ACT-62178

FINANCING AGREEMENT

between

THE EUROPEAN UNION

and

THE SOCIALIST REPUBLIC OF VIET NAM

"EU - Viet Nam TVET Programme"
(VETVET)

FINANCING AGREEMENT

SPECIAL CONDITIONS

Government of the Socialist Republic of Viet Nam, hereinafter referred to as "**the Partner**", represented by the Ministry of Education and Training (MoET),

of the one part, and

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

of the other part (individually a "Party" and collectively the "Parties"),

have agreed as follows:

Article 1 - Nature of the action

1.1. The EU agrees to finance and the Partner agrees to accept the financing of the following action:

EU – Viet Nam TVET Programme (VETVET)

OPSYS number: ACT-62178

This action is financed from the EU Budget under the following basic act: Neighbourhood, Development and International Cooperation Instrument – Global Europe.

1.2. The total cost of this action is estimated at EUR 50 940 000. The Commission undertakes to provide a contribution up to a maximum of EUR 40 000 000.

1.3. The Partner shall not co-finance the action.

The action is co-financed in joint co-financing by the Government of Germany and the Government of France. The breakdown of this financial contribution is shown in Annex I (Technical and Administrative Provisions).

Article 2 – Execution period

2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 96 months after this date.

2.2. The duration of the operational implementation period is fixed at 72 months.

2.3. The duration of the closure period is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) **for the Commission**

Delegation of the European Union to Viet Nam
Lotte Centre, 24th floor
54 Lieu Giai
Giang Vo, Ha Noi, Viet Nam

b) **for the Partner**

Ministry of Education and Training (MoET)
35 Dai Co Viet
Bach Mai, Ha Noi, Viet Nam

Article 4 – OLAF contact point

The contact point of the Partner having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

Government Inspectorate

Address: 20 Hoang Quan Chi, Cau Giay, Ha Noi, Viet Nam

Email: ttcp@thanhtra.gov.vn

Article 5 - Annexes

5.1. This Financing Agreement is composed of:

(a) these Special Conditions;

(b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this action;

(c) Annex II: General Conditions;

(d) Annex III: Reporting Template - not applicable to and not included in this Financing Agreement;

(e) Annex IV: Management Declaration Template - not applicable to and not included in this Financing Agreement.

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

Articles 18, 25.3, 25.4 and 25.5 of Annex II (General Conditions) do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement.

Article 16 of Annex II (General Conditions) is supplemented as follows: the provisions of this article will be in compliance with the relevant provisions of Vietnamese law.

Article 17.4 of Annex II (General Conditions) is supplemented as follows: the provisions of this article will be in compliance with the relevant provisions of Vietnamese law.

Article 20.1 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 20.2 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 26.2 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last Party.

Done in 4 original copies, 2 copies being handed to the Commission and 2 to the Partner.

Done in the English language.

For the Partner:

Nguyễn Kim Sơn
Bộ trưởng Bộ Giáo dục và Đào tạo
Date: 31/12/2025

For the Commission:

Julien Guerrier
Head of EU Delegation to Vietnam

Date: 30/12/2025

ANNEX I TO FINANCING AGREEMENT N° ACT – 62178

TECHNICAL AND ADMINISTRATIVE PROVISIONS (TAPS)

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU - Viet Nam TVET Programme (VETVET) **OPSYS number:** ACT - 62178 Financed under the Neighbourhood, Development and International Cooperation Instrument - Global Europe
2. Team Europe Initiative	Yes TEI 2: Decent employment and inclusive entrepreneurship (Viet Nam) In collaboration with Germany and France
3. Zone benefiting from the action	The action shall be carried out in Viet Nam
4. Programming document	Multiannual Indicative Programme for Vietnam 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority Area 2: Responsible entrepreneurship and enhanced skills for decent employment; Specific Objective 2.3: Youth and adults equipped with relevant technical and professional skills
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	113 – secondary education
7. Sustainable Development Goals (SDGs)	Main SDGs: SDG 4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" Other significant SDGs and where appropriate, targets: SDG 5: Gender Equality SDG 8: Decent work and economic growth SDG 10.7: Facilitate orderly, safe, regular and responsible migration and mobility of people SDG 13: Climate Action
8 a) DAC code(s)	11330 - Vocational training: 100%
8 b) Main Delivery Channel	Central Government 12001

9. Targets	☒ Migration ☒ Climate ☒ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☒ Education ☐ Human Rights, Democracy and Governance

10. Markers (from DAC form)	**General policy objective** @	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐
	Aid to environment @	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities @	☐	☒	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐
	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☐	☒	☐
	Climate change adaptation @	☒	☐	☐
11. Internal markers and Tags:	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation @	☐	☒	☐
		YES	NO	
	digital connectivity	☒	☐	
	digital governance	☐	☒	
	digital entrepreneurship	☒	☐	
	digital skills/literacy	☒	☐	
	digital services	☐	☒	
	Connectivity @	☐	☒	☐
		YES	NO	
	digital connectivity	☒	☐	
	energy	☐	☒	
	transport	☐	☒	
	health	☐	☒	
	education and research			
	Migration @	☒	☐	☐

	Reduction of Inequalities @	☐	☒	☐
	Covid-19	☒	☐	☐

BUDGET INFORMATION	
12. Amounts concerned	Budget line(s) (article, item): 14.020131 Total estimated cost: EUR 50 940 000 Total amount of EU budget contribution: EUR 40 000 000 The contribution is for an amount of EUR 40 000 000 from the general budget of the European Union for 2024, subject to the availability of appropriations following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths. This action is co-financed in joint co-financing by: DE for an amount of EUR 10 440 000 FR for an amount of EUR 500 000 Indicative contributions by the EUMS to the TEI are therefore: DE for an amount of EUR 10 440 000 FR for an amount of EUR 500 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	**Indirect management** with the entity(ies) to be selected in accordance with the criteria set out in section 3.1.1

1.2 Summary of the Action

The proposed action EU-Viet Nam Technical and Vocational Education and Training Programme (VETVET) will bring together stakeholders to enhance the governance and coordination structure of the technical and vocational education and training ecosystem to better respond to labour market needs and contribute to sustainable growth, circular economy (circular value chains) as well as competitiveness, resource-efficiency and improved industrial productivity in Viet Nam. TVET is considered a driver for innovation and a catalyst for digital and green transitions and for decent employment. In particular, the action contributes significantly to Viet Nam's net zero emissions goal by 2050 by contributing to skills and employment opportunities in the clean energy sector and possibly in the industry, sustainable agriculture and forestry sectors. The action will enhance youth awareness of how TVET is an attractive educational option leading to decent work and self-employment. It will also increase access to a TVET offer based on international standards and recognition of professional qualifications, supporting an ordered and safe labour mobility and migration (internal and international) of Vietnamese youths and migrant workers.

The action supports the TVET system at national level and in provinces, through the network of high-quality training institutions it endeavours to develop and establish. As part of the Team Europe Initiative (TEI), the action will build on the initiatives and programmes implemented by the EU Member States (EU MS) and other development partners, with particular references to the past and on-going financial and technical support, in particular by Germany, France, Denmark and Finland to Vietnamese TVET colleges, and employer-led skills bodies and organisations, i.e: sector skills council.

The **Overall Objective** of the proposed action is to improve knowledge and job skills of the labour force for decent employment and entrepreneurship in the framework of climate change mitigation, and green and digital transitions in Viet Nam.

The **Specific Objectives** of this action are:

SO 1: To enhance governance and coordination among the institutions and stakeholders involved in the TVET sector and the implementation of its policies and strategies;

SO 2: To increase quality and coverage of Skills Development Programmes for young women and men and other vulnerable groups in their diversity in accordance with national and international labour market demands for climate action, and green and digital transitions;

SO 3: To improve recognition of TVET among Vietnamese young men and women and other vulnerable groups in their diversity as a viable educational option in the framework of the green and digital transitions;

The Action will be implemented through a Financing Agreement with the Ministry of Education and Training (MOET), with its main component implemented in partnership with EU MS agencies with extensive experience and expertise on TVET and migration and on the development of skilled and employable human capital required for to the green and digital transitions.

The action is in line with the objective of the priority area 2 of the EU's Multiannual Indicative Programme (MIP) with Vietnam over the period 2021-2027 ("Responsible entrepreneurship and enhanced skills for decent employment"), under which the EU partnership with Viet Nam aims to create and promote jobs that provide decent earnings, ensure safe working conditions, provide social protection and safeguard workers' rights. The Action is also fully aligned with and contributes to the implementation of Team Europe Initiative 2 "Decent employment and inclusive entrepreneurship", aiming at making Viet Nam more competitive regionally and globally by fostering TVET's relevance for the labour market and supporting upskilling and re-skilling vocational training and skills development including digital and green skills. It will be implemented as part of the mentioned TEI jointly with Germany and France. Under the framework of the Global Gateway, through this action, the EU and Member States will invest in quality education, including digital and inclusive education, i.e. including students with disabilities and students with ethnic minorities and migration backgrounds. The EU and Viet Nam will join forces to reinforce the education system and facilitate the mobility of students, staff, teachers and trainees. This action will therefore contribute to the Global Gateway priority area of "Education and research".

The action will contribute to the realisation of the EU Gender Action Plan 2021-2025 GAP III[1] , in particular to its thematic area of engagement "Strengthening economic and social rights and empowering girls and women" and "Addressing the challenges and opportunities of green transition and digital transformation".

The action will mainly contribute to the achievement of SDG 4 (Inclusive Education for All – relevant targets 4.3, 4.4, 4.5 and 4.7). It will also contribute to SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10, target 10.7 (Facilitate orderly, safe, regular and responsible migration and mobility of people), and SDG 13 (climate action).

[1] EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women's empowerment in EU external action, JOIN(2020) 17 of 25.11.2020.

2 DESCRIPTION OF THE ACTION

2.1. Objectives and Expected Outputs

Overall Objective: to improve knowledge and job skills of the labour force for decent employment and entrepreneurship in the framework of climate change mitigation, and green and digital transitions in Viet Nam.

The **Specific Objectives/Outcomes** of this action are:

Specific Objective 1. To enhance governance and coordination among the institutions and stakeholders involved in the TVET sector and the implementation of its policies and strategies;

Specific Objective 2. To increase quality and coverage of Skills Development Programmes for young women and men and other vulnerable groups in their diversity in accordance with national and international labour market demands for climate action and green and digital transitions;

Specific Objective 3. To improve recognition of TVET among Vietnamese young men and women and other vulnerable groups in their diversity as a viable educational option in the framework of the green and digital transition.

The **Expected Results (ER)/Outputs** are:

Contributing to Outcome 1
Output 1.1. The capacity to implement TVET and skills development policies is improved.

Output 1.2. A multi-stakeholder cooperation mechanism with businesses in TVET policy consultation, skills demand anticipation and forecasting, developing skills standards, developing training programmes, organising training, testing and examination of learning results/competences of learners, is enhanced.

Contributing to Outcome 2
Output 2.1. The TVET Quality Assurance Management System both at TVET sector and Institutes' level is improved.

Output 2.2. Training programmes aligned to national and international standards, based on flexible, modular, Competency based training (CBT) approach, integrating gender sensitivity, green transformation, digital transformation are developed.

Contributing to Outcome 3
Output 3.1. A TVET Communication ecosystem is implemented with stakeholders.
Output 3.2. Quality in-company training programmes to develop competencies for partner enterprises (contents design and on-the-job training delivery modality) developed and implemented.

2.2. Indicative Activities

Indicative activities relating to Output 1.1 - The capacity to implement TVET and skills development policies is improved.

- Build a model of vocational education and training institutions to perform the function of national centers, regional centers for high-quality vocational training and practice;

- Develop research reports on topics such as building an open, flexible, interconnected, inclusive and non-discriminatory TVET system; mechanisms for multi-stakeholder cooperation with enterprises; autonomy and financial mechanisms in TVET; Quality assurance; green transformation and digital transformation in TVET; climate change mitigation, analysis, assessment and promotion of gender responsiveness in the field of TVET, strengthening international student exchange in TVET and other topics proposed by the Ministry of Education and Training;
- Disseminate successful approaches from previous technical assistance projects in TVET of the EU, GIZ, EF, including dissemination of developed competence-based training programs, the cooperative training model between colleges and enterprises, other products and project results;
- Develop an action plan to improve activities on a) climate-friendliness, environmental sustainability and resource conservation, b) digital transformation and c) enhanced inclusion;
- Support capacity development for officials and civil servants of the Ministry of Education and Training, relevant ministries, ministerial-level agencies and managers of TVET institutions on the implementation of policies, strategies, administrative reform in TVET, legislation, innovation, management and governance capacity in the context of digital transformation and other topics proposed by the Ministry of Education and Training.

Indicative activities relating to Output 1.2 - A multi-stakeholder cooperation mechanism with businesses in TVET policy consultation, skills demand anticipation and forecasting, developing skills standards, developing training programmes, organising training, testing and examination of learning results/competences of learners, is enhanced.

- Strengthen the capacity of management agencies, business associations, enterprises and TVET stakeholders related to models and mechanisms of cooperation with enterprises;
- Support the Ministry of Education and Training and relevant ministries and sectors in recommending and implementing solutions to strengthen cooperation mechanisms with enterprises for consultation on the implementation and evaluation of TVET policies and strategies; forecasting skills needs; developing skills standards, training standards; development of training programs; organizing training; examining and evaluating learners' learning results, granting national vocational skills certificates, etc.;
- Develop and use digital solutions to enhance the efficiency of management, cooperation and connection between state management agencies - TVET institutions - Vietnamese and European enterprises;
- Develop an engagement strategy and organizing engagement/networking activities to promote cooperation among state management agencies for TVET, TVET institutions, and enterprises;
- Capacity building for TVET institutions to establish and operate Public Private Partnerships/partnerships between TVET institutes and companies.

Indicative activities relating to Output 2.1 - The TVET Quality Assurance Management System both at TVET sector and Institutes' level is improved

- Support the study and develop recommendations for the completion of the model of the TVET Quality Assurance Management System (QAMS) and the processes and standards for the TVET QAMS at the national level;
- Support to develop the TVET database system;
- Support the Ministry of Education and Training and TVET institutions in developing and applying standards and processes on training facilities and equipment, improving the capacity to manage these resources;
- Support selected TVET institutions to develop into high-quality colleges and national/regional centers;
- Capacity development for core groups in the TVET system on QAMS and monitoring and evaluation of TVET;
- Support TVET institutions to promote green transformation, digital transformation and inclusion.

Indicative activities relating to Output 2.2 - Training programmes aligned to national and international standards, based on flexible, modular, Competency based training(CBT) approach, integrating gender sensitivity, green transformation, digital transformation are developed.

- Support and strengthen the capacity of colleges who aim to become a high-quality college in developing training programmes according to national and international standards;
- Capacity development for TVET institutions in implementing, evaluating and disseminating training programs and training models;
- Support TVET institutions to develop training programs and specialized documents to meet the needs of the labor market in emerging fields such as green economy, climate change, entrepreneurship and international labor mobility;
- Improve the capacity of managers and teachers of TVET institutions in training and organizing training in training programs related to green transformation, digital transformation, and inclusion;
- Support to promote the internationalization of TVET and the movement of skilled workers.

Indicative activities relating to Output 3.1 - A TVET Communication ecosystem is implemented with stakeholders.

- Develop tools and networks for the TVET communication ecosystem;
- Implement TVET communication campaigns and events to enhance the image and attractiveness of TVET in society;
- Capacity building and evaluation of the effectiveness of TVET communication.

Indicative activities relating to Output 3.2 - Quality in-company training programmes to develop competencies for partner enterprises (contents design and on-the-job training delivery modality) are developed and implemented

- Improve the capacity for cooperation between vocational education institutions and enterprises and for implementing inclusive training at enterprises;
- Develop of a group of in-company trainers at partner enterprises of TVET institutions, helping them become effective trainers within the framework of the cooperative training model between colleges and enterprises;
- Improve the quality and recognition of examination activities in TVET, and at the same time support the implementation of training programs for employees at enterprises.

2.3. Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project). The EIA (Environment Impact Assessment) screening classified the action as not requiring an EIA, but for which environment aspects will be addressed during design. The project focuses on institutional support, capacity building, awareness raising, and development of standards and regulations

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). The project is at low or no risk from climate change and climate change concerns e.g., greening TVET programmes and curricula as well as campus and institutes, will be addressed at the level of outcomes and/or outputs and activities and further detailed in the course of the formulation.

With a focus on the products/sectors/value chains with high sustainability and the ambition to contribute to Viet Nam's commitments to net zero emissions by 2050, this action will contribute to climate change mitigation (and indirectly to adaptation) by supporting skills development for key sectors such as clean energy, sustainable agriculture, forestry, digital transformation and green industry and environmental

technology. Training based on resource efficiency, a circular economy and carbon neutral models is expected to create value added for the whole value chain which should decrease the environmental impact of these sectors in the future through uptake and adoption of green and digital solutions.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that action will be mainstreaming gender issues into the planned activities and promote gender equality agenda through its activities. The action contributes to the EU GAP III, and particularly its' thematic areas of engagement 1) Promoting economic and social rights and empowering girls and women and 2) Addressing the challenges of harnessing the opportunities offered by green transition and digital transformation.

By actively addressing social norms and stereotypes that hinder women's access to non-traditional and high-quality TVET opportunities, this action will contain some gender-transformative elements. The Action will ensure that women will be better equipped with necessary skills, will take equal part in the value chain of products or services related to green technologies or digital solutions and will support efforts for the decent work agenda.

Some gender specific measures: (i) all indicators will be disaggregated by gender; (ii) vocational guidance materials and the training of trainers should include gender-sensitive topics (iii) the organisation of training actions will be gender-sensitive (iv) gender and disability quotas will be included in supported activities, particularly those supporting training institutions and capacity building events.

A TVET sector gender analysis will be used in the formulation of follow-up documents to this action. Gender equality and human rights expertise will be ensured during the implementation of the intervention via integration of expertise in relevant technical assistance and capacity building activities and documents.

Human Rights

A human rights-based approach and its key principles within the action will abide by the UN Guiding Principles on Human Rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1 and this implies that the inclusion of persons with disabilities will be ensured at governance/policy making, sectoral and training institute level throughout the whole action, in order to increase opportunities to participate in regular vocational training, and realising the rights of all learners to receive high-quality education and thus improving access to the labour market by overcoming infrastructural, financial, and social barriers. The action will strengthen capacities of partner TVET institutes to use digital and media channels to reach different target groups effectively including with support of assistive technologies.

Reduction of inequalities

The proposed action recognises that it is a challenge for vulnerable groups, who experience inequality and limited opportunities, to get skilled. It promotes inclusive capacities of policy makers and implementers to ensure accessibility and availability of training opportunities.

It also addresses gender inequalities through innovation and technology, digitalisation, revised curricula, programmes, materials and eLearning. It also promotes awareness raising to facilitate youths' and adult skills development. The action also supports and facilitates the strengthening and capacity development of existing multi-stakeholders' cooperation mechanisms in TVET, ensuring the participation of relevant stakeholders in the design and monitoring of TVET programmes, and consulting and involving key national or local stakeholders in the design of effective TVET responses targeting the most vulnerable groups.

Other considerations if relevant

Due to the impacts of the changing world of work, the 4th Industrial Revolution (Industry4.0), the increased autonomy and competitiveness in education and training, the action will exploit the opportunities and potentials that digitalization can bring to digital governance and administration of TVET. This is in line with the holistic and comprehensive approach of a digitalization ecosystem proposed as reflected in the TVET digital transformation programme 2021-2025 with orientation to 2030, that encourages the involvement of relevant key stakeholders, including leaders, managers, staff, teachers, in-company trainers, students, and workers from TVET management organizations, colleges, enterprises, and professional associations.

2.4. The Intervention Logic

If the governance and coordination among the institutions and stakeholders involved in the TVET sector and the implementation of its policies and strategies are enhanced (Specific Objective 1), and if the quality and coverage of skills development programmes for young women and men in their diversity in accordance with national and international labour market demands for climate action, and green and digital transitions are increased (Specific Objective 2), and if the recognition of TVET among Vietnamese young men and women in their diversity as a viable educational option in the framework of the green and digital transition is improved (Specific Objective 3), then the knowledge and job skills of the labour force for decent employment and entrepreneurship in the framework of the climate change mitigation, and green and digital transitions will be improved in Viet Nam (Overall Objective) provided that the government agencies and the business associations will remain committed to improve TVET and its financing (Assumption 1).

If commitments of diverse stakeholders ranging from government agencies, business associations, and training institutes are maintained, the TVET policy implementation capacities are improved (output 1.1) and a cooperation mechanism with the business sector in TVET policy consultation, skills anticipation and forecasting, developing standards, developing training programs, organising training, testing and examination of learning results of learners are strengthened (output 1.2), then the governance and coordination in the TVET sector and the implementation of its policies and strategies in Viet Nam will be strengthened (outcome 1).

If adequate funding and budget is available for ensuring the continuity of the TVET greening and digital transformation in all components related to infrastructure, campuses and equipment, if the TVET quality assurance management system both at TVET sector and institutes' level is improved (Output 2.1), and training programmes aligned to national and international standards based on a flexible, competence-based approach, with modular structure, including aspects of gender sensitivity, digital and green transformation are developed (output 2.2), then the quality and coverage of skills development for young women and men and other vulnerable groups in their diversity, in line with national and international labour market demands for climate change mitigation, green and digital transformation is improved (outcome 2).

If a communication ecosystem for the TVET sector is implemented with relevant stakeholders (Output 3.1) and if quality in-company training programmes to develop capacities of partner enterprises (content design and on-the-job training model) are developed and implemented (Output 3.2), then the image and attractiveness of TVET as a viable educational option for Vietnamese young men and women and other vulnerable groups in their diversity are enhanced (outcome 3) with the assumption that relevant stakeholders agree on key communication messages on the benefit of TVET for individuals, the economy, the society.

Ultimately, a solid governance and coordination of the TVET sector (Outcome 1) backed by high quality training that matches available skills and labour market needs (Outcome 2) and the enhancement of the image and attractiveness of TVET (Outcome 3) will contribute to the development of skilled human capital and employability of people in contribution to the green and digital transition (Impact).

Linkage to TEI: if EU Member States and their financing institutions implement actions under the Team Europe Initiative 2 (Decent employment and inclusive entrepreneurship), this will further contribute to

reaching the overall objective of this Action, because the actions are all related to vocational training and skills development for decent work.

If EU Member States and their financing institutions implement projects on Qualification Reference Frameworks, this will contribute to reaching specific objective 2 of this Action, because this will improve the framework for indicating comparable qualification level of workers with training certificates in Viet Nam, the region and internationally, and gives a certain indication on the skills quality and their responsiveness to labour market demands.

If EU Member States and their financing institutions implement projects on sector skills councils and industry advisory boards, this will contribute to reaching specific objectives 1 and 2 of this Action, because this will contribute to enhance the role of the private sector in the TVET ecosystem structure.

Under the Team Europe Initiative, the presence of EU Member State representations in Viet Nam will be important for the implementation of the action. One or several EU Member States will be entrusted with the implementation of the programme. During the consultation process of the formulation of this action, both Germany and France confirmed their interest in a joint programme with the EU, with a contribution from Germany of EUR 10,44 Mio. and from France of EUR 0,5 Mio. Building on the current intervention as well as its synergies regarding the green and digital transitions, a joint implementation within the mentioned TEI with France and Germany is foreseen.

Moreover, this action will build synergies with the Skills and Knowledge for Inclusive Economic Growth project 2019-2024, funded by the Asian Development Bank with a concessional loan of USD 75 million and USD 3 million grant. The project assists 14 TVET colleges and 2 universities in the occupational fields of automotive, electrics-electronics, engineering, construction with equipment, infrastructure and capacity development.

Colleges that have received financial and technical cooperation by Germany, France, Denmark and ADB project shall be considered and prioritized during the selection of 30 TVET colleges participating in the project that will be supported to become high-quality TVET institutes (HQTI), as proposed under this programme. In particular, the selected colleges will be assisted to develop modular training programmes, and the capacities of their trainers and teachers to implement high quality training programmes.

2.5. Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.
On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.
The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve knowledge and job skills of the labour force for decent employment and entrepreneurship in the framework of climate change mitigation, and green and digital transitions in Viet Nam.	1. Percentage of workforce skilled with occupational green skills recognised by the TVET institutions, disaggregated by sex, age, urban/rural location, disability status, migration. 2. % of workers with basic information and communications technology (ICT) skills, recognised by the TVET institutions, disaggregated by sex and age.	1. TBD during inception phase 2. TBD during inception phase	1. TBD during inception phase 2. 90% by 2031	1. GSO labour force survey and Statistical Yearbook (if applicable); additional/reference information from project reports, reports of colleges participating in the project. 2. Report on the Programme to support Viet Nam's Labour Market Development until 2030 (Decision 176/QD-TTg); additional/reference information from	*Not applicable*

					project reports and reports of colleges participating in the project.	
Outcome 1	To enhance governance and coordination among the institutions and stakeholders involved in the TVET sector and the implementation of its policies and strategies.	1.1. The mechanisms for cooperation with enterprises on TVET management and governance at the national level are completed with project support. 1.2 Cooperation activities with enterprises at all levels are effectively implemented with project support.	1.1 The mechanism for cooperation with enterprises on TVET management and governance at the national level has been initially established. 1.2 Cooperation activities with enterprises at all levels have been implemented but have not yet fully utilized their potential and effectiveness.	1.1 The mechanism for cooperation with enterprises on TVET management and governance at the national level is finalized until 2031. 1.2 Cooperation activities with enterprises at all levels are effectively implemented until 2031.	1.1. Annual MOET Reports (if available); M&E system of the project 1.2. Annual MOET Reports (if available); M&E system of the project, monitoring the quantity of enterprises representatives and other TVET stakeholders participating in cooperation formats; monitoring the frequency of participation and the contributions to activities.	Government agencies and competent institutions, such as MOET and business associations, remain interested in improving the TVET system, including its financing Decision makers allocate the necessary budget to ensure the continuity of TVET greening and digital transformation and practical training in all components related to

Outcome 2	To increase quality and coverage of skills development programmes for young women and men and other vulnerable groups in their diversity in accordance with national and international labour market demands for climate action and green and digital transitions.	2.1. Number of students enrolled in short-term and long-term TVET programmes with project support**: (GERF 36-SDG 4.3) disaggregated by sex, age, urban/rural location, disability status, migration, and digital/green skills.	2.1. 0 students	2.1. 30,000 students by 2031	2.1. Reports of colleges participating in the project; project M&E system.	infrastructure, campuses and equipment.
		2.2. Percentage of students benefitting from the project that have their performance / occupational skills rated by their employers as satisfactory, disaggregated by beneficiaries' sex, age, disability status and economic sector (OPSYS core indicator).	2.2. TBD at inception phase	2.2. 50% in 2031	2.2. Employer surveys conducted by relevant stakeholders (if available); M&E system of the project and of colleges participating in the project.	
		2.3. Number of TVET colleges that are recognised as High-quality TVET Institutes (HQTI) in accordance with the HQTI criteria.	2.3. 0 colleges are recognized as HQT	2.3. 15 of 30 in 2031	2.3. Results of self-assessment and external assessment; surveys and studies of the project.	

Outcome 3	To improve recognition of TVET among Vietnamese young men and women and other vulnerable groups in their diversity as a viable educational option in the framework of the green and digital transition.	3.1. Number of MOET and TVET stakeholders that are implementing TVET communication based on the toolkits and guidelines developed with support of the project. 3.2 Number of persons that received better information on TVET programmes and opportunities through communication campaigns of the project, disaggregated by sex, age, location, disability, employment situation or mobility conditions.	3.1. TBD at inception phase 3.2. TBD at inception phase	3.1. 100 people in 2031 3.2. 120,000 in 2031	3.1 Surveys conducted by the project 3.2. Surveys conducted by the project and partners; statistics of people	

Output 1 **relating to Outcome 1**	1.1 The capacity to implement TVET and skills development policies is improved.	1.1.1 Number of research reports developed with the participation of TVET sector´s stakeholders and recommended to relevant state management institutions. 1.1.2 Number of MOET staff and managers of TVET institutions trained on TVET legislation, policies, strategies, policy implementation, management and governance with project support. Disaggregation by sex and age.	1.1.1. 0 research report 1.1.2. 0 staff	1.1.1. 6 research reports by 2031 1.1.2. 2000 by 2031	1.1.1. Reports by the projects; annual reports of MOET 1.1.2. Reports by the project.	The respective bodies timely approve and adopt drafted/revised drafts of legal norms. The authorities and other stakeholders make funding and adequate budget available. The person trained remains on the job and can apply their knowledge and skills acquired.
Output 2 **relating to Outcome 1**	1.2 A multi-stakeholder cooperation mechanism with businesses in TVET policy consultation, skills demand anticipation and forecasting, developing skills standards, developing training programmes, organising training, testing and examination of learning results/competences of learners, is enhanced.	1.2.1. Number of institutions and/or other key stakeholders that have been involved in the business cooperation mechanism at all levels. 1.2.2. Number of Public-Private Partnerships /cooperation partnerships that have been established between training institutes and national or international companies with project support.	1.2.1. TBD in the inception phase 1.2.2. TBD in inception phase	1.2.1. 120 organizations/ stakeholders 1.2.2. 200 PPP/cooperation relationships by 2031	1.2.1. Reports by the project; minutes of meetings of cooperation councils. 1.2.2. Reports by the project, monitoring of number of Memoranda of Understanding (MoU) with companies and monitoring of number of companies in industry advisory boards (on institutional level) as a modality of public-private partnership.	Coordination between the stakeholders improves over time.

Output 1 **relating to Outcome 2**	2.1 The TVET Quality Assurance Management System both at TVET sector and Institutes' level is improved.	2.1.1. The TVET Quality Assurance (QA) management system is developed based on piloting core components in 02 provinces/cities.	2.1.1. TBD in the inception phase	2.1.1. A draft model will be developed by the end of 2026, piloted by 2028, and a new model for the QA system will be finalized by 2030	2.1.1. Reports by the project; reports of relevant units of MOET.	
		2.1.2. Number of TVET stakeholders trained/further trained on QAMS and TVET M&E. Disaggregation by sex, organisation and age.	2.1.2. TBD in the inception phase	2.1.2. 600 people by 2030	2.1.2. Reports by the project.	
		2.1.3. The number of quality improvement plans, procedures, and measures developed, promulgated, and implemented by participating TVET institutions in the areas of climate-friendly, environmentally conscious, and resource-efficient practices, digital transformation, and inclusion.	2.1.3. TBD in the inception phase	2.1.3. TBD in the inception phase	2.1.3. Reports by the project; reports of colleges participating in the project.	
Output 2 **relating to Outcome 2**	2.2 Training programmes aligned to national and international standards, based on flexible, modular, Competency based training (CBT) approach, integrating gender sensitivity, green transformation, digital transformation are developed.	2.2.1. Number of training programs, aligned to national and international standards, developed by the project in coordination with participating TVET institutions; of which 1 program is used to pilot a training course in a climate-related occupation, catering to both the Vietnamese labor market and overseas workers, aligning with the development orientation towards the international labor market.	2.2.1. 7 training programs (which have been developed within the framework of the Programme Reform of TVET in Viet Nam); there is not yet a climate-related pilot training program for the Vietnamese labor market and	2.2.1. 20 training programs are developed or updated by 2030, including 01 pilot training cohort related to climate, for the Vietnamese and international labour market; 50 students, thereof at least 15% women, are enrolled in the climate related pilot training cohort.	2.2.1. Project report; report of colleges participating in the project. Training programs can include newly developed or updated formal training programs, continuing training programs and training programs of additional modules.	

		2.2.2. Number of managers and teachers (including those not directly involved in training for the supported occupations) who have improved their knowledge on gender- sensitive approaches, digital transformation, green economy to offer high-quality training courses, Disaggregation by sex and age, and region.	workers working abroad. 2.2.2 500 in 2023 (number of the Programme Reform of TVET in Viet Nam II, the baseline value will be updated in the project starting phase)	2.2.2. 2000 by 2030	2.2.2. Project reports; reports of colleges participating in the project.	
		2.2.3 A study on developing global compatibility and mobility of the TVET system is conducted with the support of the project, based on pilot models and dialogue with TVET stakeholders.	2.2.3 0 studies	2.2.3. 1 study	2.2.3 Documentation of study results.	
Output 1 **relating to Outcome 3**	3.1 A TVET Communication ecosystem is implemented with stakeholders.	3.1.1 Number of tools and guidelines developed to support the formation of a TVET communication ecosystem on the level of national management and in some selected provinces and cities.	3.1.1. 0 in 2023, the baseline value will be updated in the inception phase.	3.1.1. 03 tools, guidelines	3.1.1. Reports by the project.	
		3.1.2 Number of staff of the MOET and TVET institutions, who have improved their skills and tools in marketing, communication and outreach.	3.1.2. 300 in 2023 (number from the Programme Reform of TVET in Vietnam II; baseline value will be updated in the inception phase)	3.1.2. 1,500 by 2030	3.1.2. M&E and reports by the project.	

Output 2 **relating to Outcome 3**	3.2 Quality in-company training programmes to develop competencies for partner enterprises (contents design and on-the-job training delivery modality) are developed and implemented.	3.2.1. Number of enterprises that have received specific training and/or technical assistance to become partners of TVET institutes in cooperative training, with project support.	3.2.1. Will be assessed during inception.	3.2.1. 200 by 2030	3.2.1. Reports by the project; reports of colleges participating in the project.	
		3.2.2 Number of in-company trainers who have improved their didactical competencies and competencies for managing and implementing workplace-based training, with project support. Disaggregated by sex, sector and region.	3.2.2. 70 by 2023 (in the framework of the Programme Reform of TVET in Vietnam II, the baseline will be updated in the inception)	3.2.2. 300 by 2030	3.2.2 Reports by the project; reports of colleges participating in the project	
		3.2.3. Number of examiners from enterprises equipped with improved competencies to ensure enterprise participation in testing and examinations, with project support. Disaggregated by sex, sector and region.	3.2.3. 30 by 2023 (in the framework of the Programme Reform of TVET in Vietnam II, the baseline will be updated in the inception)	3.2.3. 300 by 2030	3.2.3. Reports by the project; reports of colleges participating in the project.	

3 IMPLEMENTATION ARRANGEMENTS

3.1. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[2].

3.1.1 Indirect Management with one or more entrusted entities

This action may be implemented in indirect management with one or more international entrusted entities, which will be selected by the Commission's services in consultation with the partner country based on consensus, using the following criteria:

1. first-hand understanding of the TVET landscape in Viet Nam;
2. long standing experience working on TVET related issues in Viet Nam, supported by a presence in the country and a team of qualified core staff;
3. good relations and track records working with the Government of Viet Nam as an independent organisation;
4. previous experience implementing EU-funded projects successfully in Viet Nam.

3.2. Indicative Budget

Indicative Budget components[3]	**EU contribution (amount in EUR)**	**Third-party contribution, in currency identified (amount in EUR)**
Implementation modalities – cf. section 3.1		
Objective 1, 2 and 3 – enveloped under section 3.2	**39 500 000**	

[2] www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

[3] N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

Indirect management with one or more entrusted entities	39 500 000	500 000 (FR)	10 440 000 (DE)
Evaluation – cf. section 4.2 **Audit** – cf. section 4.3	500 000	-	
Totals	**40 000 000**	**10 940 000**	

3.3. Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will be established with responsibility for leading, guiding the project and for approving work plans. The PSC will operate on the basis of consensus and ensure close consultation and coordination among its members. The PSC will meet yearly and ad hoc, as required. The PSC shall be made up of at least:

- A high level representative from MOET and EU (co-Chairs).
- Members: representatives from third party contribution actors, representatives from the Leadership of MOET departments.
- Other participants invited by co-Chairs.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

MOET, as the managing agency and project owner, shall oversee and approve the overall and annual work plans, coordinate with the donors and implementing partners (entrusted entities) to monitor progress and quality, exploit and use the project's results.

4 PERFORMANCE MEASUREMENT

4.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of the implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: Under the indirect management mode, the entrusted entity organisations will have in place a permanent internal, technical and financial monitoring system for the action. It will be responsible for data collection, analysis and monitoring, using data collection systems in place in Viet Nam (e.g. Labour Market Information System or Skill Forecast) as well as surveys conducted by other partners and international organisations. The project will be used to collect additional data where gaps and missing data are reported.

Frequent coordination meetings for reporting and monitoring results at management level will take place among programmes falling under this Team Europe Initiative.

4.2. Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the steering of the project and the identification of lessons learnt. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the project is supporting several key ongoing reforms in Viet Nam.

All evaluations shall assess to what extent the action is considering the human rights-based approach, as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams where relevant indicators will be disaggregated by sex and age.

The Commission shall inform the implementing partners at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

4.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

5 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 "Communicating and Raising EU Visibility: Guidance for External Actions", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

ANNEX II - GENERAL CONDITIONS

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Part One: Provisions Applicable to Activities for which the Partner is the Contracting Authority

Article 1 - General principles

1.1 The purpose of Part One is to define the tasks entrusted to the Partner in indirect management as described in Annex I (Technical and Administrative Provisions) and to define the rights and obligations of the Partner and of the Commission in carrying out these tasks.

Part One shall apply to the tasks related to the EU contribution alone or in combination with the funds of the Partner or of a third party where such funds are pooled and thus implemented in joint co-financing.

These tasks encompass the implementation by the Partner as contracting authority of procedures for the award of procurement contracts as well as the awarding, signing and enforcing of the resulting procurement contracts.

As contracting authority, the Partner shall act under partial delegation. Under partial delegation, the Partner acts as contracting authority for procurement contracts, whereby the Commission controls ex ante all award procedures and executes all related payments to the contractors.

1.2 The Partner shall remain responsible for the fulfilment of the obligations stipulated in this Financing Agreement even if it designates other entities identified in Annex I (Technical and Administrative Provisions) to carry out certain tasks, including entities pertaining to the Partner's government or administrative structure. Such entities shall respect the rights and obligations laid down in Part One for the Partner as contracting authorities. The Commission, in particular, reserves the right to suspend payments, and to suspend and/or terminate this Financing Agreement on the basis of the acts, omissions and/or situations of any designated entity. References in the Financing Agreement to Partner also encompass those entities.

1.3 The Partner shall set up and ensure the functioning of an effective and efficient internal control system. The Partner shall respect the principles of sound financial management, transparency, non-discrimination, visibility of the European Union in the implementation of the action and avoid situations of conflict of interest.

A conflict of interest exists where the impartial and objective exercise of the functions of any responsible person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.

Internal control system is a process aimed at providing reasonable assurance that operations are effective, efficient and economical, that the reporting is reliable, that assets and information are safeguarded, that fraud and irregularities are prevented, detected and corrected, and that risks relating to the legality and regularity of the financial operation are adequately managed, taking into account the multiannual character of the activities as well as the nature of the payments concerned.

1.4 The Partner shall conduct the procurement award procedures and conclude the resulting contracts in the language of this Financing Agreement. The project shall be implemented under the responsibility of the Partner with the approval of the Commission.

1.5 The Partner shall take the necessary measures to ensure the visibility of EU funding for the activities entrusted to it or for other activities under this action in line with the requirements in the 2022 "Communicating and Raising EU visibility: Guidelines for External Action" or any successor document. These measures shall either be defined in Annex I (Technical and Administrative Provisions) or shall be agreed later between the Partner and the Commission.

1.6 Under partial delegation, the Partner shall keep all relevant financial and contractual supporting documents from the date of the entry into force of this Financing Agreement or as from an earlier

date which is stipulated as the start date of the period of execution for five years as from the end of the execution period, in particular, the following:

Procurement procedures:

a. Prior information notice and contract notice with proof of publication and any corrigenda;
b. Appointment of shortlist panel;
c. Shortlist report (incl. annexes) and requests to participate;
d. Letters to non-shortlisted candidates;
e. Invitation to tender or equivalent;
f. Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication;
g. Appointment of the evaluation committee;
h. Tender opening report, including annexes;
j. Evaluation / negotiation report, including annexes and bids received[1];
k. Notification letter;
l. Supporting documents;
m. Cover letter for submission of contract;
n. Letters to unsuccessful candidates;
o. Award (including shortlist notice) / cancellation notice, including proof of publication;
p. Signed contracts, addenda, and relevant correspondence.

1.7 The Partner shall ensure an appropriate protection of personal data. Personal data means any information relating to an identified or identifiable natural person.

Personal data shall be:

a. Processed lawfully, fairly and in a transparent manner in relation to the data subject;
b. Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
c. Adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
d. Accurate and, where necessary, kept up to date;
e. Processed in a manner that ensures appropriate security of the personal data; and
f. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed. Personal data included in documents to be kept by the Partner in accordance with Article 16.1 has to be deleted once the deadline set out in Article 16.1 has expired.

Any operation involving the processing of personal data, such as collection, recording, organisation, storage, adaption or alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on rules and procedures of the Partner and shall only be done as far as it is necessary for the implementation of this Financing Agreement.

In particular, the Partner shall take appropriate technical and organisational security measures concerning the risks inherent in any such operation and the nature of the information relating to the natural person concerned, in order to:

a. Prevent any unauthorised person from gaining access to computer systems performing such

[1] Elimination of unsuccessful bids five years after the closure of the procurement procedure

operations, 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 information;

b. Ensure that authorised users of an IT system performing such operations can access only the information to which their access right refers;

c. Design its organisational structure in such a way that it meets the above requirements.

Article 2 - Deadline for the signature of procurement contracts by the Partner

2.1 The procurement contracts shall be signed during the operational implementation period of this Financing Agreement.

When implementing a multi-donor Action, the procurement contracts and shall be concluded within the contracting deadline set out in the Special Conditions.

When the Action is not a multi-donor Action, procurement contracts shall be concluded at the latest within three years of the entry into force of this Financing Agreement.

Additional procurement contracts resulting from an amendment to this Financing Agreement which increases the EU contribution shall be signed at the latest within three years of the entry into force of that amendment to this Financing Agreement, or for a multi-donor Action within the fixed contracting deadline for the additional EU contribution.

The three years-deadline for non-multi-donor Actions may not be extended.

2.2 However, the following transactions may be signed at any time during the operational implementation period:

a. amendments to procurement contracts already signed;

b. procurement contracts to be concluded after early termination of existing procurement contracts;

c. contracts relating to audit and evaluation, which may also be signed during the closure period.

2.3 After expiry of the deadlines referred to in Article 2.1, the financial balance for the related activities entrusted to the Partner for which contracts have not been duly signed shall be decommitted by the Commission.

2.4 No such decommitment shall apply to the funds budgeted for audit and evaluations referred to in Article 2.2.c).

Likewise, no such decommitment shall apply to any financial balance of the contingency reserve or to funds available again after early termination of a contract referred to in Article 2.2.b), which both may be used to finance contracts referred to in Article 2.2.

Article 3 - Exclusion and administrative actions

3.1 When applying the procedures and standard documents laid down and published by the Commission for the award of procurement contracts, the Partner shall accordingly ensure that no EU financed procurement contract is awarded to a legal or natural person in one of the exclusion situations provided for in the relevant procedures and standard documents of the Commission.

3.2 The Partner shall inform the Commission when an economic operator is in a situation referred to in Article 3.1.

3.3 Where the Partner becomes aware of one of the situations referred to in Article 3.1 in the implementation of the tasks described in Annex I, the Partner shall, under the conditions of its national legislation, impose upon the economic operator, an exclusion from its future procurement award procedures and/or a financial penalty proportional to the value of the contract concerned. Such financial penalties or exclusions shall be imposed following an adversarial procedure ensuring the right of defence of the person concerned.

The Partner may be exempted from the obligations under the first paragraph where:

- the Partner's national legislation does not allow to impose an exclusion and/or a financial penalty,
- the protection of the EU's financial interests requires to impose an administrative action within deadlines incompatible with the Partner's internal procedures,
- the imposition of an administrative action requires a mobilisation of resources beyond the Partner's means,
- its national legislation does not allow to exclude an economic operator from all EU financed procurement award procedures.

In such cases, the Partner will notify its impediment to the Commission. The Commission may decide to impose to the economic operator an exclusion from future EU financed award procedures and/or a financial penalty not exceeding 10 % of the total value of the contract concerned.

Article 4 - Partial delegation

Procurement award procedures

4.1 The tasks shall be carried out by the Partner in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement contracts, in force at the time of the launch of the procedure in question.

Ex ante control

4.2 To allow ex ante control, the Partner shall submit tender dossiers or negotiated procedure to the Commission for approval before launching invitations to tender or negotiations. Likewise, the Partner shall invite the Commission to the opening of tenders and shall provide the Commission with copies of tenders received. The Partner shall notify the Commission of the results of the examination of tenders or negotiation and shall submit the award proposal, as well as the draft procurement contracts to the Commission for approval.

During the implementation of the procurement contracts, the Partner shall equally submit draft addenda and draft administrative orders thereto, to the Commission for prior approval.

The Partner shall invite the Commission for provisional and final acceptance.

Report and Management Declaration

4.3 The report on the implementation of the tasks entrusted to the Partner shall follow the template provided in Annex III and the management declaration shall follow the template provided in Annex IV. An independent external audit opinion on the management declaration, performed in accordance with internationally accepted auditing standards, does not have to be provided in this case as the Commission shall conduct the audits for this action. These audits will verify the truthfulness of the assertions made in the management declaration and the legality and regularity of the underlying transactions made.

Payment procedures

4.4 The Partner shall provide the Commission with the approved payment requests within the

following deadlines, starting from the date of receipt of the payment request, not counting the periods of suspension of the time-limit for payment:

(a) 15 calendar days for pre-financing specified in the procurement contract;

(b) 45 calendar days for other payments.

The Commission shall act in accordance with Articles 4.9 and 4.10 within the period amounting to the time-limit for payment provided for in the procurement contract minus the above deadlines.

4.5 Upon receipt of a payment request from a contractor, the Partner shall inform the Commission of its receipt and shall immediately examine whether the request is admissible, i.e. whether it contains the identification of that contractor, the contract concerned, the amount, the currency and the date. If the Partner concludes that the request is inadmissible, it shall reject it and inform the contractor of this rejection and of its reasons within 30 days of receipt of the request. The Partner shall also inform the Commission of this rejection and its reasons.

4.6 Upon receipt of an admissible payment request, the Partner shall examine whether a payment is due, i.e. whether all contractual obligations justifying the payment have been fulfilled, including examining a report, where applicable. If the Partner concludes that a payment is not due, it shall inform the contractor thereof and of the reasons. The dispatch of this information suspends the time-limit for payment. The Commission shall receive a copy of the information so dispatched. The Commission shall also be informed of the reply or corrective action of the contractor. That reply or action aimed at correcting the non-compliance with its contractual obligations shall restart the time-limit for payment. The Partner shall examine this reply or action pursuant to this paragraph.

4.7 If the Commission disagrees with the Partner's conclusion that a payment is not due, it shall inform the Partner thereof. The Partner shall re-examine its positions and, if it concludes that the payment is due, it shall inform thereof the contractor. The suspension of the time-limit for payment shall be lifted upon dispatch of this information. The Partner shall also inform the Commission. The Partner shall further proceed as provided for in Article 4.8.

If disagreement between the Partner and the Commission persists, the Commission may pay the undisputed part of the invoiced amount provided that it is clearly separable from the disputed amount. It shall inform the Partner and the contractor of this partial payment.

4.8 Where the Partner concludes that the payment is due, it shall transfer the payment request and all necessary accompanying documents to the Commission for approval and payment. It shall provide an overview of how many days of the time-limit for payment are left and of all periods of suspension of this time-limit.

4.9 After transfer of the payment request pursuant to Article 4.8, if the Commission concludes that the payment is not due, it shall inform the Partner and, in copy, the contractor thereof and of the reasons. Informing the contractor shall have the effect of suspending the time-limit for payment, as provided for in the contract concluded. A reply or corrective action of the contractor shall be treated by the Partner in accordance with Article 4.6.

4.10 Where the Partner and the Commission conclude that the payment is due, the Commission shall execute the payment.

4.11 Where late-payment interest is due to the contractor, it shall be allocated between the Partner and the Commission pro rata to the days of delay in excess of the time limits stipulated in Article 4.4, subject to the following:

(a) the number of days used by the Partner is calculated from the date of the registration of an admissible payment request referred to in Article 4.6 to the date of the transfer of the request to the Commission referred to in Article 4.8 and from the date of information by the Commission referred to Article 4.9 to the following transfer of the request to the Commission referred to in Article 4.8. Any period of suspension of the time-limit for

payment shall be deducted.

(b) the number of days used by the Commission is calculated from the date following that of transfer of the request by the Partner referred to in Article 4.8 to the date of payment and from the date of transfer to the date of informing the Partner pursuant to Article 4.9.

4.12 Any circumstances unforeseen by the above procedure shall be solved in a spirit of cooperation between the Partner and the Commission by analogy to the above provisions while respecting the contractual relations of the Partner with the contractor.

Where feasible, one party shall cooperate at the request of the other party in providing useful information for the assessment of the payment request, even before the payment request is formally transferred to or returned from the first party.

4.13 A procurement contract which has not given rise to any payment within two years of its signature shall be automatically terminated and its funding shall be decommitted, except in case of litigation before judicial courts or arbitral bodies.

Article 5 - [empty]

Article 6 - [empty]

Article 7 - Publication of information on procurement contracts by the Partner

Where the Commission carries out payments to contractors, it shall ensure the publication of information on procurement contracts according to its rules.

The Partner shall promptly inform the Commission of the initiation of any arbitration proceedings resulting from a procurement contract and promptly communicate to the Commission any resulting arbitral award. The Partner agrees that, at the request of the arbitral tribunal, the Commission shall publish any arbitral award resulting from a procurement contract, after anonymisation, on the Commission's external website.

Article 8 - Recovery of funds

8.1 The Partner shall be responsible for the recovery of any unduly paid funds. For that purpose, the Partner shall take any appropriate measures.

The following amounts paid to the Partner shall be returned to the Commission:

(i) amounts unduly paid and recovered by the Partner by any means;
(ii) amounts resulting from execution of financial guarantees;
(iii) contractual damages paid or awarded to the Partner.

8.2 Without prejudice to the responsibility of the Partner to recover funds unduly paid, the Partner agrees that the Commission may, in accordance with the provisions of this Financing Agreement, formally establish an amount as being unduly paid and proceed to its recovery by any means on behalf of the Partner, including by calling on a guarantee of a contractor of which the Partner is the contracting authority or by offsetting the funds to be recovered against any amounts owed to the contractor financed by the EU. To this end, the Partner shall provide to the Commission all necessary documentation and information.

8.3 Where the Partner considers that any amounts need to be recovered, it shall seek the Commission's agreement thereon.

Where the Commission agrees with the Partner or where the Commission on its own initiative

considers that amounts need to be recovered as a result of an ex-post control, including audits, OLAF report, the Commission shall communicate to the Partner the legal basis, reasons and amount of the recovery.

Within one month of the Commission communicating to the Partner the amounts to be recovered, the Partner shall issue the related prior information letter to the relevant contractor(s). The prior information letter shall indicate:

- the reasons for the planned recovery;
- a deadline of two weeks for the contractor to submit his observations;
- that the prior information letter constitutes a request for amicable settlement within the meaning of the general conditions of the contract;
- that, if after receiving the contractor's comments, the Partner considers the recovery still justified, the Partner will instruct the Commission to issue a debit note on its behalf;
- that such a debit note will require payment before the expiry date, after which interest on late payment will be due at the rate fixed in the debit note;
- that the Partner allows also the Commission to proceed to recovery on its behalf, by any means available, including by calling the relevant guarantee and offsetting the amount to be recovered against any amounts owed to the contractor financed by the EU;
- that the Partner confirms that reimbursement to the Commission shall discharge the contractor from repaying to the Partner.

8.4 Within two months of issuing the prior information letter, the Partner will communicate such observations (or the absence thereof), as well as the Partner's assessment whether recovery is still considered justified, to the Commission.

Subsequently, as the case may be, the Commission shall issue a debit note to the contractor.

In case of recovery of the amount of the Commission's debit note, either by means of voluntary payment by the contractor or through off-setting or calling of a guarantee, the Commission shall inform the Partner thereof.

Where the amount is not fully recovered, the Commission shall inform the Partner.

8.5. Within three months of that information, the Partner shall initiate judicial or arbitral proceedings against the contractor as provided for in the relevant contract, unless such proceedings would be unjustified because:

- the foreseeable cost of recovery would exceed the amount to be recovered; or
- the amount cannot be recovered in view of its age, of delay in the dispatch of the debit note, of the insolvency of the debtor, or of any other insolvency proceedings.

The Partner shall inform the Commission whether the recovery proceedings have been initiated (including where necessary before a national court) and, subsequently, whether they have been successful.

8.6 Where the Partner is a grant beneficiary of an entity with which the Commission concluded a contribution agreement, the Commission may recover funds from the Partner which are due to the entity but which the entity was not able to recover itself.

8.7 Where the Partner is in breach of its obligation to recover the funds unduly paid, and fails to take

the appropriate measures to recover these funds, including by failing to call a guarantee, to timely send the prior information letter to the contractor or to initiate relevant legal actions against the contractor, the Commission may recover the funds unduly paid from the Partner.

8.8 The Commission may accept, based on a justified request from the Partner, to extend the deadlines mentioned in Articles 8.3, 8.4 and 8.5.

Article 9 - Financial claims under procurement contracts

The Partner undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor and considered by the Partner to be justified in whole or in part. The financial consequences may be borne by the EU only where the Commission has given its prior authorisation. Such prior authorisation is also required for any use of funds committed under the present Financing Agreement to cover costs arising from disputes relating to contracts.

Article 10 - Cost overruns and ways of financing them

10.1 Individual overruns of the budget headings of the activities implemented by the Partner shall be dealt with by reallocating funds within the overall budget, in accordance with Article 25 of these General Conditions.

10.2 Wherever there is a risk of overrunning the amount foreseen for the activity implemented by the Partner, the Partner shall immediately inform the Commission and seek its prior authorisation for the corrective activities planned to cover the overrun, proposing either to scale down the activities or to draw on its own or other non-EU resources.

10.3 If the activities cannot be scaled down, or if the overrun cannot be covered either by the Partner's own resources or other resources, the Commission may, at the Partner's duly substantiated request, decide to grant additional EU financing. Should the Commission take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission. This Financing Agreement shall be amended accordingly.

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue

The Partner and the EU commit to engage in a regular constructive dialogue at the appropriate level on the implementation of this Financing Agreement.

Where the Partner is a signatory to the OACPS-EU Partnership Agreement, this dialogue may form a part of the broader political dialogue provided for in Article 3 of the OACPS-EU Partnership Agreement, or legal instrument replacing the OACPS-EU Partnership Agreement.

Article 12 - Verification of conditions and disbursement

12.1 The Commission shall verify the conditions for the payment of the tranches of the budget support component, as identified in Annex I (Technical and Administrative Provisions).

Where the Commission concludes that the conditions for payment are not fulfilled, it shall inform the Partner thereof without undue delay.

12.2 Disbursement requests submitted by the Partner shall be eligible for EU financing provided that

they are in accordance with the provisions set out in Annex I (Technical and Administrative Provisions) and that they are submitted during the operational implementation period.

12.3 The Partner shall apply its national foreign exchange regulations in a nondiscriminatory manner to all disbursements of the budget support component.

Article 13 - Transparency of budget support

The Partner hereby agrees to the publication by the Commission, of this Financing Agreement and any amendment thereof, including by electronic means, and of such basic information on the budget support which the Commission deems appropriate. Such publication shall not contain any data in violation of the EU laws applicable to the protection of personal data.

Article 14 - Recovery of budget support

All or part of the budget support disbursements may be recovered by the Commission, with due respect to the principle of proportionality, if the Commission establishes that payment has been vitiated by a serious irregularity attributable to the Partner, in particular if the Partner provided unreliable or incorrect information, or if corruption or fraud was involved.

Part Three: Provisions Applicable to this Action as a Whole, Irrespective of the Management Mode

Article 15 – Signature, Execution period and contracting deadline

15.1 The execution period of this Financing Agreement shall comprise two periods:

- an operational implementation period, in which the operational activities of the action are carried out. This period shall start on the entry into force of this Financing Agreement or on the date stipulated in the Special Conditions and end with the opening of the closure period;
- a closure period, during which final audit and evaluation are carried out and contracts for the implementation of this Financing Agreement are technically and financially closed. The duration of this period is stipulated in Article 2.3 of the Special Conditions. It starts after the end of the operational implementation period.

These periods shall be reflected in the contracts and agreements to be concluded by the Partner and by the Commission in the implementation of this Financing Agreement.

15.2 Costs related to the operational activities shall be eligible for EU financing only if they have been incurred during the operational implementation period. Costs related to final audits and evaluation, to closure activities shall be eligible until the end of the closure period.

15.3 Any balance remaining from the EU contribution shall be automatically decommitted no later than six months after the end of the execution period.

15.4 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation period or the closure period, as well as correlatively of the execution period. If agreed upon, the Financing Agreement shall be amended accordingly.

15.5 Article 2 of these General Conditions shall apply to procurement contracts, as well as grant and contribution agreements awarded by the Commission as contracting authority. The agreements for blending operations may be concluded at any time within the operational implementation period.

15.6 In case any of the Parties signs the Financing Agreement, amendments to the latter or any other document required for the implementation of the Financing Agreement using qualified electronic

signature(s), the Parties shall accept the validity of such qualified electronic signature and recognise the latter as equivalent to a hand-written signature, provided that it is compliant with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor Office (EPPO) and the European Court of Auditors

16.1 The Partner shall assist and support the verifications and checks carried out by the Commission, OLAF, EPPO and the European Court of Auditors at their request.

The Partner agrees to the Commission, EPPO, OLAF and the European Court of Auditors conducting documentary and on-the-spot controls on the use made of EU financing under the activities under this Financing Agreement and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the activities, throughout the duration of this Financing Agreement and for five years from the end of the execution period.

16.2 The Partner also agrees that EPPO and OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by EU law for the protection of the EU's financial interests against fraud and other irregularities.

To that end, the Partner shall grant officials of the Commission, EPPO, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under this Financing Agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the Commission, EPPO, OLAF and the European Court of Auditors shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Partner being bound to inform the Commission, EPPO, OLAF or the European Court of Auditors of the exact location at which they are kept.

16.3 The Partner shall be notified of on-the-spot missions by agents appointed by the Commission, OLAF or the European Court of Auditors.

Article 17 - Obligations of the Partner regarding information, irregularities, fraud and corruption

17.1 The Partner shall notify the Commission without delay of any circumstances likely to adversely affect the implementation and management of the action, or to delay or jeopardise the performance of the activities, including any credible allegations of violations of human rights or of conduct leading to sexual or other exploitation or abuse and/or sexual harassment.

17.2 The Partner shall ensure and check regularly that the actions financed from the budget are effectively carried out and implemented correctly. It shall take appropriate measures to prevent, detect and correct irregularities and fraud and where necessary, bring prosecutions and recover funds unduly paid. The Partner shall inform the Commission when an economic operator has been found in serious breach of its contractual obligations.

"Irregularity" shall mean any infringement of this Financing Agreement, implementing contracts or of EU law resulting from an act or omission by anyone who has, or would have, the effect of prejudicing the funds of the EU, either by reducing or losing revenue owed to the EU, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has

as its effect the misappropriation or wrongful retention of funds from the general budget of the EU;

- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

17.3 The Partner undertakes to take every appropriate measure to prevent, detect and punish any practices of active or passive corruption during the implementation of the Financing Agreement.

"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

17.4 The Partner shall inform the Commission without delay of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union.

17.5 If the Partner does not take appropriate measures to prevent fraud, irregularities, corruption, or of any other illegal activity affecting the financial interests of the Union, the Commission may adopt precautionary measures including the suspension of this Financing Agreement.

Article 18 - Suspension of payments

18.1 Without prejudice to the suspension or termination of this Financing Agreement according to Articles 26 and 27, respectively, the Commission may suspend payments partially or fully, if:

a) the Commission has established or suspects that the Partner has committed substantial errors, irregularities or fraud in the procurement award procedure or in the implementation of the action, or the Partner has failed to comply with its obligations under this Financing Agreement, including obligations regarding the implementation of the Communication and Visibility plan as well as ;

b) the Commission has established or suspects that the Partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under this or other Financing Agreements, provided that those errors, irregularities, fraud or breach of obligations have a material impact on the implementation on this Financing Agreement or call into question the reliability of the Partner's internal control system or the legality and regularity of the underlying expenditure;

c) the Commission has established or suspects that the Partner has failed to respect the principles of international law, including the principles as referred to in the United Nations Charter, the principles of democracy, human dignity, equality, the rule of law or good governance, or respect for human rights, including the rights of persons belonging to minorities, and freedom or for internationally recognised nuclear safety standards, in serious cases of corruption or if the Partner is guilty of grave professional misconduct proven by any justified means. Grave professional misconduct is to be understood as any of the following:

– a violation of applicable laws or regulations or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other

exploitation or abuse and/or sexual harassment, or

- any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.

d) it is necessary to prevent significant damage to the financial interests of the EU.

18.2 The Commission shall immediately inform the Partner about the suspension of payments and of the reasons for this suspension.

18.3 The suspension of payments shall have the effect of suspending payment time-limits for any payment request pending.

18.4 In order to resume payments the Partner shall endeavour to remedy the situation leading to the suspension as soon as possible and shall inform the Commission of any progress made in this respect. The Commission shall, as soon as it considers that the conditions for resuming payments have been met, inform the Partner thereof.

Article 19 - Approval of key experts under service contracts - use and ownership of supplies financed by the EU contribution

19.1 Where the Commission is the contracting authority for a service contract and requests the Partner's approval of proposed key expert(s), the Partner shall not withhold its approval unless it submits duly substantiated and justified objections to the proposed key expert(s) in writing to the Commission within 15 days of the date of the request for approval. Beyond that date, the key expert(s) shall be deemed to be approved.

19.2 Where the Commission is the contracting authority for a supply contract, the Partner shall assume full ownership and liability with regard to the supplies delivered, immediately after their provisional acceptance.

19.3 The equipment, vehicles and remaining major supplies purchased with the EU contribution shall be used by the Partner, including after the execution period of this Financing Agreement, with respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Where the equipment, vehicles and remaining major supplies purchased with the EU contribution are transferred by the Partner to a third party, the Partner undertakes to require such third party to comply with the obligations set forth in the preceding subparagraph.

Article 20 - Right of establishment and residence

20.1 Where justified by the nature of the procurement contract, grant or contribution agreement, the Partner shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts or calls for proposals and organisations expected to sign contribution agreements with a provisional right of establishment and residence in the Partner's territory(ies). This right shall remain valid for one month after the contract is awarded.

20.2 The Partner shall also entitle procurement contractors, grant beneficiaries, organisations having signed contribution agreements and natural persons whose services are required for the performance of this action and members of their families with similar rights during the implementation of the action.

Article 21 - Tax provisions

The EU contribution under this agreement shall not generate or activate the collection of specific taxes, duties or charges (i.e. taxes, duties or charges that are levied specifically and exclusively on EU funding).

Article 22 - Confidentiality

22.1 The Partner agrees that documents and information related to the Action and held by any entity may be forwarded to the Commission, by that entity, for the sole purpose of implementing this or another Financing Agreement.

22.2 Without prejudice to Article 16 of these General Conditions, the Partner and the Commission shall preserve the confidentiality of any document, information or other material directly related to the implementation of this Financing Agreement that is classified as confidential.

22.3 The Parties shall obtain each other's prior written consent before publicly disclosing such information.

22.4 The Parties shall remain bound by the confidentiality until five years after the end of the execution period.

22.5 The Partner shall also comply with the obligations under Article 1.7 where the Commission provides personal data to the Partner, for example in the context of procedures and contracts managed by the Commission.

Article 23 - Use of studies

The contract related to any study financed under this Financing Agreement shall include the right for the Partner and for the Commission to use the study, to publish it and to disclose it to third parties.

Article 24 - Consultation between the Partner and the Commission

24.1 The Partner and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further pursuant to Article 28 of these General Conditions.

24.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Partner to remedy the situation and take any steps that are necessary.

24.3 The consultation may lead to the amendment, suspension or termination of this Financing Agreement.

24.4 The Commission shall regularly inform the Partner of the implementation of activities described in Annex I which do not fall under Parts One and Two of these General Conditions.

Article 25 - Amendment of this Financing Agreement

25.1 Any amendment of this Financing Agreement shall be made in writing, including an exchange of letters.

25.2 If the request for an amendment comes from the Partner, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Partner and accepted by the Commission. In the exceptional cases of an adjustment of the objectives of the action and/or an increase in the EU contribution, such request shall be submitted at least six months before the amendment is intended to enter into force.

25.3 If the adjustment both does not significantly affect the objectives of the activity implemented pursuant to Part One of these General Conditions, and if it concerns matters of detail which do not affect the technical solution adopted, and if it does not include the reallocation of funds, or if it concerns reallocations of funds for an amount equivalent to the amount of the contingency reserve, the Partner shall inform the Commission of the adjustment and its justification in writing

as soon as possible and may apply that adjustment.

25.4 The use of the contingency reserve provided for an action shall be subject to the Commission's prior written approval.

25.5 Where the Commission considers that the Partner ceases to perform satisfactorily the tasks entrusted pursuant to Article 1.1 of these General Conditions and without prejudice to Articles 26 and 27 of these General Conditions, the Commission may decide to retake the tasks entrusted from the Partner in order to continue the implementation of the activities on behalf of the Partner after informing the latter in writing.

Article 26 - Suspension of this Financing Agreement

26.1 The Financing Agreement may be suspended by the Commission in any of the following cases:

a. the Partner breaches an obligation under this Financing Agreement.

b. the Partner breaches any obligation set under the procedures and standard documents referred to in Articles 1 and 4 of these General Conditions.

c. the Partner fails to respect the principles of international law, including the principles as referred to in the United Nations Charter, the principles of democracy, human dignity, equality, the rule of law or good governance, or respect for human rights, including the rights of persons belonging to minorities, and freedom or for internationally recognised nuclear safety standards, in serious cases of corruption or if the Partner is guilty of grave professional misconduct proven by any justified means.

d. in cases of force majeure, as defined below.

"Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, 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 obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A 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. Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes measures to minimise any possible damage.

e. in cases such as crisis or change of position at national level, including its policy priorities.

26.2 The Commission may suspend this Financing Agreement without prior notice.

26.3 The Commission may take any appropriate precautionary measure before suspension takes place.

26.4 When the suspension is notified, the consequences for the on-going procurement contracts and grant and contribution agreements shall be indicated.

26.5 A suspension of this Financing Agreement is without prejudice to the suspension of payments and termination of this Financing Agreement by the Commission in accordance with respectively Article 18 and 27 of the General Conditions.

26.6 The Parties shall resume the implementation of the Financing Agreement once the conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the operational implementation period, or the termination of this Financing Agreement in accordance with Article 27.

Article 27 - Termination of this Financing Agreement

27.1. If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.

27.2. Without prejudice to Article 27.1 above, if at any time, the Commission believes that the purpose of this Financing Agreement can no longer effectively or appropriately performed, this Financing Agreement may be terminated by serving 30 days written motivated notice.

27.3. This Financing Agreement shall be automatically terminated, if no implementing contract has been signed within the deadlines of Article 2.

27.4 The consequences of such terminations on the ongoing activities may be analysed, where relevant, and determined on a case by case basis.

Article 28 - Dispute settlement arrangements

28.1 Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the Parties provided for in Article 24 of these General Conditions may be settled by arbitration at one of the Parties' request.

Where the Partner is an OACPS State or an OACPS regional body or organisation, the dispute shall be submitted, prior to arbitration and after the mutual consultations. Each party shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

28.2 The procedure laid down in the 2012 Permanent Court of Arbitration Rules for Arbitration shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

28.3 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

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