliveries by the original supplier intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the Beneficiary to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- (e) for additional works not included in the initial contract concluded which have, through unforeseen circumstances, become necessary for carrying out the works;
- (f) where the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, the Beneficiary may negotiate with one or more tenderers of its choice, from among those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered;
- (g) where the contract concerned follows a contest and must, under the rules applying, be awarded to the winner of the contest or to one of the winners of the contest, in which case, all winners shall be invited to participate in the negotiations;
- (h) where, for technical reasons, or for reasons connected with the protection of exclusive rights, the contract can be awarded only to a particular service provider;
- (i) where warranted by the nature or particular characteristics of the supplies, for example, where performance of the contract is exclusively reserved for the holders of patents or licences to use patents;
- (j) where the orders are placed with a humanitarian central buying office, recognised as such by the relevant service of the European Commission;
- (k) for the issue of the expenditure verification report and the financial guarantee where they are required under the Contract;
- (l) for contracts declared to be secret, or for contracts whose performance must be accompanied by special security measures or when the protection of the essential interests of the European Union or the beneficiary country so requires;
- (m) for contracts in respect of supplies quoted and purchased on a commodity market;

- (n) for contracts in respect of purchases on particularly advantageous terms, either from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national law.

8. Special cases

8.1. Co-financing

Where:

- the Action is co-financed by several donors and
- one of the other donors, whose contribution to the total cost of the Action is greater than that of the Commission, imposes procurement rules on the Beneficiary that differ from those set out in sections 3 to 7,

the Beneficiary may apply the rules imposed by the other donor. In all cases, the general principles and rules on nationality and origin set out in sections 1 and 2 still apply.

8.2. Public administrations of the Member States

Where the Beneficiary or a partner is a contracting authority and/or a contracting entity within the meaning of the Community Directives applicable to procurement procedures, it must apply the relevant provisions of those texts, in preference to the rules set out in 3 to 7. In all cases, the general principles and rules on nationality and origin set out in 2 still apply.

8.3. International Organisations

Where a partner is an international organisation, it applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. If they do not or in specific cases, the Commission and the Beneficiary agree on the use of other procurement procedures which offer such guarantees. In all cases the general principles and rules on nationality and origin set out in point 2 still apply.

8.4. Central Buying Offices

Where the Beneficiary uses a central buying office as service provider, he selects it in conformity with the procedures set out above for service contracts.

A central buying office for the purpose of point 7 (j) is a non-profit making, autonomous and professional structure, specialised in the technical and commercial management of supplies.

This central buying office applies the rules imposed on the Beneficiary. Where it is a humanitarian central buying office recognised as such by the relevant service of the European Commission (see http://ec.europa.eu/echo/about/actors/procurement_en.htm), it applies the rules agreed upon at the time of its approval, subject to the rules on nationality and origin set out in point 2 above.

ANNEX A5
Request for payment for Twinning Contract
European Union external actions

[Date of the request for payment]

For the attention of
[address of the Contracting Authority]
*[Financial unit indicated in the Contract]*¹

Reference number of the Twinning Contract: ...
Title of the Twinning Contract: ...
Name and address of the Beneficiary: ...
Request for payment number: ...
Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request *[[a further] pre-financing payment/payment of the balance]*² under the Twinning Contract mentioned above.

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

Please find attached the following supporting documents:

- *signed Twinning Contract (for the first pre-financing payment)*
- *expenditure verification report if required by Article 15.6 of the General Conditions of the Contract*
-
- *technical and financial interim report (for further pre-financing payments)*
- *final implementation report (for payment of the balance)*.⁴

The amount covered by the expenditure verification report and claimed for deduction from the total sum of pre-financing under the Twinning contract is the following: ...

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

I hereby certify that the information contained in this request for payment is complete, faithful and reliable, that the costs incurred can be considered eligible in accordance with the Contract and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully,

[signature]

¹ If the Contracting Authority is a headquarters service of the European Commission, please do not forget to send a copy of this letter to the management unit and if appropriate to the EU Delegation mentioned in Article 5(1) of the Special Conditions of the Contract

² Delete the two options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Give the account number shown on the financial identification form annexed to the Contract.



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm

| ACCOUNT NAME (3) | |
|------------------|----------------------|
| ACCOUNT NAME (1) | <input type="text"/> |
| | <input type="text"/> |
| ADDRESS | <input type="text"/> |
| | <input type="text"/> |
| TOWN/CITY | <input type="text"/> |
| POSTCODE | <input type="text"/> |
| COUNTRY | <input type="text"/> |

(1) The name or title under which the account has been opened and not the name of the authorized agent

| | | |
|-----------|----------------------|--------------------------|
| CONTACT | <input type="text"/> | |
| TELEPHONE | <input type="text"/> | FAX <input type="text"/> |
| E - MAIL | <input type="text"/> | |

| BANK | |
|----------------|----------------------|
| BANK NAME | <input type="text"/> |
| | <input type="text"/> |
| BRANCH ADDRESS | <input type="text"/> |
| | <input type="text"/> |
| TOWN/CITY | <input type="text"/> |
| POSTCODE | <input type="text"/> |
| COUNTRY | <input type="text"/> |
| ACCOUNT NUMBER | <input type="text"/> |
| IBAN (2) | <input type="text"/> |

(2) If the IBAN Code (International Bank account number) is applied in the country where your bank is situated

REMARKS :

| BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE |
|---|
| (Both obligatory)(3) |
| |

| DATE + SIGNATURE OF ACCOUNT HOLDER : |
|--------------------------------------|
| (Obligatory) |
| |

(3) It is preferable to attach a copy of recent bank statement. Please note that the bank statement has to provide all the information listed above under 'ACCOUNT NAME' and 'BANK'. In this case, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.

ANNEX A6
EXPENDITURE VERIFICATION

should be completed by the Member State Partner (MSP) and be agreed with the Auditor
should be provided by the Auditor

Terms of Reference for an Expenditure Verification of a Twinning contract – External Actions of the European Union -

HOW TO USE THIS TERMS OF REFERENCE MODEL? All text highlighted in yellow in this ToR model and its annex 1 and 2 is for instruction only and Member State Partner (MSP) should remove it after use.

The parts of the ToR presented in <.....> (e.g. <name of the Member State Partner (MSP)> must be completed by the MSP

The following are the terms of reference ('ToR') on which <name of the Member State Partner (MSP)> 'the Member State Partner (MSP)' agrees to engage < name of the audit firm> 'the Auditor' to perform an expenditure verification and to report in connection with an Institution Building Twinning contract financed by EU funds <reference of the Twinning contract> (the 'Twinning contract'). Where in these ToR the 'Contracting Authority' is mentioned this refers to <the European Commission or name of another contracting authority> which has signed the Twinning contract with the Member State Partner (MSP) and is providing the funding. The Contracting Authority is not a party to this agreement.

1. RESPONSIBILITIES OF THE PARTIES TO THE ENGAGEMENT

- 'The Member State Partner (MSP)' refers to the Member State administration that is receiving the Twinning funding and that has signed the Twinning contract with the Contracting Authority. The Member State Partner (MSP) is responsible for providing a Financial Report for the action financed by the Twinning contract which complies with the terms and conditions of the Twinning contract and for ensuring that this Financial Report can be reconciled to the Member State Partner (MSP)'s accounting and bookkeeping system and to the underlying accounts and records. The Member State Partner is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Report.
- The Member State Partner (MSP) accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Member State Partner (MSP), and as the case may be his partners, providing full and free access to the Member State Partner (MSP)'s staff and its accounting and bookkeeping system and underlying accounts and records.
- The **Auditor**' is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting a report of factual findings to the Member State Partner. 'Auditor' refers to the audit firm contracted for this engagement and in particular to the partner or other person in the audit firm who is responsible for the engagement and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.

By agreeing these ToR the Auditor confirms that he/she meets at least one of the following conditions:

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is member of the International Federation of Accountants (IFAC).

- The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these ToR.
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state¹⁸).
- The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

2. SUBJECT OF THE ENGAGEMENT

The subject of this engagement is the Financial Report in connection with the Twinning contract for the period covering <dd Month yyyy to dd Month yyyy> and the action entitled <title of the action>, the 'Action'. Annex 1 to these ToR contains information about the Twinning contract.

3. REASON FOR THE ENGAGEMENT

The Member State Partner (MSP) is required to submit to the Contracting Authority an expenditure verification report produced by an external auditor in support of the payment requested by the Member State Partner (MSP) under Article 15 of the General Conditions of the Twinning contract. The Authorising Officer of the Contracting Authority requires this report as he makes the payment of expenditure requested by the Member State Partner (MSP) conditional on the factual findings of this report.

4. ENGAGEMENT TYPE AND OBJECTIVE

This expenditure verification is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Twinning Contract. The objective of this expenditure verification is for the Auditor to carry out the specific procedures listed in Annex 2A to these ToR and to submit to the Member State Partner (MSP) a report of factual findings with regard to the specific verification procedures performed. Verification means that the Auditor examines the factual information in the Financial Report of the Member State Partner and compares it with the terms and conditions of the Twinning Contract. As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The Contracting Authority assesses for itself the factual findings reported by the Auditor and draws its own conclusions from these factual findings.

5. STANDARDS AND ETHICS

The Auditor shall undertake this engagement in accordance with:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the IFAC;

¹⁸ Directive 2006/43 of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253 EEC.

- the IFAC Code of Ethics for Professional Accountants (developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the Auditor is independent from the Beneficiary and complies with the independence requirements of the IFAC Code of Ethics for Professional Accountants.

6. PROCEDURES, EVIDENCE AND DOCUMENTATION

The Auditor plans the work so that an effective expenditure verification can be performed. The Auditor performs the procedures listed in Annex 2A of these ToR ('Listing of specific procedures to be performed') and applies the guidelines in Annex 2B (Guidelines for specific procedures to be performed). The evidence to be used for performing the procedures in Annex 2A is all financial and non-financial information which makes it possible to examine the expenditure claimed by the Member State Partner (MSP) in the Financial Report. The Auditor uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor documents matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISRS 4400 and these ToR.

7. REPORTING

The report on this expenditure verification should describe the purpose, the agreed-upon procedures and the factual findings of the engagement in sufficient detail in order to enable the Member State Partner (MSP) and the Contracting Authority to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported by the Auditor.

The use of the Model Report for an Expenditure Verification of an EU Twinning Contract in Annex 3 of these ToR is compulsory. This report should be provided by the Auditor to *<name of the Member State Partner (MSP)>* within *<xx, number of working days to be indicated by the Member State Partner (MSP)>* working days after the day of signature of these ToR.

8. OTHER TERMS

The fee for this engagement shall be *<fee amount and currency>* *<The Member State Partner (MSP) may want to agree a fixed fee for the engagement or otherwise. The Member State Partner (MSP) and the Auditor may want to agree specific terms if the Auditor needs to extend verification coverage from 65% to 85%. The Member State Partner (MSP) should specify any reimbursable expenses and allowances (e.g. travelling, other) agreed with the Auditor and whether VAT and/or other relevant taxes are included in the fees/expenses.>*

[The Member State Partner (MSP) and the Auditor can use this section to agree any other specific terms]

- Annex 1** Information about the Twinning Contract
- Annex 2A** Listing of specific procedures to be performed
- Annex 2B** Guidelines for specific procedures to be performed
- Annex 3** Model report for an expenditure verification of an EU grant contract

For the Member State Partner:

For the Auditor:

Signature

<name and capacity>

<date>

Signature

<name and capacity>

<date>

Annex 1: Information about the Twinning Contract

[Annex to be completed by the Member State Partner (MSP)]

| Information about the Twinning Contract | |
|--|--|
| Reference number and date of the Twinning contract | < Contracting Authority's reference of the Twinning contract> |
| Twining contract title | |
| Country | |
| Member State Partner (MSP) | < full name and address of the Member State Partner (MSP) as per the Twinning contract> |
| Budget line Twinning contract | < Contracting Authority reference of the budget line and Commission reference where the Contracting Authority is not the Commission > |
| Legal basis for the Twinning contract | |
| Steering Committee opinion – date | |
| Start date of the Action | |
| End date of the Action | |
| Total cost of the Action | <amount in Art. 3.1 of the Special Conditions of the Twinning contract> |
| Grant maximum amount | <amount in Art. 3.2 of the Special Conditions of the Twinning contract> |
| Total amount received to date by the Member State Partner (MSP) from Contracting Authority | < Total amount received as per dd.mm.yyyy> |
| Total amount of the payment request | < provide the total amount requested for payment as per Annex 5 of the General Conditions for Twinning contracts (Request for payment for a Twinning contract) > |
| Contracting Authority | [Provide the name, position/title, phone and E-mail of the contact person at the Contracting Authority. To be completed if the Contracting Authority is not the Commission.] |
| European Commission | < provide the name, position/title, phone and E-mail of the contact person in the Delegation of the European Union in the country concerned, or if applicable at Headquarters> |
| Auditor | < Name and address of the audit firm and names/positions of the auditors> |

Annex 2A Listing of Specific Procedures to be performed

[This Annex is a standard listing of specific procedures to be performed and it shall not be modified]

1. GENERAL PROCEDURES

1.1 Terms and Conditions of the Twinning Contract

The Auditor obtains an understanding of the terms and conditions of the Twinning Contract by reviewing the Twinning Contract and its annexes and other relevant information, such as the relevant Twinning Manual, and by inquiry of the Member State Partner (MSP). The Auditor obtains a copy of the original Twinning Contract (signed by the Member State Partner (MSP) and the Contracting Authority) with its annexes. The Auditor obtains and reviews the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions.

1.2 Financial Report for the Twinning Contract

The Auditor verifies that the Financial Report complies with the following conditions of Article 2 of the General Conditions of the Twinning Contract:

- The Financial Report must conform to the model in Annex C5 of the Common Twinning Manual;
- The Financial Report should cover the Action as a whole, regardless of which part of it is financed by the Contracting Authority;
- The Financial Report should be drawn up in the language of the Twinning Contract;
- The proof of the transfers of ownership of equipment, vehicles and supplies (Article 7.3 of the General Conditions of the Twinning Contract) should be annexed to the final Financial Report.

1.3 Rules for Accounting and Record keeping

The Auditor examines – when performing the procedures listed in this Annex - whether the Beneficiary has complied with the following rules for accounting and record keeping of Article 16 of the General Conditions of the Twinning Contract:

- The accounts kept by the Member State Partner (MSP) for the implementation of the Action must be accurate and up-to-date;
- The Member State Partner (MSP) must have a double-entry book-keeping system;
- The accounts and expenditure relating to the Action must be easily identifiable and verifiable;
- The accounts must provide details of interest accrued on funds paid by the Contracting Authority.

1.4 Reconciling the Financial Report to the Member State Partner's (MSP) Accounting System and Records

The Auditor reconciles the information in the Financial Report to the Member State Partner's (MSP) accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.) (See Article 16.1 of the General Conditions).

1.5 Exchange Rates

The Auditor verifies that amounts of expenditure incurred in a currency other than the Euro have been converted at the exchange published in InforEuro for the month in which the expenditure is incurred, as provided for in Article 7.2.9 of the Special Conditions of the Twinning Contract.

2. PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW

2.1 Budget of the Twinning Contract

The Auditor carries out an analytical review of the expenditure headings in the Financial Report.

The Auditor verifies that the budget in the Financial Report corresponds with the budget of the Twinning Contract (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the budget of the Twinning Contract.

2.2 Amendments to the Budget of the Twinning Contract

The Auditor verifies whether there have been amendments to the budget of the Twinning Contract. Where this is the case the Auditor verifies that the Member State Partner (MSP) has:

- requested an amendment to budget and obtained an addendum to the Twinning Contract if such an addendum was required (Article 9.1 of the General Conditions).
- informed the Contracting Authority about the amendment in case the amendment was limited (Article 9.2 of the General Conditions) and an addendum to the Twinning Contract was not required.

3. PROCEDURES TO VERIFY SELECTED EXPENDITURE

3.1 Eligibility of Costs

The Auditor verifies, for each expenditure item selected, the eligibility criteria set out below.

(1) Costs actually incurred (Article 14.1 of the General Conditions)

The Auditor verifies that the expenditure for a selected item was actually incurred by and pertains to the Member State Partner (MSP). For this purpose the Auditor examines supporting documents (e.g. invoices, contracts) and proof of payment. The Auditor also examines proof of work done, goods received or services rendered and he/she verifies the existence of assets if applicable.

(2) Cut-off - Implementation period (Article 14.1a of the General Conditions)

The Auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action.

(3) Budget (Article 14.1b of the General Conditions)

The Auditor verifies that the expenditure for a selected item was indicated in the Action budget.

(4) Necessary (Article 14.1c of the General Conditions)

The Auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of

the Action by examining the nature of the expenditure with supporting documents, notably in line with the provisions of the Common Twinning Manual.

(5) Records (Article 14.1d of the General Conditions)

The Auditor verifies that expenditure for a selected item is recorded in the Member State Partner's (MSP) accounting system and was recorded in accordance with the applicable accounting standards of the country where the Member State Partner (MSP) is established and the Member State Partner's (MSP) usual cost accounting practices.

(6) Justified (Article 14.1e of the General Conditions)

The Auditor verifies that expenditure for a selected item is substantiated by evidence (see section 1 of Annex 2B, Guidelines for Specific Procedures to be performed) and notably the supporting documents as specified in the Annexes to the Twinning contract, in the Common Twinning Manual and in Article 16.2 and 16.3 of the General Conditions of the Twinning Contract.

(7) Valuation

The Auditor verifies that the monetary value of a selected expenditure item agrees with underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

(8) Classification

The Auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub)heading of the Financial Report.

(9) Compliance with Procurement, Nationality and Origin Rules

Where applicable the Auditor examines which procurement, nationality and origin rules apply for a certain expenditure (sub)heading, a class of expenditure items or an expenditure item. The Auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process. Where the Auditor finds issues of non-compliance with procurement rules, he/she reports the nature of such events as well as their financial impact in terms of ineligible expenditure. When examining procurement documentation the Auditor takes into account the risk indicators listed in Annex 2B and he/she reports, if applicable, which of these indicators were found.

3.2 Eligibility of Direct Costs (Article 14.2 of the General Conditions)

If the expenditure for a selected item is recorded under one of the direct costs headings 1 to 6 of the Financial Report, the Auditor verifies that this type of expenditure is covered by the direct costs as defined in Article 14.2 by examining the nature of the expenditure items concerned.

3.3 Provisions for changes in prices

The Auditor verifies that provisions for changes in prices do not exceed 2.5% of the total eligible costs (direct and indirect) of the Action (sections 5.6.3 of the Common Twinning Manual).

3.4 Twinning Management Costs

The Auditor verifies that the Twinning management costs comply with the requirements as set forth in the Special Conditions of the Twinning contract and in section 5.8 of the Common Twinning Manual.

3.5 Contributions in kind (Article 14.5)

The Auditor verifies that costs in the Financial Report do not include contributions in kind. Contributions in kind are not eligible costs.

3.6 Non-eligible costs (Article 14.6 of the General Conditions)

The Auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article 14.6 of the General Conditions. The Auditor verifies whether expenditure includes certain taxes, including VAT. If this is the case the Auditor verifies that the Member State Partner (MSP) (or, where applicable the partners) cannot reclaim these taxes through an exemption system and/or a refund *a posteriori*. If this is the case, taxes can be considered as eligible costs, provided that the basic act which finances the EU-contribution does not exclude payment of taxes.

3.7 Revenues of the Action

The Auditor examines whether revenues which should be attributed to the Action (including inter alia grants and funding received from other donors and other revenue generated by the Member State Partner (MSP) in the context of the Action such as for example interest earned) have been allocated to the Action and disclosed in the Financial Report. For this purpose the Auditor inquires with the Member State Partner (MSP) and examines documentation obtained from the Member State Partner (MSP). The Auditor is not expected to examine the completeness of the revenues reported.

Annex 2B Guidelines for Specific Procedures to be performed

[This Annex provides standard guidelines for the specific procedures to be performed and these guidelines shall not be modified]

1. VERIFICATION EVIDENCE

When performing the specific procedures listed in Annex 2A the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

The Auditor obtains verification evidence from these procedures to draw up his report of factual findings. Verification evidence is all information used by the Auditor in arriving at the factual findings and it includes the information contained in the accounting records underlying the Financial Report and other information (financial and non-financial).

The contractual requirements that relate to verification evidence are:

- Expenditure should be identifiable, verifiable and recorded in the accounting records of the Member State Partner (MSP) (Article 14.1.d) of the General Conditions of the Twinning Contract);
- Expenditure must be easily identifiable and verifiable and traced to and within the Member State Partner's (MSP) accounting and bookkeeping systems (Article 16.1 of the General Conditions);
- The Member State Partner (MSP) will allow any external auditor to carry out verifications on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. The Member State Partner (MSP) gives access to all documents and databases concerning the technical and financial management of the Action (Article 16.2 of the General Conditions);
- Article 16.3 of the General Conditions of the Twinning Contract provides a list of the types and nature of evidence that the Auditor will often find in expenditure verifications.

Moreover, for the purpose of the procedures listed in Annex 2A, evidence:

- Must be available in documentary form, whether paper, electronic or other medium (e.g. a written record of a meeting is more reliable than an oral presentation of the matters discussed);
- Must be available in the form of original documents rather than photocopies or facsimiles;
- Should preferably be obtained from independent sources outside the entity (an original suppliers invoice or contract is more reliable than an internally approved receipt note);
- Which is generated internally is more reliable if it has been subject to control and approval;
- Obtained directly by the Auditor (e.g. inspection of assets) is more reliable than evidence obtained indirectly (e.g. inquiry about the asset).

If the Auditor finds that the above criteria for evidence are not sufficiently met, he/she should detail this in the factual findings.

2. OBTAINING AN UNDERSTANDING OF THE TERMS AND CONDITIONS OF THE TWINNING CONTRACT (ANNEX 2A - PROCEDURE 1.1)

The Auditor obtains an understanding of the applicable Common Twinning Manual and of the terms and conditions of the Twinning Contract and he/she should pay particular attention to Annex 1 of the Twinning Contract, which contains the Description of the Action, Annex 2 (General Conditions) and Annex 4, which provides rules for procurement (including nationality and origin rules) by grant beneficiaries in the context of Twinning. Failure to comply with these rules makes expenditure ineligible for EU financing. These procurement rules apply to all Twinning contracts but depending on the legal basis for the Twinning Contract (funding source) nationality and origin rules may vary. The Auditor ensures with the Member State Partner (MSP) that the applicable nationality and origin rules are identified and understood. Applicable rules of nationality and origin are set out, for each legal basis, in Annex A2 to the Practical Guide¹⁹ to contract procedures for external actions of the European Union.

If the Auditor finds that the terms and conditions to be verified are not sufficiently clear he should request clarification from the Beneficiary.

3. SELECTING EXPENDITURE FOR VERIFICATION (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The expenditure claimed by the Member State Partner (MSP) in the financial report is presented as recommended in the standard template for the Twinning final report, annex C5 to the Common Twinning Manual. Expenditure headings can be broken down into expenditure subheadings.

Expenditure subheadings can be broken down into individual expenditure items or classes of expenditure items with the same or similar characteristics. The form and nature of the supporting evidence (e.g. a payment, a contract, an invoice etc) and the way expenditure is recorded (i.e. journal entries) vary with the type and nature of the expenditure and the underlying actions or transactions. However, in all cases expenditure items should reflect the accounting (or financial) value of underlying actions or transactions no matter the type and nature of the action or transaction concerned.

Value should be the principal factor used by the Auditor to select expenditure items or classes of expenditure items for verification. The Auditor selects high value expenditure items to ensure an appropriate coverage of expenditure.

4. VERIFICATION COVERAGE OF EXPENDITURE (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The Auditor applies the principles and criteria set out below when planning and performing the specific verification procedures for selected expenditure in Annex 2A (procedures 3.1 – 3.7).

Verification by the Auditor and verification coverage of expenditure items does not necessarily mean a complete and exhaustive verification of all the expenditure items that are included in a specific expenditure heading or subheading. The Auditor should ensure a systematic and representative verification. Depending on certain conditions (see further below) the Auditor may obtain sufficient verification results for an expenditure heading or subheading by looking at a limited number of selected expenditure items.

The Auditor may apply statistical sampling techniques for the verification of one or more expenditure headings or subheadings of the Financial Report. The Auditor examines whether 'populations' (i.e. expenditure subheadings or classes of expenditure items within expenditure subheadings) are suitable and sufficiently large (i.e. are made up of large numbers of items) for effective statistical sampling.

¹⁹ Practical Guide (applicable for Budget and EDF) and annexes for Budget and EDF see: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

If applicable the Auditor should explain in the report of factual findings for which headings or subheadings of the Financial Report sampling has been applied, the method used, the results obtained and whether the sample is representative.

The Expenditure Coverage Ratio ('ECR') represents the total amount of expenditure verified by the Auditor expressed as a percentage of the total amount of expenditure reported by the Member State Partner (MSP) in the Financial Report and claimed by the Member State Partner (MSP) for deduction from the total sum of pre-financing under the Twinning Contract. This amount is reported in Annex V of the Twinning Contract. The Auditor ensures that the overall ECR is at least **65%**. If he finds an exception rate of less than 10% of the total amount of expenditure verified (i.e. 6,5 %) the Auditor finalises the verification procedures and continues with reporting.

If the exception rate found is higher than 10% the Auditor extends verification procedures until the ECR is at least **85%**. The Auditor then finalises verification procedures and continues with reporting regardless of the total exception rate found. The Auditor ensures that the **ECR for each expenditure heading and subheading** in the Financial Report is at least **10%**.

5. PROCEDURES TO VERIFY SELECTED EXPENDITURE (ANNEX 2A - PROCEDURES 3.1 – 3.7)

The Auditor verifies the selected expenditure items by carrying out procedures 3.1 - 3.7 listed in Annex 2A and reports all the factual findings and exceptions resulting from these procedures. Verification exceptions are all verification deviations found when performing the procedures set out in Annex 2A.

The Auditor quantifies the amount of the verification exception found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs)). The Auditor reports all exceptions found including the ones of which he cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

For example: if the Auditor finds an exception of EUR 1 000 with regard to procurement rules for a Twinning contract where the EU finances 60% of the expenditure and where administrative costs of 7% of total direct eligible expenses are foreseen, the Auditor reports an exception of EUR 1 000 and a financial impact of EUR 642 (EUR 1 000 x 60% x 1.07).

Specific guidance for procedure 3.1.9 Compliance with Procurement, Nationality and Origin Rules

The Auditor should verify whether the expenditure for a selected item was incurred in accordance with the applicable procurement, nationality and origin rules by examining the underlying documents of the procurement and purchase process. Such documents relate to the opening of tenders, the assessment of the eligibility of tenderers and conformity of tenders, the evaluation of the offers and the decisions with regard to the awarding of the contract. When examining these procurement documents the Auditor takes into account the risk indicators listed at the end of this Annex and he reports, if applicable, which of these indicators were identified.

Specific guidance for procedure 3.5 Contributions in kind to be deleted

The Auditor should verify that expenditure in the Financial Report does not include any contributions in kind. If contributions in kind are foreseen they must be indicated and valued in the Action budget. If this is not the case contributions in kind are not eligible. *Examples:* salaries of staff detached by a Ministry which is not part of the action or equipment and material received from organisations which do not participate in the Action.

RISK INDICATORS PROCUREMENT

- Inconsistencies in the dates of the documents or illogical sequence of dates. Examples:
 - Offer dated after the award of contract or before the sending of the invitations to tender
 - Offer of the winning tenderer dated before the publication date of the tender or dated significantly later than offers of other tenderers
 - Offers of different candidates participating in the same tenders all having the same date
 - Dates on documents not plausible/consistent with dates on accompanying documentation (e.g. date on the offer not plausible/consistent with the postal date on the envelope; date of a fax not plausible/consistent with the printed date of the fax machine)
 - Unusual similarities in offers of candidates participating in the same tender. Examples:
 - Same wording, sentences and terminology in offers of different tenderers
 - Same layout and format (e.g. font type, font size, margin sizes, indents, paragraph wrapping, etc) in offers of different tenderers
 - Similar letterhead paper or logos
 - Same prices used in offers of different tenderers for a number of subcomponents or line items
 - Identical grammatical, orthographical or typing errors in offers of different tenderers
 - Use of similar stamps and similarities in signatures
 - Financial statement or other information indicating that two tenderers participating in the same tender are related or part of a same group (e.g. where financial statements are provided, the notes to the financial statements may disclose ultimate ownership of the group. Ownership information may also be found in public registers for accounts)
 - Inconsistencies in the selection and award decision process. Examples:
 - Award decisions not plausible / consistent with selection and award criteria
 - Errors in the application of the selection and award criteria
 - A regular supplier of the beneficiary participates as a member of a tender evaluation committee
 - Other elements and examples indicating a risk of privileged relationship with tenderers:
 - A same tenderer (or small group of tenderers) is invited to different tenders with unusual frequency
 - A same tenderer (or small group of tenderers) wins an unusually high proportion of the bids
 - A tenderer is frequently awarded contracts for different types of goods or services
 - The winning tenderer invoices additional goods not foreseen in the offer (e.g. additional spare parts invoiced without clear justification, installation costs invoiced while not foreseen in the offer).
 - Other documentation, issues and examples indicating a risk of irregularities:
 - Use of photocopies instead of original documents
 - Use of pro-forma invoices as supporting documents instead of official invoices
 - Manual changes on original documents (e.g. figures manually changed, figures "tippexed", etc)
 - Use of non-official documents (e.g. letterhead paper not showing certain official and/or compulsory information such as commercial registry number, company tax number, etc.)
-

The Auditor verifies that the Twinning management costs comply with the requirements as set forth in the Special Conditions of the Twinning contract and in section 5.8 of the Common Twinning Manual.

2.4.7 Provisions for changes in prices

The Auditor verifies that provisions for changes in prices do not exceed 2.5% of the total eligible costs (direct and indirect) of the Action (sections 5.6.3 of the Common Twinning Manual).

Annex 3 Model Report for an Expenditure Verification of a Twinning Contract

HOW TO USE THIS MODEL REPORT? All text highlighted in yellow in this model report is for instruction only and auditors should remove it after use. Information requested in the following form <.....> (e.g. <name of the MSP> must be completed by the auditor.

<To be printed on AUDITOR'S letterhead>

Report for an Expenditure Verification of a Twinning Contract

<Title of and number of the twinning contract >

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Report of Factual Findings

<Name of contact person(s)>, < Position>

< **Member State Partner's name** >

<Address>

<dd Month yyyy>

Dear <Name of contact person(s)>

In accordance with the terms of reference dated <dd Month yyyy> that you agreed with us, we provide our Report of Factual Findings (“the Report”), with respect to the accompanying Financial Report for the period covering <dd Month yyyy - dd Month yyyy> (Annex 1 of this Report). You requested certain procedures to be carried out in connection with your Financial Report and the European Union financed Twinning Contract concerning <title and number of the contract>, the ‘Twinning Contract’.

Objective

Our engagement was an expenditure verification which is an engagement to perform certain agreed-upon procedures with regard to the Financial Report for the Twinning Contract between you and <the European Commission or the name of another contracting authority> the ‘Contracting Authority’. The objective of this expenditure verification is for us to carry out certain procedures to which we have agreed and to submit to you a report of factual findings with regard to the procedures performed.

Standards and Ethics

Our engagement was undertaken in accordance with:

- International Standard on Related Services (‘ISRS’) 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the International Federation of Accountants (‘IFAC’);
- the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

Procedures performed

As requested, we have only performed the procedures listed in Annex 2A of the terms of reference for this engagement (see Annex 2 of this Report).

These procedures have been determined solely by the Contracting Authority and the procedures were performed solely to assist the Contracting Authority in evaluating whether the expenditure claimed by you in the accompanying Financial Report is eligible in accordance with the terms and conditions of the Twinning Contract.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accompanying Financial Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements of the Member state Partner (MSP) in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records

Factual Findings

The total expenditure which is the subject of this expenditure verification amounts to EUR <xxxxxxx>.

The Expenditure Coverage Ratio is <xx%>. This ratio represents the total amount of expenditure verified by us expressed as a percentage of the total expenditure which has been subject of this expenditure verification. The latter amount is equal to the total amount of expenditure reported by you in the Financial Report and claimed by you for deduction from the total sum of pre-financing under the Twinning Contract as per your Request for Payment of <dd Month yyyy>.

We report the details of our factual findings which result from the procedures that we performed in Chapter 2 of this Report.

Use of this Report

This Report is solely for the purpose set forth above under objective.

This report is prepared solely for your own confidential use and solely for the purpose of submission by you to the Contracting Authority in connection with the requirements as set out in Article 15 of the General Conditions of the Twinning Contract. This report may not be relied upon by you for any other purpose, nor may it be distributed to any other parties.

The Contracting Authority is not a party to the agreement (the terms of reference) between you and us and therefore we do not owe or assume a duty of care to the Contracting Authority who may rely upon this expenditure verification report at its own risk and discretion. The Contracting Authority can assess for itself the procedures and findings reported by us and draw its own conclusions from the factual findings reported by us.

The Contracting Authority may only disclose this Report to others who have regulatory rights of access to it in particular the European Commission [*Delete if the Commission is the Contracting Authority*], the European Anti Fraud Office and the European Court of Auditors.

This Report relates only to the Financial Report specified above and does not extend to any of your financial statements.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

Yours sincerely

Auditors' signature [*person or firm or both, as appropriate and in accordance with firm policies*]

Name of Auditor signing [*person or firm or both, as appropriate*]

Auditors' address [*office having responsibility for the engagement*]

Date of signature <*dd Month yyyy*> [*date of when the final report is effectively signed*]

1. INFORMATION ABOUT THE TWINNING CONTRACT

[Chapter 1 should include a brief description of the Twinning Contract and the Action, the Member State Partner (MSP)/ implementing structure and key financial/budget information. (maximum 1 page)]

2. PROCEDURES PERFORMED AND FACTUAL FINDINGS

We have performed the specific procedures listed in Annex 2A of the terms of reference for the expenditure verification of the Twinning Contract ('ToR'). These procedures are:

- 1 General Procedures
- 2 Procedures to verify conformity of Expenditure with the Budget and Analytical Review
- 3 Procedures to verify selected Expenditure

We have applied the rules for selection of expenditure and the principles and criteria for verification coverage as set out in Annex 2B (sections 3 and 4) of the ToR for this expenditure verification.

[Explain here difficulties or problems encountered if any]

The total expenditure verified by us amounts to EUR <xxxx> and is summarised in the table below. The overall Expenditure Coverage Ratio is <xx%>.

[Provide here a summary table of the Financial Report in Annex 1, presenting for each (sub) heading the total expenditure amount reported by the Member State Partner (MSP), the total expenditure amount verified and the percentage of expenditure covered]

We have verified the selected expenditure as shown in the above summary table and we have carried out, for each expenditure item selected, the verification procedures specified at point 3.1 to 3.7 of Annex 2A of the ToR for this expenditure verification.

We report our factual findings resulting from these procedures below :

1. GENERAL PROCEDURES

1.1 Terms and Conditions of the Twinning Contract

We have obtained an understanding of the terms and conditions of this Twinning Contract in accordance with the guidelines in Annex 2B (section 2) of the ToR.

*[Describe factual findings and specify errors and exceptions. **Procedures 1.1 - 1.5 in Annex 2A. If there are no factual findings this should be explicitly stated as follows for each procedure: 'No factual findings have arisen from this procedure'.**]*

1.2 Financial Report for the Twinning Contract

1.3 Rules for Accounting and Record keeping

1.4 Reconciling the Financial Report to the Member State Partner's (MSP) Accounting System and Records

1.5 Exchange Rates

2. PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW

2.1 Budget of the Twinning Contract

2.2 Amendments to the Budget of the Twinning Contract

[Describe factual findings and specify errors and exceptions. Procedures 2.1 – 2.2 in Annex 2A. If there are no factual findings this should be explicitly stated as follows for each procedure: 'No factual findings have arisen from this procedure'.]

3. PROCEDURES TO VERIFY SELECTED EXPENDITURE

We have reported further below all the exceptions resulting from the verification procedures specified at point 3.1 – to 3.7 of Annex 2A of the ToR for this expenditure verification insofar these procedures did apply to the selected expenditure item.

We have quantified the amount of the verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible (where applicable taking into account the percentage of funding of the Commission and the impact on indirect expenditure (e.g. administrative costs)). We have reported all exceptions found including the ones of which we cannot quantify the amount of the verification exception found and the potential impact on the EU contribution.

[Specify for which expenditure amounts / items exceptions between facts and criteria were found, the nature of the exception – this means which of the specific condition or conditions described at point 3.1 to 3.7 of Annex 2A of the ToR were not respected. Quantify the amount of verification exceptions found and the potential impact on the EU contribution, should the Commission declare the expenditure item(s) concerned ineligible]

3.1 Eligibility of Costs

We have verified, for each expenditure item selected, the eligibility criteria set out at procedure 3.1 in Annex 2A of the ToR for this expenditure verification.

*[Describe factual findings and specify errors and exceptions. **Procedure 3.1 in Annex 2A:** eligibility of costs and the eligibility criteria (1) to (9). **Example:** we found that an expenditure amount of EUR 6 500 included in subheading 3.2 (furniture, computer equipment) of the Financial Report was not eligible. An amount of EUR 2 000 related to expenditure incurred outside the implementation period. Supporting evidence was not available for 3 transactions totalling EUR 1 200. The required procurement rules for purchases of office computers for EUR 3 300 were not respected. (Note: relevant details such as accounting record references or documents should be provided).]*

3.2 Eligibility of Direct Costs (Article 14.2)

3.3 Provisions of changes in prices (2,5%)

3.4 Twinning Management Costs

3.5 Contributions in kind (Article 14.5)

The Auditor verifies that costs in the Financial Report do not include contributions in kind. Contributions in kind are not eligible costs.

3.6 Non-eligible costs (Article 14.6)

3.7 Revenues of the Action

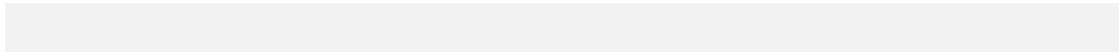
*[Describe factual findings and specify errors and exceptions. **Procedures 3.2 - 3.7 in Annex 2A]***

Annex 1 Financial Report for the Twinning Contract

*[Annex 1 should include the Member State Partner's (MSP) financial report for the Twinning Contract which has been the subject of the verification. The financial report should be **dated** and indicate the **period covered**.]*

Annex 2 Terms of Reference Expenditure Verification

*[Annex 2 should include a **signed** and **dated** copy of the terms of reference for the expenditure verification of this Twinning Contract including **Annex 1** (information about the Twinning Contract) **and Annex 2A** (Listing of the specific procedures to be performed).]*



ANNEX A7

Special Financial Annex

1. The Project Budget (Annex A3)

All Twinning contracts comprise a Twinning work plan, accompanied by a detailed budget, respectively annexes A1 and A3 to the Twinning contract. Expenditures listed in the budget must correspond to the activities listed in the Twinning work plan.*

All activities foreseen in the framework of the Twinning project, irrespective of whether they are carried out under the responsibility of the BC or of the MS, should be listed. The only activities to which a sum is allocated in the budget are those for which financing is allowed from the EU programme, and those for which co-financing from the BC is provided.

Level of details in Annex A3 under IPA

Under IPA, apart from the RTA-related expenditure and other general budget items the budget presented in Annex A3 may indicate only the foreseen costs per component and per activity (see section 3.8, 'General remark' of the Twinning Manual), reflecting so the level of details of the work plan (Annex A1). The detailed breakdown of expenditures is included, at least the first six months of implementation, in the initial operative side letter signed by the Project Leaders at the same time as the contract. The successive operative side letters drafted by the Project Steering Committee on a quarterly basis include the corresponding detailed breakdown of costs (see section 4.1.1 of the Twinning Manual)

2. Changes to a Twinning Contract

The work plan of a Twinning project needs to be prepared and agreed with sufficient detail before the twinning project is launched, in order to provide objective grounds for the funding requested. However, in practice, with many different activities taking place, a Twinning project is subject to all sorts of unforeseen events and may need to be adjusted in the course of implementation. A certain degree of flexibility is therefore necessary. Although **there should be no change to the mandatory results defined in the work plan the means of achieving these may be adapted to circumstances.**

* Not applicable to Twinning Light.

Twinning contract modifications can only be made within the execution period of the Contract. The modifications will only apply to subsequent implementation and cannot apply retroactively.

It is hereby reminded that the breakdown of costs in a Twinning budget (Annex A3) follows the logic of the work plan (Annex A1) (RTA, delivery of a seminar, expert mission on a particular topic, elaboration of training material, etc.). In other terms, the budget must follow an activity based budget format and under normal circumstances any change in the work plan will entail a corresponding change in the budget.

The following section therefore firstly details (1) the requirements for all changes to a Twinning Contract and thereafter (2) the more specific rules regarding budgetary changes.

(1) Changes in General

Two procedures shall apply:

A. Addenda

Substantial changes to the Twinning Contract are to be formalised in an formal written addendum to the contract signed by both MS administration and BC administration and requiring prior approval by the AO (when appropriate) or the EU Delegation (Twinning under IPA before conferral of management power without ex ante control and Twinning under ENPI, in a centralised management framework).

The following changes to a Twinning Contract thus require a formal addendum:

- ***Under IPA:* the EU Acquis related to the project / **Under ENPI:** the relevant field of co-operation with the EU and the EU Acquis related to the project. (Article 2 of the Work plan)**
- Mandatory results (Article 3 of the Work plan)
- MS administration involved in the Twinning project as mentioned in Article 5 of the Twinning Contract
- The period of execution. (Article 2 of the Twinning Contract)
- Definition of the mandatory results and the benchmarks to be achieved (Articles 3 and 4 of the Work plan). (Please note that for changes concerning the means used for implementation, the time schedule and dates, and the identity of non-key MS' short term experts an addendum is not needed).
- Identity of the MS and BC Project Leaders and of the RTA.
- *Major reallocations beyond 15% of the total Twinning Budget (see below)

* The overall budget for a Twinning project cannot be increased.

Under IPA, the binding opinion of the Steering Committee at Headquarters shall be requested on the above mentioned proposed changes except for the change of the BC Project Leader or for the budgetary reallocations beyond 15 %.

An addendum is not required when the implementation and/or the funding of the Twinning Contract is suspended or resumed, or when the Twinning Contract is terminated¹. The decisions to suspend and resume the implementation and/or the funding of the Twinning Contract, or to terminate the Twinning Contract must be communicated to the concerned parties as listed in Article 5 of the Special Conditions (Annex A).

As a result of the lifting of a suspension, an addendum may be required to extend the duration of the contract and, if relevant, to adapt the Twinning Contract to the new implementing conditions².

Under IPA, the decision to suspend or terminate the Twinning Contract requires that the EU Delegation (in case of centralised management or after conferral of management power with ex-ante control) or the Administrative Office (after conferral of management power without ex-ante control) must request a binding opinion from Commission Headquarters (Steering Committee).

Under ENPI, when the Contracting Authority is not the European Commission, the decision to suspend or terminate the Twinning Contract requires the prior approval of the EU Delegation.

B. Side letters

If the changes sought do not concern one of the points listed under A above, side letters suffice where there are:

- Changes which do not affect the basic purpose of the project as explained above;
- *Reallocations below 15% of the total Twinning budget

The two Project Leaders (MS and BC) can autonomously and jointly decide on a side letter, provided the principles under 6.6.1 of the Twinning Manual as well as the Twinning rules are respected. They formalise the change in the form of a side letter to the Twinning Contract, which lays down the changes. MS PL can delegate RTA to sign side letters on his/her behalf. The side letter is addressed to the Contracting Authority.

¹ These matters are ruled by Article 7.2.4 of the Special Conditions (Annex A) and by Articles 11 and 12 of the General Conditions (Annex A2).

² Article 11.4 of the General Conditions (Annex A2).

The duly signed side letter must be notified by a secure means of communication, so that dispatch can be proven in the event of dispute.

| <i>Side Letters (Administrative Orders) to be notified to:</i> | <i>IPA centralised</i> | <i>IPA decentralised with ex ante control</i> | <i>IPA decentralised without ex- ante control</i> | <i>ENPI (Centralised)</i> | <i>ENPI (Decentralised)</i> |
|--|----------------------------|---|---|-------------------------------|---------------------------------|
| <i>EU DELEGATION</i> | <i>X</i> | <i>X</i> | | <i>X</i> | <i>Copy</i> |
| <i>ADMINISTRATIVE OFFICE</i> | | <i>X CFCE</i> | <i>X</i> | <i>Copy</i> | <i>X</i> |

The Twinning Contract is considered to have been changed on the date of the notification. **Changes must be notified before their implementation, even if it is only the day before.** A side letter (administrative order), is not an addendum in legal terms. **Costs for changes notified after their implementation cannot be reimbursed.**

Minor changes such as changes of address, changes of bank account and changes of auditor may simply be notified and signed by the two Project Leaders (Ms and BC), although this shall not affect the Contracting Authority's right to question the signatory Member State's choice of bank account or auditor.

Under IPA, constitute side letters also the documents providing full details of activities and their corresponding budgeted costs ('operative side letters' see sections 3.8, 4.1.1 and 5.1.1.1 of the Twinning Manual and Annex C15). Considering their relevance for the implementation of the project, they must be signed by the two Project Leaders, without the possibility of delegating the RTA. The initial operative side letter is signed and endorsed at the same time as the contract. For the subsequent operative side letters a duly signed copy shall be notified by a secure means of communication to the pertinent institution as for all other side letters (see table above). They can be implemented as of the sixth working day following the date of dispatch, unless the institution in receipt has comments or reservations. In case changes are required, the amended version, signed by the two Project Leaders, shall be notified again; the same terms and conditions of the original notification apply.

(2) Changes with budgetary impact

The following principles apply to all budgetary changes whatever their impact:

- The overall budget for a Twinning project cannot be increased, and so an activity must be reduced or cancelled first in order to finance a new one;
- The unit costs (fees, daily allowances, etc.) must respect the rates set in the Twinning Manual; each Twinning project must include a full-time Resident Twinning Advisor, resident in the BC for a minimum of 12 consecutive months; transfers of budgetary resources may not jeopardise this requirement.

- Introduction of a new activity must be justified by showing that it will be of real use in achieving the mandatory results targeted by the Twinning Contract; the mere availability of funds (following savings under or cancellation of activities originally foreseen) is not sufficient to justify the financing of new activities or to argue for an extension of the legal duration..
- Twinning Contracts can only be modified within the life time of the Contract. Modifications cannot be done retroactively. The budget must be officially reallocated before the new activity can be implemented. Activities implemented before being officially entered into the budget will not be financed.

Specific budgetary changes through addenda:

Budgetary changes are summed up after each side letter. Once the total amount of modifications reaches 15% of the total budget, any further modification (independent of its size) to the Twinning budget requires an addendum to the Twinning Contract, including full approval of all the signatories of the initial Twinning Contract and approval by the AO (ENPI decentralised management and IPA after conferral of management power without ex ante control) or by the Commission (ENPI and IPA under centralised management and IPA under decentralised management with ex ante control). After such an addendum, budgetary changes can again be introduced through side letters, until the total amount of the further modifications reaches 15% of the total budget.

Specific budgetary changes through Side letters:

- As long as the budgetary reallocations of appropriations remain under 15% of the total budget for the Twinning project, the changes are effected through side letters. This means all budgetary changes through side letters are summed until the threshold of 15% of the total Twinning budget is reached. The following budget modification requires an addendum, after which side letters can again be issued for re-allocations up to 15% of the total budget.

Under IPA, operative side letters should not in principle reallocate appropriations, but simply detail them. If the need arises to introduce changes having a budgetary impact, the matter should be dealt with separately, through a standard side letter or an addendum, as appropriate.

| Region | Signatures of the Addendum | Addendum to be submitted to: | Who decides what? | Approval of the addendum |
|---|---|--|--|---|
| IPA centralised | The addendum is drafted and signed by the signatories of the Twinning Contract: the signatories of the Twinning Contract can delegate authority to the Project Leaders to sign any addenda on their behalf. Please note: MS PL can delegate RTA to sign side letters on his/her behalf, but not Addenda, nor operative side letters | The Addendum is submitted to the EU Delegation | The EU Delegation is entitled to agree or refuse endorsement of addenda on behalf of the Commission. It must request a binding opinion from Commission Headquarters (Steering Committee) before agreeing addenda concerning: Changing the mandatory result targeted by the Twinning Contract, replacing the MS administration or mandated body initially responsible for the Twinning Contract, removing or adding partner MS, replacing the MS Project Leader, replacing an RTA., changing legal duration. Addenda drawn up to effect budgetary changes once the 15% budgetary threshold is reached, are approved or refused by the EU Delegation without referral to the Steering Committee at Headquarters. | Following a positive opinion from the Commission Headquarters (Steering Committee), the EU Delegation endorses the Addendum and notifies it to the parties. Addenda are drawn up in three copies: one for each administrative partner and one for the Commission. The addendum is considered as valid on the date of this notification. |
| IPA decentralised with ex ante control | The addendum is drafted and signed by the signatories of the Twinning Contract: the signatories of the Twinning Contract can delegate authority to the Project Leaders to sign any addenda on their behalf. Please note: MS PL can delegate RTA to sign side letters on his/her behalf, but not Addenda, nor operative side letters | The Addendum is submitted to the EU Delegation and the CFCE | The EU Delegation is entitled to agree or refuse endorsement of addenda on behalf of the Commission. It must request a binding opinion from Commission Headquarters (Steering Committee) before agreeing addenda concerning: Changing the mandatory result targeted by the Twinning Contract, replacing the MS administration or mandated body initially responsible for the Twinning Contract, removing or adding partner MS, replacing the MS Project Leader, replacing an RTA., changing legal duration. Addenda drawn up to effect budgetary changes once the 15% budgetary threshold is reached, are approved or refused by the EU Delegation without referral to the Steering Committee at Headquarters. | Following a positive opinion from the Commission Headquarters (Steering Committee), the EU Delegation requests the written approval of the Addendum by the CFCE and then notifies it to the parties. Addenda are drawn up in four copies: one for each administrative partner, one for the Commission and one for the CFCE. The addendum is considered as valid on the date of this notification. |
| IPA decentralised without ex-ante control | The addendum is drafted and signed by the signatories of the Twinning Contract: the signatories of the Twinning Contract can delegate authority to the Project Leaders to sign any addenda on their behalf. MS PL can delegate RTA to sign side letters on his/her behalf, except operative side letters | The Addendum is submitted to the Administrative Office | The Administrative Office is entitled to agree or refuse endorsement of addenda. It must request the binding opinion of the Commission Headquarters (Steering Committee) before agreeing addenda concerning: Changing the mandatory result targeted by the Twinning Contract, replacing the MS administration or mandated body initially responsible for the Twinning Contract, removing or adding partner MS, replacing the MS Project Leader, replacing an RTA, changing legal duration. Addenda drawn up to effect budgetary changes once the 15% budgetary threshold is reached, are approved or refused by the AO, without referral to the Steering Committee at Commission Headquarters. | The Administrative Office sends to both Project Leaders the text of their request bearing the signed acceptance of the Administrative Office. The addendum is considered as valid on the date of this notification |
| ENPI | The addendum is drafted and signed by the signatories of the Twinning Contract the signatories of the Twinning Contract can delegate authority to the Project Leaders to sign any addenda on their behalf. MS PL can delegate RTA to sign side letters on his/her behalf | The Addendum is submitted for approval to the Contracting Authority with a copy to the EU Delegation (decentralized) or to the AO (centralized). | The Contracting Authority is entitled to agree or refuse signature of the addendum. The Commission is entitled to agree or refuse endorsement of the addendum. | Once the addendum is signed (ENPI in centralised management) or endorsed (ENPI in decentralised management), the Contracting Authority notifies both Project Leaders with the text of their addendum bearing the signed acceptance of the AO or the Commission. Addenda are drawn up in four copies: One for each administrative partner, one for the AO and one for the Commission. Commission Headquarters will always be sent a copy of the addendum. The addendum is considered valid on the date of this notification. |

3. Eligible costs

3.1. Preparatory costs *

In the framework of a Twinning light contract, the reimbursement of preparatory costs is not eligible.

3.1.1. Reimbursement of costs arising during the preparation of the Twinning Contract and Twinning Work Plan / Budget

(1):

Only costs incurred by the designated main and junior partner MS Project Leaders and/or RTA (no other experts authorised) can be reimbursed

(2):

A. Under IPA: Preparatory costs can be reimbursed for a period of maximum four months starting as from the date of the official notification of selection up to the submission of the final draft Twinning Contract for Steering Committee consultation at Commission Headquarters.

B. Under ENPI: Preparatory costs can be reimbursed when incurred within a period of maximum five months starting as from the date of the official notification of selection up to the signature of the Twinning Contract. The time span between the reception date of the first consolidated draft contract in Brussels and the date of dispatch of the first consolidated reply by Brussels services is excluded from this five months period.

For all twinning schemes (IPA and ENPI) up to 30 days will not be counted against the 4- or 5-month-period to ensure that Member States will not be penalised when the drafting of the twinning contract takes place in July and/or August.

(3):

The above mentioned four/five months period must fall within the time span of validity of the relevant Financing Decision.

(4): Preparation of the Twinning Contract within the four/five months as defined above must lead to the effective signature, notification and implementation of the Twinning project. There can be no partial recovery of the preparatory costs. Similarly, no preparatory costs can be recovered if the Twinning project/contract is cancelled.

If the Twinning partners fail to terminate the preparation of the Twinning Contract within the four/five months period as defined above, they will lose all preparatory expenses.

The Commission reserves the right to shorten the aforementioned period of 4/5 months in view of specific circumstances.

Rates according to the staff category are chargeable, subject to the following ceilings:

* Not applicable to Twinning Light

| | |
|---|--|
| For Twinning Contracts up to and including EUR 1 million: | up to 6 trips to the BC Fees for up to 20 working days in the BC Corresponding 'project management costs' compensation for work outside the BC Per diem allowance for days in the BC |
| For Twinning Contracts over EUR 1 million: | up to 9 trips to the BC Fees for up to 30 working days in the BC Corresponding 'project management costs' compensation for work outside the BC Per diem allowance for days in the BC |

Actual payment is subject to notification of the endorsement/signature of the final approval of the Twinning Contract by the Commission/AO.

Costs may be reported as part of the first interim quarterly report for the Twinning project.

3.1.2. Training of RTAs*

RTAs are invited by the Commission to attend a training seminar at the Commission Headquarters in Brussels. Costs for travel and per diems (according to the rules laid down in section 2.3 of this Annex) to attend this training must be included in the budget of the Twinning Contract (Annex A3). This item may be charged either to preparatory costs, in addition to the ceilings for the drafting of the Twinning Contract (see above the preceding section) or to project implementation costs, depending on when the RTA attends the training. Attendance before taking up duties in the BC is preferable.

Actual payment is subject to notification of the endorsement/signature of the final approval of the Twinning Contract by the Commission/AO.

3.2. Reimbursement of Staff Cost

3.2.1. Staff Categories and rates of reimbursement

Employment status and corresponding rate of reimbursement

1. As a **rule**, MS experts (RTA and experts undertaking short and medium duration missions) will be **civil servants** (see sections 3.2.2 and 3.2.3)
2. For RTAs **emanating from a mandated body**, the reimbursement of salary will be based on the person's actual salary plus non-wage labour costs, without any profit margin. For short and medium duration missions, please refer to section 3.2.3.1 for the respective rates.
3. **Temporary public employees** may exceptionally be hired by MS administrations or mandated bodies, if there are not enough civil servants available to act as experts in Twinning projects. These experts, temporarily recruited by the administration, may only act on its behalf provided they have the necessary experience and are not subject to any

conflict of interests. The contract between such experts and the recruiting administration or mandated body must clearly integrate the expert into the contracting organisation, identify the person to whom they report and who is responsible for their backup, thus attributing full responsibility for the quality of their services.

If they are contracted by an administration, reimbursement for their remuneration will be the same as for a civil servant of comparable competence and seniority.

If a mandated body contracts them, reimbursement will be based on the rate for a comparable expert from the same body.

4. **Recently retired experts** (less than two years before the start of the project) may be reactivated as temporary public agents, either by administrations or mandated bodies. Like non-statutory civil servants, they must be linked to the body responsible for a Twinning project by a contract. For proposed MS Project Leaders, being retired and no longer working in the MS administration on a daily basis represents a comparative disadvantage of a MS proposal.

Reimbursement of the salary of retired experts will be based on the above principles for temporary public employees.

Where national legislation provides for deduction of the pension amount from a public sector salary, the project will only reimburse actual salary expenditure of the contractor.

The above mentioned fees and rates for the different categories of experts are compulsory. Compliance with these fees and rates is essential for the sound financial management of Twinning projects. Any departure endangers equality between the MS administrations engaging in Twinning and/or undermines Twinning as a credible instrument for targeted administrative co-operation.

5. **Member States administrations should avoid at all costs:**

(a) The use of Mandated bodies involving civil servants in Twinning projects with the sole purpose of attracting the higher mandated bodies fees;

(b) The use of Mandated bodies as umbrella organisations to involve private sector experts (including private lawyers or NGO employees) hired for contractual assignments limited to their Twinning involvement, without any structural linkage to the body involved.

3.2.2. Remuneration of the Resident Twinning Adviser (RTA)*

In the framework of a Twinning light project, there is no RTA.

The RTA is remunerated by his/her home administration or mandated body in the MS concerned throughout the entire period of his/her secondment.

The payroll institution of the RTA is entitled to reimbursement of an amount equivalent to what s/he would have received, had s/he continued to work in his/her home administration

* Not applicable to Twinning Light

(not abroad), including related and/or connected non-wage labour costs, plus an additional 6% of the whole amount to cover the extra cost of a replacement. The amount for reimbursement must be included in the budget, and must be based on verifiable evidence.

RTAs receive, where appropriate and provided they have qualifications equivalent to university level and have a good knowledge of the EU working language (English, French or German) widely spoken in the administration of the BC, an additional flat-rate allowance equal to the difference between the gross annual salary (less family allowances) paid by his/her employer plus the subsistence allowance paid by the Commission and the basic salary payable to an official of the EU Institutions of grade AD5, step 1.

RTAs receive additional allowances and reimbursement of costs including: a subsistence allowance, reimbursement for housing, health and accident insurance, school fees, travel and removal costs. These costs arising from the RTA's secondment, be they allowances or statutory reimbursements, are borne by EU funding according to a scale applying to all MS, as outlined in the Twinning Manual and detailed in the following sections.

In addition, RTAs receive, throughout the period of their secondment, a subsistence allowance equal to 50% of the per diem rates in the BC. **The applicable rates are fixed at the time of the signature of the Twinning Contract for its entire duration. They are not subject to revision during the lifetime of the project**

All costs related to the RTA must be quantified and included in the project budget.

3.2.2.1. Housing

RTAs are expected to find housing and register with the authorities without assistance from the Commission. In practice, however, it is likely that the RTA will be able to obtain advice from his/her own Embassy, the EU Delegation and the BC administrations for which he/she will be working.

RTAs are reimbursed for their housing expenses in BC within limits set in each BC. These limits are calculated on the basis of family size and average rent paid for equivalent housing for Commission staff on posting to the Delegation in the relevant BC.

Hotel accommodation

For the period during which the permanently rented accommodation for the RTA is not yet accessible, s/he will be entitled to an additional per diem allowing for a stay in a hotel. Entitlement to this allowance is subject to the presentation of a hotel invoice.

RTAs are entitled to stay in hotel accommodation for up to 30 days, whilst looking for permanent accommodation. This period may be extended subject to prior approval by the administrative office/Commission.

During this period, the RTA receives his/her standard subsistence allowance, and will also receive an additional 100% per diem, which is intended to cover his/her hotel and living costs. Each person accompanying the RTA (i.e. spouse and dependent children) will receive a 50% per diem during this period to cover hotel and living costs. The claim for these extra per diem allowances must be substantiated by a hotel invoice.

Permanent accommodation

A single person or a couple is entitled to two bedrooms. For each child they are entitled to one additional room. Where a family includes more than two children, the need for the fifth and any subsequent bedrooms must be justified to the administrative office/Commission.

Prices in the BC will vary according to local market conditions, but RTAs are expected to seek value for money in the accommodation they select and to be reasonable in their expectations. The accommodation selected may be furnished or unfurnished, but the RTA may find there are considerable practical benefits in renting furnished accommodation.

The RTA will receive guidance as to the acceptable rental costs for different sizes of accommodation either from the Commission or from the administrative office. These guidelines will follow international standards and indicate the upper and lower margins (“bands”) of acceptable rents for the respective BC.

No prior approval for signing a contract within the indicated bands is required. RTAs should therefore select accommodation in accordance with these pre-approved rates. Rental amounts in excess of the approved “bands” will need to be separately justified and require prior approval from the administrative office/Commission. This will be granted only in exceptional circumstances. Housing costs will be reimbursed according to actual rental costs. The use of housing agencies is permitted; agency fees up to a maximum of two months’ rent will be reimbursed.

Only the basic rental cost is reimbursed. Rental deposits, household insurance and utilities costs such as water, telephone, gas, electricity, etc are the responsibility of the RTA, as are cleaning and other domestic services. No payments for accommodation can be made if the rental costs exceed the amounts indicated above and have not been approved by the administrative office/Commission. Nor will any retroactive payments be made. Reimbursements are based on receipts for actual payments.

3.2.2.2. Health Insurance

RTAs are obliged to contract insurance coverage, for themselves and their accompanying family members, for health care costs arising from accident or illness throughout the entire period of their secondment. The costs for such insurance are reimbursed by the project for up to EUR 200/adult/month and EUR 100/child/month. It is the responsibility of the MS Project Leader to ensure that the RTA is adequately insured.

Where there is a bilateral agreement for social security coverage between the MS of origin and the host BC, RTAs are obliged to make use of its provisions.

Complementary coverage for costs not covered under the bilateral agreement and for emergency repatriation in case of accident or severe illness may be charged to the project within the same ceilings as above.

Where there is no bilateral agreement on social security, the project will reimburse full coverage for health insurance covering care costs due to sickness or accident, including emergency repatriation within the limits as above.

The insurance coverage reimbursed by the project will not include capital indemnity in case of death or invalidity due to accident or illness. It is understood that such coverage is provided by the MS employer.

The following is a list of items recommended to be included in the policy:

- full coverage for health care costs due to sickness and accident
(in-patient and emergency out-patient)
- emergency repatriation from the country of the RTA's assignment
- transportation to the medical centre
- sending of a doctor
- emergency dental care costs
- in case of death, repatriation of the body to the country of origin.

3.2.2.3. Schooling fees

School fees eligible for reimbursement by the project are those incurred from the first year in which schooling would be available free of charge in the home country to the last year of the child's secondary education, the duration of this period to be in accordance with the education system in the RTA's home country. Fees will vary according to the age of the child. Childcare costs are not eligible for reimbursement. Schooling is defined as a minimum of 16 hours of teaching per week, for a minimum period of 3 consecutive months.

Fees eligible for reimbursement are the following: enrolment fees, exam fees, transport to and from school which is provided by the school and is itemised in the school fees, and the cost of books and other material required for participation in compulsory classes. Costs, which are not covered, include, for example, private transport to and from school, school meals, uniforms, after-school music or other extra-curricular classes and activities.

This means that where a school makes a separate charge for materials required in a compulsory class, including music, art or sports classes, these costs will be reimbursed, whereas the cost of non-compulsory school trips or after-school classes will not be met.

School fees will be reimbursed up to a ceiling of EUR 12 000 per child per academic year. Fees above this amount may be reimbursed on a case-by-case basis and require prior approval from the administrative office/Commission. Grounds for approval of higher fees might be: age of the child; comparable fees in international schools in the same city; lack of alternative educational options in the same city.

The RTA can claim reimbursement only for the school fees of a 'dependent child', i.e. his/her or his/her spouse's legitimate, natural, adopted or foster child, who is actually being maintained by him/her and who moves with him/her to the country of his/her posting. This definition also applies to a child for whom an application for adoption has been lodged and the adoption procedure started. Boarding school fees in the country of origin may be charged

only in very exceptional cases, and is subject to prior approval from the administrative office/Commission.

Reimbursement will be based on itemised bills.

The RTA must also provide the following information, in a document duly certified by the educational establishment in question:

- first name and family name of each child
- the sum incurred per child
- the date on which payment was made by the RTA
- the currency in which payment was made
- the relevant academic year and the period covered (month, term, semester)

3.2.2.4. Travel Costs

a) Personal travel costs to and from the BC at the beginning and at the end of the Twinning Project

RTAs will be reimbursed the cost of an economy air ticket for themselves and family members accompanying them on their mission, or a first class train ticket, whichever is more appropriate and economically advantageous. If the RTA travels by car, an official quote for one of these options must be obtained from a travel agency.

RTAs are entitled to reimbursement of travel expenses:

- (a) for him/herself:
 - From his/her place of recruitment to his/her place of employment at the Beginning of the period of secondment;
 - From his/her place of employment to his/her place of recruitment at the end of the period of secondment.
- (b) for the spouse and dependent children
 - From the place of recruitment to the place of employment when removal takes place;
 - From the place of employment to the place of recruitment at the end of the period of secondment.

For the purpose of these rules, the place of recruitment will be the place where the RTA performed his/her duties prior to secondment; the place of employment will be the place in which the BC administration to which s/he is assigned is located.

b) Annual leave

The RTA and accompanying family will be reimbursed the cost of an annual trip home. RTAs will be reimbursed the cost of a special economically priced return air ticket (standard economy ticket, if special economically priced ticket not available for the length of stay required) or train ticket for themselves and family members according to the same rules as described under the preceding section.

c) Monthly travel allowance

Only applicable if no removal of personal belongings or any other costs related to accompanying family members are charged to the project

If the RTA has moved without spouse and/or children, and has not been reimbursed for the removal of personal effects, household contents or personal vehicle to the BC, s/he will be entitled to an allowance amounting to the price of a return ticket for each month, starting the second month of his/her secondment.

This flat-rate payment will be based on the cost of a first-class rail fare or of a special economically priced air ticket, whichever is appropriate and economically more advantageous. The rate applied will be that in force on 1 January of the current year, quoted by a reputable travel agency.

Where a whole month is not worked, the amount will be calculated in proportion to the number of days worked.

The RTA is not entitled to an extra allowance for annual leave.

d) Proof of travel

Original proofs of travel must be provided according to national MS rules, in order for reimbursement to be made. The only two exceptions are

- a) the monthly travel allowance for RTAs who do not claim any removal costs or costs for family members and
- b) for travel by personal car and under the sole responsibility of the driver which is reimbursed according to the rules defined above.

3.2.2.5. Removal Costs

a) General provisions

The RTA may choose to travel with the minimum of personal belongings (no charge to the project), or charge the removal of a selection of personal effects (minimum secondment 1 year) or of his/her entire household contents (for secondments of minimum 2 years) to the project. S/he is responsible for organising his/her removal and should attempt to do so in the most economical way. The guidelines for removals presuppose one complete removal, rather than a series of smaller moves, which will be more expensive. In all cases, the route selected must be the most common, most economical and shortest one.

It is the responsibility of the RTA to organise the removal so that storage costs in the BC are avoided. The project will not cover any costs arising from storage in customs warehouses. The RTA must, of course, respect the customs regulations of the host country, subject to some exemptions (see point 3.2.2.7).

b) Option 1: Removal of personal effects only (minimum secondment 1 year)

The RTA may charge to the project the costs of moving his/her personal effects (clothes, books, stereo equipment, microwave oven, washing machine, television, video etc) to the BC. S/he will be reimbursed for transport of freight up to the following limits (packaging weight is already included in the figures below):

| | |
|------------|--------|
| RTA | 780 kg |
| Spouse | 390 kg |
| Each child | 195 kg |

The actual cost of transportation will be reimbursed. (See section on “quotes” below.) Note that quotes based on volume will not be accepted.

Any personal effects exceeding the above limits will be paid for by the RTA. This also applies to the insurance for the excess.

The costs for storage in the MS (transport to and from place of storage, insurance and rent) for furniture which is not moved may be charged to the project. This is limited to a maximum volume of 60m³. Quotes from two different carriers must be obtained. The actual cost of storage will be reimbursed. (See section on “quotes” below.) Any personal effects exceeding the above limit will be paid for by the RTA. This also applies to the insurance for the excess.

c) Option 2: Removal of complete household contents to the BC (minimum secondment 2 years)

An RTA, seconded for at least 2 years and for whom the distance between the place of recruitment and duty is at least 50km, may charge the costs for the removal of his/her household contents to the BC, i.e. his/her personal effects, plus household furniture and furnishings, to the project. The move must take place no later than six months after taking up duty.

In this case, s/he is entitled to reimbursement of the cost of transport of up to 60m³ of freight. The actual cost of transportation will be reimbursed. (See section on “quotes” below.) The quote should preferably be ‘door-to-door’.

d) Air vs. Surface Transport

The RTA may choose to send all or some of his/her belongings by surface transport, rather than by air, provided the resulting costs do not exceed air transport costs. S/he must obtain two quotes from different carriers. The route selected must be the most common, most economic and shortest one.

e) Cost of Excess Baggage

The costs for excess baggage up to 50kg, if this consists of books, papers, equipment etc. required for work purposes, may be charged to the project in connection with the first trip to the BC, when taking up duty, as well as at the end of the project.

f) Transport of Personal Vehicle

The project may reimburse the cost of **surface** transport of a personal vehicle which the RTA owns at the time of secondment. Quotes from two different carriers must be obtained. These should preferably quote costs of door-to-door delivery, including insurance. It is the RTA’s sole responsibility to comply with any regulations associated with importing, exporting and registering a personal vehicle.

g) Quotes

In all cases (i.e. for removals of personal effects, household contents, personal vehicle and storage costs), the expert must obtain at least **two** quotes. These should preferably be for ‘door-to-door’ delivery.

h) Insurance

The project may cover ‘all risk’ insurance costs for the transport of personal effects, household contents, and vehicles, as well as for items in storage. Insurance may be contracted with the removal/storage firm, or directly with an insurance company. Premiums are limited as follows:

0.625% - 1.25% of the value of personal effects transported by air

1.25% - 2.5% of the value of personal effects transported by road or sea

1.25% - 2.5% of the value of a vehicle transported by road or sea

Where the RTA chooses to move his/her entire household contents, the maximum insured value authorised to be charged to the project is EUR 150 000.

Note:

- The same terms apply to removals back to the home country; they must take place within three months of the end of the period of secondment.
- Costs resulting from any delay in the delivery of freight by any means will be the sole responsibility of the RTA.
- Any dispute between the RTA and a removal/storage company, regarding any aspect of removal/storage or payment, is the sole responsibility of the RTA.

3.2.2.6 Leave Entitlement

a) Basic Leave Entitlement

RTAs' leave entitlement is aligned with that of National Experts seconded to the Commission.

All RTAs will be entitled to annual leave amounting to 2½ working days per month of completed service i.e. 30 days holiday per year.

b) Travelling Time Allowance

In addition, RTAs will receive an annual travelling time allowance according to the distance between their normal place of residence and their residence in the BC.

- 50 to 250 km 1 day
- 251 to 600 km 2 days
- 601 to 900 km 3 days
- 901 to 1400 km 4 days
- 1401 to 2000 km 5 days
- over 2000 km 6 days

c) Public Holidays

In addition, RTAs will be entitled to take leave on public holidays. The public holidays will be the same as those, which are allowed for counterpart BC officials in the administration with which they work.

d) Special Leave

In addition, the RTA may, on demand, be accorded special leave:

- marriage of the RTA 4 days
- household removals of the RTA 2 days
- serious illness of spouse or child 3 days
- death of spouse or child 4 days
- serious illness or death of close relative 2 days
- birth or marriage of child 2 days.

e) Leave Authorisation

Leave authorisation must be obtained from the MS Project Leader in writing and in advance.

3.2.2.7 Fiscal situation of RTAs

The Resident Twinning Adviser must observe the national tax legislation of his/her home country with regard to income earned during the period of secondment in the beneficiary host country.

The possible exemptions from customs duties, import duties, taxes and other fiscal charges for the RTA are governed by the Financing Agreement for the project in question signed between the Commission and the BC.

3.2.3. Project Leader, Short & Medium Term Expert Inputs

3.2.3.1. Missions of civil servants

The EU will finance the cost of short and medium term MS missions in the framework of the project. The contribution of each short or medium term expert to project activities must be specified in the Twinning work plan or, *under IPA*, in the pertinent operative side letters.

Mission expenses (transport, per diem, etc) will be reimbursed in accordance with section 3.3. Visits of MS management and support staff to the BC cannot be separately covered by the project's budget. The financial contribution of the EU programme to the staff costs of short and medium-term missions is **EUR 250/day for civil servants or acting civil servants**.

MISSIONS OF STAFF FROM MANDATED BODIES:

Definition of three expert categories and their respective rates of reimbursement

Class 1 expert: Rate of reimbursement per day worked in BC: EUR 250

Personal experience in the implementation of institutional aspects targeted by the Twinning project: minimum 3 years .

Class 2 senior expert: Rate of reimbursement per day worked in BC: EUR 350

Personal experience in the implementation of institutional aspects targeted by the Twinning project: minimum 8 years.

Capacity to demonstrate innovative approach by abstracting from own experience and adapting to the needs, constraints and culture of the beneficiary. Experience in co-operation with non-EU countries. Capacity to communicate in one of the European Union languages widely spoken in the administration of the BC.

Class 3 special counsellor: Rate of reimbursement per day worked in BC: EUR 450

Personal experience in the implementation of institutional aspects targeted by the Twinning project: minimum 15 years.

In addition to the above and to the qualifications expected of senior experts, special counsellors will be past or present holders of a high-level post (junior minister, head of a government department or head or chairman of a public or private sector body with a record of government work, or equivalent).

This category is strictly reserved for individuals with exceptional experience, whose contribution to the Twinning project justifies the high rating and associated costs.

Exception

Mandated bodies able to provide evidence that they cannot cover their staff's real costs with the standard rates of reimbursement may apply for authorisation to charge up to a maximum of EUR 100 more for each category of experts. These requests must be supported by detailed documentary evidence on real salary costs according to the following mode of calculation:

The **real salary costs** of a mandated bodies' expert consist of the expert's gross annual salary plus any compulsory non-wage labour costs payable by the employer in direct connection with the expert's salary. These annual costs must be **divided by 180 invoiceable days** in order to calculate the total real salary costs per day for an expert.

In case that these daily real salary costs are higher than the rates of reimbursement for the respective expert category specified above, the mandated body may apply to the Commission for approval of this non-standard increase up to a maximum of EUR 100 more for each category. The non-standard rate may under no circumstances comprise a profit margin.

Applications for the increased expert fee are to be channelled through the respective MS's NCP, who should certify the veracity of the financial data submitted in support of the application. If the Commission agrees to the exception, the non-standard fee level will be published in the list of mandated bodies entitled to act in lieu of public administrations. These non-standard fee rates are indicated in square brackets after the name of the mandated body. Approval of higher fee levels must be sought **before** presenting proposals to ensure full transparency.

Explanatory comments regarding classification of experts

For the purpose of classifying experts assigned to Twinning projects all factors will be considered together; a shortfall on one criterion may be offset by outstanding qualifications on another. In case of divergence of opinion, the Commission has the final say regarding expert classification.

Class 3 (special counsellors) is strictly reserved for individuals with exceptional experience, whose contribution to the Twinning project justifies the high rating and associated costs. In order to qualify a staff member as a Class 3 expert, not only the number of years of experience, but also the other requirements stated above must apply.

Practical Points

When calculating the costs for short and medium term staff inputs, it is important to budget for the appropriate unit number of daily allowances. For example:

2 weeks: if expert A comes to the BC on Sunday and leaves on Saturday, 10 working days in the BC and 13 per diems should be budgeted.

1 week: if expert B comes on Sunday and leaves on Friday, 5 working days and 5 per diems should be budgeted.

1 week: if expert C comes on Sunday and leaves on Saturday, 5 working days and 6 per diems should be budgeted.

The working days invoiced will be equal to the days actually spent on co-operation (excluding travelling time and weekends). The per diems, on the other hand, will correspond to the number of nights spent away from the home base on the basis of the actual arrival and departure dates, adjusted to meet working requirements. If the use of a reduced rate air fare requires an additional overnight stay, the traveller is entitled to the corresponding per diem payment, provided it is not in excess of the saving on the air fare.

Inputs in the MS Home Administration or Mandated Body

For tasks performed outside the BC for the benefit of the Twinning project by MS civil servants or mandated body experts, the financial contribution to the home administration or mandated body will be the twinning management costs compensation detailed under section 3.5.

3.3. Travel & Per Diem

3.3.1. Travel

- Travel costs are always considered to be reimbursable costs, estimated in the budget and invoiced at the actually incurred rate;
- The basic rules for travel are: economy class air fare or first class train ticket, whichever is more appropriate and economically advantageous;
- Travel by car is reimbursed according to the basic rules above, except where neither air, nor rail transport is available or appropriate. In that case, it is reimbursed at a rate of EUR 0.25/km when the car used is private and at cost price in other cases. Where several experts jointly make use of a car, the reimbursement will be made only once.
- Whatever the solution chosen (car, plane, train, rented minibus, etc...) the solution must be financially sound and economically advantageous.
- The only exception is the monthly travel ticket allowance paid to RTAs under certain circumstances (see section 3.2.2.4), which is calculated at the beginning of the project and is automatically paid monthly without proof of travel.

For travel by plane the cheapest possible tariff should be applied. If an overnight stay between a Saturday and Sunday is possible, the use of special economically priced tickets is mandatory. If the use of a reduced rate air fare requires an additional overnight stay, the traveller is entitled to the corresponding daily allowance payment (per diem), provided it is not in excess of the saving on the air fare. Where the use of a special economically priced ticket is not possible, a standard economy ticket should be used instead.

Transport to and from the airport is generally considered city transport and thus covered by the per diem allowance. Exception is granted for flight departures before 7.00 and arrivals after 22.00 hours, in which case a taxi fare may be charged separately. Where inter-city travel is required to reach the airport, the rules for travel by train apply.

City and airport transport is considered to be covered by the per diem allowance.

Local travel for the MS experts (RTA and short/medium duration missions) in the BC, but outside the capital, must be specified and budgeted separately. Whenever possible, the use of public transport is mandatory. If the only practical alternative is the use of a private or rented car, the indemnity as per above should be charged.

Short-term experts or RTAs travelling by car do so under their own responsibility. Reimbursement of costs is always based on the above rules.

Costs for travel by BC officials from their capitals to a MS or between MS, e.g. in the framework of study visits, may be eligible for funding under ENPI. Under IPA these costs have to be carried by the BC administration. Costs for travel by BC officials **within** a MS are eligible for reimbursement for Twinning projects under both IPA and ENPI.

3.3.2. Per Diem (for short term experts and RTAs on mission outside BC)

MS experts are entitled to an allowance (per diem) when operating in the BC. It is intended to cover hotel, food and local transportation costs (city and airport transfer). The rates are communicated to National Contact Points in the MS and BC as well as to other stakeholders by Commission Headquarters. The rates are based on the list published by the United Nations and available on the DEVCO - EuropeAid website (http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/), but can be adapted for the purpose of Twinning. They are generally updated twice a year, in January and July. **The rate can therefore vary over the lifetime of the project, depending on the moment when the mission takes place. The rate to be considered for the whole mission is the one applicable on the first day of that mission (including travel).**

The basis for calculation of the number of per diems is the number of **nights spent away from the home base (no half per diems)**. These rates are maximum rates, lower rates can also be applied.

BC staff travelling to a MS in the framework of a Twinning project are entitled to per diems according to the same rules.

3.4. Training and Seminars

3.4.1. Training in the BC

Eligible costs for training activities in the BC are mainly staff inputs by public officials and mandated body experts from MS. The provisions for short and medium term missions govern their expert fees. The cost of MS experts who are working in the BC capital anyway, regardless of whether a specific seminar takes place or not, should not be entered in the seminar budget. This would apply, for example, to short-term experts who are carrying out various tasks in the BC, one of which might be to speak at a seminar. S/he is not entitled to additional fees or per diems, in excess of what has already been budgeted, for doing so. Other costs might relate to provision of:

- training documentation;
- interpretation (see section 3.7. of this annex);
- transport for on-site visits, etc;
- infrastructure facilities – in normal circumstances, it is expected that the BC bears the costs of providing a suitable venue/equipment for training in the BC. In exceptional circumstances, where this is impossible, the respective EU programme can provide funding to cover fully justified expenses.

If any part of the training is sub-contracted to the private sector, the MS/administrative office apply the relevant procurement procedures (see section 3.9. of this annex). If the training takes place in the BC, the BC covers all costs, including transport and per diems for its own staff.

3.4.2. Study visits in the MS and Trainee/internships for BC officials in MS Partner Administration

When planning study visits in the MS partner administration, the twinning partners are urged to take into due account the following principles which may be further detailed by the Contracting Authority.

- Cost effectiveness and sound financial management
- Direct link between the objectives laid down in the PF and the study visits planned
- Direct relevance for the participating BC officials and for the mandatory results of the Twinning project
- Adequate and intensive follow-up of the study visits
- Adequate evaluation by the BC participants and direct involvement of the BC participants in the activities undertaken in the framework of those study visits

Moreover, the MS Twinning partner may propose a limited number of administrative internships in its own administration for certain selected BC officials. Such an initiative may indeed contribute to the further reinforcement of the structural links between the respective administrations involved in the Twinning project.

Costs for travel by BC officials from their capitals to a MS or between MS, e.g. in the framework of study visits, may be eligible for funding under ENPI. Under IPA these costs have to be carried by the BC administration. Costs for travel by BC officials **within** a MS are eligible for reimbursement for Twinning projects under both IPA and ENPI. Per Diem allowances for BC trainees are eligible for funding through the project in all countries. They are intended to cover costs for food, overnight accommodation and local (in-town) transportation. For traineeships of more than 2 months the per diem allowance rate is reduced by 30% as of the 3rd month.

Certain dedicated MS training institutions delivering intensive highly specialised training operate on a fee basis for any trainee; such fees may be charged to the project. If these fees include accommodation or/and meals the per diem paid to the participants will be adapted accordingly.

Costs for expert fees of MS experts (including transport, per diem, expert fees) accompanying study visits cannot be charged to the project separately, but are deemed to be included in the 'twinning management costs' compensation as detailed under section 3.5. Small incidental costs may be charged to the budget with a lump sum (**maximum EUR 10 per trainee per day**) and invoiced without supporting evidence.

3.5. 'Twinning Management Costs'

The breakdown of costs detailed in Annex A3 (Budget) may not include expert fees or other any fees for work performed outside the BC, no matter what its nature (e.g. preparation or follow-up of mission, accompaniment of study visit, delivery of seminars in MS, co-ordination, logistical management [accounts] overheads and other incidental costs).

In its place, and as a global contribution to the costs arising from the responsibility of preparing and implementing a Twinning project, the fee for short and medium-term expertise of any kind (including the Project Leader) delivered in the BC is increased by a compensation of **150% for Twinning management costs**.

This amount is added to expert fees for each activity in the BC. The MS organisation in charge of the Twinning project may dispose of it for any costs arising in the MS in connection with the project and overhead costs.

Since Twinning Contracts are modelled on grant contracts, they are subject to the overall requirement that they may not yield a profit for the implementing MS partner (public administration or mandated body).

The twinning management costs compensation is invariably invoiced by and paid to the MS Project Leader in conjunction with the expert fees for short-term experts working in the BC. MS Project Leaders use and distribute it as they see fit provided the principles of sound management are complied with.

Where several MS are involved in a project, the Project Leader may make available the full or a proportion of the "twinning management costs compensation" to the partner MS providing short term experts and recipient of the funds for their services. Generally, the lead MS Twinning partner can retain a proportion of the "Twinning management costs compensation" to cover the additional costs for its leadership. **It is important for the good implementation**

of the project that the consortium agreement between the lead MS and other MS partners **lays down the precise modalities in this respect.** The members of the consortium elaborate this agreement independently without any advice or interference from their BC partners or Commission services.

For every item in the budget concerning expert fees for work performed in the BC, the immediately following item in the same activity will be entitled ‘twinning management costs compensation’ and quantified at 150% of the preceding item. The amount in the budget is indicative and actual payment will be based on the real amount of fees for days actually worked in the BC.

3.6. Intangible supplies and provision of services

Such items as development of computer software, provision of documentation, translation of texts, private interpreters and similar fall under this category and should feature in the detailed breakdown of costs. (For private sector inputs see section 3.9. For the provision of translation and interpretation refer to next section 3.7.).

3.7. Translation and Interpretation

The RTA should have a full-time project assistant at his/her disposal for the purposes of translation and interpretation on a daily basis and general project duties. In most cases the costs for hiring an assistant have to be included in the project budget. Only in very exceptional cases should the requirement for an assistant be waived. Note that project assistants remunerated by the project **cannot** have or recently (past 6 months) have had any contractual relation with the beneficiary administration.

The recruitment of a suitable project assistant may commence before signature of the Twinning Contract and particulars inserted in the Twinning work plan. A minimum of 3 candidates must be assessed/interviewed.

BC might want to consider ‘seconding’ the project assistant from their own administration rather than recruiting a new one. In that case, salary costs will not be covered by the Twinning Contract. The advantage of this solution is to have a project assistant with ‘in house’ knowledge rather than an outsider.

While it is presumed that the BC bears all its other own costs incurred in connection with the Twinning project, an exception can be made for costs for translation and interpretation. Costs for these services should be budgeted in relation to each activity for which they are required, respecting the ceiling of EUR 10 000 per budget item in case of services. Moreover, local ceilings for both translation and interpretation may be drawn up by the CA in the BC.

Translation costs must be charged at the BC rate. Interpretation costs may be charged at the rate corresponding to the place of the event. For events scheduled to take place in the MS, it may be more advantageous to hire BC staff (even after taking into account travel and per diem costs). Project partners are strongly encouraged to seek value for money.

As regarding translation, if its volume is considerable, the option of hiring a translator can be envisaged for reasons of cost-effectiveness.

3.8. Equipment

3.8.1. Large Scale Equipment

Reference to equipment necessary for the implementation of the Twinning project must be mentioned in the Twinning work plan. However, it will not be financed by the Twinning budget but may possibly be financed through EC funded supply contracts.

It is the BC's responsibility to secure financing from a source of its choice. Procurement rules for such equipment will follow the rules of the relevant donor.

If applicable, the BC's procurement procedures must, however, be reliable enough to ensure that the equipment is available when needed so as not to jeopardise the implementation of the Twinning project.

3.8.2. Office Equipment and supplies

From the day of the RTA's arrival, the BC Twinning partner is entirely responsible for providing all office equipment to ensure effective working conditions for the project and, in particular, the RTA.

The budget of Twinning projects cannot fund desktops, laptops, mobile, phones, faxes, scanners, CD-burners, etc.

In very exceptional cases and subject to due written justification, small items of essential supplies (e.g. small laboratory testing consumables or equipment) for a total cost of not more than EUR 5 000 may be procured to ensure that the implementation of the project can proceed smoothly. The contracting Authority will assess the proposed expenditure restrictively, in light of its knowledge of the BC possibilities and on a case by case basis.

Any equipment purchased with project funds will become the property of the BC at the end of the project. Purchases must be transparent and open to the purchase of goods of eligible origin under the respective EU programme.

3.9. Private Sector Inputs

3.9.1. Tendering, procurement and contracting

In principle, Twinning projects are exclusively based on the transfer of **public sector expertise** and know-how to the beneficiary administration with a view to achieving a mandatory result. This entails that private sector input in the format of equipment or private sector services will only be required **in exceptional cases**, subject to due justification, and limited to the overall ceiling of EUR 5 000 in the case of equipment and to EUR 10 000 per budget item in case of services (see sections 3.7 and 3.8).

Twinning projects are in other words self-contained projects centred around public sector co-operation.

In line with the provisions of Section 6.8 of the Practical Guide to Contract procedures for EC external actions (subcontracting in grants), the exceptionally required private sector inputs are in principle tendered **by the MS partner**, which applies the provisions included in Annex A4.

An overview of the applicable rules:

A. Supply of goods

A.1. up to EUR 5 000 per twinning project : MS Project Leader responsible for procurement and contracting

Procedure: Direct award allowed following the MS own tendering procedures (single tender), invoice included in the framework of quarterly financial report.

Examples: small equipment to ensure smooth implementation of the project (e.g. laboratory consumables or small measuring equipment)

A.2. over EUR 5 000 per Twinning project:

Such investment **CANNOT** be financed by the Twinning budget. It can be mentioned *pro memoria* in the breakdown of cost only to signify the commitment of the BC that the relevant equipment will be available at that time of the work programme for the project.

Examples: equipment to measure air quality control, veterinary control materials.

B. Supply of services

B.1. up to EUR 10 000 per budget item : MS Project Leader responsible for procurement and contracting.

Procedure: Direct award allowed following the MS own tendering procedures (single tender)

Examples: supply of travel services, translation and interpretation services, software, training material, expert private sector inputs to training.

B.2. above EUR 10 000 per budget item : MS Project Leader responsible for procurement and contracting.

Procedure: Contracting by Member State Partner subject to the provisions of Annex A4.

Given (1) the fact that in some instances the MS twinning partner is a public sector body not allowed to engage in commercial contracts and (2) the exceptional nature of private sector inputs, the Member State partner may ask the **contracting authority to manage the exceptionally requested private sector inputs (services above EUR 10 000) on its behalf**. This may be appropriate especially where the contracting entails VAT charges which cannot be handled by the MS partner.

Examples of possible subcontracting: translation and interpretation services, software, training material, expert private sector inputs to training, RTA Assistants.

If the MS partner avails itself of such assistance, amounts for private sector inputs above the ceiling of EUR 10 000 for supply of services will be contracted separately by the contracting authority and will be included in the budget (Annex A3) with an annotation making clear that they will be contracted by the Contracting Authority.

In this case, payments due to the MS partner will obviously not include the private sector sub contracts entered into by the contracting authority. See Section 7.2 of the Twinning Manual for the payment procedure.

In any case, both the MS project leaders and, if applicable, the contracting authority will apply the Practical Guide to govern the private sector sub-contracting

3.9.2. Private Sector Sub-Contractors

Where a MS is otherwise unable to carry out an activity necessary to the implementation of the Twinning project and provides adequate certification to that effect, the Twinning Contract and Twinning work plan may provide for that activity to be subcontracted to the private sector. This might apply, for example, to software design, where private sector specialist input could be vital to the project's success. MS are not allowed to subcontract key activities of the project, which are the prerogative of the public sector actors of the MS selected.

All services that are to be contracted by the administrative office or by the Member State partners (as specified under section 3.9.1) should be detailed in the project budget, with an annotation making clear by which authorities they will be contracted.

Private sector experts included in Twinning contracts under the above circumstances should be budgeted based on their fees (invoices) and are not eligible for "twinning management cost" compensation in the budget.

- The Project Leaders of the Twinning project must comply with the procedures set out in section 3.9.1. concerning the selection of sub-contractors and, in particular, competitive tendering. Annex A4 sets out the applicable procedures.
- The MS Project Leader must ensure that all supporting documents for invoices are kept for audit purposes.

4. Twinning Costs not covered by the EU

1. **All Twinning projects will be co-financed by the BC.** The direct and indirect cost of the BC administration, civil servants and national private experts working for the project is borne by that BC.
2. *For Twinning projects under IPA costs for travel by BC officials from their capitals to a MS or between MS (e.g. in the framework of study visits) costs are not eligible. In other Twinning projects such costs may be eligible¹.*
3. Costs for large-scale equipment that is mentioned as a necessary element for the success of the project cannot be covered by the Twinning Contract budget (see section 5.11). The BC further provides the experts sent by the MS with the requisite facilities for professional use free of charge, which are thus not eligible for funding by the respective EU programme:
 - adequately equipped office space,
 - telephone,
 - email services,
 - fax,
 - photocopiers,
 - computer,
 - internet access,
 - secretarial support,
 - access to information.
4. Costs for indirect taxes (VAT) cannot be covered by EU funds unless the MS Twinning Partner cannot otherwise reclaim it and the applicable regulation authorises such coverage. See article 14.6 of the General Conditions (Annex A2). For VAT on expenses in the BC, some beneficiary countries have a mechanism in place with the local Ministry of Finance to address the issue. MS Twinning partners are advised to make careful enquiries before engaging in any purchases, which are likely to involve VAT costs or any other taxes.
5. Expert Fees or any other expenses for MS input performed outside the BC since such costs are deemed to be covered by the twinning management compensation.

EU funds will not be used to fund BC running costs. For the sake of long-term sustainability and in order to ensure that systems are established which are commensurate with BC future funding capacity, BCs are expected to commit their own resources to Twinning projects. See also Section 9.2 of the Twinning Manual on Sustainability

¹ For Twinning projects under IPA costs of travel by BC officials **within** a MS are on the other hand eligible for reimbursement.

5. Reporting requirements

5.1. Reporting requirements for standard Twinning projects

Proper project reporting is essential to ensure effective follow-up of implementation, to properly evaluate the results and to ensure high quality for the project itself and future ones.

Project reports should focus on the Twinning project but also place the contract in the context of related activities within the same project and/or sector. Twinning reports should be a basis for inputs to sectoral or programme level monitoring reports, in particular highlighting issues that cannot be solved at the level of the Twinning project. The MS Project Leader must draw up **Interim Quarterly Reports** and a **Final Report and he/she will be responsible for submitting them to the concerned authority**. The BC Project Leader will be fully involved in this process and should be given adequate time to put forward comments. S/he must also co-sign each report before it is submitted.

These reports shall consist of a content section and a financial section. Reports will be drafted by the MS Project Leader and will be first submitted to the counterpart BC Project Leader for comments (if any) and co-signature prior to formal submission to the designated authority (see below). These reports will reflect not only the Project Leader's own opinion on the progress of the Twinning project, but should also be based on and reflect the information contained in the reports provided to him/her by the RTA, the BC and other sources (i.e. short term experts, organisation of training and seminars, etc.) It is vital that the BC is fully involved in the preparation of each report, in order to ensure a comprehensive insight into project progress.

The reports should be submitted to:

| <i>Reports to be submitted to:</i> | <i>IPA centralised / decentralised with ex ante control</i> | <i>IPA decentralised without ex-ante control</i> | <i>ENPI (Centralised)</i> | <i>ENPI (Decentralised)</i> |
|------------------------------------|---|--|---------------------------|-----------------------------|
| <i>EU Delegation</i> | X | <i>Copy</i> | X | <i>Copy</i> |
| <i>Administrative Office</i> | X <i>(CFCE)</i> | X | <i>Copy</i> | X |

Reports must contain, as a minimum, the information detailed below. Reports must also be submitted on time as specified below. If minimum reporting requirements are not met, the designated authority as described above, reserves the right to review or suspend funding of a Twinning project (prior approval of this decision by the Commission is needed in all cases). Absence of feedback within 45 days of presentation of reports is considered to signify tacit approval.

Templates are provided in Annex C4.

5.1.1. Interim Quarterly Reports

Throughout the entire Twinning project, **at three-monthly intervals** starting with the date of notification of signature/ endorsement, the Project Leaders will prepare **interim quarterly reports**. The first interim quarterly report will most often refer to less than three months' of the actual project implementation, since the arrival of the RTA in the BC and the beginning of the work schedule rarely coincide with the date of notification.

Interim quarterly reports will be due during the month following the quarter under consideration. The first interim quarterly report will be due in the fourth month after the date on which partners are notified of endorsement/signature of the Twinning Contract.

The interim quarterly reports must:

1. Describe progress achieved in the implementation of the Twinning project during the period under consideration, making direct reference to the timetables and benchmarks as set out in the Twinning Work Plan and highlighting any previously unforeseen activities or activities that have been cancelled.
2. Update on the general environment for project implementation.
3. Update on the assumption and risks for project implementation.
4. Make an overall evaluation of the progress achieved, including an explicit judgement on the likelihood of fully completing the project within the remaining time scale and budget.
5. Provide recommendations.

The financial part of the interim reports, must document the actual expenditure in relation to budgeted expenditure.

5.1.2. Final Report

The MS and BC Project Leaders will jointly prepare, co-sign and submit to the designated authority a final report.

The final report shall be forwarded no later than three months after the implementation period (work plan) as defined in article 2 of the Special Conditions of the Twinning Contract. This means that the final report, final invoice, and expenditure verification report have to be submitted at the latest during the final month before the end of the legal duration of the Twinning contract.

It will include:

- Executive summary of the Twinning project;
- Background information: Description of the original situation in the relevant area of the BC administration before the project, indicating the gaps that the project was to address. Listing of objectives, purpose and mandatory results of the project.

- Implementation process: developments outside the project and project developments;
- Achievement of mandatory results: If these have not been achieved, a detailed explanation must be given on the underlying reasons. An action plan to complete the project must be submitted;
- Analysis of the long-term impact of the project, its sustainable results and identification of potential relevant follow-up actions, if applicable;
- Information on the steps taken to ensure the visibility of EU financing;
- Conclusions, recommendations, including lessons to be learned for future Twinning projects.
- Proof of transfers of ownership (if applicable) and a final statement of all eligible costs of the Twinning project, plus a full summary statement of the Twinning project's income and expenditure and payments received.

The final financial report must be accompanied by an expenditure verification report from a recognised, independent auditor, following the template in Annex A6. If the MS fails to supply the Contracting Authority with a final report by the final report deadline as here above specified and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may terminate the Twinning Contract.

5.2. Reporting requirements for Twinning light projects

There will be at least a start-up report covering the first two months of the contract (submitted during the third month), plus a final report (templates as for standard Twinning). They must be endorsed and countersigned by the beneficiary, who may make additional comments.

The reports will be submitted as indicated in section 5.1.

ANNEX A8
MANDATE (If Member States have formed a consortium)

The following text is indicative only. MS are free to use their own text to mandate responsibility to the lead MS, provided that the same result is achieved.

The undersigned, on behalf of the administration of the Junior MS partner agrees to implement the actions assigned to him/his/her organisation in the Twinning Contract. He/She mandates, project leader, to take full responsibility for the implementation of the said Contract, to make all commitments and take all decisions on his/her behalf in the interests of the successful conclusion of the entire project, and with due respect to the consortium agreement concluded by its members

Signed by a representative of the administration of the Junior MS partner:

Endorsed by a representative of the administration of the lead MS partner:

ANNEX B

**RESIDENT TWINNING ADVISER
DETAILED TERMS AND CONDITIONS**

ANNEX B1: General Provisions

1. Definition

The present general provisions apply to RTAs made available by MS' administrations and mandated bodies to counterparts in beneficiary countries with EU funding throughout the entire duration of the implementation period of the Action.

The seconded experts covered by these provisions remain in paid employment in their national administration or mandated body throughout the period of secondment.

RTAs must in principle be nationals of a MS of the EU.

2. Qualification of RTAs

To qualify for secondment, RTAs must have at least three years' experience in activities related to the implementation of the EU acquis in the area covered by the Twinning project fiche, to the pertinent legislative process or other actions referred to by the Twinning project fiche covering their secondment. They shall have a rank equivalent to Category AD as defined in the Staff Regulations for Officials of the European Union.

RTAs should have a good knowledge of the European Union working languages (English, French or German) widely spoken in the administration of the BC. RTAs may be required to have a satisfactory knowledge of a second language where this is necessary for the performance of his/her duties.

A MS may not be in a position to make available statutory civil servants to co-operate with the BC, if the civil servants who specialise in the given field are too few to be spared, or if the MS in question usually entrusts a public service to a private body.

The administrations or mandated bodies of this MS may therefore hire experts for the purpose of the project, provided they have the necessary skills in respect of the EU *acquis*.

These experts, temporarily recruited by the administration, may only act on its behalf provided they have the necessary experience and are not subject to any conflict of interests. The contract between such experts and the recruiting administration or mandated body must clearly integrate the expert into the contracting organisation, identify the person to whom they report and who is responsible for their backup, thus attributing full responsibility for the quality of their services.

3. Status of RTAs

In the host country, the RTAs' status is that of technical experts. Like other technical experts, they are not automatically entitled to diplomatic status (they are not included in the list of diplomatic staff), unless the MS grants this status or the BC extends such privileges as a matter of courtesy.

RTAs are treated like technical experts:

RTAs and members of their immediate family may be accorded no less favourable benefits, privileges and exemptions than those usually accorded to other expatriates employed in the state of the recipient under any other bilateral or multinational agreement or arrangements for economic assistance and technical co-operation programmes.

Concerning taxation and customs, RTAs are treated as follows:

The Resident Twinning Adviser must observe the national tax legislation of his/her home country with regard to income earned during the period of secondment in the beneficiary host country.

The possible exemptions from customs duties, import duties, taxes and other fiscal charges for the RTA are governed by the Financing Agreement for the project in question signed between the Commission and the BC.

RTAs are invited to request a "mission letter" from the EU Delegation or administrative office in their host country prior to departure to facilitate clearance of administrative procedures upon taking up their duty. They are also advised to apply for a residence and work permit at the embassy of their host country in their country of origin before departure.

Contacts with MS embassies

RTAs will naturally have contacts with their own embassies and are entitled to receive their assistance like any national in a foreign country.

4. Duration of secondment

For the purpose of Twinning activities, three geographical areas are identified as follows:

- (i) IPA - Candidate countries and potential candidates,
- (ii) ENPI SOUTH Countries - Southern Mediterranean region and
- (iii) ENPI EAST Countries - Newly independent States;

As a rule, RTAs are seconded for at least twelve consecutive months, but no more than three years in total in any one country. They must serve on a full-time basis. The duration of the secondment is fixed at the outset in the Twinning Contract.

In the course of his/her professional life, any official of a MS administration or mandated body can serve as RTA for a maximum of four assignments, only two of which can be in the same geographical area. Regardless of the programme that is the

source of funds, no more than two Twinning assignments can be successive, i.e. without a break between them.

If a RTA is proposed for a third assignment, the whole lapse of time stretching over the three assignments must include at least one uninterrupted period of six months during which the official concerned has been effectively performing duties in his/her home administration, for re-acquaintance with the EU *acquis* and/or the pertinent EU Policies.

If the RTA is proposed for a fourth assignment, the whole lapse of time stretching over the four assignments must include at least one uninterrupted period of three years during which the official concerned has been effectively performing duties in his/her home administration, for re-acquaintance with the EU *acquis* and/or the pertinent EU Policies.

These periods of respectively six months and three years are calculated from the day following the end of the assignment of the RTA till the deadline for the submission of proposals for the next project.

Any change in the duration of secondment specified in the initial Twinning contract may give rise to a review of the funding approved by the Commission/administrative office. Such changes are thus subject to an addendum to the contract, to be submitted for prior approval to the Commission or the administrative office, as detailed in section 6.6 of the Twinning Manual.

5. Breaks in or termination of periods of secondment

The Commission or the administrative office, as applicable, may authorise breaks in periods of secondment and specify the applicable terms applicable. During such breaks:

- a) the allowances referred to in Annexes B3 and B7 will not be payable;
- b) the expenses referred to in Annexes B4 to B7 will be reimbursed only if the break is at the request of the Commission / administrative office, as applicable;
- c) any reimbursement of salary to the expert's employer (Annex B2) will be suspended automatically.

If the RTA does not comply with his/her obligations, or for any duly substantiated reason, the BC and the MS may by mutual accord terminate a long-term secondment at any time. The termination of a secondment, whether or not there is a substitute for the RTA in question, may give rise to a review of the EU funding for the entire or a part of the Twinning Contract (which would require therefore an addendum to the Twinning Contract).

If an RTA is not fulfilling his/her obligations to satisfaction, or for any other duly substantiated reason, the Commission and/or the administrative office may, at their own initiative or at the initiative of the BC or the MS alone, propose a review of the

funding of the Twinning Contract. In such cases the Commission and/or the administrative office propose to the signatories a review of the Twinning Contract as a condition for the continuation of all or part of its funding.

6. Duties

RTAs assist the administration or other public sector bodies in the BC in the context of a predetermined work plan.

RTAs are, in principle, excluded from any official act whereby the host administration exercises its public law prerogatives. Nor do they enter into a commitment on their behalf or on behalf of the Commission, nor commit the Commission or the host administration to any act compromising the exercise of its public law prerogatives.

RTAs may work in any field where their services are deemed necessary according to the Twinning Contract, provided there is no conflict with the interests of their administration or mandated body of origin.

RTAs carry out their duties and conduct themselves solely with the interests of the host administration in the BC and those of the EU in mind.

RTAs abstain from any action and, in particular, any public expression of opinion, which may reflect on their position.

RTAs who, in the performance of their duties, are called upon to pronounce on a matter, in the handling or outcome of which they have a personal interest such as to impair their independence, will immediately inform the MS Project Leader to whom they report.

RTAs exercise the greatest discretion with regard to all facts and information coming to their knowledge in the course of or in connection with the performance of their duties; they will not in any form whatsoever disclose to any unauthorised person any document or information not already made public. They continue to be bound by this obligation after their period of secondment has terminated.

RTAs may not, whether alone or together with others, publish or cause to be published any matter relating to their work with the host administration in the BC or the EU without obtaining permission from the EU Commission and the beneficiary administration with the conditions and rules in force in the country of their assignment. Permission will be refused only where the proposed publication is liable to prejudice the interests of the BC or the EU.

All rights to any work done by RTAs in the performance of their duties become the property of the BC in question. The MS and the Commission will be permitted to use the results of the work elsewhere by permission of the BC. Permission may only be refused where the proposed use is liable to prejudice the interests of the BC or the European Union, or where it is for commercial purposes.

RTAs reside in the place of assignment or at no greater distance there-from as is compatible with the proper performance of their duties.

RTAs assist and give advice to the representatives of the partner institution in the BC to which they are assigned; they are responsible to the MS Project Leader in respect of the performance of the tasks entrusted to them.

7. Training of RTAs

RTAs, although experienced in their particular field, cannot always be prepared for the significant demands imposed upon them by a Twinning project. For this reason RTAs are given compulsory preparatory training at the Commission Headquarters, prior to, or shortly after, taking up their responsibilities in the BC. The training provided by the Commission includes:

- Introduction to the technical provisions of the Twinning manual;
- the contextual framework;
- if applicable, an update on the latest acquis relevant for the Twinning project and/or EU policy and co-operation in the relevant area.

8. Working conditions

RTAs are bound by the rules on hours of work in force in the host administration. They are not authorised to work part-time.

RTAs are subject to the rules on annual leave and special leave in force for National Experts on secondment to the Commission and the holidays in the host administration (see annex B8).

Management and control of leave and working time will be the responsibility of the MS x Project Leaders and their BC counterparts.

ANNEX B2: Remuneration of the RTA

The RTA is remunerated by his/her home administration or mandated body in the MS concerned throughout the entire period of his/her secondment.

The payroll institution of the RTA is entitled to reimbursement of an amount equivalent to what s/he would have received had s/he continued to work in his/her home administration (not abroad), including related and/or connected non-wage labour costs, plus an additional 6% of the whole amount to cover the extra cost of a replacement. The amount for reimbursement must be included in the detailed breakdown of costs and must be based on verifiable evidence.

Private sector RTAs, i.e. selected experts who are not statutory public sector employees, must have signed a fixed-term contract with an administration or mandated body in the MS, which seconds them to the Twinning project on the same terms as civil servants. If they are hired by an administration, their remuneration must be aligned to that of civil servants of the same level and experience. If they are hired by a mandated body, their remuneration must be aligned to that of the permanent staff of the same level and experience. All their other costs will be covered by the project as though they were civil servants from the MS.

RTAs receive, where appropriate and provided they have qualifications equivalent to university level, and have a good knowledge of the EU working language (English, French or German) widely spoken in the administration of the BC, an additional flat-rate allowance equal to the difference between the gross annual salary (less family allowances) paid by his/her employer plus the subsistence allowance paid by the Commission and the basic salary payable to an official of the EU Institutions of Grade AD5, step 1.

RTAs receive additional allowances and reimbursement of costs including: a subsistence allowance, reimbursement for housing, health and accident insurance, school fees, travel and removal costs. These costs arising from the RTA's secondment, be they allowances or statutory reimbursements, are borne by EU funding according to a scale applying to all MS, as outlined in the Twinning Manual and detailed in the following annexes B3 to B8.

In addition, RTAs receive, throughout the period of their secondment, a subsistence allowance equal to 50% of the per diem rates in the BC. **The applicable rates are fixed at the time of the signature of the Twinning Contract for its entire duration. They are not subject to revision during the lifetime of the project**

All costs related to the RTA must be quantified and included in the project budget.

ANNEX B3: Housing

RTAs are expected to find housing and register with the authorities without assistance from the Commission. In practice, however, it is likely that RTA will be able to obtain advice from his/her own Embassy, the EU Delegations, the administrative offices and the BC administrations for which he/she will be working.

RTAs are reimbursed for their housing expenses within limits set in each BC. These limits are calculated on the basis of family size and average rent paid for equivalent housing for Commission staff on posting to the Delegation in the relevant BC.

Hotel accommodation

For the period during which the permanently rented accommodation for the RTA is not yet accessible, s/he will be entitled to an additional per diem allowing for a stay in a hotel. Entitlement to this allowance is subject to the presentation of a hotel invoice.

RTAs are entitled to stay in hotel accommodation for up to 30 days, whilst looking for permanent accommodation. This period may be extended subject to prior approval by the administrative office / Commission.

During this period, the RTA receives his/her standard subsistence allowance, and will also receive an additional 100% per diem, which is intended to cover his/her hotel and living costs. Each person accompanying the RTA (i.e. spouse and dependent children) will receive a 50% per diem during this period to cover hotel and living costs. The claim for these extra per diem allowances must be substantiated by a hotel invoice.

Permanent Accommodation

A single person or a couple is entitled to two bedrooms. For each child they are entitled to one additional room. Where a family includes more than two children, the need for the fifth and any subsequent bedrooms must be justified to the administrative office/Commission.

Prices in the BC will vary according to local market conditions, but RTAs are expected to seek value for money in the accommodation they select and to be reasonable in their expectations. The accommodation selected may be furnished or unfurnished, but the RTA may find there are considerable practical benefits in renting furnished accommodation.

The RTA will receive guidance as to the acceptable rental costs for different sizes of accommodation either from the Commission or from the administrative office. These guidelines will follow international standards and indicate the upper and lower margins (“bands”) of acceptable rents for the respective BC.

No prior approval for signing a contract within the indicated bands is required. RTAs should therefore select accommodation in accordance with these pre-approved rates. Rental amounts in excess of the approved “bands” will need to be separately justified and require prior approval from the administrative office/Commission. This will be granted only in exceptional circumstances. Housing costs will be reimbursed according to actual rental costs. The use of housing agencies is permitted; agency fees up to a maximum of two months’ rent will be reimbursed.

Only the basic rental cost is reimbursed. Rental deposits, household insurance and utilities costs such as water, telephone, gas, electricity, etc are the responsibility of the RTA, as are cleaning and other domestic services. No payments for accommodation can be made if the rental costs exceed the amounts indicated above and have not been approved by the administrative office/Commission. Nor will any retroactive payments be made. Reimbursements are based on receipts for actual payments..

ANNEX B4: Health Insurance

Resident Twinning Advisers are obliged to contract insurance coverage, for themselves and their accompanying family members, for health care costs arising from accident or illness throughout the entire period of their secondment. The costs for such insurance is reimbursed by the project for up to EUR 200/adult/month and EUR 100/child/month. It is the responsibility of the MS Project Leader to ensure that the RTA is adequately insured.

Where there is a bilateral agreement for social security coverage between the MS of origin and the host BC, RTAs are obliged to make use of its provisions. Complementary coverage for costs not covered under the bilateral agreement and for emergency repatriation in case of accident or severe illness may be charged to the project within the same ceilings.

Where there is no bilateral agreement on social security the project will reimburse full coverage for health insurance covering care costs due to sickness or accident, including emergency repatriation as above.

The insurance coverage reimbursed by the project will not include capital indemnity in case of death or invalidity due to accident or illness. It is understood that such coverage is provided by the MS employer.

The following is a list of items recommended to be included in the policy:

- full coverage for health care costs due to sickness and accident
(in-patient and emergency out-patient)
- emergency repatriation from the country of the RTA's assignment
- transportation to the medical centre
- sending of a doctor
- emergency dental care costs
- in case of death, repatriation of the body to the country of origin.

ANNEX B5: Schooling

School fees eligible for reimbursement by the project are those incurred from the first year in which schooling would be available free of charge in the home country to the last year of the child's secondary education, the duration of this period to be in accordance with the education system in the RTA's home country. Fees will vary according to the age of the child. Childcare costs are not eligible for reimbursement. Schooling is defined as a minimum of 16 hours of teaching per week, for a minimum period of 3 consecutive months.

Fees eligible for reimbursement are the following: enrolment fees, exam fees, transport to and from school which is provided by the school and is itemised in the school fees, and the cost of books and other material required for participation in compulsory classes. Costs, which are not covered, include, for example, private transport to and from school, school meals, uniforms, after-school music or other extra-curricular classes and activities.

This means that where a school makes a separate charge for materials required in a compulsory class, including music, art or sports classes, these costs will be reimbursed, whereas the cost of non-compulsory school trips or after-school classes will not be met.

School fees will be reimbursed up to a ceiling of EUR 12 000 per child per academic year. Fees above this amount may be reimbursed on a case-by-case basis and require prior approval from the administrative office/Commission. Grounds for approval of higher fees might be: age of the child; comparable fees in international schools in the same city; lack of alternative educational options in the same city.

The RTA can claim reimbursement only for the school fees of a 'dependent child', i.e. his/her or his/her spouse's legitimate, natural, adopted or foster child, who is actually being maintained by him/her and who moves with him/her to the country of his/her posting. This definition also applies to a child for whom an application for adoption has been lodged and the adoption procedure started. Boarding school fees in the country of origin may be charged only in very exceptional cases, and is subject to prior approval from the administrative office/Commission.

Reimbursement will be based on itemised bills.

The RTA must also provide the following information, in a document duly certified by the educational establishment in question:

- first name and family name of each child
- the sum incurred per child
- the date on which payment was made by the RTA
- the currency in which payment was made
- the relevant academic year and the period covered (month, term, semester)

ANNEX B6: Travel Costs

1. Personal travel costs to and from the BC at the beginning and at the end of the Twinning Project

RTAs will be reimbursed the cost of an economy air ticket for themselves and family members accompanying them on their mission, or a first class train ticket, whichever is more appropriate and economically advantageous. If the RTA travels by car, an official quote for one of these options must be obtained from a travel agency.

RTAs are entitled to reimbursement of travel expenses:

- (a) for him/herself:
 - From his/her place of recruitment to his/her place of employment at the beginning of the period of secondment;
 - From his/her place of employment to his/her place of recruitment at the end of the period of secondment.
- (b) for the spouse and dependent children
 - From the place of recruitment to the place of employment when removal takes place;
 - From the place of employment to the place of recruitment at the end of the period of secondment.

For the purpose of these rules, the place of recruitment will be the place where the RTA performed his/her duties prior to secondment; the place of employment will be the place in which the BC administration to which s/he is assigned is located.

2. Annual leave

The RTA and accompanying family will be reimbursed the cost of an annual trip home. RTAs will be reimbursed the cost of a special economically priced return air ticket (standard economy ticket, if special economically priced ticket not available for the length of stay required) or train ticket for themselves and family members according to the same rules as described under point 1 above.

3. Monthly travel allowance

Only applicable, if no removal of personal belongings or any other costs related to accompanying family members are charged to the project

If the RTA has moved without spouse and/or children, and has not been reimbursed for the removal of personal effects, household contents or personal vehicle to the BC, s/he will be entitled to an allowance amounting to the price of a return ticket for each month starting the second month of his/her secondment.

This flat-rate payment will be based on the cost of a first-class rail fare or of a special economically priced air ticket, whichever is appropriate and economically more advantageous. The rate applied will be that in force on 1 January of the current year, quoted by a reputable travel agency. Where a whole month is not worked, the amount will be calculated in proportion to the number of days worked.

The RTA is not entitled to an extra allowance for annual leave.

4. Proof of travel

Original proofs of travel must be provided according to national MS rules in order for reimbursement to be made. The only two exceptions are

- a) the monthly travel allowance for RTAs who do not claim any removal costs or costs for family members and
- b) for travel by personal car and under the sole responsibility of the driver which is reimbursed according to the rules defined above.

ANNEX B7: Removal Costs

1. General provisions

The RTA may choose to travel with the minimum of personal belongings (no charge to the project), or charge the removal of a selection of personal effects (minimum secondment 1 year) or of his/her entire household contents (for secondments of minimum 2 years) to the project. S/he is responsible for organising his/her removal and should attempt to do so in the most economical way. The guidelines for removals presuppose one complete removal, rather than a series of smaller moves, which will be more expensive. In all cases, the route selected must be the most common, most economical and shortest one.

It is the responsibility of the RTA to organise the removal so that storage costs in the BC are avoided. The project will not cover any costs arising from storage in customs warehouses. The RTA must, of course, respect the customs regulations of the host country, but is exempt from import duty on personal belongings under the terms of the Framework Agreement between the European Commission and the host BC.

2. Options

2.1. Removal of personal effects only (minimum secondment 1 year)

The RTA may charge to the project the costs of moving his/her personal effects (clothes, books, stereo equipment, microwave oven, washing machine, television, video etc) to the BC. S/he will be reimbursed for transport of freight up to the following limits (packaging weight is already included in the figures below):

| | |
|------------|--------|
| RTA | 780 kg |
| Spouse | 390 kg |
| Each child | 195 kg |

The actual cost of transportation will be reimbursed. (See section on “quotes” below.) Note that quotes based on volume will not be accepted.

Any personal effects exceeding the above limits will be paid for by the RTA. This also applies to the insurance for the excess.

The costs for storage in the MS (transport to and from place of storage, insurance and rent) for furniture which is not moved may be charged to the project. This is limited to a maximum volume of 60m³. Quotes from two different carriers must be obtained. The actual cost of storage will be reimbursed. (See section on “quotes” below.) Any personal effects exceeding the above limit will be paid for by the RTA. This also applies to the insurance for the excess.

2.2. Removal of complete household contents to the BC (minimum secondment 2 years)

An RTA, seconded for at least 2 years and for whom the distance between the place of recruitment and duty is at least 50km, may charge the costs for the removal of his/her household contents to the BC, i.e. his/her personal effects, plus household furniture and furnishings, to the project. The move must take place no later than six months after taking up duty.

In this case, s/he is entitled to reimbursement of the cost of transport of up to 60m³ of freight. The actual cost of transportation will be reimbursed (see section on “quotes” below). The quote should preferably be ‘door-to-door’.

2.3. Air vs. Surface Transport

The RTA may choose to send all or some of his/her belongings by surface transport, rather than by air, provided the resulting costs do not exceed air transport costs. S/he must obtain two quotes from different carriers. The route selected must be the most common, most economical and shortest one.

2.4. Cost of Excess Baggage

The costs for excess baggage up to 50kg, if this consists of books, papers, equipment etc. required for work purposes, may be charged to the project in connection with the first trip to the BC, when taking up duty, as well as at the end of the project.

2.5. Transport of Personal Vehicle

The project may reimburse the cost of **surface** transport of a personal vehicle, which the RTA owns at the time of secondment. Quotes from two different carriers must be obtained. These should preferably quote costs of door-to-door delivery, including insurance. It is the RTA’s sole responsibility to comply with any regulations associated with importing, exporting and registering a personal vehicle.

2.6. Quotes

In all cases (i.e. for removals of personal effects, household contents, personal vehicle, and storage costs), the expert must obtain at least **two** quotes. These should preferably be for ‘door-to-door’ delivery.

2.7. Insurance

The project may cover 'all risk' insurance costs for the transport of personal effects, household contents, and vehicles, as well as for items in storage. Insurance may be contracted with the removal/storage firm, or directly with an insurance company. Premiums are limited as follows:

- 0.625% - 1.25% of the value of personal effects transported by air
- 1.25% - 2.5% of the value of personal effects transported by road or sea
- 1.25% - 2.5% of the value of a vehicle transported by road or sea

Where the RTA chooses to move his/her entire household contents, the maximum insured value authorised to be charged to the project is EUR 150 000

Note:

- The same terms apply to removals back to the home country; they must take place within three months of the end of the period of secondment.
- Costs resulting from any delay in the delivery of freight by any means will be the sole responsibility of the RTA.
- Any dispute between the RTA and a removal/storage company, regarding any aspect of removal/storage or payment, is the sole responsibility of the RTA.

ANNEX B8: Leave Entitlement

1. Basic Leave Entitlement

RTAs' leave entitlement is aligned with that of National Experts seconded to the Commission.

All RTAs will be entitled to annual leave amounting to 2½ working days per month of completed service i.e. 30 days holiday per year.

2. Travelling Time Allowance

In addition, RTAs will receive an annual travelling time allowance according to the distance between their normal place of residence and their residence in the BC.

- 50 to 250 km 1 day
- 251 to 600 km 2 days
- 601 to 900 km 3 days
- 901 to 1400 km 4 days
- 1401 to 2000 km 5 days
- over 2000 km 6 days

3. Public Holidays

In addition, RTAs will be entitled to take leave on public holidays. The public holidays will be the same as those, which are allowed for counterpart BC officials in the administration with which they work.

4. Special Leave

In addition, the RTA may, on demand, be accorded special leave:

- marriage of the RTA 4 days
- household removals of the RTA 2 days
- serious illness of spouse or child 3 days
- death of spouse or child 4 days
- serious illness or death of close relative 2 days
- birth or marriage of child 2 days.

5. Leave Authorisation

Leave authorisation must be obtained from the MS Project Leader in writing and in advance.

ANNEX B9: Fiscal Situation of RTAs

The Resident Twinning Adviser must observe the national tax legislation of his/her home country with regard to income earned during the period of secondment in the beneficiary host country.

The possible exemptions from customs duties, import duties, taxes and other fiscal charges for the RTA are governed by the Financing Agreement for the project in question signed between the Commission and the BC.

ANNEX C

TEMPLATES

The following templates are intended as guidance to facilitate the channelling of precise and unambiguous information. Texts may be adapted to take account of specific circumstances.

INDEX OF TEMPLATES IN ANNEX

ANNEX C1¹

STANDARD TWINNING PROJECT FICHE

1. Basic Information

- 1.1 Programme:
- 1.2 Twinning Number:
- 1.3 Title:
- 1.4 Sector:
- 1.5 Beneficiary country:

2. Objectives

- 2.1 Overall Objective(s):

Normally, there should be only one overall objective. Exceptionally, more than one objective might be used if this adds clarity and enhances logic

REMEMBER *The Overall Objective should explain why your project is important to BC. It should do this by referring to the longer-term benefits anticipated for direct beneficiaries, and to the wider benefits foreseen for the BC at large. Your project alone is not expected to achieve the Overall Objective: this will require the impact of other projects and programmes, and possibly actions by other donors as well.*

- 2.2 Project purpose:

Normally, there should only be one purpose for each project. Exceptionally, more than one purpose might be used if this adds clarity and enhances logic

REMEMBER *Try to aim for one single purpose for each project. The Project Purpose is the single, central objective of the project. It should be described in terms of the sustainable benefits that will be delivered to the project's target beneficiaries*

- 2.3 Contribution to National Development Plan/Cooperation agreement/Association Agreement/Action Plan

3. Description

- 3.1 Background and justification:

(briefly explain the origin of the project and outline why it is being undertaken)

¹ For Twinning light the Project fiche should be detailed as it will form an annex to the Twinning light contract together with the selected Member State proposal.

3.2 Linked activities (*other international and national initiatives*):

Briefly describe earlier EU activities and projects in this area, showing any connections with each other and this project.

Briefly describe any relevant current activities being undertaken by other parties, such as your national government, the private sector, donor governments, or international financial institutions (IFIs)

3.3 Results:

The results described here must correspond to the results recoded in the logframe, describe what will be achieved by the end of the project or each phase of the project and how this will contribute to attaining the project purpose. The indicators of achievement should be quantified, verifiable and time-bound.

3.4 Activities:

The activities described here must correspond to the activities recoded in the logframe

3.5 Means/ Input from the MS Partner Administration:

3.5.1 Profile and tasks of the Project Leader

3.5.2 Profile and tasks of the RTA

Describe the profile of the required RTA (experience, skills etc.) and duration of the RTA secondment (min. 12 months).

3.5.3 Profile and tasks of the short-term experts

4. Institutional Framework

Indicate the beneficiary institution(s) and, if applicable, specify Department/Directorate within the beneficiary institution.

If several, specify their relationship and organisation for the implementation of the project, as well as the coordination mechanism.

Indicate whether the results of the project will lead to a change of the institutional framework as described.

5. Budget

6. Implementation Arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting (AO/CFCU/PAO/ Commission), *including contact person and full contact details.*

6.2 Main counterpart in the BC, *including contact person and contact details. Also include RTA counterpart and the BC Project leader*

6.3 Contracts

7. Implementation Schedule (indicative)

7.1 Launching of the call for proposals (Date)

7.2 Start of project activities (Date)

7.3 Project completion (Date)

7.4 Duration of the execution period (number of months)

8. Sustainability

The achievements of a Twinning project (mandatory results) should be maintained as a permanent asset to the Beneficiary administration even after the end of the Twinning project implementation. This presupposes inter alia that effective mechanisms are put in place by the Beneficiary administration to disseminate and consolidate the results of the project.

9. Crosscutting issues (equal opportunity, environment, etc...)

10. Conditionality and sequencing

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (optional)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (optional)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (optional)
5. List of relevant Laws and Regulations (optional)
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (optional)

ANNEX C2²

MODEL TWINNING PROPOSAL

| | |
|--|---------------------------------------|
| Member State: | XVZ |
| MS body responsible for implementation: | ABC (full contact details essential!) |
| BC: | ZVX |
| Sector: | eg: Justice and Home Affairs |
| Twinning Reference Number: | AB/IB/JH/01 |

Services proposed by Member State:

The aim of the proposed project is to assist with the restructuring of the judicial system of ZVX so as to fully equip it for its task in applying the acquis independently in the same way as a MS.

The project forms part of the wider concept of training of ZVX judges, prosecutors as well as enforcement and probation officers. In the initial phase the project could include components i) and ii), and be supplemented at a later stage with components iii) and iv).

For the first phase the offer includes components i) and ii) as follows:

- i) - Vocational training for judges and prosecutors in EC law with special emphasis on the general principles of a MS legal order.
- ii) - Probation officers will be trained in general principles of EC -law and in relevant parts of social work in the area.
- The enforcement officers will be trained in the guiding principles of legal enforcement and in basic elements of the relevant legislation.

Institutional framework of Member State

Description of relevance of the administrative system of the MS and the quality and experience of its administrative experts.

Methodology Proposed by Member State

In the spirit of true partnership, the MS intends to privilege an approach based on the direct involvement of members of the Judiciary, to foster a peer-to-peer cooperation rather than a top-down delivery of assistance.

Experts from the (mandated body) 'School for Judges' will be involved in the implementation of both component I and II, but under the direct supervision of the Project Leader, who is a senior official of the Ministry of Justice. It must be added that the 'School for Judges' itself functions, in MS, in close cooperation with the Ministry.

The MS fully understands the peculiarities and specificities of the BC judicial system, the global environment in which it operates and the historical background against which it is striving to renovate and pick up the challenges of future EU membership. Therefore the MS does not propose to reproduce,

² Please note that the complete proposal -excluding CVs- should not exceed 10 pages.

through the Twinning project, its own judicial system, but rather to help the BC in the reform of the domestic system so that it fully meets the EU standards.

Sustainability of the project:

Is the action likely to have a tangible impact on its target groups?

Is the proposal likely to have multiplier effects?

Are the expected results of the proposed action sustainable institutionally and at policy level ?

Comparative Advantage of the Proposal

The project is considered very important by the Ministry of Justice of the MS. The Minister himself is aware of the proposal and keen to make available the resources necessary for a successful implementation of this Twinning.

Given the intense economic cooperation between the MS and the BC, a well functioning Judiciary is it is in the mutual interest of both partners.

The fact that a number BC judges have already attended some training activities at the MS 'School for Judges' will facilitate contacts and offer the possibility to build on past experiences.

Budgetary remarks (optional):

ANNEX 1

Proposal for supplementary stages iii) and iv) of the project

ANNEX C3

ORAL PRESENTATION OF MS TWINNING PROPOSAL AT TWINNING SELECTION MEETING IN BC

KEY POINTS FOR MS TO COVER:

- ❑ Focus on the approach of MS partner(s) to meeting the needs identified by BC;
- ❑ Emphasis should be on the actions envisaged and the expected results;
- ❑ There should be evidence of an overall vision and underlying strategy;
- ❑ There should also be evidence of expertise, which can be made available, especially by RTA and Project Leader. NB: Both the designated Project Leader and RTA should be present for the presentation;
- ❑ Track record on similar work should be clear;
- ❑ Language issues should be clarified, to ensure that RTA and other experts will be able to fully participate in the project's working language.

KEY POINTS FOR MS TO BEAR IN MIND:

- ❑ Presentations should be focused, emphasising key points of written proposal, not simply a repetition of contents of the same;
- ❑ They need thorough preparation, undertaken jointly with all members of the presentation team;
- ❑ A short audio-visual presentation can be very effective, but is not always necessary;
- ❑ Presentations should be short and to the point and, if possible, backed up with succinct written material, e.g. copies of slides;
- ❑ Whoever makes the presentation should be experienced and at ease in doing so, otherwise it is difficult for non-native speakers to follow;
- ❑ Ideally, several potential members of the twinning team should be present and could either participate briefly in the presentation or be available to answer questions;
- ❑ Presentations should cover all the elements of the work programme required to meet the needs expressed by the BC;
- ❑ Any question from the BC side should be answered as comprehensively as possible at the meeting.

ANNEX C4

TWINNING INTERIM QUARTERLY REPORT

TWINNING INTERIM QUARTERLY REPORT number:



EUROPEAN COMMISSION

**TWINNING PROJECTS
INTERIM QUARTERLY REPORT**

Project Title:

Partners:

Date:

Twinning Contract number: *country - year - IB - sector - number*

1. Overview

The **Interim Quarterly Report/Final Report** for the project comprises the following parts:

- Section 1** Basic data on the project
Section 2 Content: progress achieved in the implementation of the Twinning project during the reporting period and schedule for the remaining period
Section 3 Expenditure: actual expenditure in relation to budgeted expenditure

2. General guidance

- Throughout the entire Twinning project, at **three-monthly intervals** starting with the date of notification of endorsement / signature, the Project leaders may prepare Interim Quarterly Reports/Final Reports.
- Interim Quarterly Reports/Final Reports cover both substance and Finances.
- The deadline for submission of the **Interim Quarterly Reports/Final Reports** cannot be altered – The first interim quarterly report will most often refer to less than three months' actual project implementation, since the arrival of the RTA in the BC and the beginning of the work schedule rarely coincide with the date of notification.
- The MS Project Leader in co-operation with the BC Project Leader will submit, within the month following each quarter, the interim quarterly reports to the concerned authority (see 6.4 of the Twinning manual).
- **One copy of the Report** must be sent at the same moment to the relevant Twinning Team in the Commission Headquarters
- The Report must be submitted in one of the **following three languages: English, French and/or German.**

3. Notice

- The approval of the **Report** by the relevant authorities is without prejudice to the Commission's right to suspend the activities of a project, terminate an agreement or take any other appropriate step should subsequent verifications reveal problems or significant divergences from the work plan, the budget or the conditions of the Twinning Contract as approved.
- The views expressed in this report do not necessarily reflect the views of the European Commission

Twining Contract number: *country - year - IB - sector - number*

Section 1: Project data

| | |
|--------------------------------------|--|
| Twining Contract Number | |
| Project Title: | |
| Twining Partners (MS and BC) | |
| Report Number: | |
| Period covered by the report: | |
| Duration of the project: | |
| Rapporteur: | |

Twinning Contract number: *country - year - IB - sector - number*

Section 2: Content

This section describes the activities of the project. It is divided in five sections.

2A – BACKGROUND

2B – ACHIEVEMENT OF MANDATORY RESULTS

2C – ACTIVITIES IN THE REPORTING PERIOD

2D – TIMING AND DELAYS

2E – ASSESSMENT

Please remember that the Interim Quarterly Report covers all the activities and results for the reporting period of the project.

2A - BACKGROUND

Overall objectives

| Overall Objective and indicators of achievement (as in Logframe) | State of achievement/ problems encountered |
|--|--|
| Overall Objective (copied from logframe) | |
| <i>Indicator of achievement (copied from logframe)</i> | |

Project purpose

| Project purpose and indicators of achievement (as in Logframe) | State of achievement/ problems encountered |
|--|--|
| Project purpose (copied from logframe) | |
| <i>Indicator of achievement (copied from logframe)</i> | |

Policy Developments

- *What were the key developments in the relevant policy area in the BC in the reporting period?*

Project Assumptions

- *Which of the original assumptions of the project (Article 2 of the Work plan) have been fulfilled?*
- *Which of them are likely to be fulfilled soon?*
- *Have there been any developments, which make some of the assumptions impossible to achieve? (If yes, the project requires reorientation)*

2B - ACHIEVEMENT OF MANDATORY RESULTS

- *List all the benchmarks which were achieved in the reporting period within each of the components and indicate which of the Intermediate Results and Mandatory Results are completed or close to completion.*

Results under components

| Results and indicators of achievement (as in Logframe) | State of achievement/ problems encountered |
|---|--|
| Result 1 (copied from logframe) | |
| <i>Indicator of achievement (copied from logframe)</i> | |
| Result 2 (copied from logframe) | |
| <i>Indicator of achievement (copied from logframe)</i> | |

2C. ACTIVITIES IN THE REPORTING PERIOD

- *Component by component, list all the activities which have taken place in the reporting period in the order in which they appear in the Work plan and providing their reference numbers.*
- *Fore each activity specify the following details:*
 - (1) *Reference number and title of Activity (as in Art 3 of the Work plan);*
 - (2) *Names of MS experts who delivered it;*
 - (3) *Number of experts from the BC who participated and their departments of origin*
 - (4) *Duration of the activity*

2D. TIMING AND DELAYS

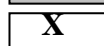
Adherence to time schedule

Reproduce the Schedule from Article 4 of the Work plan and indicate with a cross in the relevant box all the activities which have taken place from inception of the project until the end of the reporting period. In this way the reader will see a clear picture of the delays. Single out those activities which are delayed by more than three months.

| Project Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---------------------|---|---|---|---|---|---|---|---|---|----|----|----|
| Component 1 | | | | | | | | | | | | |
| Activity 1.1 | | | | | | | | | | | | |
| Activity 1.2 | | | | | | | | | | | | |



Activity/action Planned



Activity/action Performed



Activity/action Delayed by more than 3 months

Recuperation of delays

For all the activities marked in the schedule as delayed by more than three months, provide an explanation of the delay and indicate when the activities will take place.

2E. ASSESSMENT

Overall Assessment of progress

Overall evaluation of the progress achieved during the reporting period.

Issues

Problems in the management of the project or in the co-operation between the partners. Any other issues.

Recommendations

Agreed solutions to the problems stated in 6.2.

Twinning Contract number: *country - year - IB - sector - number*

Section 3: Expenditures

Provide total figures of disbursement in the reporting period for key groups of costs

| Section No. | Name of services / goods purchased or direct costs | Date(s) of services | Invoice number | Date of invoice | Breakdown and clarification | Amount paid in local currency (if applicable) | INFO-EURO exchange rate | Amount paid in EUR | Amount foreseen in original budget | Amount introduced by side letter / amendment | Amount charged to contingencies |
|-------------|---|---------------------|----------------|-----------------|---|---|-------------------------|--------------------|------------------------------------|--|---------------------------------|
| Xx | Resident Twinning Adviser [NAME] | | | | | | | | | | |
| | Gross salary | | | | 3 x [MONTHLY SALARY] | | | | | | |
| | Non wage labour costs | | | | 3 x xxx | | | | | | |
| | 6%of sal+non wage | | | | 3 X xxx | | | | | | |
| | RTA 50 % allowances | | | | [NO OF DAYS] x 50% [PER DIEM] | | | | | | |
| | Total | | | | | | | | | | |
| Xx | Activity no. [NUMBER AND TITLE AS IN CONTRACT] | | | | | | | | | | |
| | Mission of expert [NAME] | | | | [DATE AND TIME OF ARRIVAL AND DEPARTURE] | | | | | | |
| | Fees | | | | [NO OF WORKING DAYS] X [RATE] | | | | | | |
| | Flat rate compensation | | | | = 1,5 x [TOTAL AMOUNT OF FEES] | | | | | | |
| | Per diem | | | | [NO OF NIGHTS] x [PER DIEM] | | | | | | |
| | Air ticket [PLACE OF DEPARTURE - DESTINATION] | | | | [CLASS] | | | | | | |
| | Local travel to location [PLACE OF DEPARTURE - DESTINATION] | | | | [MEANS OF TRANSPORT AND CLASS] | | | | | | |
| | Translation of [NAME OF DOCUMENT] | | | | [NO OF PAGES] x [UNIT PRICE] [NAME OF TRANSLATOR / COMPANY] | | | | | | |
| | Interpretation during [NAME OF EVENT] | | | | [NO OF DAYS] x [UNIT PRICE] [NAME OF INTERPRETER / COMPANY] | | | | | | |
| | Total | | | | | | | | | | |
| Xx | Activity no. [NUMBER AND TITLE AS IN CONTRACT] | | | | | | | | | | |
| | Study visit to [DESTINATION] | | | | [DATE AND TIME OF ARRIVAL AND DEPARTURE] | | | | | | |
| | Per diem for participants | | | | [NO OF PARTICIPANTS] x [NUMBER OF NIGHTS] x [PER DIEM] | | | | | | |
| | Local travel cost for participants [PLACE OF DEPARTURE - DESTINATION] | | | | [MEANS OF TRANSPORT AND CLASS] [NO OF PARTICIPANTS] x [COST OF TICKET] | | | | | | |
| | Interpretation days | | | | [NO OF DAYS] x [UNIT PRICE] [NAME OF INTERPRETER / COMPANY] | | | | | | |
| | Interpreter's flight [PLACE OF DEPARTURE - DESTINATION] | | | | [MEANS OF TRANSPORT AND CLASS] | | | | | | |
| | Interpreter's per diem | | | | [NO OF NIGHTS] x [PER DIEM] | | | | | | |
| | Incidental costs | | | | [NO OF WORKING DAYS] x [NO OF PARTICIPANTS] x EUR 10 | | | | | | |
| | Total | | | | | | | | | | |

TOTAL

xxx

xxx

ANNEX C5
TWINNING FINAL REPORT



EUROPEAN COMMISSION

TWINNING PROJECTS
FINAL REPORT

Project Title:

Partners:

Date:

Twinning Contract number: country - year - IB - sector - number (Only for IPA)

Twinning Contract number: country - year - AA - sector - number (Only for ENPI)

| |
|--|
| <p>Twinning Contract number: country - year - IB - sector - number Twinning Contract number: country - year - AA - sector - number</p> |
|--|

General instructions

1. Overview

The **Final Report** for the project comprises the following parts:

Section 1 Basic data on the project

Section 2 Content: Achievement of mandatory results

Section 3 Expenditure: final financial report

2. General guidance

- Final report shall be submitted no later than three months after the implementation period (work plan) as defined in article 2 of the General conditions of the Twinning Contract (Annex A2) and at least before the end of the legal duration.
- Final report covers both substance and Finances. The final financial report must be accompanied by an expenditure verification report from a recognised, independent auditor, following the template in Annex A6 to the Twinning contract.
- The MS Project Leader in co-operation with the BC Project Leader will jointly prepare, co-sign and submit the final report to the concerned authority (see 6.4 of the Twinning manual).
- **One copy of the Report** must be sent at the same moment to the relevant Twinning Team in the Commission Headquarters, as a matter of information. Please see exact requirements for submission of the Final Report in section 6.4 of the Twinning Manual.
- The Report must be submitted in one of the **following three languages: English, French or German.**

3. Notice

- The views expressed in this report do not necessarily reflect the views of the European Commission

General remark: It would be perhaps useful that the numbering of the pages starts from this page which would be page No. 1.

Twining Contract number: *country - year - IB - sector - number*
Twining Contract number: *country - year - AA - sector - number*

Section 1: Project data

| | |
|-------------------------------------|--|
| Twining Contract Number | |
| Project Title: | |
| Twining Partners (MS and BC) | |
| Duration of the project: | |
| MS Project leader: | |
| BC Project leader: | |

Twining Contract number: country - year - IB - sector - number
Twining Contract number: country - year - AA - sector - number

Section 2: Content

This section describes the activities of the project. It is divided in nine sub-sections.

2A – EXECUTIVE SUMMARY

2B – BACKGROUND

2C – IMPLEMENTATION PROCESS

2D – ACHIEVEMENT OF MANDATORY RESULTS

2E – IMPACT

2F – FOLLOW-UP AND SUSTAINABILITY

2G –CONCLUSIONS

2H – FINAL RECOMMENDATIONS

2I – ANNEXES

| |
|--|
| <p>Twinning Contract number: country - year - IB - sector - number Twinning Contract number: country - year - AA - sector - number</p> |
|--|

2A - EXECUTIVE SUMMARY

*(Leave writing this summary until you have completed all the other parts of the report)
Briefly cover the following items: What was the purpose? To what extent has it been achieved?
What impact is it likely to have on the Beneficiary Country administration?*

2B - BACKGROUND

Starting Point

Briefly describe the original situation in the relevant area of the BC administration before the project, indicating the gaps that the project had to address.

Objectives

List the objective, purpose and mandatory results of the project (as stated in the Work Plan and / or amended during implementation), addressing the gaps identified above.

2C - IMPLEMENTATION PROCESS

Developments outside the project

(a) What were the key developments in the relevant policy area in the Beneficiary Country during the implementation of the project? Which of the original assumptions of the project (Article 3 of the Work Plan) were fulfilled?

(b) What external problems threatening smooth implementation of the project appeared and how were they solved?

Project developments

(a) Describe the key developments inside the project, such as change of key staff, re-orientation, completion of an important package of activities, other turning points. (NB: Do not make a detailed account of all activities here)

(b) What internal problems threatening the implementation of the project appeared, and how were they solved?

Project visibility

(a) What steps were taken to ensure project visibility and EU visibility and what was the influence on the project implementation process?

| |
|--|
| <p>Twining Contract number: country - year - IB - sector - number Twining Contract number: country - year - AA - sector - number</p> |
|--|

2D - ACHIEVEMENT OF MANDATORY RESULTS

(a) Describe the extent to which each of the mandatory results (measured against the benchmarks agreed in the Work Plan) was achieved.

(b) In case one or more mandatory results were not entirely achieved, explain why.

(c) Overview mandatory results achieved (See Annex 1).

2E - IMPACT

(a) Specify to what extent the achievement of the results led to the achievement of the purpose of the project and the overall objective (measured against the benchmark(s) specified in the Work Plan).

(b) List any unexpected results of the project.

2 F - FOLLOW-UP AND SUSTAINABILITY

(a) In what way will the results of the project / recommendations be utilised by the BC administration?

(b) How is the BC administration going to continue with the work started under the project?

(c) In case of failure to achieve the mandatory results in their entirety, what future actions should the final BC administration take in order to achieve them?

2G - CONCLUSIONS

Overall Assessment

Make a one-paragraph evaluation of the project, its progress and impact.

2H – RECOMMENDATIONS: lessons learned

Recommendations for future actions necessary to be undertaken in the area the twinning operates in.

Twinning Contract number: country - year - IB - sector - number
Twinning Contract number: country - year - AA - sector - number

2I – ANNEXES

Annex 1: Overview mandatory results achieved

Overview mandatory results achieved

| Component | ACTIVITY | expected MANDATORY RESULTS (Components) | Deadline | Delay +/- [months] | expected BENCHMARKS (Activities) | ASSESSMENT to date | Self-assessment Rate HS (Highly satisfactory), S (Satisfactory), U (Unsatisfactory) |
|------------------|-----------------|--|-----------------|---------------------------|---|---------------------------|--|
| 1) | [title] | | | | | | |
| | 1,1 | | | | | | |
| | 1,2 | | | | | | |
| | 1,3 | | | | | | |
| 2) | [title] | | | | | | |
| | 2,1 | | | | | | |
| | 2,2 | | | | | | |
| | 2,3 | | | | | | |
| 3) | [title] | | | | | | |
| | 3,1 | | | | | | |
| | 3,2 | | | | | | |
| | 3,3 | | | | | | |
| | | | | | | | |

Twinning Contract number: country - year - IB - sector - number
Twinning Contract number: country - year - AA - sector - number

Section 3: Expenditure

Provide total figures of disbursement for key groups of costs

| Actions to be undertaken under the Twinning project | Original budget | | | Budget after side letters / addenda | Amount paid in Euros | | | | | Total amount paid |
|--|-----------------|-------------|---------------|-------------------------------------|----------------------|-------------|-------------|-------------|-------------|-------------------|
| | Unit cost | No of units | Total MS cost | | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 5 | Final report |
| 1. Resident Twinning Advisor Remuneration Mr./Ms. First Name SURNAME (XXX months) | | | | | | | | | | |
| Basic salary and non wage labour costs | | | | | | | | | | 0,00 |
| 6% of salary and non-wage labour costs | | | | | | | | | | 0,00 |
| Total RTA remuneration | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 2. Resident Twinning Advisor Allowances | | | | | | | | | | |
| Daily allowances (50%) | | | | | | | | | | 0,00 |
| Allowances for RTA for first 30 days | | | | | | | | | | 0,00 |
| Allowances for spouse and children for first 30 days at 50% | | | | | | | | | | 0,00 |
| Health and accident insurance for RTA | | | | | | | | | | 0,00 |
| Health and accident insurance for spouse | | | | | | | | | | 0,00 |
| Health and accident insurance for children | | | | | | | | | | 0,00 |
| Accommodation (see appropriate ceiling for each BC) | | | | | | | | | | 0,00 |
| Estate Agent's Fee | | | | | | | | | | 0,00 |
| Removal Costs (up to 780kg for RTA, 390kg for spouse and 195kg per child) | | | | | | | | | | 0,00 |
| Storage Costs | | | | | | | | | | 0,00 |
| Vehicle transport | | | | | | | | | | 0,00 |
| Excess Luggage (up to 50kg) | | | | | | | | | | 0,00 |
| Travel to and from place of duty – RTA | | | | | | | | | | 0,00 |
| Travel to and from place of duty – spouse | | | | | | | | | | 0,00 |
| Annual return trip – RTA | | | | | | | | | | 0,00 |
| Annual return trip – spouse | | | | | | | | | | 0,00 |
| Monthly allowance for special economically priced return trips | | | | | | | | | | 0,00 |
| School fees (X children X years) | | | | | | | | | | 0,00 |
| Total RTA Allowances | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

| | | | | | | | | | | |
|--|-----|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 3. RTA Training | | | | | | | | | | |
| Return fare Brussels | | | | | | | | | | 0,00 |
| 3 per diems BE | 201 | | | | | | | | | 0,00 |
| Total RTA Training | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 4. RTA Assistant | | | | | | | | | | |
| 5. Project Preparation | | | | | | | | | | |
| RTA/PL Leader fees | | | | | | | | | | 0,00 |
| (XX trips x XX days) | | | | | | | | | | 0,00 |
| 'Project Management Costs' | | | | | | | | | | 0,00 |
| Per diems | | | | | | | | | | 0,00 |
| Airfares | | | | | | | | | | 0,00 |
| Total Preparation Costs | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 6. Project Co-ordination Costs | | | | | | | | | | |
| Participation of PL in PSC meetings | | | | | | | | | | 0,00 |
| Fees (XX missions of XX days) | | | | | | | | | | 0,00 |
| 'Project Management Costs' | | | | | | | | | | 0,00 |
| Per diems | | | | | | | | | | 0,00 |
| Airfare | | | | | | | | | | 0,00 |
| Visibility costs | | | | | | | | | | 0,00 |
| Audit certificate costs | | | | | | | | | | 0,00 |
| Office equipment | | | | | | | | | | 0,00 |
| Office furniture | | | | | | | | | | 0,00 |
| Telephone costs | | | | | | | | | | 0,00 |
| Stationeries | | | | | | | | | | 0,00 |
| Total Project Co-ordination Costs | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| PROJECT ACTIVITIES | | | | | | | | | | |
| 7. COMPONENT 1: TITLE | | | | | | | | | | |
| 1.1 Activity Title | | | | | | | | | | 0,00 |
| Five-day seminar in BC | | | | | | | | | | 0,00 |
| XX MS experts (names), XX days | | | | | | | | | | 0,00 |
| Expert fees | | | | | | | | | | 0,00 |
| 'Project Management Costs' | | | | | | | | | | 0,00 |

| | | | | | | | | | | |
|---|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Per diems | | | | | | | | | | 0,00 |
| Air tickets | | | | | | | | | | 0,00 |
| Interpretation (XX interpreters x XX days) | | | | | | | | | | 0,00 |
| Translation of XXXX (XX pages) | | | | | | | | | | 0,00 |
| Seminar venue | | | | | | | | | | 0,00 |
| Coffee Breaks | | | | | | | | | | 0,00 |
| Training materials | | | | | | | | | | 0,00 |
| BS staff costs(per dim, travel, hotel) | | | | | | | | | | 0,00 |
| | | | | | | | | | | 0,00 |
| 1.2 Activity Title | | | | | | | | | | 0,00 |
| | | | | | | | | | | 0,00 |
| | | | | | | | | | | 0,00 |
| 1.3 Activity Title | | | | | | | | | | 0,00 |
| Total Component 1 | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 8. COMPONENT 2: TITLE | | | | | | | | | | |
| 2.1 Activity Title | | | | | | | | | | 0,00 |
| Two-week study trip to MS for XX BC staff to the Ministry of ... in ... | | | | | | | | | | 0,00 |
| Per diems for BC participants (XX x XX days) | | | | | | | | | | 0,00 |
| Air tickets for BC participants | | | | | | | | | | 0,00 |
| Incidental costs (at 10 per participant/day) | | | | | | | | | | 0,00 |
| Interpreter fees | | | | | | | | | | 0,00 |
| Air tickets for interpreter | | | | | | | | | | 0,00 |
| Per diems for interpreter | | | | | | | | | | 0,00 |
| | | | | | | | | | | 0,00 |
| 2.2 – 2.9 Activity Title | | | | | | | | | | 0,00 |
| Total Component 2 | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| SUB-TOTAL | | | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Amount charged to the provision for changes in prices | | | | | | | | | | |
| TOTAL | | | | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

**Please remember that this report must be accompanied by an EXPENDITURE VERIFICATION REPORT
(Model expenditure verification report: Annex A6 to the Twinning Contract)**

For the administration of the Member State

*[name and title of the individual(s)
authorised to sign]*

[signature]

[date]

For the administration of the BC

*[name and title of the individual(s)
authorised to sign]*

[signature]

[date]

**ANNEX C6
(for IPA and ENPI)**

ADMINISTRATIVE COMPLIANCE AND ELIGIBILITY GRID

Grid completed by _____ Date completed _____

FORMAL CRITERIA (to be checked before the selection meetings)

I. IDENTIFICATION DATA

| | |
|---|--|
| Reference number. | |
| Budget line. | |
| Applicant (country) | |
| Applicant 2 (junior partner, if applicable) | |
| BC | |

| II. ADMINISTRATIVE COMPLIANCE | Yes | No |
|---|------------|-----------|
| 1. The proposal is complete and in the correct format | | |
| 2. The proposal includes at least the CVs of project leader and RTA | | |
| 3. Are the full contact details for both the PC and the lead MS provided? | | |
| 4. Is the proposal sent from the email address from a NCP? | | |

| III. ELIGIBILITY | Yes | No |
|--|------------|-----------|
| 1. The proposed Project Leader and RTA is eligible (nationality, formal years of experience) | | |
| 2. The proposed project duration does not exceed the maximum allowed | | |
| 3. The proposed activities are covered by the twinning project fiche | | |
| 4. The applicant body is a MS administration or an accepted mandated body | | |
| 5. The applicant 2 body is a MS administration or an accepted mandated body (if applicable) | | |

IV. COMMENTS (Specify any missing information or documents)

Does the MS proposal fulfil the formal criteria? YES NO

**ANNEX C7
(for IPA)**

SELECTION FACT SHEET



This Evaluation Grid covers both the written proposal and the presentation

PROJECT DATA

| | |
|--|---------------------|
| Twinning Number | |
| Project Title | |
| Administration of BC | |
| Applicant (lead country) | |
| Applicant 2 (junior partner, if applicable) | |
| Duration | _____ <i>Months</i> |
| Total Budget | |
| Number RTAs | |
| Date selection Meeting | |

FORMAL CRITERIA (to be checked before the selection meetings)

| | |
|---|--|
| The institutions proposed by the MS are public administrations or/and accepted mandated bodies? | |
| The proposal contains the CVs of PL and RTA? | |
| Do the PL and RTA fulfil the minimum requirements? | |
| Are the Full details of a contact person for lead MS provided? | |

Does the MS proposal fulfil the formal criteria? YES NOT

EVALUATION GRID for TWINNING– SUBSTANTIAL CRITERIA

Scoring guidelines

This evaluation grid is divided into **sections** and **subsections**. Each subsection must be given a score between 1 and 5 in accordance with the following guidelines:

| Score | Meaning |
|-------|-----------|
| 1 | very poor |
| 2 | poor |
| 3 | adequate |
| 4 | good |
| 5 | very good |

These scores are added to give the total score for the section concerned. The totals for each section are then listed in section 4 and added together to give the total score for the proposal.

| <u>1. Operational capacity</u> | Score |
|--|--------------|
| A. Resident Twinning Adviser and Project Leader | |
| 1.1 ¹ How satisfactory is the technical expertise of the proposed RTA? (Knowledge of the issues to be addressed and experience in implementing the acquis/area of cooperation) | /2 x 5 |
| 1.2 ² How satisfactory is the management capacity of the proposed Project Leader (including staff and its ability to handle the project budget)? | /5 |
| 1.3 How satisfactory is the previous project management experience of the Resident Twinning Adviser ? | /5 |
| 1.4 How satisfactory is the previous project management experience of the Project Leader ? | /5 |
| Total Score | /25 |

Comments

¹ When 1.1 and 1.3 of section A are not applicable (in case of a Twinning Light project), the 10 points for question 1.1 will be transferred to 1.2 and the 5 points for 1.3 will be transferred to 1.4.

² The same rule as in the above mentioned footnote will apply.

| B. Pool of Short Term Experts | Score |
|--|--------------|
| 1.5 Availability of a sufficient number of Short Term experts | /5 |
| 1.6 How satisfactory is the technical expertise of the proposed Short Term Experts? | /5 |
| Total Score | /10 |

| |
|-----------------|
| Comments |
|-----------------|

| C³. MS Junior Partner | Score |
|---|--------------|
| 1.7 Complementarity with the Lead MS Partner | /5 |
| 1.8 How satisfactory is the technical expertise of the proposed MS Junior Partner? | /5 |
| Total Score | /10 |

| |
|-----------------|
| Comments |
|-----------------|

| <u>2. Relevance</u> | Score |
|---|--------------|
| 2.1 How relevant is the proposal to the objectives of the Twinning Project Fiche? | /5 |
| 2.2 Does the proposal cover all areas stated in the Twinning Project Fiche? | /5 |
| 2.3 How well does the MS administration correspond to the needs identified in the Twinning Project Fiche? | /5 |
| 2.4 Does the proposal take into account other EC initiatives – previous Twinning projects and how does it suggest avoiding duplication or creating synergies? | /5 |
| Total Score | /20 |

| |
|-----------------|
| Comments |
|-----------------|

³ When section C is not applicable (when there is no Junior Partner), the 5 points of 1.7 will be transferred to 1.5 and the 5 points from 1.8 will be transferred to 1.6.

| <u>3. Methodology</u> | Score |
|---|--------------|
| 3.1 Is the overall project design coherent ? | /5 |
| 3.2 Is the proposed methodology adequate for the project? | /5 |
| 3.3 Are the mandatory results expressed in measurable terms ? | /5 |
| 3.4 Are there clear proposed activities which are consistent with the objective and the expected results? | /5 |
| Total Score | /20 |

| |
|-----------------|
| Comments |
|-----------------|

| <u>4. Sustainability</u> | Score |
|--|--------------|
| 4.1 Is the action likely to have a tangible impact on its target groups? | / 5 |
| 4.2 Is the proposal likely to have multiplier effects ? (including scope for replication and extension of the outcome of the action and dissemination of information.) | / 5 |
| 4. 3. Are the expected results of the proposed action sustainable : Which strategies are you foreseeing in order to safeguard the achievement of the mandatory results in the BA? (sustainability plan). | / 5 |
| Total Score: | /15 |

| |
|-----------------|
| Comments |
|-----------------|

| | |
|--------------------|-------------|
| TOTAL SCORE | /100 |
|--------------------|-------------|

| | |
|---|------------|
| <i>1. Operational Capacity</i> | |
| <i>A. Resident Twinning Adviser and Project Leader</i> | |
| <i>B. Pool of Short Term Experts</i> | /25 |

| | |
|-----------------------------|--------------------------|
| <i>C. MS Junior Partner</i> | /10 /10 |
| <i>2. Relevance</i> | /20 |
| <i>3. Methodology</i> | /20 |
| <i>4. Sustainability</i> | /15 |

| |
|--|
| 5. Conclusion and Recommendations |
| <p>STRONG POINTS:</p> <p>WEAK POINTS:</p> <p>Particular comments:</p> |

ASSESSMENT CONCLUSION

Please write your conclusion using one of the following options: Selected/Not Selected

CONCLUSION:
.....

Signatures:
.....

Date:

ANNEX C8
(for ENPI)

EVALUATION GRID TWINNING SELECTIONS



This Evaluation Grid covers both the written proposal and the presentation

PROJECT DATA

| | |
|--|---------------------|
| Twinning Number | |
| Project Title | |
| Administration of BC | |
| Applicant (lead country) | |
| Applicant 2 (junior partner, if applicable) | |
| Duration | _____ <i>Months</i> |
| Total Budget | |
| Number RTAs | |
| Date selection Meeting | |

FORMAL CRITERIA (to be checked before the selection meetings)

| | |
|---|--|
| The institutions proposed by the MS are public administrations or/and accepted mandated bodies? | |
| The proposal contains the CVs of PL and RTA? | |
| Do the PL and RTA fulfil the minimum requirements? | |
| Are the Full details of a contact person for lead MS provided? | |

Does the MS proposal fulfil the formal criteria? YES NOT

EVALUATION GRID for ENPI TWINNING– SUBSTANTIAL CRITERIA

Scoring guidelines

This evaluation grid is divided into **sections** and **subsections**. Each subsection must be given a score between 1 and 5 in accordance with the following guidelines:

| Score | Meaning |
|-------|-----------|
| 1 | very poor |
| 2 | poor |
| 3 | adequate |
| 4 | good |
| 5 | very good |

These scores are added to give the total score for the section concerned. The totals for each section are then listed in section 4 and added together to give the total score for the proposal.

| <u>1. Operational capacity</u> | Score |
|--|--------------|
| A. Resident Twinning Adviser and Project Leader | |
| 1.1 ⁴ How satisfactory is the technical expertise of the proposed RTA? (Knowledge of the issues to be addressed and experience in implementing the acquis communautaire/area of cooperation) | /2 x 5 |
| 1.2 ⁵ How satisfactory is the management capacity of the proposed Project Leader (including staff and its ability to handle the project budget)? | /5 |
| 1.3 How satisfactory is the previous project management experience of the Resident Twinning Adviser ? | /5 |
| 1.4 How satisfactory is the previous project management experience of the Project Leader ? | /5 |
| Total Score | /25 |

Comments

| B. Pool of Short Term Experts | Score |
|--------------------------------------|--------------|
|--------------------------------------|--------------|

⁴ When 1.1 and 1.3 of section A are not applicable (in case of a Twinning Light project), the 10 points for question 1.1 will be transferred to 1.2 and the 5 points for 1.3 will be transferred to 1.4.

⁵ The same rule as in the above mentioned footnote will apply.

| | |
|--|------------|
| 1.5 Availability of a sufficient number of Short Term experts | /5 |
| 1.6 How satisfactory is the technical expertise of the proposed Short Term Experts? | /5 |
| Total Score | /10 |

Comments

| C⁶. MS Junior Partner | Score |
|---|--------------|
| 1.7 Complementarity with the Lead MS Partner | /5 |
| 1.8 How satisfactory is the technical expertise of the proposed MS Junior Partner? | /5 |
| Total Score | /10 |

Comments

If a total score lower than “adequate” (27 points) is obtained for section 1, the proposal will be eliminated by the Evaluation Committee. The evaluation grid must nevertheless be completed.

| <u>2. Relevance</u> | Score |
|---|--------------|
| 2.1 How relevant is the proposal to the objectives of the Twinning Project Fiche? | /5 |
| 2.2 Does the proposal cover all areas stated in the Twinning Project Fiche? | /5 |
| 2.3 How well does the MS administration correspond to the needs identified in the Twinning Project Fiche? | /5 |
| 2.4 Does the proposal take into account other EC initiatives – previous Twinning projects and how does it suggest to avoid duplication or create synergies? | /5 |
| Total Score | /20 |

Comments

If a total score lower than “good” (16 points) is obtained for section 2, the proposal will be eliminated by the Evaluation Committee. The evaluation grid must nevertheless be completed.

⁶ When section C is not applicable (when there is no Junior Partner), the 5 points of 1.7 will be transferred to 1.5 and the 5 points from 1.8 will be transferred to 1.6.

| <u>3. Methodology</u> | Score |
|--|--------------|
| 3.1 Is the overall project design coherent ? | /5 |
| 3.2 Is the proposed methodology adequate for the project? | /5 |
| 3.3 Are the mandatory results expressed in measurable terms ? | /5 |
| 3.4 Are there clear proposed activities which are consistent with the objective and the expected results ? | /5 |
| Total Score | /20 |

| |
|-----------------|
| Comments |
|-----------------|

| <u>4. Sustainability</u> | Score |
|--|--------------|
| 4.1 Is the action likely to have a tangible impact on its target groups? | / 5 |
| 4.2 Is the proposal likely to have multiplier effects ? (including scope for replication and extension of the outcome of the action and dissemination of information.) | / 5 |
| 4. 3. Are the expected results of the proposed action sustainable : Which strategies are you foreseeing in order to safeguard the achievement of the mandatory results in the BA? (sustainability plan). | / 5 |
| Total Score: | /15 |

| |
|-----------------|
| Comments |
|-----------------|

| | |
|--------------------|-------------|
| TOTAL SCORE | /100 |
|--------------------|-------------|

| | |
|---|--|
| 1. Operational Capacity A. Resident Twinning Adviser and Project Leader B. Pool of Short Term Experts C. MS Junior Partner | /25 /10 /10 |
| 2. Relevance | /20 |
| 3. Methodology | /20 |
| 4. Sustainability | /15 |

| |
|--|
| 5. Conclusion and Recommendations |
| <p>STRONG POINTS:</p> <p>WEAK POINTS:</p> <p>Particular comments:</p> |

ASSESSMENT CONCLUSION

Please write your conclusion using one of the following options: Selected/Not Selected

CONCLUSION:

Signatures:

Date:

ANNEX C9

Publication of the Twinning Call for Proposals in the Internet

TWINNING CALL FOR PROPOSALS issued by the European Commission

1. Publication reference

reference code (to be given by Commission services)>

2. Programme and Financing source

<Title of Twinning project; Title of Programme>

3. Nature of activities, geographical area and project duration

(a) <Short description (5 lines) of planned objectives>

(b) Geographical area: <To be specified: Country>

(c) Maximum project duration: <To be specified>

4. Overall amount available for this Call for Proposals and maximum grant amount (if Twinning Light)

EUR < Amount >

Maximum grant for a Twinning Light project: EUR 250 000 (*delete if non applicable*)

ELIGIBILITY CRITERIA

5. Eligibility: Who may apply

Only Public Administrations and Mandated bodies as per Twinning Manual of European Union MS may apply through European Union MSs' National Contact Points.

See section 3 of the Twinning Manual: Submission and selection of proposals.

PROVISIONAL TIMETABLE

6. Provisional notification date of results of the award process

<To be specified>

AWARD CRITERIA

7. Award criteria

<To be specified, as for the corresponding project fiche>

See annex C6 of the Twinning Manual: Administrative compliance and Eligibility grid and annex C8 of the Twinning Manual: Evaluation Grid Twinning Selections under ENPI.

APPLICATION FORMALITIES

8. Twinning proposal and details to be provided

Twining proposals must be submitted to the EU Member States **National Contact Points for Twinning** following the instructions of the **Twining Manual** which must be strictly observed (including the use of the template).

National Contact Points for Twinning will then select one Twinning proposal and submit it to the Contracting Authority within the deadline for applications.

For each application, **one copy** should be sent by the email address of the National Contact Point.

9. Deadline for applications

Deadline for submission of Twinning proposals by the National Contact Points to the Contracting Authority: <Date and time to be specified (two to three months after issuing call for proposals)>

The deadline for submission of Twinning proposals by the EU Member State Public Administrations to the corresponding National Contact Point, is decided by the latter.

Any application received by the Contracting Authority after this deadline will not be considered.

10. Detailed information

Detailed information on this Call for Proposals is contained in the Twinning Manual and the specific project fiches, which are available at the European Union Member States **National Contact Points for Twinning**.

The date(s) envisaged for the evaluation committee meetings are: <to be specified>, location <to be specified>.

ANNEX C10

MISSION CERTIFICATE

TWINNING contract.....

EXPERT NAME

APPLICATION FOR REIMBURSEMENT OF EXPENSES

NOTES

- For your organisation to obtain reimbursement of your expenses from the Twinning Contract budget, you **must** complete this form.
- Box III should show your TRAVELLING EXPENSES, expressed in the currency in which they were incurred, against the form(s) of transport used, and your places of departure and arrival.
Original tickets and all boarding passes must be returned with this document.
- Box IV PER DIEM - this is set at the standard rate for [country]
- **THE DOCUMENT IS ONLY VALID IF SIGNED BY THE EXPERT AND AUTHORISED SIGNATORIES OF THE CONTRACT**

Box I

EXPERT'S DETAILS

Name:.....
Organisation:.....
Normal Place of Work:.....

Box II

PURPOSE OF MISSION - DETAILS OF MEETING(S) –(Ref budget section)

Location(s):.....

Date(s):.....

Box III

TRAVEL

| Form of transport used | Place | | Actual price paid | Currency | EUR |
|---|-------|-------|-------------------|----------|-----|
| | From | To | | | |
| A) Air (economy/APEX)(*)outward/ return | | | | | |
| B) Train (*) outward/ return | | | | | |

TRAVEL BY PRIVATE CAR IS REIMBURSED according to section 5.6 of the Twinning Manual. . TAXI FARES ARE COVERED BY PER DIEM ALLOWANCE AND WILL NOT BE REIMBURSED

| | | | | | | | | |
|--------|-----------------|---|----------|-------------|---|---|-------|---|
| Box IV | PER DIEM | <input style="width: 50px; height: 30px;" type="text"/> | x | No of night | <input style="width: 50px; height: 30px;" type="text"/> | = | Total | <input style="width: 50px; height: 30px;" type="text"/> |
| | EUR | | | | | | | |

| | | | | | | | |
|-------|------------|---|----------|---------|---|-------|---|
| Box V | <i>FEE</i> | <input style="width: 50px; height: 30px;" type="text"/> | x | No of d | <input style="width: 50px; height: 30px;" type="text"/> | = EUR | <input style="width: 50px; height: 30px;" type="text"/> |
| | EUR | | | | | | |

| | | |
|--------|---|---|
| Box VI | <i>TOTAL CLAIM - Box III + Box IV + Box V</i> | <input style="width: 50px; height: 30px;" type="text"/> |
| | EUR | |

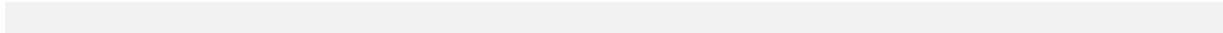
I certify that these particulars are accurate and that I have not made any other claims for re-imburement from the CFCU for this particular mission.

...../...../.....

Date Signature of expert

| | |
|---------|--|
| Box VII | <p><i>TO BE COMPLETED BY THE PARTA/Project Leader MS and BC</i></p> <p>This is to certify that the EXPERT took part in the above mission and that the expenses claimed correspond to the supporting documents.</p> <p style="text-align: center;">Date:</p> <p>.....</p> <p>MS signature:.....</p> <p>BC signature.....(*)</p> |
|---------|--|

*Upon presentation of tickets



ANNEX C11

RECEIPT FOR STUDY VISIT PER DIEM

NOTES

- To obtain reimbursement of expenses from the Twinning Contract budget, this form **must be** completed for each individual.
- TRAVELLING EXPENSES, are not re-imbursed under the Contract :
are re-imbursed under the Contract :
- **THE DOCUMENT IS ONLY VALID IF SIGNED BY THE VISITOR AND AN OFFICIAL OF THE MEMBER STATE.**

Box I

VISITORS DETAILS

Name:.....

Organisation:.....

Normal Place of Work:.....

Box II

PURPOSE OF STUDY VISIT - DETAILS OF VISIT

Location(s):.....

Date(s):.....

Box III

PER DIEM

Country

EUR

x

No of night

=

Total

I received the per diem above and I certify that these particulars are accurate and that I have not made any other claims from the Administrative Office for this particular mission.

...../...../.....
Date

.....
Signature of visitor

TO BE COMPLETED BY THE MEMBER STATE

This is to certify that the EXPERT took part in the above study visit and that the expenses claimed correspond to the supporting documents.

Date:

.....

To be charged against budget code.....

Signature:.....

ANNEX C 12

Template for Addenda

AMENDMENT No. _____
TO TWINNING CONTRACT _____

- Reallocation between budgetary sections exceeding 15% of total budget (in its original structure or as modified by an Addendum)
- Modification of a mandatory clause

The Contracting Authority (hereafter CA) [name and address as applicable]
of the one part,

and

[full name of MS Partner or acronym where relevant] with its office at [address of main office for public bodies], VAT number or equivalent official registration number where appropriate, represented by [name of the person entitled to sign the contract; in other words same heading as for the original contract] ("the Member State Partner" - MSP),

of the other part,

have agreed as follows:

ARTICLE 1: Objective

The purpose of this formal amendment to the Twinning contract is to
[describe the modification – WHAT WILL CHANGE]

This modification is necessary because:
[provide justification – WHY IT WILL CHANGE]

ARTICLE 2: Modification

Annex A3– Budget for the Action – of the original contract is amended as described in Annex 1
Articles [specify numbers and titles] of the original contract are amended as described in Annex 2.

ARTICLE 3: Cumulative modifications notified

The aggregate amount of the modifications notified, by applying the flexibility rule to date is EUR _____, which constitutes ___% of the total budget

ARTICLE 4: Confirmation of validity

All of the parts and dispositions of the initial contract and the approved side letters or amendments, which are not modified here, remain valid.

This Amendment shall take effect upon the notification by the CA of its endorsement.

ARTICLE 5: Annexes

Annex 1:

Comparative table of the relevant sections of the budget before and after modification

Annex 2:

Original and amended wording of the changed text

For the Member State
Name:

For the Final Recipient of the Action
Name:

(signature of original signatory of the contract or PL if power has been delegated)

(signature of the BC PL)

Date:

Date:

For the Contracting Authority
Name:

Endorsed
Name:

(signature)

(signature)

Date:

Date:

Note: Unless supported documents are provided, signatories should be the same as in the original contract.

ANNEX C 13

Template for Side Letters

SIDE LETTER No. _____
TO TWINNING CONTRACT _____

- Budgetary reallocation up to 15% of total budget (in its original structure or as modified by an Addendum)
- Modification of an indicative clause

CA Task Manager
[Name]

ARTICLE 1: Objective

The Member State (and BC) project leaders hereby notify the CA of a modification to the above referenced contract.

The purpose of the modification is to:
[describe the modification – WHAT WILL CHANGE]

This modification is necessary because:
[provide justification – WHY IT WILL CHANGE]

ARTICLE 2: Modification

Annex III – Breakdown of Costs – of the original contract is amended as described in Annex 1¹.
Article(s) [numbers and titles] of the original contract is/are amended as described in Annex 2².

ARTICLE 3: Cumulative modifications notified

The aggregate amount of reallocations made inside a budget component or between budget components, by applying the flexibility rule to date is EUR _____, which constitutes ___% of the total budget. The modifications are spread as follows³:

| Side letter no. | Amount of reallocation ⁴ | Date of entry into effect | % of total budget |
|-----------------|-------------------------------------|---------------------------|-------------------|
| | | | |
| | | | |
| TOTAL | | | |

¹ Delete in case of non-budgetary modifications

² Delete in case of modifications which do not affect the text of the contract

³ The table should detail ALL side letters, including the current one, notified since the signature of the contract or the signature of an addendum issued following a previous attainment of the threshold of 15% of the total budget.

⁴ The amount of reallocation is a transfer inside a budget component or between budget components. Therefore the side letters on non-budgetary changes equals "0"

ARTICLE 4: Confirmation of validity

All of the parts and dispositions of the initial contract and the approved side letters or amendments, which are not modified here, remain valid.

This modification takes effect on the date of arrival of the present Side Letter at the CA, unless any of its parts is in conflict with the Twinning rules.

ARTICLE 5: Annexes

Annex 1: Comparative table of the relevant sections of the budget before and after modification

Annex 2: Original and amended wording of the changed text

Name:
MS Project Leader

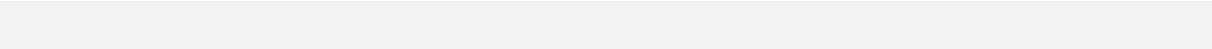
(signature)

Date:

Name:
BC Project Leader

(signature)

Date:



ANNEX C 14

Instructions for preparation of Side letters and Addenda

The modifications will only apply to subsequent implementation and cannot apply retroactively.

Addenda:

The following changes require an addendum:

- Mandatory results (Article 3 of the Work plan)
- MS administration involved in the Twinning project as mentioned in Article 5 of the Twinning Contract
- The execution period (legal duration; Article 2 of the Twinning Contract)
- Workplan duration
- Definition of the mandatory results and the benchmarks to be achieved (Articles 3 and 4 of the Work plan)
- Identity of the MS and BC Project Leaders and of the RTA (Article 6 of the Work plan)
- Major reallocations beyond 15% of the total Twinning Budget
- Change of the Acquis

The following changes do not require the binding opinion of Headquarters in Brussels:

- Addenda introducing replacement of the BC PL.
- Addenda prolonging period for the implementation of activities (work plan duration), within the legal duration.

Practical issues:

- All changes which are intended to be introduced through an addendum should be discussed and agreed by all stakeholders before the submission (at the level of the project's Steering Committee)
- Addenda should be submitted to the Contracting Authority (hereafter CA) at least one month (preferably two) before the date on which the amendment should enter into force
- Relevant parts of the contract which are being changed need to be annexed to the addenda; e.g. in case of the change of the execution period (legal duration) the following parts of the contract should be annexed:
 - Original and amended text of the article 2 of the Special conditions,
 - New budget since the prolongation implies budgetary changes (please note that the new budget should present a column with the original budget, a column with the budget after the last side letter (showing the number of side letters which introduced the modification), a column with the budget after the addendum and columns showing savings/reallocations

- Relevant articles of work plan which are affected with this change, including Article 5. (Schedule)
- Signatories of the Addenda should be the same as the signatories of the original contract + BC PL; Signatory of the contract on behalf of the MS can delegate this right to the MS PL (with the exception of the case in which the purpose of the Addenda is replacement of the MS PL)
- All pages before signatures must be initialed by the CA and all annexes numbered, if the amended parts of the work plan and/or the budget are annexed to the addendum, then these annexes should be initialed by the PLs (as in the original contract)
- Addenda enter into force upon the notification by the CA, all changes described in the addendum which are implemented before that point are not eligible for financing
- The page with the signatures needs to contain additional text from the preceding articles; the signatures cannot be placed on a blank page without any text from the addenda
- The justification provided in the narrative part of the Addenda should be substantial, relevant and well described

Instructions for filling in the relevant parts of the Addenda:

ARTICLE 1: Objective; should provide information related to the change (describing the modification) and stating the purpose of this modification (s); in addition to that this article should provide justification for the every change which is intended to be introduced

ARTICLE 2: Modification; should provide information related to the articles and the annexes of the original contract which are being modified (stating every article/annex)

ARTICLE 3: Cumulative modifications notified; this article should show the aggregate amount of reallocations made through side letters up to the compilation of the addendum, showing (in the table) the amount of reallocations introduced with each side letter

ARTICLE 4: Confirmation of validity; should be directly transferred from the template

ARTICLE 5: Annexes; should list and number all annexes of the addendum

Side Letters:

The following changes require a Side letter:

- Changes which do not affect the basic purpose of the project, including: Changes of the STEs, Introduction/prolongation of activities related to original work plan
- Reallocations up to a cumulative 15% of the total Twinning budget (in its original structure or as modified by an Addendum)

Practical issues:

- Side letters must be signed by the BC and MS PL: MS PL can delegate RTA to sign side letters on his/her behalf for the lifetime of the project (BC PL cannot delegate)
- Side letters are not needed for the notification of changes in the price of travel costs and per diems (use of the provision for changes in prices) or for changing the time schedule of STEs missions
- All relevant pages of the Twinning contract which are being modified by the Side letter need to be annexed; e.g. relevant sections of the budget in case the change introduced in the narrative part has budgetary implications (please bear in mind that the budget should correctly present the introduced change), CVs of the new experts
- If the expert which is being introduced through a side letter is of a different category than the one from the original contract (or any previous side letter/addendum) than this change implies budgetary changes
- Side letters are expected to be submitted 48 hours to the CA before use is made of the change concerned
- Side letters enter into force on the date of arrival of the Side Letter (signed, in hard copy) at the CA, unless any of its parts is in conflict with the Twinning rules
- Rejection of the Side letter (rejection of the change which is intended to be introduced) by the CA suspends the implementation of the proposed change (if carried out the cost are not eligible for financing)
- The page with the signatures needs to contain additional text from the preceding articles; the signatures cannot be placed on a blank page without any text from the Side letter
- Experts who do not comply with the requirements of the section 5.3.2 of the twinning manual could be introduced in the twinning on an exceptional basis through a side letter and with a throughout justifications that the expertise of the STE introduced cannot be found in the public sector of the MS or of another MS.

Instructions for filling in the relevant parts of the Side letter:

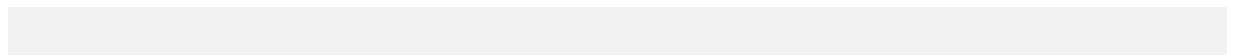
ARTICLE 1: Objective; should provide information related to the change (describing the modification) and stating the purpose of this modification(s); in addition to that this article should provide justification for every change which is intended to be introduced

ARTICLE 2: Modification; should provide information related to the articles and the annexes of the original contract which are being modified (stating every article/annex)

ARTICLE 3: Cumulative modifications notified; this article should show the aggregate amount of reallocations made through side letters including the side letter in question

ARTICLE 4: Confirmation of validity; should be directly transferred from the template

ARTICLE 5: Annexes; should list and number all annexes of the Side letter



ANNEX C 15 (IPA)

Template for Operative Side Letters

OPERATIVE SIDE LETTER No. _____

TO TWINNING CONTRACT _____

SETTING/UPDATING THE DETAILED WORK PLAN AND BUDGET FOR THE PERIOD: _____

CA Task Manager
[Name]

General remark: Operative Side Letters must be signed by the two Project Leaders and initialled on each page. Project Leaders cannot delegate others to sign Operative Side Letters on their behalf. This signature of the initial Operative Side Letter and the signature of the Twinning Contract are concomitant. Procedures concerning the preparation, signature and approval of Operative Side Letters are detailed in the Twinning Manual, in particular sections 3.8 and 4.1.1.

ARTICLE 1: Objective

The Member State and BC Project Leaders hereby notify the CA of the detailed Work Plan and Budget of the above mentioned Twinning Project for the six-month period starting _____.

ARTICLE 2: Tasks (Inputs)

Describe/update the details of each of the Activities mentioned in the Work Plan (Annex A1 of the Twinning Contract) to be implemented in the period covered by the present Operative Side Letter. Provide all information required in the form below. Remember that each Activity constitutes a separate unit in the project design and corresponds to one budget entry.

Component 1

(Specify here, as described in the Project Work Plan)

Activity 1.1

(Specify here, as described in the Project Work Plan)

Activity 1.1

Method

- Brief description of activity (What will happen: MS STE mission, study visit, training, consultation, etc), how will it be implemented, by whom (clear share of responsibility MS/BC) and when.

Resources

- MS Human Resources needed. (Number of experts and man / days)
- Beneficiary Administration Human Resources. (No. of people and their home institutions)
- Other resources (translation, interpretation, training materials)

Activity 1.2

Method

- Brief description of activity (What will happen? How will it be implemented, by whom (clear share of responsibility MS/BC) and when.

Resources

- MS Human Resources needed. (Number of experts and man / days)
- BC Human Resources. (Number of people and their home institutions)
- Other resources (translation, interpretation, training materials)

ARTICLE 3: Risks

Specify/update the internal conditions related to the project that must be fulfilled in order to guarantee its success.

ARTICLE 4: Schedule

Update, if appropriate, the schedule included in the Project Work Plan.

| Project Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---------------------|---|---|---|---|---|---|---|---|---|----|----|----|
| Component 1 | | | | | | | | | | | | |
| Activity 1.1 | | | | | | | | | | | | |
| Activity 1.2 | | | | | | | | | | | | |
| Activity 1.3 | | | | | | | | | | | | |
| Component 2 | | | | | | | | | | | | |
| Activity 2.1 | | | | | | | | | | | | |
| Activity 2.2 | | | | | | | | | | | | |
| Activity 2.3 | | | | | | | | | | | | |

ARTICLE 5: Human Resources

Provide/update career details of MS Experts performing each of the functions above during the period covered by the present Operative Side Letter, as well as their counterparts in each of the beneficiary Institutions. Please use the table below.

| MS or BC | Name | Present position | Employer | Years of experience | Education | Specialist knowledge | BC experience | Languages |
|----------|------|------------------|----------|---------------------|-----------|----------------------|---------------|-----------|
| | | | | | | | | |
| | | | | | | | | |

ARTICLE 6: Budget

Describe/update the budgetary details of each of the Activities mentioned in the Work Plan (Annex A1 of the Twinning Contract) to be implemented in the period covered by the present Operative Side Letter. Provide all information required in the table below.

Please fill in also the information provided in Annex A3 to the Twinning Contract, as well as that included in previous Operative Side Letters, so that the table offers a complete overview of the budgeted costs.

BUDGET TEMPLATE: BREAKDOWN OF COSTS

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | | Cost | | | |
|---|--------------------------------------|----|------------|-------------|---------------|------------------------------|
| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ⁵ |
| 1. Resident Twinning Advisor Remuneration | | | | | | |
| Mr./Ms. First Name SURNAME (XXX months) | | | | | | |
| Basic salary and non wage labour costs | | | | | | |
| 6% of salary and non-wage labour costs | | | | | | |
| Total RTA remuneration | | | | | | |
| Total BC Co-financing | | | | | | |
| 2. Resident Twinning Advisor Allowances | | | | | | |
| Daily allowances (50%) | | | | | | |
| Allowances for RTA for first 30 days | | | | | | |
| Allowances for spouse and children for first 30 days at 50% | | | | | | |
| Health and accident insurance for RTA | | | | | | |
| Health and accident insurance for spouse | | | | | | |
| Health and accident insurance for children | | | | | | |
| Accommodation (see appropriate ceiling for each BC) | | | | | | |
| Estate Agent's Fee | | | | | | |

⁵ Non eligible costs under the Twinning budget that need to be covered by the Beneficiary Country.

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | | Cost | | | |
|---|---|----|------------|-------------|---------------|------------------------------|
| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ⁵ |
| Removal Costs (up to 780kg for RTA, 390kg for spouse and 195kg per child) | | | | | | |
| Storage Costs | | | | | | |
| Vehicle transport | | | | | | |
| Excess Luggage (up to 50kg) | | | | | | |
| Travel to and from place of duty – RTA | | | | | | |
| Travel to and from place of duty – spouse and/ or children | | | | | | |
| Annual return trip – RTA | | | | | | |
| Annual return trip – spouse | | | | | | |
| Monthly allowance for special economically priced return trips ⁶ | | | | | | |
| School fees (X children X years) | | | | | | |
| Total RTA Allowances | | | | | | |
| Total BC Co-financing | | | | | | |
| 3. RTA Training | | | | | | |
| Return fare Brussels | | | | | | |
| 3 per diems BE | | | | 3 | | |
| Total RTA Training | | | | | | |
| Total BC Co-financing | | | | | | |
| 4. RTA Assistant | | | | | | |
| Assistant salary | | | | | | |
| Total RTA Assistant Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| 5. Project Preparation | | | | | | |
| RTA/PL Leader fees (XX trips x XX days) | | | | | | |
| ‘Twinning Management Costs’ | | | | | | |
| Per diems | | | | | | |
| Airfares | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Preparation Costs | | | | | | |
| Total BC Co-financing | | | | | | |
| 6. Project Coordination | | | | | | |

⁶ NOTE: If this option is chosen, the RTA is not entitled to reimbursement of removal costs and annual trip home, and his/her spouse or children are not entitled to reimbursement for any costs.

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | | Cost | | | |
|---|---|----------|------------|-------------|-----------------------|------------------------------|
| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ⁵ |
| Participation of PL in PSC meetings Fees (XX missions of XX days) | | | | | | |
| 'Twinning Management Costs' | | | 150 % | | | |
| Per diems | | | | | | |
| Airfare | | | | | | |
| Visibility costs ⁷ | | | | | | |
| Audit certificate costs ⁸ | | | | | | |
| Evaluation | | | | | | |
| Total Project Co-ordination Costs | | | | | | |
| | | | | | Total BC Co-financing | |
| 7. PROJECT ACTIVITIES | | | | | | |
| 0 Kick-off and Closure Meetings | | | | | | |
| Participation of PL and experts Fees (XX missions of XX days) | | | | | | |
| 'Twinning Management Costs' | | | 150 % | | | |
| Per diems | | | | | | |
| Airfare | | | | | | |
| Meeting venue ⁹ | | | | | | |
| Small catering ¹⁰ | | | | | | |
| Total Activity 0 Costs | | | | | | |
| | | | | | Total BC Co-financing | |
| COMPONENT 1: TITLE | | | | | | |
| 1.1 Activity Title | | | | | | |
| X-day seminar in BC | | | | | | |
| XX MS experts (names), XX days | | X | | | | |
| MS Expert fees | | X | | | | |
| 'Twinning Management Costs' | | | 150 % | | | |
| Per diems ¹¹ | | | | | | |
| Air tickets for MS Experts | | | | | | |

⁷ Subject to a ceiling of EUR 5 000 for projects with a budget up to and including EUR 1 million and EUR 10 000 for projects above that threshold.

⁸ Recommended estimate for a period of 12 months: EUR 4 000.

⁹ If an adequate meeting room is not available in the premises of the beneficiary administration or in those of the EU Delegation.

¹⁰ Subject to a ceiling EUR 500 per event.

¹¹ If the sum of one additional per diem and a special economically priced ticket is lower than that of economy ticket price, then one additional day stay is recommended.

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | | Cost | | | |
|---|---|----|------------|-------------|---------------|------------------------------|
| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ⁵ |
| Interpretation (XX interpreters x XX days) | | | | | | |
| Translation of XXXX (XX pages) | | | | | | |
| Seminar/training venues | X | | | | | |
| Total Activity 1.1 Costs | | | | | | |
| 1.2 Activity Title | | | | | | |
| X-week study trip to MS for XX BC staff to the Ministry of ... in ... | | X | | | | |
| Per diems for BC participants (XX x XX days) | | X | | | | |
| Air tickets for BC participants | X | | | | | |
| Incidental costs (at 10 per participant/day) | | | 10 | | | |
| Interpreter fees ¹² | | | | | | |
| Air tickets for interpreter | | | | | | |
| Per diems for interpreter | | | | | | |
| Total Activity 1.2 Costs | | | | | | |
| 1.3 Activity Title | | | | | | |
| XX-day training event in region of BC on the subject of XXX | | | | | | |
| XX MS Experts (names) for XX days | | X | | | | |
| Expert fees | | | | | | |
| 'Twinning Management Costs' | | | 150 % | | | |
| Per diems | | | | | | |
| Air tickets | | | | | | |
| Local travel | | | | | | |
| Interpretation (XX interpreters x XX days) | | | | | | |
| Training venue | X | | | | | |
| Total Activity 1.3 Costs | | | | | | |
| Total Component 1 | | | | | | |
| Total BC Co-financing | | | | | | |
| COMPONENT 2: TITLE | | | | | | |
| 2.1 – 2.9 Activity Title | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Activity 2.1 -2.9 Costs | | | | | | |

¹² If the sum of a BC interpreter's fees, cost of air tickets and per diems, is lower than the fees of a MS interpreter, then a BC interpreter should be used.

| Actions to be undertaken under the Twinning project | Responsibility (tick as appropriate) | | Cost | | | |
|---|---|----|------------|-------------|---------------|------------------------------|
| | BC | MS | Unit cost* | No of units | Total MS cost | BC Co-financing ⁵ |
| | | | | | | |
| Total Component 2 | | | | | | |
| Total BC Co-financing | | | | | | |
| PROJECT SUB-TOTAL | | | | | | |
| PROVISIONS FOR CHANGES IN PRICES (at maximum of 2.5% of sub-total) | | | | | | |
| PROJECT TOTAL | | | | | | |
| BC CO-FINANCING TOTAL | | | | | | |

The Member State Project Leader

[signature] _____

[date] _____

The BC Project Leader

[signature] _____

[date] _____

ANNEX C 16

Guidelines for Fact-Finding Missions

Notification of a Fact Finding Mission

The EU Member State that wishes to organise a fact finding mission (hereafter "the initiating MS") notifies accordingly the European Commission.

In the *IPA context*, the notification is sent to the Twinning coordination team of DG Enlargement and the competent EU Delegation (EUD); in the *ENPI context*, to the competent EUD, with copy to DG Development and Cooperation - EuropeAid¹.

The notification includes:

- a) Written approval to receive a fact finding mission undersigned by the Beneficiary in the *IPA context* and by both the Beneficiary and the PAO in the *ENPI context*.
- b) A list of issues that the fact finding mission will explore
- c) Date of the mission
- d) Participants to the mission

The person to be proposed as Resident Twinning Adviser for the project concerned cannot be associated to the fact finding mission.

The mission can be scheduled maximum 21 days before the deadline for the submission of proposals².

Information and involvement of other EU Member States (MS)

Following the notification from the initiating MS, the Twinning coordination team in the *IPA context* and the respective EUD in the *ENPI context* inform all MS National Contact Points (NCP) about the fact finding mission and its planned contents.

Any MS may require being associated to the fact finding mission, designating participants from its Administration.

A MS that does not wish to participate in the fact finding mission may alternatively suggest, before the beginning of the mission, that the initiating MS addresses additional issues during the mission.

Participation of the EUD

In both the *IPA* and *ENPI* context, the EUD in the beneficiary country is kept informed about the programme and the participants, in parallel with the national authorities (including the PAO in the *ENPI context*). The EUD can participate as observer at the fact finding mission

¹ Copy to EuropeAid-TWINNING-OPERATIONS@ec.europa.eu

² In line with the Practical Guide to contract procedures for EU external actions (Section 6.4.4): Applicants may submit questions in writing up to 21 days before the deadline for the submission of proposals. The Contracting Authority must reply to all such questions at least 11 days before the deadline for submission of proposals. In the interests of transparency and equal opportunity, the answer provided to one applicant on points which may be of interest to the other applicants should be made available to all the others. The way to achieve this is to publish on the Internet a table of questions and answers provided. This must be updated regularly until 11 days before the deadline for submission of proposals.

and ensure that it is carried out in a way that does not impinge on the transparency and fairness of the selection procedure.

Participants

All participants designated by the initiating MS or by another MS must be officials of the institutions potentially interested or involved in the Twinning project.

Circulation of the outcome of the mission

The initiating MS establishes, in agreement with the Beneficiary Administration, minutes of the fact finding mission addressing all relevant questions and aspects discussed and circulates these, at the latest 11 days before the deadline of the Call for Proposals, to all MS NCPs and to the European Commission (Twinning coordination team in DG Enlargement in the *IPA context* or DG Development and Cooperation - EuropeAid in the *ENPI context* and the competent EUD). Comments, observations and integrations by other participants to the fact finding mission are communicated directly to the same addressees.

Costs

All costs related to the organisation and execution of fact finding missions are borne directly by each MS involved. They cannot be included under any circumstances among the reimbursable preparatory costs of the Twinning project.