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Agreement N° R04-PALOP/FED/021-732

FINANCING AGREEMENT

between

THE EUROPEAN COMMISSION

and

THE FIVE PORTUGUESE-SPEAKING COUNTRIES

OF AFRICA (PALOP)[1] AND TIMOR-LESTE

Support to improvement in quality and proximity of Public Services

of PALOP and Timor-Leste

EDF X

EUROPEAN COMMISSION

[1] Angola, Cape Verde, Guinea Bissau, Mozambique, São Tomé e Principe

FINANCING AGREEMENT

Special Conditions

The European Union, hereinafter referred to as "**the EU**", represented by the European Commission, hereinafter referred to as "**the Commission**", in its capacity as manager of the 10th European Development Fund, hereinafter referred to as "**the EDF**",

of the one part, and

the five Portuguese-speaking countries of Africa (PALOP)[2] and Timor-Leste, represented by the National Authorising Officer of Cape Verde hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

ARTICLE 1 - NATURE AND PURPOSE OF THE OPERATION

1.1. The EU shall contribute to the financing of the following project:

CRIS decision number:	R04-PALOP/FED/021-732
Title:	"Support to improvement in quality and proximity of Public Services of PALOP and Timor-Leste"

hereinafter referred to as "the project", which is described in the Technical and Administrative Provisions.

1.2 This project shall be implemented in accordance with this Financing Agreement and the annexes thereto.

[2] Under current circumstances, in Guinea Bissau basic conditions enabling a context suitable to the implementation of PALOP-TL cooperation programmes in the framework of the 10th EDF and to the attainment of their expected results are not fulfilled, due to the lack of a democratically elected President and Government. As stated in the Dili Declaration, adopted by the NAO of PALOP-TL at their 9th meeting in Dili on 28 February 2013, Guinea Bissau will not be in a position to benefit from PALOP-TL cooperation until Constitutional order will be restored and civil-military relations will comply with the precepts of democracy. Therefore, in accordance with the EU position, until a legitimate Government will be in place following appropriate legislative and presidential elections, the country shall not benefit from any institutional support.

ARTICLE 2 – TOTAL ESTIMATED COST AND THE EDF FINANCIAL CONTRIBUTION

2.1 The total cost of the project is estimated at 6 000 000 euro

2.2 The EU undertakes to finance a maximum of 5 000 000 amount euro. The breakdown of the EDF financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions.

ARTICLE 3 - THE BENEFICIARY'S CONTRIBUTION

3.1 The Beneficiary undertakes to co-finance the project with zero euro. The breakdown of the Beneficiary's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions.

3.2 Where there is a non-financial contribution by the Beneficiary, detailed arrangements for the delivery of such contribution shall be set out in the Technical and Administrative Provisions.

ARTICLE 4 – IMPLEMENTATION

4.1 By derogation to Article 3 of the General Conditions, the project shall be implemented by the Commission acting for and on behalf of the Beneficiary.

4.2 The following clauses of the General Conditions shall not be applicable: Articles 1.3, 5, 6, 7, 8.2, 8.3,11, 16.2,17, 19.4, 20.6, 22.3, 22.4 and 22.6.

4.3 The following clauses of the General Conditions shall be replaced by the following:

4.3.1 Article 2.2: Wherever there is a risk of overrunning the global amount set in the Financing Agreement, the Commission may either scale down the project or draw on the Beneficiary's own resources, after its approval, or on other non-EDF resources.

4.3.2 Article 2.3: If the project/programme cannot be scaled down, or if the overrun cannot be covered by other resources including those of the Beneficiary, the Commission may decide to grant additional EDF financing. Should it 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.

4.3.3 Article 18.1: Every project financed by the EDF shall be the subject of appropriate communication and information operations. These operations shall be defined with the approval of the Commission.

4.3.4 Article 19.1: The Beneficiary shall take appropriate measures to prevent irregularities and fraud and, on request of the Commission, bring prosecutions to recover funds wrongly paid. The Beneficiary shall inform the Commission of any measure taken.

4.3.5 Article 19.3: The Beneficiary shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities or fraud.

ARTICLE 5 – PERIOD OF EXECUTION

5.1 The period of execution of the Financing Agreement, as defined in Article 4 of the General Conditions, shall commence on the entry into force of the Financing Agreement and end 78 months after this date.

5.2 The duration of the operational implementation phase is fixed at 54 months.

5.3 The duration of the closure phase is fixed at 24 months.

ARTICLE 6 - PAYING AGENT

In order to effect the payments resulting from this Financing Agreement, the role of paying agent shall be performed by the financial institution chosen by the Commission.

ARTICLE 7 - ADDRESSES

All communications concerning the implementation of the Financing Agreement shall be in writing, refer expressly to the project and be sent to the following addresses:

a) **for the Commission**

the Head of the Delegation of the European Union to Cape Verde
Praia, Cape Verde

b) **for the Beneficiary**

the Minister of Foreign Affairs, Cooperation and Communities
National Authorising Officer
Praia, Cape Verde

ARTICLE 8 - ANNEXES

9.1 The following documents shall be annexed to this Financing Agreement and form an integral part thereof:

Annex I: General Conditions

Annex II: Technical and Administrative Provisions

9.2 In the event of a conflict between the provisions of the Annexes and those of the Special Conditions of the Financing Agreement, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

ARTICLE 9 - OTHER SPECIAL CONDITIONS APPLYING TO THE PROJECT

9.1 The General Conditions are supplemented by:

9.1.1 Article 8 .1 shall be supplemented by the following paragraph:
For the components of this Financing Agreement implemented under Joint Management or Indirect Centralised Management the procedures of the delegated body will apply.

ARTICLE 10 – ENTRY INTO FORCE OF THE FINANCING AGREEMENT

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

Done at Brussels on 11 December 2013 in two original copies in the English language, one copy being handed to the Commission and one to the Beneficiary.

FOR THE COMMISSION	FOR THE BENEFICIARY
Andris PIEBALGS Commissioner for Development	Maria de Jesus MASCARENHAS Head of Mission of the Republic of Cape Verde to the EU

EUROPEAN COMMISSION

Francesca MOSCA
Authorising Officer of the EDF
by sub-delegation

ANNEX I - GENERAL CONDITIONS

TITLE I - PROJECT/PROGRAMME FINANCING

ARTICLE 1 – GENERAL PRINCIPLE

1.1 The EDF financial contribution shall be limited to the amount specified in the Financing Agreement.

1.2 The provision of EDF financing shall be subject to fulfilment of the Beneficiary's obligations under this Financing Agreement.

1.3. The expenditure incurred by the Beneficiary before the entry into force of the Financing Agreement is not eligible for the EDF financing.

ARTICLE 2 - COST OVERRUNS AND COVERING THEM

2.1 Individual overruns of the budget headings of the Financing Agreement are dealt with by reallocating funds within this budget, in accordance with Article 22 of these General Conditions.

2.2 Wherever there is a risk of overrunning the global amount set in the Financing Agreement, the Beneficiary shall immediately inform the Commission and seek its prior approval for the corrective measures planned to cover the overrun, proposing either to scale down the project/programme or to draw on its own or other non-EDF resources.

2.3 If the project/programme cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, at the Beneficiary's duly substantiated request, decide to grant additional EDF 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.

TITLE II - IMPLEMENTATION

ARTICLE 3 – GENERAL PRINCIPLE

The project/programme shall be implemented under the responsibility of the Beneficiary with the approval of the Commission.

ARTICLE 4 - PERIOD OF EXECUTION

4.1 The period of execution of the Financing Agreement shall comprise two phases:

- an operational implementation phase, in which the principal activities are carried out. This phase shall commence on the entry into force of the Financing Agreement and end with the opening of the closure phase;
- a closure phase, during which final audits and evaluation are carried out and contracts and programme estimates for the implementation of the Financing Agreement are technically and financially closed. This phase shall end at the latest 24 months after the end of the operational implementation phase.

4.2 Costs related to the principal activities shall be eligible for EDF financing only if they have been incurred during the operational implementation phase. Costs related to final audits and evaluation and closure activities shall be eligible up to the end of the closure phase.

4.3 Any balance remaining from the EDF contribution will be automatically decommitted no later than six months after the end of the period of execution.

4.4 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the operational implementation phase and approved by the Commission before that latter date.

4.5 In exceptional and duly substantiated cases, and after the end of the operational implementation phase, a request may be made for the extension of the closure phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the closure phase and approved by the Commission before that latter date.

TITLE III – PAYMENTS TO BE MADE BY THE COMMISSION TO THIRD PARTIES

ARTICLE 5 – DEADLINE FOR PAYMENTS TO BE MADE BY THE COMMISSION TO THIRD PARTIES

5.1 When the Commission is making payments related to contracts implementing the Financing Agreement and awarded by the Beneficiary, the Beneficiary shall undertake to provide the Commission with the payment request or invoice not later than:

(i) for procurement contracts, 45 calendar days after registering an admissible payment request;

(ii) for grant contracts, (a) 15 calendar days for the initial pre-financing, (b) 30 calendar days for further pre-financing / balance payments; both before the expiry of the payment deadline specified in the contract.

The Beneficiary shall notify the Commission of the date of registration of this request. The payment request is not admissible if at least one essential requirement is not met. The time limit for payments may be suspended at any time by the Commission by informing the Beneficiary that the payment request can not be met, either because the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request comes to the notice of the Commission, the Commission may suspend the time limit for payment for the purpose of further verification, including an on-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The Commission shall inform the Beneficiary as soon as possible.

5.2 a) For procurement contracts:

The deadline referred to in paragraph 5.1 shall also apply when payment is conditional on approval of a report. In this case, the request for payment can be considered admissible but the time limit for payment shall begin only when the Beneficiary has approved the report, either expressly, by notifying the contractor, or tacitly, by allowing the contractual deadline for approval to expire without sending the contractor a document formally suspending that deadline. The Beneficiary shall notify the Commission of the date of approval of the report.

b) For grant contracts:

The deadline referred to in paragraph 5.1 shall also apply when payment is conditional on approval of a report. The approval of any report is included in the payment deadline specified in the contract. To this end, the Beneficiary has to approve the report and provide the Commission with the payment request or invoice within the deadline set above in article 5.1. When the Beneficiary does not approve the report, he shall send, as soon as possible, to the contractor or grant beneficiary a document formally suspending the deadline for payment and explaining the reasons for suspension. Suspension is effective from the sending of the notification. The contractor or grant beneficiary must provide clarifications, modifications or further information within 30 days of the notification. The time limit for payment begins to run again from the date on which the clarifications are registered.

5.3 In the event of any delay in forwarding payment requests attributable to the Beneficiary, the Commission shall not be obliged to pay the contractor the late-payment interest provided for in contracts, which will be payable by the Beneficiary. The contractor is entitled to payment of late-payment interest, unless he is a government department or public body in an EU Member State.

TITLE IV – PAYMENTS TO BE MADE BY THE BENEFICIARY TO THIRD PARTIES AND DISBURSEMENT TO BE MADE BY THE COMMISSION THROUGH PROGRAMME ESTIMATES

ARTICLE 6 – GENERAL PRINCIPLE

6.1 When the Beneficiary is making payments to third parties, programme estimates must be drawn up and adopted beforehand.

6.2 The programme estimate is a document laying down the programme of measures to be carried out and the human and material resources required, the corresponding budget and the detailed technical and administrative implementing arrangements for decentralised execution of a project/programme over a specified period by direct labour and/or by means of public procurement and/or the award of grants.

6.3. All programme estimates implementing the Financing Agreement must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

ARTICLE 7 - DISBURSEMENT

7.1 The Commission shall transfer funds no later than 45 calendar days after the date on which it registers an admissible payment request from the Beneficiary. The payment request is not admissible if at least one essential requirement is not met. The time limit for payments may be suspended by the Commission by informing the Beneficiary, at any time during the period referred to above, that the payment request can not be met, either because the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request comes to the notice of the Commission,, the Commission may suspend the time limit for payment for the purpose of further verification, including an on-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The suspension shall be communicated to the Beneficiary as soon as possible. The time limit for payment shall resume once the payment request becomes admissible.

7.2 The Commission shall make payments to a bank account opened at a financial institution accepted by the Commission.

7.3 The Beneficiary shall guarantee that funds paid by the Commission by way of pre-financing can be identified in this bank account.

7.4 Transfers in euro shall, if necessary, be converted into the Beneficiary's national currency as and when payments have to be made by the Beneficiary, at the bank rate in force on the day of payment by the Beneficiary.

7.5 The funds paid by the Commission to this bank account shall yield interest or equivalent benefits. The Beneficiary shall notify the Commission of interest or equivalent benefits yielded by those funds at least once a year.

7.6 Interest or equivalent benefits yielded by the funds paid of more than two hundred fifty thousand euro shall be repaid to the Commission within 45 days of receipt of the Commission's request.

7.7 For a programme estimate which has not given rise to any transfer of funds within three years of its signature, the corresponding committed amount shall be decommitted.

TITLE V – AWARD OF PROCUREMENT AND GRANT CONTRACTS

ARTICLE 8 – GENERAL PRINCIPLES

8.1 All contracts implementing the Financing Agreement must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement and grant contracts, in force at the time of the launch of the procedure in question.

8.2 The Beneficiary shall use the language of this Financing Agreement for the award of procurement and grant contracts.

8.3 In cases of decentralised contracts, the Beneficiary will inform the Commission when a candidate, tenderer or applicant is in a situation of exclusion from participation in award procedures according to the relevant provisions of the Financial Regulation applicable to the European Development Fund or when contractor has been guilty of making false declarations or has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations.

In such cases, without prejudice to the power of the Commission to exclude an entity from future procurement and grant contracts financed by the EU according to the Financial Regulation applicable to the general budget of the European Union, financial penalties to contractors mentioned in the provision on "Administrative and Financial Penalties" of the General Conditions of decentralised contracts may be imposed to the contractors by the Beneficiary if this is allowed by its national law. Such financial penalties shall be imposed following an adversarial procedure and ensuring the right of defence of the contractor.

8.4 The Beneficiary undertakes to take every appropriate measure to remedy any practices of active or passive corruption whatsoever at any stage of the procedure for the award of contracts or grants. "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.

ARTICLE 9 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS AND PROGRAMME ESTIMATES IMPLEMENTING THE FINANCING AGREEMENT

9.1 Except for those components of this Financial Agreement implemented under Joint Management or Indirect centralised management, the contracts and programme estimates implementing the Financing Agreement shall be signed by both parties within three years of the entry into force of the Financing Agreement. That deadline may not be extended.

9.2 The above provision shall not apply to:

- audit and evaluation contracts, which may be signed later,
- addenda to contracts already signed;
- contracts concluded after early termination of an existing contract and
- cases of change of entity charged with budget execution tasks

9.3 At the end of the three years of the entry into force of the Financing Agreement, any balance for which contracts have not been signed, except those referred to in Article 9.2 here above, will be decommitted.

9.4 The above provision shall not apply to any balance of the contingency reserve.

9.5 A contract or programme estimate which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding shall be decommitted.

ARTICLE 10 - ELIGIBILITY

10.1 (Applicable to the ACPs) Participation in invitations to tender for works, supply or service contracts and in calls for proposals shall be open on equal terms to all natural and legal persons of the Member States of the EU and of the African, Caribbean and Pacific (ACP) States, and in the specific cases and under the conditions provided in Annex IV to the ACP-EC Partnership Agreement to natural and legal persons of other third countries.

(Applicable to the OCTs) Participation in invitations to tender for works, supply or service contracts and in calls for proposals shall be open on equal terms to all natural and legal persons of the Member States of the EU, of the ACP States and of the overseas countries and territories (OCTs).

10.2 Goods and supplies financed by the EDF and necessary for the performance of works, supply and service contracts and procurement procedures launched by the grant beneficiaries for the execution of the action financed must originate in countries eligible to participate in the terms laid down in the previous paragraph, (applicable to the ACPs) except in the specific cases provided in Annex IV to the ACP-EC Partnership Agreement. In this context, the definition of the concept of "originating products" shall be assessed by reference to the relevant international agreements, and supplies originating in the EU shall include supplies originating in the OCTs.

ARTICLE 11 - PUBLICATION OF INFORMATION

11.1 The Beneficiary undertakes to publish each year in a dedicated and easily accessible place of its internet site the title of each contract financed by the Financing Agreement, the name and nationality of the grant beneficiary or successful tenderer as well as the amount of the corresponding grant or contract.

11.2. If such internet publication is impossible, the information shall be published by any other appropriate means, including the official journal of the Beneficiary. Publication shall take place during the first half of the year following the closure of the year in respect of which the contracts and grants were awarded by the Beneficiary. The Beneficiary shall communicate to the Commission the address of the place of publication and reference shall be made to this address in the dedicated place of the internet site ofEuropeAid. If the information is published otherwise, the Beneficiary shall give the Commission full details of the means used.

TITLE VI - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS

ARTICLE 12 - ESTABLISHMENT AND RIGHT OF RESIDENCE

12.1 Where justified by the nature of the contract, the Beneficiary shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts with a provisional right of establishment and residence in the Beneficiary's territory(ies). This right shall remain valid for one month after the contract is awarded.

12.2 The Beneficiary shall, also entitle contractors (procurement and grant contracts) and natural persons whose services are required for the performance of the contract and members of their family, with similar rights during the implementation of the project/programme.

ARTICLE 13 - TAX AND CUSTOMS PROVISIONS

13.1 The Beneficiary shall apply to procurement contracts and grants financed by the EDF the most-favoured tax and customs arrangements applied to States or international development organisations with which it has relations. For the purpose of determining the most-favoured-State treatment, account shall not be taken of arrangements applied by the Beneficiary to the other ACP States or to other developing countries.

13.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

ARTICLE 14 - FOREIGN EXCHANGE ARRANGEMENTS

14.1 The Beneficiary undertakes to authorise the import or purchase of the foreign currency necessary for the implementation of the project. It also undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the contractors allowed to participate referred to in Article 10 of these General Conditions.

14.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

ARTICLE 15 – USE OF DATA FROM STUDIES

Where the Financing Agreement involves the financing of a study, the contract related to this study, signed for the implementation of the Financing Agreement, shall govern the ownership of that study and shall include the right for the Beneficiary and the Commission to use data in the study, to publish it or to disclose it to third parties.

ARTICLE 16 - ALLOCATIONS OF AMOUNTS RECOVERED UNDER CONTRACTS

16.1 Without prejudice to the responsibilities of the Beneficiary, the Commission may, in accordance with the relevant provisions of Financial Regulation applicable to the 10th European Development Fund, formally establish an amount as being receivable under a contract financed under this Financing Agreement and proceed to its recovery by any means.

16.2 Amounts recovered by the Beneficiary from payments wrongly effected, from financial guarantees lodged on the basis of procedures of award of contracts or under a contract financed under this Financing Agreement, as well as from financial penalties imposed by the Beneficiary on candidate, tenderer, contractor or grant beneficiary, shall be allocated to this project/programme. The damages granted to the Beneficiary shall also be allocated to this project/programme.

ARTICLE 17 - FINANCIAL CLAIMS UNDER CONTRACTS

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

TITLE VII - GENERAL AND FINAL PROVISIONS

ARTICLE 18 – VISIBILITY

18.1 Every project/programme financed by the EDF shall be subject to the appropriate communication and information measures. Unless otherwise agreed, the Beneficiary shall take the necessary measures to ensure the visibility of the EU funding for the project/programme. These measures shall be defined under the responsibility of the Beneficiary with the approval of the Commission.

18.2 These communication and information operations must follow the rules in the Communications and Visibility Manual for EU External Actions laid down and published by the Commission, in force at the time of the measures..

ARTICLE 19 – PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION

19.1 The Beneficiary undertakes to check regularly that the operations financed with the EDF funds have been properly implemented. It shall take appropriate measures to prevent irregularities and fraud and, if necessary, bring prosecutions to recover funds wrongly paid.

19.2 "Irregularity" shall mean any infringement of the Financing Agreement, implementing contracts and programme estimates or of EU law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the EDF either by reducing or losing revenue accruing from own resources collected directly on behalf of 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 EDF;
- 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.

19.3 The Beneficiary shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities or fraud and of any measure taken to deal with them.

19.4 As stated in article 8.3, in cases of decentralised contracts, the Beneficiary will inform the Commission when a contractor has been guilty of making false declarations or has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations.

Without prejudice to the power of the Commission to exclude a natural or legal person from future procurement and grant contracts financed by the EU according to the relevant provisions applicable to the European Development Fund (EDF), financial penalties to contractors mentioned in the provision on "Administrative and Financial Penalties" of the General Conditions of decentralised contracts may be imposed to contractors by the Beneficiary if this is allowed by its national law. Such financial penalties shall be imposed, following an adversarial procedure and ensuring the right of defence of the contractor.

19.5 The Beneficiary shall immediately inform the Commission of the name of the economic operators whom have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the EU's financial interests.

19.6 The Beneficiary undertakes to take every appropriate measure to remedy any practices of active or passive corruption whatsoever in the implementation of the related contracts. Definitions in Article 8.3 apply herein

If the Beneficiary does not take the appropriate measures to remedy any practices of corruption or fraud mentioned under this article, the Commission may adopt itself such measures including the recovery of the EU funding by any means.

ARTICLE 20 - VERIFICATIONS AND CHECKS BY THE COMMISSION, THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) AND THE EUROPEAN COURT OF AUDITORS

20.1 The Beneficiary agrees to the Commission, OLAF and the European Court of Auditors conducting documentary and on-the-spot checks on the use made of EDF funding under the Financing Agreement (including procedures for the award of contracts and grants) 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 project/programme, throughout the duration of the agreement and for seven years after the date of the last payment.

20.2 The Beneficiary also agrees that 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.

20.3 To that end, the Beneficiary undertakes to grant officials of the Commission, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under the 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, 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 Beneficiary being bound to inform the Commission, OLAF or the European Court of Auditors of the exact location at which they are kept.

20.4 The checks and audits described above shall also apply to contractors and subcontractors who have received EDF funding.

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

20.6 The Beneficiary shall keep the following financial and contractual supporting documents

Procurement procedures:

- Forecast notice with proof of publication of the procurement notice and any corrigenda
- Nomination of shortlist panel
- Shortlist report (incl. annexes) and applications
- Proof of publication of the shortlist notice
- Letters to non-shortlisted candidates
- Invitation to tender or equivalent

- Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication
- Nomination of the evaluation committee
- Tender opening report, including annexes
- Evaluation / negotiation report, including annexes and bids received[1]
- Other documents
- Notification letter
- Supporting documents
- Cover letter for submission of contract
- Letters to unsuccessful candidates
- Award / cancellation notice, including proof of publication
- Signed contract, amendments, riders and relevant correspondence

Calls for proposals and direct award of grants:

- Nomination of the evaluation committee
- Opening and administrative report including annexes and applications received[2]
- Letters to successful and unsuccessful applicants
- Concept note evaluation report
- Letters to successful and unsuccessful applicants
- Evaluation report of the full application or negotiation report with relevant annexes
- Eligibility check and supporting documents
- Letters to successful and unsuccessful applicant with approved reserve list
- Cover letter for submission of contract
- Award/cancellation notice with proof of publication
- Signed contract, amendments, riders and relevant correspondence

In case of decentralised operations:

- In addition to all of the above–mentioned supporting documents also all relevant documentation relating to payments and recovery orders.

ARTICLE 21 – CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY

21.1 The Beneficiary and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further, in accordance, where appropriate, with the relevant provisions of the ACP-EC Partnership Agreement.

21.2 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 Beneficiary to remedy the situation and, take any steps that are necessary, including, where the Beneficiary does not, or is

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1 Elimination of unsuccessful bids five years after the closure of the procurement procedure.
2 Elimination of unsuccessful applications three years after the closure of the grant procedure.

unable to, perform the duties incumbent on it, temporarily taking the Beneficiary's place.

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

ARTICLE 22 – AMENDMENT OF THE FINANCING AGREEMENT

22.1 Any amendment to the Special Conditions, Annex II and Annex III to the Financing Agreement shall be made in writing and be the subject of an addendum.

22.2 If the request for an amendment comes from the Beneficiary, 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 Beneficiary and accepted by the Commission.

22.3 For technical adjustments, which do not affect the objectives and results of the project/programme and alterations in matters of detail which do not affect the technical solution adopted, and within the limit of the contingencies funds, the Beneficiary shall inform the Commission of the amendment and its justification in writing as soon as possible and apply that amendment.

22.4 The use of the contingency reserve shall be subject to the Commission's prior written agreement.

22.5 The specific cases of the extension of the operational implementation phase or of the closure phase are governed by Article 4 (4) and (5) of these General Conditions.

22.6 Where the Commission considers that the Beneficiary ceases to satisfy the decentralisation criteria and without prejudice to Articles 23 and 24 of these General Conditions, the Commission may decide to retake the financial implementation tasks entrusted to the Beneficiary in order to continue the implementation of the project/programme on behalf, and for the account, of the Beneficiary, after informing the latter in written form.

ARTICLE 23 – SUSPENSION OF THE FINANCING AGREEMENT

23.1 The Financing Agreement may be suspended in the following cases:

- The Commission may suspend the implementation of the Financing Agreement if the Beneficiary breaches an obligation under the Financing Agreement, and notably if it ceases to satisfy the decentralisation criteria laid down, where relevant, in the Special Conditions.
- The Commission may suspend the implementation of the Financing Agreement if the Beneficiary breaches any obligation set under the procedures and standard documents laid down and published by the Commission for the award and implementation of contracts and grants.

- The Commission may suspend the Financing Agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.
- The Financing Agreement may be suspended 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, is 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.

23.2 No prior notice shall be given of the suspension decision.

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

23.4 When the suspension is notified, the consequences on the ongoing contracts and programme estimates or contracts and programme estimates to be signed will be indicated.

23.5 A suspension of the Financing Agreement is without prejudice to the suspension of payments by the Commission for the sake of ensuring sound financial management or protecting the EU's financial interests.

ARTICLE 24 – TERMINATION OF THE FINANCING AGREEMENT

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

24.2. Where a Financing Agreement has not given rise to any payment within three years of its signature or no implementing contract or programme estimates has been signed within this period, that Financing Agreement will be terminated.

24.3 When the termination is notified, the consequences on the ongoing contracts and programme estimates or contracts and programme estimates to be signed will be indicated.

ARTICLE 25 - DISPUTE-SETTLEMENT ARRANGEMENTS

25.1 *(Applicable to the ACPs)* Any dispute concerning the Financing Agreement which cannot be settled within a six-month period by the consultations between the Commission and the Beneficiary provided for in Article 21 of these General Conditions shall be submitted to the ACP-EC Council of Ministers. Between meetings of the ACP-EC Council of Ministers, such disputes shall be submitted to the ACP-EC Committee of Ambassadors. If the

ACP-EC Council of Ministers or where appropriate the ACP-EC Committee of Ambassadors does not succeed in settling the dispute, either party may request settlement of the dispute by arbitration.

(Applicable to the OCTs) Any dispute concerning the Financing Agreement which cannot be settled within a six-month period by the consultations between the Commission and the Beneficiary provided for in Article 21 of these General Conditions may be settled by arbitration at one of the parties' request.

25.2 In this case the parties 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.

25.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

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

FINANCING AGREEMENT N° R04-PALOP/FED/021-732

A N N E X II

TECHNICAL AND ADMINISTRATIVE PROVISIONS FOR IMPLEMENTATION

THE FIVE PORTUGUESE-SPEAKING COUNTRIES OF AFRICA (PALOP) AND TIMOR-LESTE

Title :	Support to improvement in quality and proximity of Public Services of PALOP and Timor-Leste
CRIS decision number:	R04-PALOP/FED/021-732

BENEFICIARY COUNTRY / REGION	Angola, Cape Verde, Guinea Bissau, Mozambique, São Tomé and Principe (PALOP Countries) and Timor-Leste (TL)		
REQUESTING AUTHORITY	National Authorising Officer of Cape Verde		
BUDGET HEADING	10th EDF - A envelope		
TITLE	Support to improvement in quality and proximity of Public Services of PALOP and Timor-Leste		
TOTAL COST	Total estimated cost: EUR 6 000 000 **EDF contribution: EUR 5 000 000** This action is co-financed by CAMÕES Instituto da Cooperação e da Língua, I.P. for an amount of EUR 1 000 000		
AID METHOD/ MANAGEMENT MODE	Project approach Indirect centralised management with CAMÕES, I.P. – Instituto da Cooperação e da Língua		
DAC-CODE	15112	**SECTOR**	Communications

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1. DESCRIPTION

The project aims at improving the quality and proximity of Public Services of all the countries PALOP and Timor-Leste (PALOP-TL), through the use of Information and Communication Technologies (E-Governance). This project will comprise both local (national) and transversal activities targeted to the modernization of IT Infrastructure in the beneficiary countries, the creation of conditions for the implementation of integrated services for citizens and companies, the improvement of best practices and legal effectiveness in the area of ICTs, and capacity building for all the technological stakeholders. Both companies and citizens are expected to benefit from this project, as it will help to improve both the quality and the proximity of public services shortening the gap between the Local and Central Governments and all its stakeholders.

An initial logical framework is attached. It may be updated or adapted without an amendment to the financing agreement as long as these modifications do not change the objectives of the project.

1.1. Objectives

Overall Objective:

"To contribute to better and more accessible public services to citizens and companies by improving the way public administrations at national and local levels operate".

Project Purpose:

"Support for the modernization of public administration through computerization of public services (E-Governance)"

The project aims at having a positive impact on the environment by reducing its environmental foot print due to reduced energy, water and paper use and mobility efficiency, sustainable consumptions patterns. It will have also an indirect positive environment impact by enabling people to avoid travel, thus reducing the overall carbon output. The adoption of a gender perspective and access to public services build upon Information and Communication Technologies (ICTs) is based on consensus and recognition of the potential of technologies to promote "gender equality and women's empowerment" and allow "immense opportunities for women" in the information society. The information society may also be enabling participation in the public sphere and destroying barriers to learning and knowledge.

The project will ensure opportunities in the selection of experts and of final beneficiaries. Also, it will monitor this equality though including sensitive indicators in the Log frame.

The objectives set and activities planned aim at improving Good Governance, making public administration closer, faster, easier, more effective and transparent.

Transparency of public administration services to the citizens and interoperability will allow a more coordinated and accountable relationship and will promote efficiency. Training of IT public services specialists will also strengthen the capacity of public services for the development of future E-Governance projects. By strengthening the E-Governance, the project will contribute to a more transparent and thus less corruptive Public Administration.

Being an E-Governance project, it will have an indirect positive impact by promoting more equitable and transparent access to Public Services in general, as well as reducing social exclusion, especially for physically handicapped people.

Transparency and accountability towards the larger public should increase, thus having also an indirect positive impact in the reduction of corruption and human rights violation.

1.2. Expected results

The expected results for this project are: **Result 1** -Knowledge and institutional capacity to manage and implement ICT projects in public administration improved; **Result 2** - Legislation on E-Governance, aligned with best practices created/revised; **Result 3** - Conditions for the delivery of public services to citizens and companies according to the principles of proximity and efficiency improved; **Result 4** - IT operations and solutions in the PALOP-TL region and countries improved.

1.3. Activities and implementation timetable

To achieve the expected results and in accordance with the strategy defined, the following activities shall be developed during the implementation phase (information on the timetable per activity provided between brackets):

<u>During the Inception Phase:</u>

- Installation of the TCT – Technical Coordination Team (Year 1, Month 1)
- Appointment of the Focal Points (from the Institutional Focal Points already identified), which will be responsible for the coordination of the National Teams (Year 1, Month 1)
- Assessment/analysis of the issues to be identified in the Opening Conference (see Component 1, activity 1.1.1) including further detail assessment/analysis of each partner' capacities and needs (Year 1, Month 2)
- Assessment/analysis of each country's videoconference installed capacities and problems to be addressed (Year 1, Month 2)
- Formulation of the project's Capacity Building Strategy (including Training and Technical Assistance Plan) based on the PALOP-TL's existing systems, capacities and needs, to be approved/validated by the 1st Steering Committee (Year 1, Months 3 and 4)
- Formulation of the Communication and Visibility Plan, to be approved/validated by the 1st Steering Committee (Year 1, Months 3 and 4)
- Formulation of the project management handbook, which will be the reference management-agreed-instrument for implementation, including the definition of all partners' responsibilities, information flow, decision making processes, administrative and financial' s rules and procedures, to be approved by the 1st Steering Committee (Year 1, Months 3 and 4)
- Review (if needed) of the key results indicators by making them SMART and identification
- of baselines and target values, to be approved/validated by the 1st Steering Committee (Year 1, Months 3 and 4)
- Formulation of the national projects Action Plans, to be approved/validated in the 1st Steering Committee (Year 1, Months 4 and 5)
- Consultation of the civil society and private sector aiming at a better formation of the above documents (Year 1, Months 4, 5 and 6)
- Organization of the Opening Conference that will mark the end of the project's "inception phase" (Year 1, Months 4, 5 and 6)

<u>During the Operational Phase:</u>

Component 1 – Transversal Activities among Countries

Result 1- Knowledge and institutional capacity to manage and implement ICT projects in public administration improved

1.1. International conferences on E-Governance

Up to 3 international high-level conferences will be organised during the implementation of this project. They will take place before the 3 Steering Committee meetings, so that the recommendations of the conferences participants (mainly, the project stakeholders) can be taken into consideration. The conferences will comprise a mix of face-to-face activities (gathering the speakers) and videoconference presentations (connecting the highest possible number of stakeholders). All the 3 conferences will have one key-speaker, addressing project related subjects in an informative and teaching approach. The objectives of each conference are mentioned below. Prior to the organisation and implementation of the first conference, video screens (video and audio conference) shall be purchased and assembled in the beneficiary countries. This joint acquisition will guarantee the interoperability of the equipment in all the beneficiaries' countries and will support the e-learning training activities and the E-Governance Portal. Therefore, it will contribute to the sustainability of future blended-learning actions to be run via portal and the E-Governance portal itself.

1.1.1. Opening conference

Identification of the "roadmap" report objectives; Identification of country's strengths and weaknesses on E-Government; Identification of counselling countries, based on country's assessments; Drawing up of a matching matrix (counselling countries vs beneficiary countries). Issues to be approved by the SC.

1.1.2. Mid-term conference

Presentation and debate on the "roadmap" reports; Presentation and debate of the project's Sustainability Strategy to be approved/validated by the Steering Committee. This Sustainability Strategy will be formulated by the Technical Coordination Team, with contributions from the National Teams and supported by the Advisory Council. It will aim at designing an exit strategy and economic, political, institutional and social sustainability of the project, taking into account the Capacity Building actions implemented.

1.1.3. Closure conference

Presentation of the reports on the evaluation of the pilot projects; Presentation and debate of all the lessons learnt from this project; Discussion and updating of project exit strategy.

1.2. Design and management of a E-Governance Portal for PALOP-TL region

This Portal will provide three main features: best practices sharing in the administrative modernization domains; public software component foreseeing the share and reuse of source code and; advanced e-learning features. This Portal will also be connected to the Legis-PALOP website. The sustainability of the portal, a part of the project's Sustainability Strategy, shall be defined by the PALOP-TL and approved by the Steering Committee (mid-term reunion), taking in to account the lessons learned during its design and management and the Legis-PALOP experience. The financial sustainability shall be achieved through the countries contributions (financing the costs of technical management units in each country) and through, for example, publications' sells and tuitions fees of e-learning training actions. The technical sustainability shall be achieved by the joint acquisition of the equipment (interoperability in all the beneficiaries' countries), the involvement of participants who have attended the trainings on "Key Enablers" (activity 1.3.1), supported by the "Counseling Countries" (activity 1.5) and/or by other IT experts (universities, private sector enterprises). Furthermore, a future partnership can be established with the CPLP's Network of National Academies of Public Administration (see www.rinape.org).

1.3. Trainings

The project will provide several training activities, both face-to-face trainings (given the importance of experience and knowhow exchange between the trainees – South-South cooperation and Horizontal cooperation) and e-learning and blended-learning trainings (through the Portal – activity 1.2. and videoconference, to reach the highest number of trainees in the most efficient and costs effective mode), on issues identified by the PALOP-TL during the fact-finding missions and integrated in the project's Capacity Building Strategy (formulated in the Inception Phase and validated by the Steering Committee). Trainings will be prepared and delivered by high level experts, both local and international, including universities, vocational schools and/or National Academies of Public Administration. In line with a broad roadmap for the development of e-Government in the PALOP-TL region, trainings on Key-Enablers will be followed by the identification and implementation of key pilot-projects, which will be approved by the Steering Committee based on competitive and transparent procedures and aligned with the recommendations included in the roadmap report (activity 3.1). The e-learning trainings shall be synchronous. Therefore, the trainers will lead trainings that will be broadcasted in real time to remote participants over the internet.

Participants shall gather in common training rooms in their respective countries. Both the lead trainer and the participants will use training kits to connect each other (audio speakers, wireless PC microphones, headphones, microphones, etc), which will be made available at the beginning of the trainings and shall remain available after the end of this project, in order to contribute for the technical sustainability of this project.

1.3.1. Trainings on "Key Enablers" and administrative simplification

Indicative list of trainings: ITIL (IT Infra-structure Information Library) awareness; ITIL for executives; ITIL foundation; COBIT awareness; Green IT; Data Center Management; Desktop Management; ISO 27000.

1.3.2. Trainings on managerial skills and best practices

Indicative trainings: HR management; Project Cycle Management; Accountability; Budget Management; Risk management; Communication skills; Conflict Management; Leadership; Public interaction; Equal Gender organizations approach.

1.4. Technical assistance to institutional focal points

Short-term Technical Assistance to Institutional Focal Points, accordingly to the Capacity Building Strategy approved/validated in the Inception Phase.

1.5. Support to each beneficiary country by "counselling countries"

There are different development stages and different expertise levels among the PALOP-TL countries. Therefore, "Counselling countries" shall be identified amongst PALOP-TL countries (in the Inception Phase) accordingly to their recognized knowledge, competences and experience on Public Administration's IT projects. These "Counselling countries" will ensure bilateral capacity building missions, aiming to explore the existing national systems and capacities, as well as to contribute to sharing experiences and good practices amongst the PALOP-TL (South-South cooperation and Horizontal cooperation).

Result 2- Legislation on E-Governance, aligned with best practices created/revised

2.1. Seminar on administrative simplification and legal effectiveness

Sharing of initiatives and best practices implemented in all the countries and planning of future initiatives on simplification of public administration. It will be made by the use of videoconference technologies and will gather representatives of the PALOP-TL's governments, sectorial ministries and parliaments, aiming at the production of new and revised legislation on E-governance, in the future.

2.2. Publication of a compendium on ICT legislation for PALOP-TL countries

This publication will gather all the relevant legislation on Electronic Services and Electronic Data from all the PALOP-TL countries. It will be divided into several thematic chapters and adjusted to the local context of PALOP-TL countries.

2.3. Support to each beneficiary country by "counselling countries"

"Counselling countries" shall be identified amongst PALOP-TL countries (in the Inception Phase) accordingly to their recognized knowledge, competences and experience on creating/revision of ICT legislation. Bilateral technical assistance on legal improvement and effectiveness (South-South Cooperation and Horizontal cooperation). This explores the existing national systems and capacities, as it contributes to sharing experiences and good practices among the PALOP-TL).

Result 3 - Conditions for the delivery of public services to citizens and companies according to the principles of proximity and efficiency improved

3.1. Drawing up a "roadmap" on E-Gov for the PALOP-TL region

The purpose of this set of reports on key E-Gov areas is to provide a diagnosis, a vision and a strategy for all the E-Gov areas relevant to PALOP-TL countries. Thus, this activity comprises several sub-activities (3.1.1. Report on administrative simplification; 3.1.2. Report on delivery of public services to citizens; 3.1.3. Report on delivery of public services to companies; 3.1.4.

Report on interoperability; 3.1.5. Report on Electronic ID; and 3.1.6. Report on shared services). It will directly benefit the PALOP-TL's governments, sectorial ministries and parliaments. Universities, civil society and private sector shall be called to participate in these reports, due to theirs specific experience and knowledge.

3.2. Publication of the reports

Making the reports available to PALOP-TL countries and organizations involved on the program (electronic format and hard copies, edited in Portuguese).

3.3. Seminars at the national level on the conclusions of the "roadmap"

Report sharing; gathering of feedbacks.

Result 4 - IT operations and solutions in the PALOP-TL region and countries improved

4.1. Transfer of knowledge and software applications

Make available all the open source applications developed in PALOP-TL countries to all the members through the Portal (activity 1.2.); Implementation of a source code tool to ease the project sharing.

4.2. Implementation of pilot projects

Implementation of projects identified and selected during the trainings on key enablers and best practices; Technical assistance and support by "counselling countries" (South-South Cooperation and Horizontal cooperation) will be foreseen.

Component 2 – National Priorities

Only Results 3 and 4 are concerned by this component

Result 3 - Conditions for the delivery of public services to citizens and companies according to the principles of proximity and efficiency improved

Result 4 - IT operations and solutions in the PALOP-TL region and countries improved

During the fact-finding mission, the institutional focal points identified several indicative projects to be implemented at the national level, according to national (central and local) priorities and E-governance Strategies - see Appendix 4.

All these projects foresee the implementation of activities aiming at tackling several problems mentioned above and to contribute to the achievement of Results 3 and 4. The first meeting of the Steering Committee shall be used for the definite approval of all projects to be implemented according to the national priorities and E-Governance National Strategies. The National Projects could be the already identified or others to be considered more relevant to the countries development by the institutional focal points. The institutional focal points shall be responsible for the local coordination and monitoring of national projects, with the technical assistance of the Project's Technical Coordination Team. Furthermore, the "counseling countries" shall play an active role in the formulation and implementation of these national projects, through South-South capacity building activities and technical assistance missions (Activity 1.5). They will be carried out in 18 months (initiated after the Inception Phase and concluded before the last SC and Closure Conference).

2. LOCATION AND DURATION

2.1. Location

The project will be executed in Angola, Cape Verde, Mozambique, São Tomé e Principe, and Timor-Leste.
Under current circumstances, in Guinea-Bissau basic conditions enabling a context suitable to the implementation of PALOP-TL cooperation programmes in the framework of the 10th EDF and to the

achievement of their expected results are not fulfilled, due to the lack of a democratically elected President and Government.

As stated in the Dili Declaration, adopted by the NAO of PALOP-TL at their 9th meeting in Dili on 28 February 2013, Guinea-Bissau will not be in a position to benefit from PALOP-TL cooperation until Constitutional order will be restored and civil-military relations will comply with the principles of democracy. Therefore, in accordance with the EU position, until a legitimate Government will be in place following appropriate legislative and presidential elections, the country shall not benefit from any institutional support, including from this project.

The project team will be based in Cape Verde

2.2. Duration

The execution period of the Agreement will be as specified in Article 5 of the Special Conditions.

3. IMPLEMENTATION

3.1 Organisational set-up and responsibilities

The project will be implemented by CAMÕES, I.P. – Instituto da Cooperação e da Língua, in indirect centralised management in accordance with Article 54(2)(c) of Financial Regulation 1605/2002 (Indirect centralised management with a Member State agency).

Camões - Instituto da Cooperação e da Língua, I.P. is a Portuguese public institute created in 2012 as the merger between former Instituto Camões and IPAD (Instituto Português de Apoio ao Desenvolvimento). The latter had successfully passed the 6 pillars assessment and was eligible to implement EU funded projects through the Indirect Centralised Management modality.
Camões - Instituto da Cooperação e da Língua, I.P. will be assessed for the Audit 6 pillars. If the outcome of the 6 pillars audit assessment is positive, then the delegation agreement will be signed with Camões for the implementation of the project. This project is therefore subject to the positive outcome of the audit which took place in September 2013.

A Delegation Agreement of a total of EUR 5 800 000 will be signed between the EU and CAMÕES, which will be responsible for the implementation of the project. Camoes will contribute with a co-financing of EUR 1 000 000.

This implementation is justified as CAMÕES, the Portuguese Agency for Development, has a long and internationally recognized experience, both bilateral and multilateral, in working with PALOP-TL in the domain of Development Cooperation (namely through Delegated Cooperation). Its accumulated know-how and network of institutional contacts, the lessons learned and the good practices represents an added value. The model exploits synergies, since there are already mechanisms for cooperation and coordination in the bilateral contexts between the partners and beneficiaries of the project that can be strengthened.

AMA (the Portuguese Agency of the Public Services Reform) will also participate in the project. AMA's work is being internationally recognized for the technical and administrative options, as well as good practices in the area of e-governance and in this context must be considerate a top institution in the area. AMA has also a strong experience in international cooperation, namely at European level in several underway e-Government projects. This European cooperation experience aligned with very good relations and some common projects with its homonymous institutions in the PALOP-TL is also an important contribute to the success of this initiative. AMA will be responsible for the technical supervision and will actively contribute to the global organization and implementation of the project taking in consideration its recognized expertise in administrative modernization domains, namely in public services delivery, administrative simplification and e-Government. AMA will facilitate the institutional and technical background for the tasks to be executed, as well as promote easy and swift contacts with the beneficiary's stakeholders.

A Steering Committee (SC) shall be set up to oversee and validate the overall direction, the policy and strategy of the project, as well as to approve annual work-plans and annual activities reports and make recommendations concerning the project strategy. The SC shall meet once a year and will be coordinated by the NAO of Cape Verde.

The project SC shall be composed of the following entities:
- a representative of the NAO of Cape Verde (directly and through its Offices / Services);
- a representative of the Head of Delegation in Cape Verde, who will participate as observer;
- a representative of CAMÕES;
- a representative of AMA
- the 5 Focal Points appointed (from the Institutional Focal Points)
- representatives of Ministries, Departments and Services involved in the project , as well as civil society organizations and private sector representatives, could be invited to participate in SC meetings, as observers, according to their involvement in the activities, as well as the SC' interest and need for additional information.

The SC will create an Advisory Council, which will provide guidance and specialised assistance, especially for the project strategy's definition. It shall gather experts from all the project areas (Good Governance, Public Services, E-governance, IT and other, where required), in the framework of the existing network of CPLP (Portuguese Speaking Countries Community), including Civil Society, Universities, or reference organization/institutions and the private sector.

Project activities will be implemented with the assistance of a Technical Coordination Team (TCT), composed by a Chief Technical Advisor, an IT assistant and administrative and fund manager. The TCT will have a back office in Lisbon – with no costs for the project - and an office in Cape Verde, where it will coordinate with NOSI (Núcleo Operacional da Sociedade de Informação). Regular meetings - using namely videoconference - will assure all necessary coordination between CAMÕES, AMA and the TCT.

The TCT will be responsible for:
- Produce the SC meetings' necessary technical inputs – namely the assessment/analysis, Plans, Manuals and Strategies of the project due in the Inception Phase, the annual work-plans and annual activities reports – to be approved/validated by the SC;
- Ensure the follow up of the SC decisions;
- Implement the activities included in the annual work-plans, approved by the SC, with the support of the national teams;
- Monitor the project's technical and financial execution, assuring the timely availability of the needed resources (including technical assistance that should be planned both as short and long term);
- Coordinate all these actions, share information and collect contributions from each PALOP-TL's institutional focal points (to be defined by each country) and the 6 national teams.

The 5 PALOP-TL will identify the following institutional focal points (IFP) that will work directly with the TCT and will be a part of the SC: Centro Nacional de Tecnologias de Informação (CNTI-Angola); Núcleo Operacional da Sociedade de Informação (NOSi - **Cape Verde);** Instituto Nacional de Tecnologias de Informação e Comunicação (INTIC - **Mozambique**) Instituto de Inovação e Conhecimento (INIC - **São Tomé e Principe**); Ministério dos Transportes e Telecomunicações (**Timor-Leste)**
The focal points will be responsible for coordinating a national team, composed by national partners and organizations involved in the project (Ministries, Directions, Services, civil society and private sector). These national teams will be responsible for providing permanent technical support to the project and the TCT, particularly regarding: the implementation of the national activities; the national activities coordination; the national activities motorization; the definition of the annual work-plans and annual activities reports.

A project management manual will be made available at the start of the project, as the reference management-agreed-instrument for implementation, including the definition of all partners' responsibilities, information flow, decision making processes, administrative and financial rules and procedures.

In due consideration of the principle of ownership, the European Commission reserves its right to change the delegated body indicated above or the scope of the delegation, without this necessarily requiring an amendment to the financing agreement. In that case, it shall consult the Beneficiary on this change and notify to it the name of the new delegated body and/or the scope of the tasks delegated to it.

3.2. Delegation of residual tasks by the Commission

Non applicable

3.3 Reporting

CAMÕES shall provide full information on the implementation of the Action through narrative and financial reports (interim and final).

Annual financial audits will be carried out under the responsibility of CAMÕES. Narrative and Financial reports (Interim and Final) shall be produced in support of payment requests (pursuant to Article 2 of Annex II – General Conditions of the Delegation Agreement).

Every report shall provide a complete account of all aspects of implementation for the period covered and shall allow comparison of the objective (s), the means envisaged or employed (separated by co-financing), the results expected and obtained and the budget details.

The level of detail in any report should match that of the Description of the Action and of the Budget for the Action.

The final report shall be furnished within six months of the end of the Implementation Period.

3.4 Budget

The total project cost is estimated at EUR 6 000 000, of which EUR 5 000 000 shall be financed from the NIPs of the beneficiary countries in the framework of the revised ACP-EU Partnership Agreement and EUR 1 000 000 shall be financed by CAMÕES – Instituto da Cooperação e da Língua, I.P.

MODULE	EU CONTRIBUTION EUR	CAMÕES CONTRIBUTION EUR	**TOTAL EUR**
DELEGATION AGREEMENT	4 800 000	1 000 000	**5 800 000**
EVALUATION AUDIT	200 000	-	**200 000**
TOTAL	5 000 000	1 000 000	**6 000 000**

4. MONITORING AND EVALUATION

4.1 Monitoring

Key results indicators are included in the Log frame (appendix 1). They shall be (if needed) improved and discussed with the NAO of Cape Verde and partners, through the Steering Committee, in the Inception Phase of the project. The Log frame includes technical explanations regarding calculus methods and information sources.

The annual work-plans and annual activities reports will be produced by the Technical Coordination Team (TCT), with the collaboration of the 5 institutional focal points, and may include an update of the Log frame.

Furthermore, CAMÕES will establish a project internal system of technical and financial monitoring. AMA will actively contribute to the technical monitoring of the project.

The Commission may carry out Results Oriented Monitoring (ROM) via independent consultants, starting from the sixth month of project activities, which will be finalised at the latest 6 months before the end of the operational implementation phase.

4.2 Evaluation

a) The Commission will carry out external evaluations via independent consultants, as follows:

- possibly, a mid-term evaluation mission;
- a final evaluation, at the beginning of the closing phase;
- possibly, an ex-post evaluation.

These independent consultants will be recruited directly by the Commission on specific terms of reference jointly developed with CAMÕES.

b) The Beneficiary and the Commission shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. The reports of the other evaluation and monitoring missions will be given to the Beneficiary, in order to take into account any recommendations that may result from such missions.

Furthermore, annual financial reports will be produced by CAMÕES as part of the Delegation Agreement. The Commission reserves the right to undertake an independent audit of expenditure under this Agreement.

c) The Commission shall inform the Beneficiary at least 2 months in advance of the dates foreseen for the external missions. CAMÕES shall collaborate efficiently and effectively with the monitoring and/or evaluation experts, and *inter alia* provide them with all necessary information and documentation, as well as access to the project premises and activities. Regarding technical issues, AMA will also collaborate.

5. COMMUNICATION AND VISIBILITY

Communication and visibility activities will be carried out by the Technical Coordination Team (TCT)/Camões, with the support of the Six Institutional Focal Points. All the actions financed on the resources of the project will be implemented according to the EU visibility guidelines, specifically highlighting the EU's financing support. A website may also be maintained providing access to project plans, reports and links to relevant ministries. Online platforms offer the greatest possibility for significant communication activities, given the direct impact that the action is likely to have on improving people's lives. The visibility activities will be carried out under the responsibility of CAMÕES as part of the Delegation Agreement.

6. PRE-CONDITIONS

Non applicable

7. APPENDICES

Appendix 1 – Logical Framework
Appendix 2 – Indicative operational timetable
Appendix 3 – List of indicative projects to be implemented at the National Level (Component 2)
Appendix 4 - List of Strategic Documents, Laws and Regulations on ICTs in the PALOP-TL countries
Appendix 5 - Project challenges and Strategy
Appendix 6 - National organisations identified to act as Institutional Focal Points

Appendix 3

Summary list of indicative projects (activities) to be implemented at the national level (Component 2 – National Priorities), and expected results

5.1. Angola

Project: "Info-inclusion of rural populations in the hinterland of Angola, in the province of Luanda Sul"
The project main objective is to leverage synergies with the local projects "Ya Mbowgue Kunhowga" thinking city (creation of an infrastructure network, such as free wifi in public areas) and N'gola Digital (a mobile station with computers and Internet access that travels through the provinces for disclosure of electronic services).
Activities: Training the local technical teams which will provide technical support to the local population; Raising awareness community sessions that will promote the e-services, with the support of the provincial government (in school, universities, municipalities); Coordination with the Luanda Sul province Mediateca; Mapping of the rural populations (of Luanda Sul) needs regarding public services and the possibility of being offer as e-services.

5.2. Cape Verde

Project: "Mobile project"
The project's main objective is to bring portability to all applications available at the governmental services portal (https://portoncv.gov.cv/) through the use of mobile devices (smartphones or tablets).
Activities: Development of mobile apps for iOS, android; licenses acquisition; training the technical staff; seminars/workshops for the promotion of the new public service.

5.3. Mozambique

Project: "Electronic Certification System for Citizens / Electronic Identity"
The project will formulate a citizen electronic identification system/digital signatures system based on PKI (private key infrastructure).
Activities: Assessment of the existing problems to be addressed; Assessment of the identification systems/digital signatures systems possibilities and estimated costs; Formulation of Term of Reference for the opening of call for proposals; hardware, software and licenses acquisition; training the technical staff; seminars/workshops for the promotion of the new public service.

5.4. São Tomé e Principe

Project: "Support and improvement of computerized registry and notary"
The project focuses on the digital conservation of documents and data collection. In parallel, it aims at developing computerized registry and notary applications.
Activities: Assessment of the existing documents and data collection's conservation and problems to be addressed; Assessment of the digital conservation possibilities and estimated costs; Formulation of Term of Reference for the opening of call for proposals.

5.5. Timor-Leste

Project: "Cybercrime Legislation"
The project main objectives are the reduction of the cybercrime and the security of online national systems
Activities: Drafting of laws and regulations for telecommunications Specific training on information security; Creation of a Cyber-crime police unit.

Appendix 4

List of Strategic Documents, Laws and Regulations on ICTs in the PALOP-TL countries

Country	Strategic Documents
Angola	• Estratégia para o Desenvolvimento das Tecnologias de Informação em Angola 2000-2010 (Resolução do Conselho de Ministros n.º5/01, de 23 de Fevereiro) • Programa e Acções para a Implementação da Estratégia do Governo para as Tecnologias de Informação no período 2000-2010 (Resolução do Conselho de Ministros n.º 18/04, de 23 de Julho) • Plano Director de Tecnologias de Informação do Governo (Resolução do Conselho de Ministros n.º 56/06, de 9 de Agosto) • Estratégia Nacional de Ciência, Tecnologia e Inovação (Decreto Presidencial 196/11, de 11 de Julho) • Livro Branco das Telecomunicações • Plano de Acção da Sociedade da Informação (PASI) • Plano de Acção para a Governação Electrónica • Livro Branco das Tecnologias de Informação e Comunicação (Despacho Presidencial n.º 71/11, de 12 de Setembro)
Cape Verde	• Plano de acção para a Governação Electrónica (PASI) • Programa Estratégico para a Sociedade da Informação (PESI)
Mozambique	• Política de Informática, 2000 • Estratégia de Implementação da Política de Informática, 2002 • Estratégia de Governo Electrónico, 2006 • Estratégia de Ciência, Tecnologia e Inovação, 2006 • Quadro de Interoperabilidade de Governo Electrónico, 2009 • Estratégia da Reforma e Desenvolvimento da Administração Pública (2012 – 2025)
São Tomé e Principe	• Programa STP em Rede
Timor-Leste	• Programa do V Governo Constitucional, Legislatura 2012-2017: o 3.7 Telecomunicações o 5.2.3 Lei da liberdade da informação o 5.2.4 Governo electrónico

Country	Laws and Regulations
Angola	• Lei de Bases das Telecomunicações (Lei n.º 8/01, de 11 de Maio) • Lei das Comunicações Electrónicas e dos Serviços da Sociedade da Informação (Lei n.º 23/11, de 20 de Junho) • Regulamento das Tecnologias e dos Serviços da Sociedade de Informação (Decreto Presidencial n.º 202/11, de 22 de Julho) • Regulamento Geral das Comunicações Electrónicas (Decreto Presidencial n.º 225/11, de 15 de Agosto)
Cape Verde	• Legislação variada em matéria de Governação Electrónica (B.O do Governo Nº22 de 14 de Junho de 2010, I Série)
Mozambique	• Sistema da Janela Única Electrónica (Diploma Ministerial 25/2012 de 12/03/2012)
São Tomé e Principe	• Regulamento sobre Registo de Identificação dos Cartões SIM (Decreto-Lei 20/2012 de 20/08/2012)
Timor-Leste	• N.A.

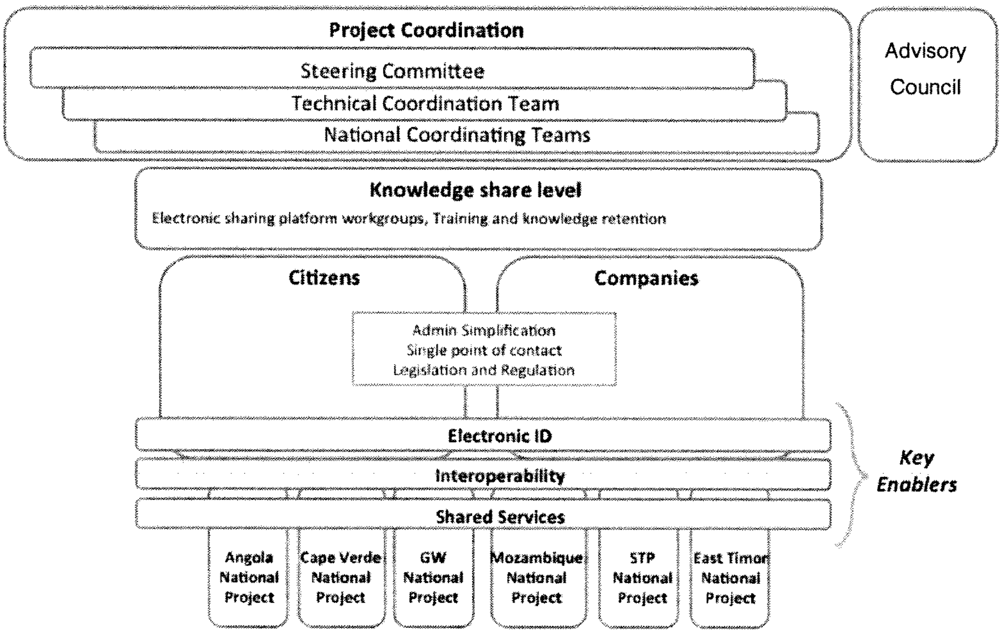
Appendix 5

Project challenges and Strategy

The PALOP-TL countries face four major **challenges** in providing adequate/good quality and proximity services to their citizens: i) most of the PALOP-TL countries are large territories with underdeveloped regions, without any access to computers or internet; ii) PALOP-TL countries lack technical and usage knowledge in several aspects; iii) there is a lack of legislation on electronic data and services; iv) PALOP-TL lack financial resources for the implementation of E-Gov strategies, policies and programmes.

The analysis performed during the formulation phase led to a strategy that: i) underlines the focus on the identified priorities; ii) aggregates all the work done on E-Gov in past years; iii) links all the needs assessed to the skills that need to be developed; iv) promotes a shared basis for developing present and future E-Gov services; v) evaluates all the past projects; vi) relays on countries cooperation and sharing of good practices; vii) ensures coordination and interdependence between transversal and vertical projects under this project; viii) complements and creates synergies with other present or future initiatives promoted by other organizations, state members and local authorities.

Based on the workframe illustrated below, a **strategy** was outlined to define the necessary transversal initiatives in order to address the needs that were identified during the formulation phase. Thus, the definition of these initiatives was done having in mind these major action vectors: i) get the Central and Local Government closer to citizens and companies; ii) improve and speed up the projects implementation through sharing skills and needs and training/knowledge generation; iii) create and/or consolidate of legislation to support E-Gov services; iv) create and/or consolidate technical knowledge and institutional capacities to support E-Gov services.



This strategy is focused in the development of public services for citizens and companies, assuming these two axes as a cornerstone for an integrated modernisation approach of administration.

- The development of public services for citizens is seen as a central objective for a more oriented and cost effective response to citizens expectations and needs, improving the efficiency and effectiveness of the public sector, its transparency and, last but not least, the quality of life of citizens.

- The development of public services directed to companies responds to a more strategic approach having in mind the improvement of the economic environment and the competitiveness of the national economies.

The two mentioned axis – citizens and companies – will be developed based on an administrative simplification approach and a public service delivery approach, inspired by points of single contact. The strategy will address the needs of two main target groups:

- Citizens – Public Services closer to citizens, enabling of broad participation by society, supported by an effective, efficient, transparent and accountable Public Administration, able to provide quality services, widely accessible, properly supported in an interoperable and secure technologic infrastructure.
- Companies - Supporting modernization and increasing competitiveness of the existing businesses. More agile, transparent and efficient public services are favourable to promote companies investments and are a favourable factor to business improvement.

This strategy is based on three main "key enablers" which have been identified, aligned with each country's national ICT strategy and projects, and the existing infra-structure:

- Electronic Identification for all the users of E-Gov services, such as citizens, companies, non-governmental organizations, etc, deemed as mandatory to any E-Gov service.
- Interoperability, as a means to provide integrated E-Gov services to the final users, regardless of the way Public Administration is organized and how many interactions between different Ministries systems are needed.
- Shared services, as they are essential to providing efficiency to E-Gov services allowing service platforms to be shared whenever possible, avoiding multiple investments by each government organization on similar infrastructures. On the other hand, shared services define common workframes for E-Gov services allowing technical knowledge sharing, increased speed of the learning curve, economies of scale and re-utilization across Public Administration organizations, which in the end again will provide E-gov services that seamlessly integrate, thus allowing the end user to see the Public Administration as one only entity.

These key enablers, together with the existing or in progress infra-structures like nationwide and cross government network, systems, storage and data centres, provide the building foundations for E-Gov services, complemented by proper legislation and regulations, and organizational development (e.g. single-point of contacts and administrative simplification).

The strategy also outlines that E-Gov public services, like all the ICT services (public or private), must be defined taking in consideration all the Best Practices for ICT industry, namely on Information Security and all the IT Services Lifecycle, from Design to Operation, going over Implementation and Planning using IT Infra-structure Information Library (ITIL) methodology and ISO standards like ISO20000 and ISO27001.

During the formulation phase, it was acknowledged that ICT services and E-Gov services in particular, are becoming more accessible to citizens and companies through the use of other devices (e.g. mobile devices), besides PCs. Therefore, mobility is a particular relevant element property included in the outlined E-Gov services strategy. The rate of new E-Gov services' adoption by users is highly dependent on this aspect.

The Portal that will be created as one of this project's deliveries, besides being one of its most visible results, has also a strategic value, as it can be used to perpetuate the collaboration between all countries and organizations beyond the time scope of this project, acting as a central point to share information and needs, publicise future E-Gov initiatives and to be a central repository for the E-Gov services developed by all the organizations involved.

Finally, the strategy also highlights that the use of open source applications and software is crucial, in order to avoid vendor lock-in. Such practice is also an incentive to increase the knowledge of all the involved organizations and for the creation of conditions for the sharing of tools from other Public Administration organizations in the same country and cross-country.

Appendix 6

National organisations identified to act as Institutional Focal Points

Angola

Centro Nacional de Tecnologias de Informação (CNTI)

Cape Verde

Núcleo Operacional da Sociedade de Informação (NOSi)

Mozambique

Instituto Nacional de Tecnologias de Informação e Comunicação (INTIC)

São Tome and Principe

Instituto de Inovação e Conhecimento (INIC)

Timor-Leste

Ministério dos Transportes e Telecomunicações.