

**EUROPEAN UNION
CONTRIBUTION AGREEMENT**

NDICI AFRICA/2022/436-837
(the "Agreement")

The European Union, represented by the European Commission (the "Contracting Authority"), first counterparty,

and

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Legal status: MSO

Official registration number: HRB12394

Dag Hammarskjöld Weg 1-5; 65760 Eschborn; Germany

VAT number: DE113891176

hereinafter the "Organisation", second counterparty, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 The purpose of this Agreement is to provide a financial contribution by the European Union to the Organisation to finance the implementation of the action "**Sustainable Development of the Mining Sector in Rwanda**" as described in Annex I (the "Action"). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution, and defines the relations between the Organisation and the Contracting Authority. The Action is co-financed by the EU and by the Federal Republic of Germany. The Organisation will be commissioned by the German Federal Ministry for Economic Cooperation and Development, BMZ, with the implementation of the Action as part of the BMZ programme "Cooperation on peace, security and responsible resource governance in the Great Lakes Region of Africa".
- 1.2 The Action is a Multi-Donor Action and the EU Contribution is not earmarked.
- 1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:
 - Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment, and
 - Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment.
- 1.4 The Action is financed under the Neighbourhood, Development and International Cooperation Instrument, NDICI.
- 1.5 The Organisation shall provide annually a global management declaration to the European Commission headquarters.
- 1.6 This Agreement is subject to the provisions of the Financial Framework Partnership Agreement signed on 20 May 2019 between the European Commission and GIZ.

May 2022

Contribution Agreement -Special Conditions

10 9

Article 2 - Entry into Force and Implementation Period

Entry into Force

2.1 The Agreement shall enter into force on the date when the last Party signs.

Implementation Period

2.2 The implementation period of the Agreement (the "Implementation Period") shall commence on:
- 1st of December 2022

2.3 The Implementation Period of the Agreement is 36 months.

Article 3 - Financing the Action

3.1 The total cost of the Action¹ is estimated at EUR ("Currency of the Agreement") EUR 4 150 000 as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of EUR 3 400 000. (the "EU Contribution").

The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

Interest on pre-financing

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: EUR 986 345,43

Further pre-financing instalment(s): EUR 2 413 654,57 following the end of the 1st, 2nd, etc. reporting period, from date to date corresponding to the Contracting Authority's part of the forecast budget for the subsequent 24 months.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II): EUR 0.

4.3 The Organisation acknowledges that the European Commission intends to progressively introduce an Electronic Exchange System (the "System") for the electronic management of this Agreement.

The Organisation shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement:

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including reports, payment requests,

¹ This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU Contribution.

communications and formal amendments as per Article 10.1 of Annex II) are to be processed via the System.

Article 5 – Communication language and contacts

5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.

5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority's contract number and the title of the Action, and shall be dispatched to the addresses below.

5.3 Subject to Article 4.3, any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Delegation of the European Union to the Republic of Rwanda

For the attention of the Finance , Contracts and Audit Section

KG 7 Ave, Aurore Building

Post Box 515 Kacyiru – Kigali, Rwanda

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

Delegation of the European Union to the Republic of Rwanda

For the attention of the Team Leader of Governance and Economic

KG 7 Ave, Aurore Building

Post Box 515 Kacyiru – Kigali, Rwanda

For the Organisation

Mamadou Diarrassouba

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

KN 41/ Str 17, Kiyovu, P.O. Box 59. E-mail: mamadou.diarrassouba@giz.de

Tel. : +250 784 134 111

5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

5.5 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be:

Director GIZ Representation Brussels

GIZ Representation Brussels

Rue du Trône 108

BE-1050 Brussels

Email: OM-RepBrussels@giz.de

Tel: +32 2 230 9150

5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:

Dr Arved Greiner

Head of Division Procurement and Contracting

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Dag-Hammarskjöld-Weg 1-5
DE-65760 Eschborn
Email: arved.greiner@giz.de
Tel: +49 6196 79 1739

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:
- Annex I: Description of the Action (including the Logical Framework of the Action)
 - Annex II: General Conditions for Contribution Agreements
 - Annex III: Budget for the Action
 - Annex IV: Financial Identification Form
 - Annex V: Standard Request for Payment
- 6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

- 7.1 The following shall supplement Annex II:

Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation and/or the Partner(s) may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:

- a) They comply with the cost eligibility criteria referred to in Article 16.1 of Annex II;
- b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
 - iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
 - v) costs of consumables and supplies specifically purchased for the operations of the project office;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
 - vii) costs of energy and water specifically supplied for the operations of the project office;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;
- c) Where costs of the project office are declared as actual costs, the Organisation and/or the Partner(s) may declare as eligible only the portion of the capitalised and operating costs of project office that corresponds to the duration of the Action and the rate of actual use of the project office for the purposes of the Action.
- d) Costs of the project office not declared as actual costs are only eligible if they have been ex ante-assessed by the European Commission.

- 7.2 The following shall supplement this Agreement: In the event of a final surplus balance of total financing over expenditures at the end of the Action (including its closure), the Organisation shall

specify in the final report the amount of the surplus balance. The surplus balance shall be treated as follows: surplus is used for the German programme as mentioned in Art. 1.1.

7.3 The following shall apply to this Agreement:

7.3.1 Any reference in this Agreement, including its annexes, to 'eligible direct costs' or to 'direct eligible costs' shall be replaced by 'eligible costs'.

7.3.2 Article 10.4 of Annex II is replaced by the following:

10.4 The method described in Article 10.3 shall be used neither to amend the contingency reserve referred to under Article 16.10, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.

7.3.3 Article 16 of Annex II is replaced by the following:

Article 16: Eligibility of costs

General eligibility conditions

16.1 Costs are eligible for EU financing if they meet all the following criteria:

- a) they are necessary for carrying out the Action and charged in proportion to the actual use;
- b) they are incurred in accordance with the provisions of this Agreement;
- c) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;
- d) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
- e) they are identifiable and backed by supporting documents, without prejudice to Article 16.5, in particular determined and recorded in accordance with the Organisation's rules and procedures referred to in Article 2.2, including any ad-hoc measures;
- f) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and
- g) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.

Actual costs

16.2 Eligible costs may be declared as actual costs provided that they comply with Article 16.1 and that they are:

- a) directly attributable to the Action and arising as a direct consequence of its implementation;
- b) actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation.

Simplified cost options

16.3 Eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.

- 16.4 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 16.1 and 16.9, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.
- 16.5 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.
- 16.6 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission.
- 16.7 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Remuneration

- 16.8 The Organisation is entitled to a remuneration for the implementation of the activities under this Agreement if so specified in the Special Conditions.

Ineligible costs

- 16.9 The following costs are ineligible for EU financing:
- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards;
 - b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 8;
 - c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
 - d) return of capital;
 - e) negative remuneration charged by banks or other financial institutions;
 - f) debts and debt service charges;
 - g) provision for losses, debts or potential future liabilities;
 - h) banking charges for the transfers from and to the Contracting Authority;
 - i) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 11.8;
 - j) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);

k) contributions in kind. The cost of staff assigned to the Action and actually incurred by the Organisation is not a contribution in kind and may be declared as a eligible cost if it complies with the conditions set out in Article 16.1; and

l) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Contingency reserve

16.10 A reserve for contingencies and/or possible fluctuations in exchange rates - not exceeding 5 % of the eligible costs - may be included in Annex III to allow for adjustments necessary in the event of unforeseeable changes of circumstances on the ground. In such case, the reserve can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.'

Done in Kigali in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name: Carola JACOBI-SAMBOU

Position: Country Director

Signature: 

Date: 25.10.22

Name: Mamadou Diarrassouba

Position: Programme Director

Signature: 

Date: 25.10.22

For the Contracting Authority

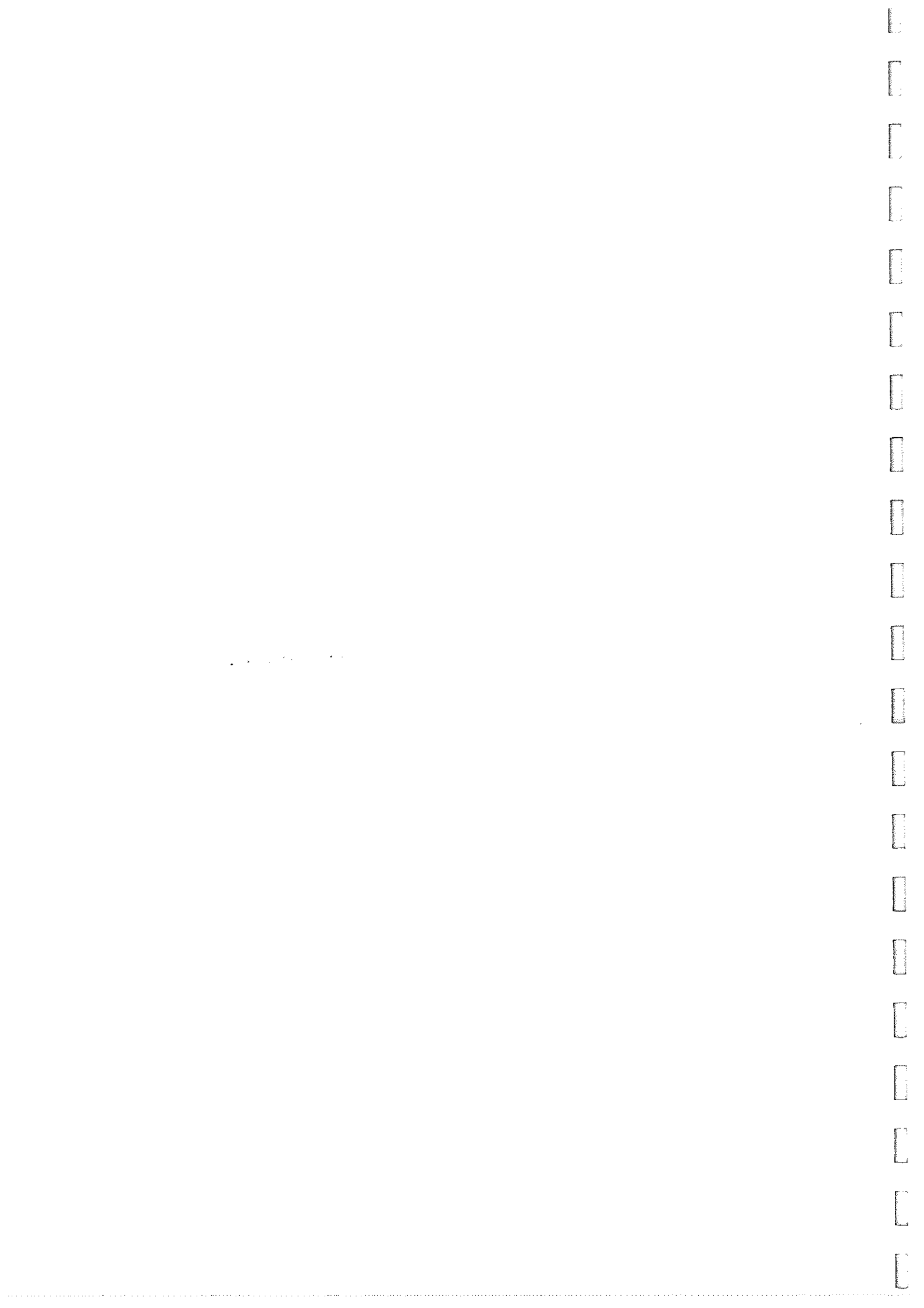
Name: Belen CALVO UYARRA

Position: Ambassador/Head of Delegation of the European Union to Rwanda

Signature: 

Date: 25/10/22





Annex I to the Contribution Agreement
CRIS No. NDICI AFRICA/2021/43254

Description of the Action

Sustainable Development of the Mining Sector in Rwanda

Version: [August 2022]

Project Details

Project Title:	Sustainable Development of the Mining Sector in Rwanda
CRIS No.:	NDICI AFRICA/2021/43254
Country:	Rwanda
Total budget:	4,150,000 EUR
European Commission financial contribution:	3,400,000 EUR
BMZ financial contribution:	750,000 EUR
Implementing partner(s):	Rwandan Mines, Petroleum and Gas Board (RMB)
Implemented by:	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Start of the implementation:	01.12.2022 The implementation of the activities under this action may only start after the commissioning by BMZ
End date:	30.11.2025
Project Duration:	36 months

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List of Abbreviations

3TG	Tin, Tungsten, Tantalum and Gold
BGR	German Federal Institute for Geosciences and Natural Resources
BMZ	German Federal Ministry for Economic Cooperation and Development
ERP	Economic Recovery Plan
DW	Development Worker
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GMICS	Geological Information and Mining Cadastre System
ICGLR	International Conference on the Great Lakes Region
IPRC	Integrated Polytechnic Regional College
MSME	Micro, Small and Medium Enterprise
NDC	Nationally Determined Contributions
NESA	National Examination and School Inspection Authority
OHS	Occupational Health and Safety
RCM	Regional Certification Mechanisms
RMB	Rwanda Mines, Petroleum and Gas Board
RMS	Rutongo Mining School
RP	Rwanda Polytechnic
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure

1 Executive Summary

The Multi-Donor Action "Sustainable Development of the Mining Sector in Rwanda" is jointly co-financed by the European Union and the Federal Ministry for Economic Cooperation and Development and implemented by GIZ as part of the BMZ project "Responsible natural resource governance for peace and sustainable development in the African Great Lakes Region". The duration of this Action is scheduled from 01.10.2022 to 30.09.2025 (36 months) with a total budget of EUR 4.150.000 (EU contribution EUR 3.400.000 and BMZ contribution EUR 750.000).

The Action is part of and contributes to the 2021 EU Action Document "Support to Economic Governance and the Business Environment in Rwanda", financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI AFRICA/2021/43254). The Action aims to strengthen the contribution of the **mining sector** to economic and social development through a holistic and demand-oriented intervention: Even though the Rwandan government authorities are endorsing professionalization and the application of international standards in mining operations throughout the country, the actual implementation still lags behind and needs support regarding operationalized and digitalized sector services, capacity building, sensitization and targeted trainings (core problem).

The intervention will apply a **holistic approach** and combines direct support to the Rwanda Mines, Petroleum and Gas Board (RMB), support to the relevant TVET institutions and schools delivering mining skills training, and support to private supply chain actors. Thereby the Action will (i) enhance compliance with responsible mineral sourcing standards, (ii) support modernization of operations through digitalization of licenses and RMB services, (iii) strengthen the provision of TVET skills on mining, (iv) improve professionalization through the strengthened application of international safety and environment standards, as well as with EU regulations. These interventions will aim to reinforce the attractiveness of a high potential economic sector notably in terms of the creation of decent jobs.

The **Overall Objective** of the Action is to strengthen entrepreneurship and improve the business environment and attractiveness of investment in Rwanda.

The **Specific Objective** (outcome) of the Action is: Central actors in the mining sector in Rwanda contribute to the economic development of the sector more efficiently and sustainably.

2 Context

2.1 Background

The economy of Rwanda has experienced strong growth over the last decade; its ranks among the top in Africa. However, the economic impact of the COVID-19 pandemic has stunted economic growth, and output contracted by 3.4 % in 2020. Restrictions and lockdowns have continued though to a lesser extent in 2021 as a second and particularly third COVID-19 waves have hit Rwanda hard.

In response to the economic consequences of COVID-19, the government is implementing an Economic Recovery Plan (ERP). The ERP has two pillars. The first is an economic pillar aimed at ensuring the survival of affected businesses and safeguarding jobs. The second pillar relates to expanding social protection to vulnerable groups. The Government is increasing its efforts to expand trade and attract more private sector investment as an alternative driver of growth and jobs. Support to business creation, SME development and youth employment constitute an indispensable element of the economic recovery.

Support to entrepreneurship is a critical element in achieving the Government of Rwanda's ambitious growth and competitiveness objectives in line with the Vision 2050 document. Rwanda aspires to attain the living standards of an upper middle- and high-income country by 2035 and 2050 respectively while simultaneously striving to achieve the ambitious climate protection goals of Rwanda's updated Nationally Determined Contributions (NDC, 2020). Dynamic and competitive private enterprises of all sizes and strong ecosystems for entrepreneurship are critical for private sector-led development as a foundation of economic growth, job creation, poverty alleviation and increased prosperity. Recognizing that achieving these aspirations will require bold and decisive actions, the country has not only updated the NDCs but also formulated the Vision 2050 which articulates the medium to long-term strategic direction for the country's development. In this context, the Entrepreneurship Development Policy is designed to ensure that the entrepreneurship ecosystem functions properly, allowing Rwandan start-ups, Micro, Small and Medium Enterprise (MSME) and large enterprises to grow sustainably and profitably.

One example is the effort to modernize the mining sector, which is the main source of export revenues for the country. Mining is an essential industry for Rwanda in terms of trade and revenue, with a good potential to facilitate growth and economic transformation in the coming years. The mining sector is considered as one of the key contributors in the Seven Year Government Programme (2017 – 2024) which acts as a bridge from Vision 2020 towards Vision 2050. The key targets mainly focus on the increase of mineral export revenues and decent employment.

The mining sector in Rwanda is largely characterized by small-scale mining operations with its characteristic drawbacks related to low usage of modern technology in terms of mining and mineral beneficiation, low productivity and poor application of health, safety, and environmental standards. Despite its deficiencies however, the sector is among the ones with important positive economic impact. This is demonstrated by the substantial role of minerals in the country's global exports as well as for job creation in rural areas, which in turn spurs economic growth and hence contributes to government revenues. In the past years the Government of Rwanda

has taken important steps towards the improvement of geological knowledge and the professionalization of the sector. By now, almost all miners are formally registered – informal mining is classified as illegal mining and operations shall be further professionalized by increasing the skills, knowledge, and actual implementation of international standards in mining operations throughout the country. One major challenge though remains the lack of skills: the vast majority of the approximately 56.000 people working in the mining sector is unskilled, which poses a challenge for the further professionalization of the sector.

2.2 Problem Analysis

The mining sector is a critical source of export revenue and foreign exchange in Rwanda. The country endeavours to become a regional mineral beneficiation hub. In recent years, it has increasingly positioned itself as an important part of regional value creation and is home to the first certified conflict-free tin smelter of the region. Furthermore, it has hosted important exchange fora like the African Mining Forum and has also been engaged in peer-learning exchanges e.g. inviting a Tanzanian delegation to share lessons learned about the implementation of the International Conference on the Great Lakes Region (ICGLR) Regional Certification Mechanism (RCM).

Rwanda is implementing the RCM and the fact that all existing exporters in the country have requested, paid for and conducted ICGLR Third-Party Audits shows the commitment of national authorities and private sector to comply with regional and international standards for sustainable mineral supply chains. As there are still Member States central to the regional 3TG (Tin, Tungsten, Tantalum and Gold) trade who are not yet implementing the RCM, Rwanda can potentially play a vital role in supporting the ICGLR in demonstrating the necessity and benefits of implementing this certification scheme (as they have done in the past by advising Tanzanian authorities for example). Furthermore, some supply chain actors in Rwanda are still in need of further sensitization and training on international responsible sourcing schemes and their role in the implementation.

In addition to due diligence, Rwanda seeks to achieve a high degree of compliance with standards on occupational health and safety as well as social and environmental protection. These factors are crucial for a functioning and well-governed mining sector. The formalization required to achieve this will at the same time also support due diligence and transparency goals.

As a long-term response to various challenges faced by the mining sector, the country has initiated a short to medium term education program for Mining Engineers and Geoscientists at Rwanda Polytechnic (IPRC KIGALI 2008) and at the University of Rwanda (2015).

Rwandan Mines, Petroleum and Gas Board (RMB) in cooperation with GIZ and the German Federal Institute for Geosciences and Natural Resources (*Bundesanstalt für Geowissenschaften und Rohstoffe*, BGR) started to develop mineral processing skills through training and demonstrations across different 3T mine sites. Within the same framework they started building long-term capacity of the trainers of the TVET Rutongo Mining School (RMS) and are helping to revise and strengthen the curriculum of the school. However, the school which started its courses in 2020 is still new and according to employers the graduates lack sufficient technical/practical skills and experiences for employment.

RMB has started to digitalize all physical documents and maps it has in its various archives in order to allow for easy access to the geological and mining information to facilitate knowledge

sharing and boost investment in the mining sector. Digitalization is a long-term process that requires enough human resources to conduct the cataloguing, scanning, data entry, data quality control and assurance on a continuous basis. It requires continuous support in order to ensure the functionality and efficiency of the digital Geological Information and Mining Cadastre System (GIMCS).

Limited mining and processing skills together with low usage of modern technology are the major issues affecting the potential growth of the mining sector in Rwanda. The dominant use of simple tools leads to low productivity and weak processing of extracted materials, leaving a big percentage of minerals unrecovered in tailings as a consequence. Moreover, many companies still struggle with limited investments owed to incomplete mineral exploration data among other things. From a human rights perspective, poor working conditions regularly expose people working in the mines to occupational safety hazards. Accidents resulting in injury and death occur frequently. The UN has also reported cases of child labour in underground mining activities. The role of the government and employers having the duty to ensure compliance in this regard requires significant strengthening.

To conclude, even though the Rwandan government authorities endorse the professionalization and the application of international standards in mining operations, the actual implementation lags behind and needs support regarding operationalized and digitalized services, capacity development, sensitization and targeted vocational trainings.

2.3 Relevance of the Action

The Action will contribute to consolidating the EU's current role as lead development partner in the Private Sector Development and Youth Employment sectors. Moreover, the Action is in line with the EU Economic Diplomacy, which sets out the framework for improving the coherence of EU external policies and tools. The Rwandan mining sector is of critical importance to the EU in terms of its social and environmental impact in the country as well as with regards to the sustainability of global supply chains. The improvement of working conditions, particularly in terms of social and environmental protection, gender equality, and safety, and thus adherence to International standards, merit further attention and monitoring. Artisanal and small-scale miners (ASM) are vulnerable to hazardous or exploitative working conditions due to gaps in the enforcement of existing labour regulations. In order to secure the access to international markets and promote sustainable regional cooperation and trade in the mineral sector, including for ASM, the mining sector in the region needs to increase its compliance with requirements of ICGLR, EU and OECD guidelines for responsible mineral sourcing. These guidelines require capacity development to ensure transparent chain-of-custody systems so that minerals can be traced back to the mine and major red flags like child labour can be excluded. The strong demand for 3 TG, expected to persist over the next years associated to the professionalization of key private and governmental actors of the Rwandan mining sector contribute to a conducive environment attracting investment and further private sector actors, incl. EU SME. Efficiency gains at mine level go hand-in-hand with a skilled labour force as well as technical improvements that are currently sourced regionally and internationally (e.g., equipment). The Action will contribute to progress on a number of Sustainable Development Goals and promote economic and social rights, as well as gender equality, all of which are in

line with Rwanda's international human rights commitments. Moreover, the Action contributes to the EU GAP III¹, and particularly its thematic areas of engagement 1) Promoting economic and social rights and empowering girls and women; and 2) Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation.

As a component of BMZ Programme "Responsible natural resource governance for peace and sustainable development in the African Great Lakes Region", the Action also contributes to BMZ priorities in Rwanda and the Great Lakes Region. Since 2020, GIZ, on behalf of the BMZ and within the framework of the cooperation with ICGLR, has been engaged in several bilateral support activities with RMB. The ICGLR Secretariat does not yet have all the necessary technical and HR capacities to fully satisfy Member State needs in the areas of mineral governance and combating sexual and gender-based violence. For this reason, the Action includes support in these areas. Regional knowledge exchange and sharing of best-case-practices will be ensured by GIZ in cooperation with ICGLR.

In this respect, the Action contributes to the fulfilment of the 2006 Pact on Security, Stability and Development (founding document and mandate of the ICGLR). Article 11 of the Covenant, the Protocol on the Prevention of Sexual Violence against Women and Children (2006) and the Kampala Declaration (2011) explicitly refer to combating sexual and gender-based violence in the Great Lakes Region. They place the ICGLR member states under an obligation to create legal frameworks to address it. Furthermore, the Member States of the ICGLR adopted the Regional Initiative on the Fight against the Illegal Exploitation of Natural Resources (RINR) through the Lusaka Declaration (2010). This initiative includes, among others, the instruments: formalisation of small-scale mining, implementation of a Regional Certification Mechanism (RCM), harmonization of national legal frameworks with the regional model law, and the establishment of a regional database for the reconciliation of raw material exports with certified quantities of raw materials. It is foreseen that Member States implement these tools at the national level.

The activities in Rwanda foreseen in the framework of this action will contribute to the professionalization of the sector which will substantially facilitate the implementation of RINR tools like formalization and specifically the robust implementation of the RCM in line with Rwanda's compliance with the Organisation for Economic Co-operation and Development (OECD) "Due Diligence Guiding Principles to Promote Responsible Supply Chains of Minerals from Conflict-affected and High-Risk Areas" (2011).

¹ JOIN(2020)17 final of 25.11.2020; SWD(2020)284 final of 25.11.2020.

3 Design of the Action

3.1 Objectives and Outputs

The **Overall Objective** of the Action is to strengthen entrepreneurship and improve the business environment and attractiveness of investment in Rwanda.

The **Specific Objective** (outcome) of the Action is: Central actors in the mining sector in Rwanda contribute to the economic development of the sector more efficiently and sustainably.

The Action mainly contributes to SDG 8 (Decent work and economic growth). It also has a positive impact on SDG 3 (Good Health and Well-being), SDG 9 (Industry, Innovation and Infrastructure), SDG 4 (Quality education), SDG 16 (Governance), SDG 5 (Gender equality), SDG 10 (Reduced Inequalities) and SDG 12 (Responsible consumption and production).

The Action has the following **outputs**:

Output 1: Enhance compliance with responsible mineral sourcing standards

Output 2: Support digitalization / operationalization of mining sector services

Output 3: Strengthen provision of TVET skills and training on mining

Output 4: Improve application of international social and environmental protection standards

3.2 Methods of Implementation

The European Union and German development cooperation seek to support the RMB in further professionalizing the mining sector in order to unlock the potential of the sector for sustainable and environmentally friendly economic development in Rwanda and at the regional scale. The Action aims to strengthen the contribution of the mining sector to economic and social development through a holistic, complementary, and demand-oriented capacity development approach.

To reach the specific objective, the Action will support RMB in further digitalizing its physical documents and maps related to geological and mining information, and the implementation of Geological Information and Mining Cadastre System (GIMCS). This is a crucial part of professionalization and allows for informed governance decisions in the mining sector. The continuation of support to digitalization and operationalization of GIMCS, including user management modules and visualization, will ensure the consolidation of achieved results and the continuous application and adaption of the system across the country. The digitalization of geological and mining information and operationalization of GIMCS will enable efficiency in the overall service delivery provided by Rwanda Mines, Petroleum and Gas Board (RMB) to mining operators, mineral processing companies, mineral exporters and traders as well as investors, researchers and individuals with interest in the mining sector in Rwanda. The capacity development approach also includes technical training for the IT staff (e.g. development and maintenance) and user training in general for the RMB staff, for the mining officers in the districts as well as for mining companies and license holders. In addition, the acquisition of IT equipment, software and tools is supported.

As a contribution to more efficiency and professionalization within the mining sector, a tailored set of capacity development activities that addresses different challenges on different levels is

proposed. In order to upscale and anchor the achievements in a sustainable way, it is planned to support a demand-oriented formal vocational skills development program to be implemented at the Rutongo Mining School in cooperation with private mining operators. The approach will include needs assessments, development of curricula and learning materials, and training of trainers. The program will target the current students and high-school graduates' candidates at RP Rutongo Mining School. In addition, it envisages to support technical experts such as mining engineers already involved in the mining sector with different training programs tailored to their needs. The programs will include practical as well as theoretical elements on fields such as mineral deposits, efficient mine site management, mine development, operational competences, Gender Mainstreaming, social and environmental protection and occupational health and safety (OHS). The activities will be embedded in the system of Rwanda Polytechnique with **workplace learning opportunities** in mining and processing operations as part of the curriculum to ensure demand orientation.

At the same time **short-term professional trainings** and **sensitization** on similar topics will be conducted for private sector institutions in the sector in order to achieve widespread awareness and immediate implementation of improved practices in running operations. These trainings will be centralized at Rutongo Mining School and take into account the achievements of ongoing projects with other partners. Field training for local trainers is envisaged, working with experienced experts and fostering cooperation between the school and the mining sector (Extension Services). Appropriate training equipment will be provided.

The necessary professionalization to implement these standards requires sufficient access to finance and risk guarantee funds for the private sector. RMB and GIZ are currently working on this topic and seek to identify the necessary measures. In this context, it will be necessary to train the private sector actors on good financial practices and business plan development as well as to sensitize and train financial institutions. The potential activities in this field will build on the research conducted and results achieved under the current activities.

In order to secure access to international markets and promote sustainable regional cooperation and trade in the mineral sector, it is also proposed to conduct sensitization campaigns for supply chain actors (operators, local traders, relevant government institutions, mining communities) on the compliance requirements of ICGLR, EU and OECD guidelines for responsible mineral sourcing. Appropriate training and campaigns on the requirements will be developed with relevant partner institutions and implemented. For this purpose, trainers and campaigners are prepared and training equipment is provided. The digitalized database will also provide RMB with the necessary information to oversee and coordinate the efforts of implementing international due diligence standards.

Short-term expertise

The Action will also finance and facilitate the rapid recruitment of short-term technical experts that deliver the necessary technical expertise for more specialized activities, especially with regard to developing curricula and provide qualified technical services for the digitalization of services.

3.3 Indicative Fields of Activities

To achieve the envisaged outputs and the specific objective, the following key activities per output are foreseen. This list of key activities is indicative and may change over the project cycle depending on the context dynamics. During the inception phase in the first three implementation months, the Action organises planning workshops under each Output with its partner organisations and other stakeholders to further operationalise the indicative activities (see chapter 9).

Output	Key Activities
Specific Objective	Central actors in the mining sector in Rwanda contribute to the economic development of the sector more efficiently and sustainably.
Output 1: Enhance compliance with responsible mineral sourcing standards	1.1 Support the use of modern technologies to strengthen the traceability methodologies for mineral supply chains
	1.2 Training for mining & mineral trading operators as well as inspectors on ICGLR, EU & OECD guidelines (to ensure responsible mineral sourcing)
	1.3 Development of materials and tools (educational tools, Standard Operating Procedures (SOP), mining code, etc.) and implementation of training and sensitization workshops to enable compliance with the legal and regulatory framework
Output 2: Support digitalization / operationalization of mining sector services	2.1 Support for further improvements of GIMCS and the development of a GIMCS mobile application while ensuring compatibility with other software systems/applications
	2.2 Support trainings of the technical RMB staff on technologies that help to run and manage GIMCS efficiently
	2.3 Support the acquisition of materials, tools, software and IT equipment required for the digitalization process and further operationalization of GIMCS
	2.4 Support development, operationalization and maintenance of GIMCS end-user services including license application processes
	2.5 Awareness raising and promotion of RMB's GIMCS one-stop center (geodata and licensing) to end-users and to the mining industry
Output 3: Strengthen provision of TVET skills and training on mining	3.1 Development / adjustments of curricula for the two occupations of mining technician (level 6) and mining technologist (level 7) targeting youth with secondary education. In addition, the curricula for the mining-specific craftsmen TVET courses level 2-5 will be updated and strengthened.

Output	Key Activities
	3.2 Development of short-term courses for people who are already working in the mining sector on a) operational mine management and b) administrative and financial mine site management as well as c) business plan development (at RMS)
	3.3 Development of training material and Training of Trainers (including in-company instructors) for long and short-term courses
	3.4 Support implementation of workplace learning interventions of RMS with a focus on industrial attachments
	3.5 Implement RMS training programs for mining operators on administrative and financial mine site management as well as business plan development
	3.6 Supply of training equipment to RMS
Output 4: Improve the application of international social and environmental protection standards	4.1 Training to RMB staff on environment, occupational health and safety standards and social protection matters
	4.2 Development and training of short-term courses in cooperation with RMS on environment, health and security standards and social protection to people working in small-scale mining companies (including didactical training material)
	4.3 Awareness raising on environment, health and security standards and social protection matters
	4.4 Procurement of training equipment

3.4 Main Partners, Target Group, Direct Beneficiaries

Target Groups: The people working in the mining sector and their families benefit due to sustainable and professionalised mining practices, which in turn translates into increased revenue and employment potential as well as decreased risks to health and safety. Better mining practices also support communities around mine sites who benefit from improved water quality due to reduced pollution as well as a reduced risk of landslides and other hazards resulting from bad mining practices.

The Action pays special attention to the situation of women, as they do not sufficiently benefit from the economic potentials emanating from the mining sector. The daily income of women in the sector ranges between 2 USD and 4 USD, depending on the activity in informal artisanal

mining (sorting, crushing, etc.). Women are often solely responsible for the upkeep of the family. Contributions to the implementation of the certification mechanism, e.g., through regular inspections and awareness-raising among relevant actors in the sector, will help to prevent child labour. In this respect, children are indirect potential beneficiaries of the Action.

In addition, the young people (with secondary education) who participate in the training programmes and the people who already work in mines and receive further training are **direct beneficiaries**. As some workers are paid based on their production and don't receive regular salaries, the Action will take this into account while developing the training modules and also engage the employers in order to make sure that workers participating will not be at a disadvantage.

Key stakeholders:

Main partner: The Rwanda Mines Petroleum and Gas Board (RMB) was established in February 2017. It is the body of the Government of Rwanda in charge of developing the mining sector and thus works with all partners to increase skills in the sector. RMB is responsible for implementing and advising the government on issues related to national policies, laws and strategies related to mines, petroleum and gas. It is also mandated to monitor and coordinate the implementation of strategies in these areas. RMB has different framework agreements with training institutions.

The Action advises the RMB and its subordinate authorities. Thus, the technical and managerial staff of this ministry and its agencies are direct beneficiaries. Mining companies and cooperatives are also direct beneficiaries of the Action (in the context of training measures) and indirect beneficiaries (in the context of improved sector services).

The Action will collaborate closely with the following organizations as **key stakeholders regarding TVET and training courses**:

- Rwanda Polytechnic and Integrated Polytechnic Regional Colleges (IPRCs – higher than level 5) and Rutongo Mining School: Rwanda Polytechnic coordinates all IPRCs, incl. the Rutongo Mining School, where most of the training activities regarding Output 3 and 4 (strengthen provision of TVET skills and training on mining) will take place.
- Higher Education Council (HEC): accreditation of level higher than level 5
- Rwanda IVEI Board: coordination and management of TVET schools level 1-5
- National Examination and School Inspection Authority: NESA examines TVET quality standards and is an important actor for Curriculum Development and Accreditation level 1-5
- Rwanda Mining Association: RMA is in charge of building capacity for its members companies and their employees, and sometimes finances capacity building measures in mining.
- Rwanda Development Board: RDB is in charge of capacity development in Rwanda. Regarding mining, RDB finances internships for graduates.
- Ministry of Public Service and Labour (MIFOTRA) as key partner for the organization and planning of industrial attachments

Other stakeholders are professionals, managers and entrepreneurs from the private sector (the Private Sector Federation (PSF), MSMEs and mining companies, mining sector stakeholders, small-scale mining cooperatives, etc.); engineers, geologists and district responsables for mining; mining-related civil society (non-governmental organisations; academia); trade unions and employers' organisations in the mining sector; women's organisations, civil society organisations, including those representing rights of women and groups living in vulnerable situations (such as persons with disabilities and indigenous peoples); Ministry of Education (MINEDUC); local authorities. Particular attention will be paid to meaningful participation of mining affected communities.

3.5 Resource Allocation

In the first year of implementation, funding and procurement of material goods will probably take place within the framework of Output 2 (digital equipment, materials, tools and software) and Output 3 (training equipment according to needs identified in the inception phase). The budget for this is estimated to be around EUR 150,000 but might be subject to change based on further insights during the inception phase.

An indicative funding of EUR 100,000 is reserved for experienced civil society organisations, e.g. non-governmental organisations (NGOs) and mining associations, on training topics and for campaigns in the areas of social and environmental protection standards in Output 4 (indicative EUR 50,000) and for the local implementation of training in Output 3 (indicative EUR 50,000). In addition, the organisations can also provide cross-cutting support for participatory processes, consultations or needs assessments. An additional indicative EUR 200,000.00 will be reserved for grants RMB and RMS i.a. to conduct training and sensitize on international standards and responsible mineral sourcing.

Funding for consultants is foreseen in relation to the digitisation and operationalisation of mining sector services and for IT training (Output 2, indicative EUR 300,000), in relation to curriculum development, for training of trainers, for the development of didactic materials and for the implementation of local decentralised training (Outputs 1, 3 and 4, indicative EUR 450,000).

In order to increase the cost-effectiveness of the use of instruments, the Action essentially uses national capacities and relies largely on national and regional experts. However, international experience in capacity development in the mining sector is also used and international consultants are employed for this purpose.

By promoting national institutions such as the RMB and RP/RMS, the sustainable development of institutional capacities in Rwanda will continue to benefit the sector even after the end of the Action.

Output 1 provides a financial volume amounting to indicative EUR 855,000 to enable strengthening the traceability methodologies of mineral supply chains, training for mining & mineral trading operators to ensure responsible mineral sourcing, and also for the development of materials and tools (educational tools, SOP, mining code).

Output 2 (Digitalisation and operationalisation of mining sector services) is allocated indicative EUR 1,220,000 for further improvements of GIMCS, trainings of the technical RMB staff, acquisition of IT equipment, maintenance and deployment as well as promotion of GIMCS.

For Output 3, indicative EUR 1,220,000 is reserved to support the RMS, including through curricula development (level 6 and 7, as well as short-term courses for people who are already working in the mining sector), training of trainers, support the work placement system, implementation of training programs and the supply of training equipment.

Output 4 is allocated indicative EUR 855,000 for the development and training of short-term courses and awareness raising on environment, health and security standards and social protection for different target groups.

The mentioned amounts may be adjusted by GIZ during implementation, after communication with the EU and the project partner RMB.

Project Offices

The Action will be steered from the project office in Kigali, Rwanda. The GIZ country office in Rwanda supports the Action with administrative, contractual, procurement and finance related activities, which the country office directly implements. All project offices have the primary responsibility and purpose of actively following up, monitoring, checking quality, delivery and timeliness of activities.

The proposed Action also requires office equipment as well as the partial funding of set-up and operating costs (e.g. water, electricity, insurances, maintenance, telephone, security, and ICT related costs, travel costs, fuel, etc.). For the project office in Kigali, office equipment needs to be purchased, and operating costs will accrue.

Personnel

As this action will be embedded in the closely linked BMZ Project "Responsible natural resource governance for peace and sustainable development in the African Great Lakes Region" for economic, efficiency and quality-assurance reasons some of the personnel will be working for both sets of activities to ensure alignment and creation of synergies.

The team leader is shared between the joint action "Sustainable Development of the Mining Sector in Rwanda" and the BMZ Action "Cooperation for Responsible Resources Governance in the Great Lakes Region in Africa", with 20% of the team leader's responsibilities being carried by the multi donor action, 80% by the BMZ Action. The team leader is supported by an international advisor (40%) in the areas of communication, gender, do-no-harm, monitoring and to make use of and create synergies with the regional activities.

Furthermore, a national administrative (50%) and international junior finance (50%) expert will support the implementation of the action.

One national senior expert (100%) will provide technical, process and organisational advice and target group-oriented coordination with the partner organisations for all outputs. Ideally this person will be seconded part-time to RMB, if RMB agrees.

One regional expert (100%) on metallurgical processing/ mining engineering will advise all relevant stakeholders and give trainings on processing, environmental protection and OHS himself and support the training of trainers.

In addition, percentages of the working time of the overall program director (5%) as well as a digitalization expert of the program (35%) will be necessary for overall strategic steering/ political representation as well as steering the software development company to be recruited for output 2.

The Action will be implemented by a team of eight GIZ staff (dedicating varying percentages of their time). The configuration of the team may change over time according to the needs of the Action. GIZ will report on changes of the team through its progress reports.

All project team members will be based in the project office of the GIZ module "Responsible natural resource governance for peace and sustainable development in the Great Lakes Region in Africa" in Kigali.

Overview ²

Staff (% of working time)	Function, Tasks and Responsibilities	Location
20%	Team leader (international expert; will coordinate the implementation of the Action and will be responsible for closure activities after the end of the implementation period)	Kigali
40%	Advisor (international; responsible for monitoring, gender mainstreaming, do-no-harm, knowledge management and ensuring synergies with other relevant modules of the programme)	Kigali
50%	Administrative professional (national expert; procurement processes, logistics, event management)	Kigali
50%	Financial Manager (junior international; will support financial steering and reporting; will also be responsible for financial closure activities after the end of the implementation period)	Kigali
100%	National senior expert on the Rwandan mining sector; will support the implementation of all outputs, though with special focus on 1, 3 and 4; ideally placed within RMB	Kigali
100%	Expert on professionalization in the mining sector (regional expert, OHS Standards + environmental protection; processing; support the implementation of output 1, 3 and 4)	Kigali
5%	Program Manager (international expert; strategic steering of the project; promote synergies by mobilizing hierarchy of political partners)	Kigali
35%	Digitalization expert (international; responsible for technically steering consultancy to be recruited to digitalize and operationalize mining sector services under output 2)	Kigali

² Configuration of the team at the start of the Action. The configuration of the team can change over time according to the needs of the Action. GIZ will report on changes of the team through its progress reports.

Working time will be established based on time sheets	Support staff such as cleaners, drivers, interns, etc.	Kigali
The percentage will be determined person per person based on their actual use supported by timesheets.	In countries with smaller scale projects, it is both more effective and cost efficient to cluster administrative and finance-related tasks that would normally be carried out by project staff. Cluster personnel serves all projects in a cluster in order to provide all of them with the same qualified and trained expertise. The Action will be supported by a cluster finance manager coordinating and supervising all finance and admin related activities as well as a cluster communication expert dealing with topics related to communication and visibility.	Kigali

The staffing in the programme will be complemented by procurement of equipment and project vehicles.

4 Programme Governance

On a strategic level, a Project Steering Committee (PSC) will be established, chaired by RMB, as a contribution to efficient and sustainable steering and coordination. The PSC will include a representative of the EU Delegation, as well as the Head of Cooperation in Rwanda and a GLZ representative. Other potential members, i.e. from stakeholders of the sector, science, or other implementing agencies, will be decided upon jointly by the aforementioned institutions at the beginning of the action. The membership, operating rules and responsibilities of the committee (frequency of meetings, reporting, action plan and annual budget approval, etc.) will be established at the beginning of the project. The PSC will meet at least *two times* a year (and any time relevant). It will review progress in the implementation of the project and provide strategic guidance and recommendations to the management of the project. The PSC will also receive, review and discuss external monitoring reports and evaluations, when applicable.

On a management level, there will be meetings for strategic planning and coordination as well as for impact monitoring of the different output activities. Meetings with RMB will be held every two months to coordinate the implementation of outputs 1 (compliance with mineral sourcing standards), 2 (digitalisation), and 4 (protection standards). Meetings with RMB and RP (as well as RMS) will be held every two months to agree on the coordination of the implementation of Output 3 (Short and longer training courses) and parts of Output 4 (short courses on health, safety, and environment). Other stakeholders are involved in the meetings as needed.

At the implementation level, monthly meetings are held between the Action, RMB and the other stakeholders (trainers, intermediary technical staff, mining responsables in the districts, mining entrepreneurs, international consultants, etc.) involved, both to plan the concrete implementation of the different activities and to ensure high-quality monitoring and reporting.

Once a year, a sounding board with local stakeholders or target groups (level 6 and 7 students of RMS, people participating in the short-term courses, staff of RMB, etc.) is also proposed to

create a space for consultation, to talk about intended and unintended impacts and to gather feedback of different stakeholders.

5 Sustainability, Complementarity and Cross-Cutting Issues

5.1 Sustainability of the Action

The formulation of the specific objective of the Action places particular emphasis on sustainability in the mining sector. The project addresses this topic on different levels in its activities during the implementation, but also methodologically to ensure sustainability beyond the project duration.

In terms of content the project contributes to environmental and social sustainability by supporting the promotion of environmentally friendly mining practices, which prevent environmental degradation. In terms of social sustainability, the project fosters the application of social standards within the value chain improving the working conditions of the miners especially in terms of occupational health and safety. The improved adherence to international standards in mineral sourcing and the expansion of digital services, will in the medium term contribute to the economic sustainability of the mining sector as it will foster trade and investment. Especially on the global market standards on working conditions and compliance with environmental regulations are becoming increasingly important. Through improved skills and application of modern technology the sector will be able to increase its attractiveness for investment as well as its efficiency and productivity. The combination of these aspects will contribute to the overall competitiveness and the economic sustainability of the mining sector in Rwanda.

Methodologically the project places a strong emphasis on ownership of national institutions and stakeholders in order to increase the sustainability of the approach. Through the strengthening of local structures and stakeholders the project supports the development and improvement of quality of service delivery in the area of education and training, which will also continue its impact after the end of the project duration, ensuring high-quality education for the next generation of miners while addressing the needs of the private sector. By supporting the digitalization of services of partner institutions, including capacity development and equipment the partners are empowered to carry on the activities and offer the respective services beyond the project duration.

5.2 Complementarity, Synergy with other relevant Actions

On a regional level: There are different actors and initiatives active on mining and mineral governance in the region. In addition to the German development cooperation and the European Union, International Alert and the Canadian non-governmental organisation IMPACT are active in the mining sector in the Great Lakes Region.

The main synergies on the regional level exist with the BMZ Project "Responsible natural resource governance for peace and sustainable development in the African Great Lakes Region", to which the Joint Action is linked. It is foreseen that the results and experiences of the Joint Action will be recorded and analysed by the project staff working for both projects, and then shared with the ICGLR and the other member states to enable regional exchange and

learning. The Action will seek complementarity with the regional GIZ project, especially in the field of mineral certification and digitalization of licensing processes. Output 2 of the Action (digitalization of mining sector services) fits within ICGLR's 2022 – 2023 Action Plan of supporting Member States implementing the Regional Certification Mechanism (RCM) to digitalize respective national processes. Furthermore, the Action can benefit from experiences gathered in the regional project especially with regard to capacity development activities. Furthermore, the staff will ensure to use existing networks e.g. with the OECD and Responsible Mineral Initiative (RMI) to support especially the activities in Output 1 which regards the compliance with responsible mineral sourcing standards.

In Rwanda: In the area of sustainable economic development, a variety of measures for private sector development or for the promotion of vocational training and active labour market policy are implemented in Rwanda by different donors. In the mining sector, the following potential synergies with the Action were identified:

The GIZ programme "Economic and Employment Promotion in Rwanda" aims to increase the employment of skilled personnel in different sectors. The program consists of different modules and includes both financial and technical cooperation activities. They deal with the promotion of vocational training, the promotion of export-oriented SMEs, and economic participation. Synergy potentials exist in particular regarding the promotion of the competitiveness of SMEs through improved access to qualified technical and management staff and the promotion of digital solutions. There are also synergy potentials between the GIZ programme and the Action through regular exchanges on experience and knowledge about the TVET system in Rwanda.

Through the bilateral project "Digital Solutions for Sustainable Development", the BMZ promotes digital solutions for public institutions. This module promotes the transfer of digital solutions to MSMEs and cooperatives in the supported value chains. There is potential for cooperation and synergies in the strengthening and joint use of IT service providers in Rwanda with regard to the development of digital solutions.

With the project "Economic and Investment Policy", BMZ aims at the strengthening of the capacities of governmental and scientific key actors in Rwanda for the design of an economic and investment policy oriented towards broad-based growth. The project contributes to strengthening the enabling environment for inclusive and poverty-reducing economic growth. Synergies can arise in particular by enabling Action partners to use labour market information in the mining sector.

Enabel, the Belgian development cooperation, supports capacity building of geologists in Rwanda in cooperation with experts of the Royal Museum of Central Africa (RMCA). The support of RMCA mostly targets RMB staff and contributes to the professionalisation of RMB.

In the past, the Canadian Development cooperation supported capacity development related to gender mainstreaming in general, and the mining sector was included as one key sector with a need for gender mainstreaming. The Action will take into account the lessons learned.

5.3 Mainstreaming

In the areas of environment, climate change mitigation and adaptation, human rights, conflict and context sensitivity and gender equality, the safeguard and gender system of GIZ allows

unintended negative impacts to be identified at an early stage and addressed in the design and implementation of projects through targeted mitigation measures. In the area of climate change adaptation, this approach extends to external risks based on climatic parameters (climate change), while in the area of gender equality it also involves identifying potential support measures.

In an initial screening, a standardised checklist is used to assess if there are potential considerable risks or unintended negative impacts for the proposed Action in the areas of environment, climate change adaption and mitigation, and human rights. The screening also checks whether a gender analysis is already available and whether it has to be adapted for the specific Action. For the conflict and context sensitivity safeguard, the screening will assess if there is any potential for the proposed Action to unintentionally exacerbate tensions leading to conflict or violence.

If the screening indicates that there are considerable risks for one or more of the safeguards, an in-depth assessment must be performed for the relevant safeguard(s). The same is the case if the initial screening cannot be completed due to inadequate data. The mandatory gender analysis will be used to examine risks and potentials for the promotion of gender equality. Depending on the results of the in-depth assessment(s), the proposed Action will be assigned to one of the three safeguard risk categories (high risk, medium risk, low risk). On the basis of the in-depth analyses and in line with the assigned risk category, response, prevention and mitigation efforts will be considered to adjust planning and effectively monitor the progress of the proposed Action.

6 Risks and Assumptions

Overall risk: Overall, the risks are assessed as medium. The ability to influence is considered to be medium overall.

Risks	Risk level (H/M/L)	Mitigating measures
The COVID-19 pandemic may lead to financial, and staff cuts in relevant institutions like the RMB. In addition, it is possible that mining operations come again to a complete halt due to lockdowns. This can lead to a reduction in the absorption and implementation capacities on the partner side and temporary halting of activities which poses a risk that the target values will not be achieved.	M	Building on experiences from the past two years the project will coordinate closely with partners and stakeholders on possible changes in strategy. Continuous monitoring will consider the volatile pandemic context, and any necessary adjustments to indicators will be made in a timely manner. In addition, the measures (e.g. training measures) are implemented with due consideration of the necessary health security protocols.
Risk to sustainability: Lack of public funding and ownership pose risks to long-term sustainability.	M	To mitigate this, the project relies on consistent knowledge management and institutionalization of measures (like training, curricula, etc.) as well as clearly agreed arrangements, equipment that can be used and maintained in the long term, thorough systematisation, pro-

Risks	Risk level (H/M/L)	Mitigating measures
		cessing and communication of learning experiences, and sufficient monitoring and follow-up measures.
There is a risk of perceived inequality as well as the creation of imbalance in the local service landscape for example if certain districts or mining areas are supported more than others.	M	The Action focuses on transparency in the formulation and implementation of activities, as well as on regular reflection, dialogue and exchange with representatives of the target groups in order to sufficiently include local dynamics into the planning and implementation of measures. Furthermore, the project ensures a detailed analysis of local dynamics.
Overlapping responsibilities between ministries, boards and agencies responsible for Mining, Training and Certification, as well as mining entrepreneurship and SME support.	M	Close engagement and multi-stakeholder coordination, namely with concerned agencies and public institutions. Close monitoring of measures, impacts and performance, and undertaking of corrective measures if needed.

Assumptions
Specific Objective: Investors increase the emphasis on the adherence to international standards of mineral sourcing, environmental and social protection in their supply chains. Other framework conditions influencing the investment and entrepreneurship climate remain conducive. The demand for minerals sourced in Rwanda remains high.
Output 1: The management level complies with agreements on the use of modern technologies and the introduction of trainings. Participants make use of what they learned in the trainings and of the new materials and tools developed.
Output 2: The management level complies with agreements on the introduction of new digitalization and operationalization systems. The partners continue to invest and maintain the system to keep it up to date. The targeted users of the digital services have the necessary digital literacy and access to make use of them.
Output 3: The private sector continues to be willing to actively contribute to the TVET system, including encouraging their employees to participate in further training. The partners allocate sufficient human resources for the RMS.
Output 4: The management level complies with agreements on the introduction of trainings and provides the necessary resources for the implementation of standards.

7 Monitoring, Evaluation and Reporting

Monitoring and Evaluation

A results-based monitoring system will be established to generate data on the progress of the Action on a regular basis. It is foreseen to establish a monitoring group together with the partner institutions, which meets on a regular basis and plans for and conducts joint monitoring

tasks. The data will be used for programme steering as well as for annual progress reporting. All monitoring activities and plans shall be shared with the EU in order to strengthen joint monitoring efforts. The Action's log frame with its underlying indicators for specific objectives and outputs will be used as basis for the monitoring system. It will be used as management tool, allowing for adjustments and revisions at the output, activity, and indicator level in order to effectively achieve the expected specific objective.

In the first 3 months a baseline study will be carried out to feed differentiated data into the logical framework, especially for the indicators on special objective level, for many of which baseline data does not yet exist, such as the share of private sector companies using digital services. During project implementation, a variety of tools and methods will be applied to regularly assess both quantitative and qualitative progress indicators, such as pre- and post-tests for training measures to ensure that they achieve the expected increase in knowledge and skills. This includes among others gender-disaggregated participation documentation, training evaluations, comparative and retrospective surveys as well as focus group discussions and stakeholder consultations. Where possible, it is intended to harmonise data collection with national partners' systems and present indicators disaggregated, e.g. by gender or age.

The monitoring system of the Action includes reporting elements that make it possible to highlight good practices and lessons learnt and enable key political stakeholders to make decisions on follow-up actions and necessary adjustments, including, if indicated, the reorientation of the Action. The indicators are designed to provide relevant steering information, not only for the action itself, but also for the partners in order to assess their progress and services.

An external final evaluation is planned to be conducted during the last months of implementation or within three months after its ending to assess the Action's medium- and long-term impacts. Wherever possible, evaluations by the donors and/or the organisation shall be combined, and missions will be planned and completed in a collaborative manner. In this respect, all parties will ensure that notice of the intended evaluations and monitoring exercises is given to the other parties as soon as this is available. 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 both the health sector and the mining sector is a new area of intervention for the EU.

Reporting

Each report shall provide an account of all relevant aspects of the implementation of the Action for the reporting period, activities envisaged, difficulties encountered, changes introduced, as well as the degree of achievement of milestones and results as measured by corresponding indicators, using the logical framework as reference. The report shall give an overview over the progress towards the objectives, the means envisaged and employed, and the current budget of the Action. The final report, narrative and financial, will cover the entire period of the Action implementation.

The following reports will be submitted by the organisation to the EU:

- Inception Report (narrative) with the outline described under point 9 and to be submitted 4 months after beginning of the implementation.

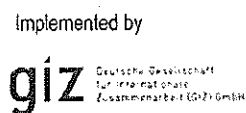
- Annual progress reports (narrative and financial), giving account of the progress made towards the achievement of the results (outputs and outcomes); listing activities carried out during the reporting period, difficulties encountered, and measures taken to overcome problems and eventual changes introduced; providing information on the implementation of the Visibility and Communication Plan; and outlining the work plan for the coming 12 months.
- The final report shall cover the entire period of the Action, providing information on achievements of the Action, including an outlook on measures undertaken to ensure sustainability of results and further dissemination/up-scaling.

8 Communication and Visibility

The visibility measures for this Action will adhere to Article 7 of Annex II and the Visibility Requirements for EU External Action. The parties will make reasonable efforts to reconcile the visibility requirements of all donors to the Action.

GIZ is subject to particular visibility obligations towards the German Government as foreseen in Article 10.6 of the Financial Framework Partnership Agreement (FFPA) signed by the European Commission and GIZ on 20 May 2019, including under the BMZ Guidelines on Combined Financing. This includes the production and publication of a factsheet on the German commission named in Article 1 of the Agreement, under which GIZ is commissioned to implement this Action, and mandatory information on the GIZ website.

GIZ will acknowledge the EU's financial contribution to the Action by displaying the EU emblem accompanied by the words "Co-funded by the European Union". GIZ will afford the visibility of the EU at least equal prominence to that of other donors to the Action. On equipment, vehicles or remaining major supplies, this will be generally done in the following manner, accompanied by the words "Implemented by" and the GIZ logo:



When communicating on this Action, the EU and third parties designated by the EU will afford the visibility of the German Federal Ministry for Economic Cooperation and Development at least equal prominence to that of the EU, including an acknowledgement of its financial support.

The entire GIZ project team and its third parties, including grant recipients, may support visibility measures for the Action if requested by the EU or by third parties designated by the EU.

9 Timing

Due in part to the COVID 19 pandemic, participatory inception missions and assessment missions, planning and coordination meetings involving all relevant stakeholders, and facilitated workshops could not be conducted. For this reason, an inception phase is necessary.

In a three-month inception phase, different core elements for the implementation, steering and monitoring process are developed:

- Organisation and implementation of a baseline study and collection of all essential data relevant to the indicators. Deliverable: Baseline study (report) and collection of data.
- Implementation of workshops to identify capacity needs for the four outputs. Deliverables: Reports indicating the capacity building needs for all activities within the four outputs, including also the needs for equipment.
- Planning of activities and a detailed work plan for the first twelve months of the implementation of the Action. Deliverables: Work plan including the detailed activities for the first year.
- Planning and establishing the monitoring system and monitoring coordination structure together with the partners. Deliverable: Monitoring system.
- Planning and establishing the steering structure together with the partners. Deliverable: Workshop report including a detailed and a concerted steering structure.

An Inception Report summarising the different deliverables is produced in the fourth month of implementation.

Over the course of implementation of the project the logframe will be updated on a yearly basis.

Appendix 1: Indicative Work Plan

Activities	2022												2023												2024													
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9		
Milestone																																						
Inception Phase																																						
Baseline study	X	X	X																																			
Identify capacity needs	X	X	X																																			
Detailed work plan																																						
M&E system																																						
Steering structure																																						
Visibility strategy																																						
Output 1																																						
Planning WS																																						

Develop-
ment of
GIMCS

Trainings
for tech-
nical RMB
staff

Acquisition
of equip-
ment

Mainte-
nance and
deploy-
ment of
GIMCS

Promotion
of one-stop
centre

Output 2

Planning
WS

Strengthen
traceability
methodolo-
gies

Training on
guidelines

Materials
and tools

Output 3

Planning
WS

Training to
RMB staff

Short-term
courses

Awareness
raising

Training
equipment

Output 4

Planning
WS

Develop-
ment of
curricula

Dev. of
short-term
courses

Didactical
material

Training of
Trainers

Support to
work

placement
system

Implement
training for
mining op-
erators

Implement
training for
private
sector

Training
equipment

Appendix 2: Logframe Matrix

Meeting indicators on impact level will not be part of the responsibility of GIZ. Indicators will be monitored with regard to data availability. In the course of implementation, the Organisation may – in agreement with the Contracting Authority – change Outputs, the Indicators and their related targets, baselines and sources of verification. Changes shall be agreed in writing (exchange of letters or emails). The Organisation will also highlight the respective changes in the next report.

	Intervention logic	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Strengthen entrepreneurship and improve the business environment and attractiveness of investment in Rwanda.	1. Annual flows of Foreign Direct Investment in Rwanda	1. \$354 million (2019)	1. \$700 million (2027)	Annual reports of the Rwanda Development Board/World Investment Report	
		2. Global Entrepreneurship Index (GEI)	1. 91 (rank 2020)	2. 80 (rank 2024)	The global entrepreneurship and development Institute	
		3. Annual number of new SME's created	2. 200 (2018)	3. 400 (2024)	Annual reports of the Rwanda Development Board	

<p>Specific objective(s): Outcome(s)</p>	<p>Central actors in the mining sector in Rwanda contribute to the economic development of the sector more efficiently and sustainably.</p>	<p>1. Percentage of key actors who are familiar with standards of the ICGLR, EU and OECD and can provide 2 examples how they strengthen the compliance within their area of responsibility.</p> <p>2. Percentage of end-users (representing at least 10 different districts and 30 companies), who have used digital services by the RMB (GIMCS, GIMCS mobile application, and/or traceability methods) and rate the</p>	<p>40% (2022, estimate, baseline to be conducted)</p>	<p>80% (2024)</p>	<p>Endline Survey of 50 representatives of key actors (RMB, district representatives, private sector representatives).</p> <p>The sample of private sector representatives has to be selected randomly from all licensed mining entities registered with the RMB. An adequate representation of different size mining operations has to be assured.</p> <p>Familiarity is rated based on self-assessment on a scale from A=very familiar to F=not familiar at all, self-assessments of A and B are considered to be familiar.</p> <p>(Digital) user-survey among the users of the GIMICS services, results are to be disaggregated by sex and company size.</p>	<p>The Rwandan government provides adequate financial and human resources for the implementation of mining-related TVET.</p> <p>The Technical Units of RMB, IPRC and other partners have sufficient capacity to fulfil their roles.</p> <p>The constraints imposed by COVID-19 will lessen in 2022.</p>
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Output 1		user-friendliness with A or B on a scale from A to F.	X% (baseline to be done)	70%	Representative survey results disaggregated by sex; qualitative focus groups.	
		3. Percentage of the participants of further trainings on mining-related skills, disaggregated by sex, who confirm that they are applying the newly acquired skills within their area of responsibility.	x	B		
		4. Rating of the skills and knowledge of the graduates of the Rutongo Mining School through the employers.				
	Enhance compliance with international responsible mineral sourcing standards.	1.1. Number of participants (both private and state actors) trained on digital traceability systems. 1.2. Number of mining & mineral trading operators as well as inspectors, who participated in trainings, prove increased knowledge and skills concerning ICGLR, EU & OECD guidelines.	0, No mechanisms (2022)	150 people are trained (15% women) (2025)	RMB website and RMB reports	Participating actors at national level and in the districts (state, private sector) continue to show sufficient interest in cooperation. The management level complies with agreements on the use of modern

Output 2		1.3. Number of newly developed materials and tools (e.g. educational tools or SOPs to enable compliance with the legal and regulatory framework) used in training and sensitization workshops.	0 developed materials and tools for training and sensitization workshops	5 training tools in at least 10 training and sensitization workshops. (2025)	Document of Materials and tools e.g. educational tools or SOPs to enable compliance with the legal and regulatory framework Training and sensitization workshop reports	technologies and the introduction of trainings. The Technical Units of the respective partners have sufficient capacity to fulfill their role.
	Support digitalization and operationalization of mining sector services	2.1 Number of GIMCS modules and GIMCS mobile application in use.	8 modules, no application (2022)	12 modules, including 1 mobile application (2025)	User statistics of the different GIMCS modules and the mobile application, disaggregated by module. A module is considered to be "in use" if at least 20 different users have utilized it.	Participating actors at national level and in the districts (state, private sector) continue to show sufficient interest in cooperation.
		2.2 Number of the technical RMB staff, who have been trained on technologies for GIMCS, prove increased knowledge and skills on managing and adjusting the digital mining sector services.	9 persons (2022)	100 persons, 15 of them female (2025)	Pre- and post-training test results disaggregated by sex.	The management level complies with agreements on the introduction of new digitalization and operationalization systems.
		2.3 Percentage of the materials, tools, software and IT equipment (provided	Material has not been distributed (2022)	90% (2024)	Monitoring reports of site visits and interviews with responsible staff 3-6	The Technical Units of the respective partners

		for the digitalization process and operationalization of GIMCS) which are adequately used.			month after the distribution.	ners have sufficient capacity to fulfil their role.
<p>Output 3</p> <p>Strengthen provision of TVET skills and training on mining.</p>		<p>3.1. Number of youths enrolled in or graduated from TVET measures related to mining with updated curricula.</p> <p>3.2. Percentage of trainers who apply the newly developed and accredited curricula (targeting youth with secondary education: mining technician - level 6; mining technologist - level 7) and the newly developed short-term courses.</p> <p>3.3. Number of participants who are already working in the mining sector, who have successfully participated in gender-sensitive short-term course modules related to mining operations.</p>	<p>0 (2022)</p> <p>X Trainers (2022)</p> <p>X Participants (2022)</p>	<p>150 (30% of them female)</p> <p>90% of Trainers (3 permanent, 4 part-time and 23 external trainers)</p> <p>400, of which 15% are women (2025)</p>	<p>Reports from Rwanda TVET Board</p> <p>Disaggregated by sex, age group (14-18, 19-24, 25-34)</p> <p>Training observation</p> <p>RMS Training implementation reports</p> <p>Focus groups/sounding boards</p> <p>Pre- and post-training tests</p> <p>Modules relate to technical subjects (e.g. mine management, safety, health, environment and gender) as well as administrative subjects (e.g. administrative and financial mine site management,</p>	<p>Participating actors at national level and in the districts (state, private sector, civil society, mining workers, training institutions, ...) show sufficient interest in cooperation.</p> <p>The management level complies with agreements on the introduction of new training content and methods.</p> <p>The Technical Units of the respective partners have sufficient capacity to fulfil their roles (implementation)</p>

		3.4. Average rating of the private sector representatives of the organization of work-placements, internships and other cooperation formats between them and the RMS.	X (2022, the RMS does not conduct regular feedbacks among companies and private sector representatives) – baseline to be conducted in 2022	X - 1	business plan development.) Regular feedback questionnaires, which will show an improvement of the average rating by 1 point on a 1-5 scale.	of trainings, accreditation, etc.). Representatives of the private sector (mining companies) are motivated to play an active role in the work placement system and in provision of employees for training.
Output 4	Improve application of international environmental protection standards	4.1. Number of technical RMB staff, who have participated in gender-sensitive training on environment, health and security standards or social protection matters. 4.2. Number of persons working in small-scale mining companies, who successfully participated in gender-sensitive short-term course modules (environment, health and security	X persons (2022)	130 persons (2025)	Lists of training participants, disaggregated by sex, department at RMB and topic of the training.	Participating actors at national level and in the districts (state, private sector) continue to show sufficient interest in cooperation.
			X persons (2022)	150 persons (of which 15% women) in at least 3 RMS course programmes (2025)	Pre- and post-training test The participation is only rated as successful if the participants show an increase in the knowledge about the course content between the pre- and post-test, in modules, in	The management level complies with agreements on the introduction of trainings.

		standards and social protection).	4.3 Number of in-company trainers trained according to the Rwandan In-company trainer standard, as well as specifically on environment, health and security standards and social protection matters.	0 (2022)	50 trainers trained (15% woman) (2025)	which no pre-test is conducted a final exam needs to be passed with at least 80%. Results are to be analysed disaggregated by sex. Trainings reports and participants list disaggregated by sex.	The Technical Units of the respective partners have sufficient capacity to fulfil their role.
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Article 1: Definitions

Action:	the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I. Where reference is made to the Action or part of the Action financed by the EU Contribution, this refers both (i) to activities exclusively financed by the EU Contribution and (ii) to activities jointly co-financed by the EU.
Contractor:	a natural or legal person with whom a Procurement Contract has been signed.
Days:	calendar days.
Early Detection and Exclusion System:	a system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015), which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.
End Date:	the date by which the Agreement ends, i.e. the moment of the payment of the balance by the Contracting Authority in accordance with Article 17 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18. If any of the Parties invokes a dispute settlement procedure in accordance with Article 13, the End Date shall be postponed until the completion of such procedure.
EU Financial Regulation	Regulation (EU, Euratom) No. 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Council Regulation (EC, Euratom) No 996/2012 (OJ L 193, 30.7.2018, p. 1).
Ex ante Pillar-Assessment:	an assessment of the systems, rules and procedures carried out in order to check whether such entity demonstrates a level of protection of the EU financial interests equivalent to that existing when the European Commission implements the budget itself.
Final Beneficiary:	a natural or legal person ultimately benefitting from the Action.
Force Majeure:	any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part (or on the part of the Grant Beneficiaries, Partners, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.

Grant:	a direct financial contribution by way of donation given by the Organisation or a Partner to finance third parties activities, including sub-granting and procurement for the implementation of these activities.
Grant Beneficiary:	a natural or legal person to whom a Grant has been awarded.
Grave Professional Misconduct:	any of: <ul style="list-style-type: none"> a violation of applicable laws or regulations, in particular the Organisation's Regulations and Rules, or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other exploitation or abuse, 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.
Impact:	the overall objective of the Action entailing positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator:	the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure progress in the achievement of the relevant Results of the Action. An indicator must have an agreed baseline, target and source of data.
Internal Control System:	a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives: <ul style="list-style-type: none"> a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
International Organisation:	an international public-sector organisation set up by international agreement (including specialised agencies set up by such organisations), or an organisation assimilated to international organisations in accordance with the EU Financial Regulation.
Member State Organisation:	an entity established in a Member State of the European Union as a public law body or as a body governed by private law entrusted with a public service mission and provided with adequate financial guarantees from the Member State.
Multi-Donor Action:	an Action co-financed by the EU Contribution (whether or not earmarked) and other donor(s).
Outcome:	the specific objective of the Action entailing the likely or achieved short-term and medium-term effects of an Action's Outputs. For non-EU external actions "Outcomes" are synonymous of Results.
Output:	the products, capital goods and services which result from an Action's activities.
Partner:	an entity implementing part of the Action and being a party to the relevant Contribution Agreement together with the Organisation.

- Procurement Contract:** a contract signed between the Contractor and either the Organisation or a Partner under which the Contractor provides services, supplies or works.
- Regulations and Rules:** regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.
- Result:** the Output, Outcome or Impact of an Action.
- Sound Financial Management:** a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

Article 2: General obligations

Implementation of the Action

- 2.1 The Organisation is responsible for the implementation of the Action described in Annex I, regardless of whether the activities are performed by the Organisation itself, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.
- 2.2 In the performance of the activities and subject to ad-hoc provisions stipulated in the Special Conditions, if any, the Organisation shall apply its own rules and procedures, which have been subject to the Ex-ante Pillar-Assessment, as regards:
- a) internal control;
 - b) accounting system;
 - c) independent external audit;
 - d) exclusion from access to funding;
 - e) publication of information on recipients;
 - f) protection of personal data.

The Organisation may apply its own rules and procedures as regards the award and management of Grants and/or Procurement Contracts only if and to the extent provided for by the Special Conditions, including any ad hoc measures.

As regards the publication of information on recipients, the Organisation shall authorise the publication of the internet site where it publishes the information referred to in Article 3.8 d) on the European Commission's internet site.

- 2.3 Where the Organisation has been fully or partially exempted, by the European Commission, from undergoing the Ex-ante Pillar Assessment, it may apply its own rules and procedures in the areas provided for under Article 2.2, subject to ad-hoc provisions stipulated in the Special Conditions, if any.
- 2.4 The Organisation may use any Regulations and Rules which have not been subject to an Ex-ante Pillar Assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement and with the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

Responsibility

- 2.5 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds. The Organisation shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action.
- 2.6 The Organisation shall have full financial responsibility towards the Contracting Authority for all funds, including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU Contribution is effectively carried out and implemented correctly. The Organisation shall inform the European Commission and the Contracting Authority of irregularities and fraud detected in the management of the EU Contribution and the measures taken. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs.

Other obligations

- 2.7 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.9-Other obligations, 5-Conflict of interests, 7- Visibility, and Article 15-Archiving, access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

In addition, the Organisation also undertakes to require Contractors and Grant Beneficiaries to: (i) comply with the relevant national laws and regulations as regards protection of personal data and (ii) ensure accurate and regular records and accounts.

- 2.8 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the Ex-ante Pillar Assessment undergone by the Organisation or affecting the rules and procedures which have been assessed by the European Commission for the purpose of granting an exemption from the obligation to undergo an Ex-ante Pillar Assessment, or (ii) those that may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement in accordance with Article 12.3.
- 2.9 The Organisation shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Organisation shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.

- 2.10 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, with the consequence that rights and obligations are conferred upon it only where explicitly stated. This is without prejudice to the European Commission's role in promoting a consistent interpretation of the terms of this Agreement.

Article 3: Obligations regarding information and reporting

General issues

- 3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one (1) year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.
- 3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of progress towards the achievement of its Results (Outputs, Outcomes and if possible Impact) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the Results, the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.
- 3.3 Where the overall action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request – in addition to the final reports to be submitted pursuant to Article 3.8 - the final reports of the overall action, once available. The Special Conditions shall lay down the rules concerning any remaining funds.
- 3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.
- 3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation's Regulations and Rules, such information shall be supplied within thirty (30) Days of receipt of the request. The Organisation may submit a duly motivated request to extend the 30-Day deadline.
- 3.6 The Organisation shall notify the Contracting Authority 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.

Content of the reports

- 3.7 The progress report(s) shall relate directly to this Agreement and shall at least include:
- a) summary and context of the Action;
 - b) actual Results: an updated table based on a logical framework matrix (as included in Annex I) including reporting of Results achieved by the Action (Outputs, Outcomes s, and if possible, Impact) as measured by their corresponding Indicators, against agreed baselines and targets, and relevant data sources;
 - c) information on the activities directly related to the Action as described in Annex I and carried out during the reporting period;
 - d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;
 - e) information on measures taken to identify the EU as source of financing, in accordance with Article 7;

- f) a breakdown of the total costs, following the structure set out in Annex III, incurred from the beginning of the Action as well as the legal commitments entered into by the Organisation during the reporting period;
- g) a summary of controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;
- h) where applicable, a request for payment;
- i) work plan and budget forecast for the next reporting period.

3.8 The final report shall cover the entire Implementation Period and include:

- a) all the information requested in Article 3.7 a) to h);
- b) a summary of the Action's receipts, payments received and of the eligible costs incurred;
- c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;
- d) the exact link to the webpage referred to in last subparagraph of Article 2.2;
- e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 8;
- f) where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the EU Contribution have been covered by other donors' contributions;
- g) where applicable, a request for payment.

3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions starting from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions¹. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by the EU Contribution. Progress reports shall be submitted within sixty (60) Days after the period covered by such report. The final report shall be submitted, at the latest, six (6) months after the end of the Implementation Period.

Management declaration

3.10 Every progress and final report shall be accompanied by a management declaration in accordance with the template included in Annex VI, unless Article 1.5 of the Special Conditions states that a global management declaration shall be sent annually to the European Commission headquarters, separately from the reports provided under this Agreement.

Audit or control opinion for organisations other than International Organisations/Member State Organisations

3.11 In case the Organisation is neither an International Organisation, nor a Member State Organisation, the Organisation shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

¹ By default, the reporting period is every twelve (12) months as from the commencement of the Implementation Period

- 3.12 Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report, unless Article 1.5 of the Special Conditions states that the global management declaration and the global audit or control opinion shall be sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

- 3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 3 of the Special Conditions.
- 3.14 The Organisation shall convert legal commitments, the Action's receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

- 3.15 If the Organisation is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons. The Organisation shall also provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 12, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

- 4.1 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.
- 4.2 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.
- 4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation's Regulations and Rules committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights in the context of the implementation of the Action.

Article 5: Conflict of interests

- 5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.
- 5.2 A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

- 6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is communicated as confidential. The confidential nature of a document shall not prevent it from being communicated to a third party on a confidential basis when the rules binding

the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put in jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors, Grant Beneficiaries or the Final Beneficiaries of the Action.

- 6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:
- a) the communicating Party agrees in writing to release the other Party from the earlier confidentiality obligations; or
 - b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or
 - c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.
- 6.3 The Parties shall remain bound by confidentiality for five (5) years after the End Date of the Agreement, or longer as specified by the communicating Party at the time of communication.
- 6.4 Where the European Commission is not the Contracting Authority, it shall nonetheless have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

Article 7: Visibility

Visibility

- 7.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Such measures shall be carried out in accordance with the Visibility Requirements for EU External Action², as in effect at the time of entry into force of this Agreement or with any other guidelines agreed between the European Commission and the Organisation.
- 7.2 If, during the implementation of the Action, equipment, vehicles or major supplies are purchased using the EU Contribution, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU emblem (twelve yellow stars on a blue background). Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU emblem shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.
- 7.3 If, pursuant to Article 8.5, the equipment, vehicles or remaining major supplies purchased with the EU Contribution have not been transferred to the local authorities, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU emblem) shall continue to apply between submission of the final report and the end of the overall action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 8.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.
- 7.4 Unless otherwise provided in the Special Conditions, if disclosure risks threatening the Organisation's safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium,

² Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/intpa/comm-visibility-requirements_en.

including on its internet sites, the name and address of the Organisation, the purpose and amount of the EU Contribution.

- 7.5 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions upon their issuance.
- 7.6 The Parties will consult immediately and endeavour to remedy any detected shortcomings in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Communication

- 7.7 In addition to the obligations stipulated under Article 7.1 to 7.6, the Organisation shall implement, if applicable, communication activities as described in Annex I.

Article 8: Right to use results and transfer of equipment

Right to use

- 8.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.
- 8.2 Where the results mentioned in Article 8.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority) accordingly.

Transfer

- 8.3 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be transferred to or remain with local authorities, local Grant Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.
- 8.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 15.1.
- 8.5 By way of derogation from Article 8.3, the equipment, vehicles and remaining major supplies purchased with the EU Contribution in the framework of actions which continue after the end of the Implementation Period may be transferred at the end of the overall action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.
- 8.6 In the event that there are no local authorities, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another action funded by the EU or - exceptionally - retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action or the overall action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due course and - at the latest - together with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action.

Article 9: Monitoring and evaluation of the Action

- 9.1 Keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement, the Organisation shall invite representatives of the European Commission and the Contracting Authority (if other than the European Commission) to participate at their own costs to the main monitoring missions and evaluation exercises related to the performance of the Action. Participation in evaluation exercises should be ensured by requesting comments from the European Commission and the Contracting Authority on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). The Organisation shall send all monitoring and evaluation reports relating to the Action to the European Commission and the Contracting Authority once issued, subject to confidentiality.
- 9.2 Article 9.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or the Contracting Authority, at their own costs, may wish to perform. Monitoring and evaluation missions by representatives of the European Commission or the Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make available to the Organisation the terms of reference of the evaluation exercise before it takes place, as well as the different deliverables (as a minimum, the draft final report) for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final monitoring and evaluation report to the Organisation once issued.
- 9.3 In line with the spirit of partnership, the Organisation and the European Commission (and the Contracting Authority, if applicable), may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed in due time, planned ahead and completed in a collaborative manner.
- 9.4 Representatives of the relevant partner country may, whenever possible, be invited to participate at their own costs in the main monitoring missions and evaluation exercises, unless such participation would be detrimental to the objectives of the Action or threaten the safety or harm the interests of Partners, Grant Beneficiaries or Final Beneficiaries.

Article 10: Amendment to the Agreement

- 10.1 Without prejudice to Articles 10.3 to 10.6, any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.
- 10.2 The requesting Party shall request in writing any amendment thirty (30) Days before the amendment is intended to enter into force and no later than thirty (30) Days before the End Date, unless there are special circumstances, duly demonstrated by it, and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was received.
- 10.3 By way of derogation from Articles 10.1 and 10.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report.

- 10.4 The method described in Article 10.3 shall be used neither to amend the contingency reserve referred to under Article 16.2, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.
- 10.5 The Organisation may, in agreement with the Contracting Authority and before the modification takes place, change the following without a formal addendum to the Agreement:
- (a) Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main outcome of the Action;
 - (b) Communication activities described in Annex I.
- Approved changes must be explained in the next report.
- 10.6 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 11: Suspension

Suspension of the time limit for payment

- 11.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:
- a) the amount is not due; or
 - b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubts about compliance by the Organisation with its obligations in the implementation of the Action; or
 - c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported expenditure; or
 - d) credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious irregularity and has not been corrected. In this case, the Contracting Authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.
- 11.2 In the situations listed in Article 11.1, the Contracting Authority shall notify the Organisation as soon as possible, and in any case within thirty (30) Days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

- 11.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:
- a) the Contracting Authority has proof that irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its Ex-ante Pillar Assessment or in the implementation of the Action;
 - b) the Contracting Authority has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Organisation's Internal Control System or the legality and regularity of the underlying transactions;
 - c) the Contracting Authority has proof that the Organisation has committed irregularities, fraud or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud or breaches of obligations have a material impact on this Agreement.
- 11.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within ten (10) Days from the receipt of the notification. If the Organisation does not submit observations, or if - after examination of the observations submitted by the Organisation - the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving seven (7) Days' prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed, nor be covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 12.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

- 11.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional and unforeseen circumstances beyond the control of the Organisation make such implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.
- 11.6 The Contracting Authority may also notify the Organisation of the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:
- a) when a relevant EU Decision identifying a violation of human rights has been adopted; or
 - b) in cases such as crisis entailing a change of EU policy.
- 11.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if Force Majeure or exceptional circumstances as set forth under Articles 11.5 and 11.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.
- 11.8 In the situations listed in Articles 11.5 and 11.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action

before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 12.3. In case of suspension due to Force Majeure or if the Action is a Multi-Donor Action, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

Article 12: Termination

- 12.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation, where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:
- a) fails to fulfil a substantial obligation incumbent on it under the terms of the Agreement;
 - b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU Contribution or provides reports that do not reflect reality to obtain or keep the EU Contribution without cause;
 - c) is bankrupt or being wound up, or is subject to any other similar proceedings;
 - d) is guilty of Grave Professional Misconduct proven by any justified means;
 - e) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of the Contracting Authority;
 - f) fails to comply with the reporting obligations in accordance with Article 3.15;
 - g) has committed any of the failings described in Article 11.3 on the basis of proof in the possession of the Contracting Authority.
- 12.2 Before terminating the Agreement in accordance with Article 12.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within thirty (30) Days from the receipt of the notification. During this period, and until the termination takes effect, the Contracting Authority may suspend the time limit for any payment in accordance with Article 11.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving seven (7) Days' prior notice. During that period, the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 18 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.
- 12.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving sixty (60) Days written notice. In this case, the final amount shall cover:
- a) payment only for the part of the Action carried out up to the date of termination;
 - b) in the situations described in Articles 11.5 and 11.6, the unavoidable residual expenditures incurred during the notice period; and,
 - c) in the situations described in Articles 11.5 and 11.6, reimbursement of legal commitments the Organisation entered into for implementing the Action before the

written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.

The Contracting Authority shall recover the remaining part in accordance with Article 14.

- 12.4 In the event of termination, a final report and a request for payment of the balance shall be submitted in accordance with Articles 3 and 17. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

Article 13: Applicable law and settlement of disputes

- 13.1 The Parties shall endeavour to settle amicably any disputes or complaints relating to the interpretation, application or validity of the Agreement, including its existence or termination.
- 13.2 Where the Organisation is not an International Organisation, and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented - if necessary - by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 13.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU). Notwithstanding the foregoing sentence, where the Organisation is not established or incorporated in the EU, any of the Parties may bring before the Brussels courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. Where one party has brought proceedings before the Brussels courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Brussels courts before which the proceedings have already been brought.
- 13.3 Where the Organisation is not an International Organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European Commission. If no settlement is reached within one hundred and twenty (120) Days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.
- 13.4 Where the Organisation is an International Organisation:
- a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;
 - b) in the absence of an amicable settlement pursuant to Article 13.1 above, any dispute, controversy or claim arising out of or in relation to this Agreement, or the existence, interpretation, application, breach, termination, or invalidity thereof, shall be settled by final and binding arbitration in accordance with the 2012 Permanent Court of Arbitration Rules for Arbitration, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator's decision shall be binding on all Parties and there shall be no appeal.

Article 14: Recovery

- 14.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.

- 14.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 Days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within thirty (30) Days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.
- 14.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:
- a) by offsetting it against any amounts owed to the Organisation by the EU;
 - b) by taking legal action pursuant to Article 13;
 - c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.
- 14.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 17.7(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.
- 14.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.
- 14.6 The European Commission may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 15: Archiving, access and financial checks

- 15.1 For a period of five (5) years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 15 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.
- 15.2 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.
- 15.3 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.

- 15.4 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.
- 15.5 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.
- 15.6 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 17.2 to 17.5 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European Commission. This is without prejudice to any cooperation arrangement between OLAF and the Organisation's anti-fraud bodies.
- 15.7 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.
- 15.8 Failure to comply with the obligations set forth in Article 15 constitutes a case of breach of a substantial obligation under this Agreement.

Article 16: Eligibility of costs

- 16.1 Direct costs are eligible for EU financing if they meet all the following criteria:
- a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;
 - b) they are incurred in accordance with the provisions of this Agreement;
 - c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 16.6;
 - d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;
 - e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
 - f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;
 - g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and
 - h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.

- 16.2 A reserve for contingencies and/or possible fluctuations in exchange rates - not exceeding 5 % of the direct eligible costs - may be included in Annex III to allow for adjustments necessary in the event of unforeseeable changes of circumstances on the ground. In such case, the reserve can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.
- 16.3 The following costs may not be considered eligible direct costs, but may be charged as part of the remuneration: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the European Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).
- 16.4 The remuneration shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration does not need to be supported by accounting documents. For Multi-Donor and comparable actions, the remuneration shall not be higher than that charged by the Organisation to comparable contributions.
- 16.5 The following costs are ineligible for EU financing:
- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards;
 - b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 8;
 - c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
 - d) return of capital;
 - e) negative remuneration charged by banks or other financial institutions;
 - f) debts and debt service charges;
 - g) provision for losses, debts or potential future liabilities;
 - h) banking charges for the transfers from and to the Contracting Authority;
 - i) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 11.8;
 - j) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);
 - k) contributions in kind. The cost of staff assigned to the Action and actually incurred by the Organisation is not a contribution in kind and may be declared as a direct eligible cost if it complies with the conditions set out in Article 16.1; and
 - l) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

- 16.6 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.
- 16.7 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 16.1, 16.3 and 16.5, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.
- 16.8 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.
- 16.9 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission
- 16.10 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Article 17: Payments

17.1 Payment procedures shall be as follows:

- a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within thirty (30) Days of receiving the Agreement signed by both Parties;
- b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:
 - i) the reporting period is intended as a twelve-month period, unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;
 - ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the Organisation to its staff or has been subject to a legal commitment with a third party;
 - iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;
- c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 18 and following approval of the request for payment of the balance and of the final report; and

- d) the Contracting Authority shall pay the further pre-financing instalments and the balance within ninety (90) Days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 11 or 12.
- 17.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in the Special Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 18. If the balance is negative, the payment of the balance takes the form of recovery.
- 17.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.
- 17.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions to the bank account referred to in the financial identification form in Annex IV.
- 17.5 Payment arrangements for performance-based financing in accordance with Article 19 shall be set out in Article 4 of the Special Conditions and Annex I.
- 17.6 If no payment has been made by the Contracting Authority within two (2) years of the entry into force of the Agreement, the Agreement shall be terminated.

Late payment interest

- 17.7 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following conditions apply:
- a) upon expiry of the time limits for payments specified in Article 17.1, if the Organisation is not a Member State Organisation, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;
 - b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 11 or 12 shall not be considered as late payment;
 - c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 17.1. Any partial payment shall first cover the interest;
 - d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two (2) months of it receiving late payment;
 - e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two (2) months of it receiving late payment.

Article 18: Final amount of the EU Contribution

- 18.1 The Contracting Authority shall determine the final amount of the EU Contribution when approving the Organisation's final report. The Contracting Authority shall then determine the balance:
- a) to be paid to the Organisation in accordance with Article 17 where the final amount of the EU Contribution is higher than the total amount already paid to the Organisation; or
 - b) to be recovered from the Organisation in accordance with Article 14 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.
- 18.2 The final amount shall be the lower of the following amounts:
- a) the maximum EU Contribution referred to in Article 3.1 of the Special Conditions in terms of absolute value;
 - b) the amount obtained after reduction of the EU Contribution in accordance with Article 18.3.
- 18.3 Where the Action (i) is not implemented, (ii) is not implemented in line with the Agreement or (iii) is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU Contribution in proportion to the seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Article 19: Performance-based financing

- 19.1 The payment of the EU Contribution may be partly or entirely linked to the achievement of Results measured by reference to previously set milestones or through performance Indicators. Such performance-based financing is not subject to Article 16. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.
- 19.2 The amount to be paid per achieved Result shall be set out in Annex III. The method to determine the amount to be paid per achieved Result shall be clearly described in Annex I and take into account the principle of Sound Financial Management.
- 19.3 The Organisation shall not be obliged to report on costs linked to the achievement of Results. However, the Organisation shall submit any necessary supporting documents, including where relevant accounting documents, to prove that the Results triggering the payment as defined in Annex I and III have been achieved.
- 19.4 Articles 3.7 f), 3.8 b), 3.8 f), 10.3 and 10.5 do not apply to the part of the Action supported by way of performance-based financing.

Article 20: Contracting and Early Detection and Exclusion System

Contracting

- 20.1 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible. Without prejudice to the foregoing or to the Organisation's assessed Regulations and Rules, the Organisation shall promote the use of local contractors when implementing the Action.

Early Detection and Exclusion System

- 20.2 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has detected a situation of exclusion pursuant to its rules and procedures referred to in Article 2.2 d) and any ad hoc measure stipulated in the Special Conditions or if it has detected a fraud and/or an irregularity pursuant to Article 2.6. This information may be used by the European Commission for the purpose of the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.
- 20.3 Without prejudice to the power of the European Commission to exclude a person or an entity from future procurement contracts and grants financed by the EU and/or to impose financial penalties according to the EU Financial Regulation, the Organisation may impose sanctions on third parties according to its own Regulations and Rules ensuring, where applicable, the right of defence of the third party.
- 20.4 The Organisation may take into account, as appropriate and on its own responsibility, the information contained in the Early Detection and Exclusion System, when implementing the EU Contribution. Access to that information can be provided through the authorised persons or via consultation with the European Commission as referred in Article 5.6 of the Special Conditions.

ANNEX III TO THE CONTRIBUTION AGREEMENT, Reference (CRIS number).

Budget for the Action (EURO)			
	Total Budget	Total Budget - provisional costs not fulfilling the criteria of art. 18.1 GC	Year 1
1 Experts)	2,371,785.09	25,000.00	693,458.70
1.1 Personnel assigned to the Action *)	1,192,399.50	-	397,466.50
1.1.1 International personnel	838,740.00	-	279,580.00
1.1.2 National personnel	353,659.50	-	117,886.50
1.1.3 Project personnel in Germany	-	-	-
1.1.4 Development workers	-	-	-
1.1.5 Integrated experts	-	-	-
1.1.6 Returned experts	-	-	-
1.2 Internal technical/ admin. services directly attributable to the Action	304,385.59	25,000.00	77,242.20
1.2.1 Internal technical/ admin. services in a GIZ country project office	231,726.59	25,000.00	77,242.20
1.2.2 Internal technical/ admin. services of the project's unit	18,018.00	-	-
1.2.3 Internal technical/ admin. services of other units	54,641.00	-	-
1.2.4 Internal technical/ admin. services of other projects working for this project	-	-	-
1.3 External expertise incl. travel expenses **)	875,000.00	-	218,750.00
1.3.1 External expertise procured via HQ	560,000.00	-	140,000.00
1.3.2 External expertise for training of partners procured via HQ	250,000.00	-	62,500.00
1.3.3 External expertise procured locally	65,000.00	-	16,250.00
1.3.4 External expertise for training of partners procured locally	-	-	-
2 Travel expenses *)	125,760.00	-	31,440.00
2.1 Travel expenses, international/ expatriate personnel	88,760.00	-	22,440.00
2.2 Travel expenses, national personnel	36,000.00	-	9,000.00
2.3 Travel expenses, project personnel in Germany	-	-	-
2.4 Travel expenses, development workers	-	-	-
2.5 Travel expenses, integrated experts	-	-	-
2.6 Travel expenses, returning experts	-	-	-
2.7 Other travel expenses related to projects	-	-	-
3 Procurement of materials and equipment incl. construction *)	574,809.71	-	153,635.76
3.1 Procurement of goods and equipment, incl. Consumables *)	574,809.71	-	153,635.76
3.1.1 Procurement via HQ	455,609.71	-	113,902.43
3.1.2 Local procurement	119,200.00	-	39,733.33
3.1.3 Procurement by external expertise	-	-	-
3.2 Construction contracts and procurement of construction materials	-	-	-
3.2.1 Procurement for construction materials via HQ	-	-	-
3.2.2 Construction contracts via HQ	-	-	-
3.2.3 Procurement for construction materials procured locally	-	-	-
3.2.4 Local construction contracts	-	-	-
4 Financing *)	300,000.00	-	100,000.00
4.1 Grants to partners	-	-	-
4.2 Local subsidies	-	-	-
4.3 Grants to other donors	-	-	-
4.4 Grants and subsidies (German and international)	300,000.00	-	100,000.00
4.5 Scholarship to participants in HCD measures	-	-	-
5 Training of partners *)	-	-	-
5.1 Participant-related costs	-	-	-
5.1.1 Travel costs for participants	-	-	-
5.1.2 NA	-	-	-
5.1.3 Insurances for participants	-	-	-
5.1.4 Other participant related expenses	-	-	-
5.1.5 Training at the Academy for International Cooperation (AIZ) and other training centers	-	-	-
6 Other costs *)	180,625.28	2,220.00	52,950.47
6.1 Head Office costs	2,220.00	2,220.00	740.00
6.2 Preliminary costs for proposal preparation	-	-	-
6.3 Operating costs in country of assignment	91,429.83	-	30,476.61
6.4 Other external services purchased *)	4,975.45	-	1,243.86
6.5 Other expenses and revenues	82,000.00	-	20,500.00
7 Total	3,552,980.08	27,220.00	1,031,494.93
Total administrative overheads *)	593,801.23	593,801.23	175,354.14
Estimated Budget	4,146,781.31	621,021.23	1,206,849.07
VAT due in Germany *)	3,218.69	3,218.69	-
Estimated Budget - incl. VAT	4,160,000.00	624,239.92	1,206,849.07
Total direct eligible costs by EU	3,177,570.09		921,818.16
7% flatrate for indirect costs (remuneration as per GC Art. 18.3)	222,429.91		64,527.27
Total Contribution by the EU	3,400,000.00		986,345.43
Total Contribution by BMX	750,000.00		220,503.63

*) with reference to Art. 11.3 GC this represents a budget heading. Sub-divisions under a budget heading are for reporting purposes only and not subject to the 25% rule stipulated in Art. 11.3 GC.

**) The thus marked budget lines contain costs for Communication and Visibility activities amounting to an estimated total amount of 70,000 EUR.

*) The total administrative overheads are the total overheads of this Action, as they incur in the GIZ system.

²⁾ German VAT stemming from the commissioning contract between GIZ and the German Ministry is not considered eligible for EU financing. It will be covered by the German Ministry for Economic Cooperation and Development contribution.

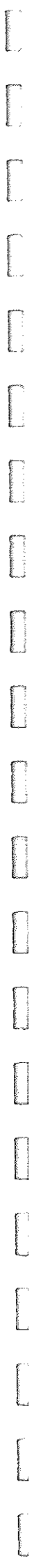
Annex III – Budget lines and explanatory notes

Please note that the information given in these explanatory notes can change and is not exhaustive. The "Detailed Information" will be determined during the course of the Action.

Budget Line		Definition	Detailed Information
1 Experts			
1.1 Personnel assigned to the Action			
1.1.1 International personnel		International personnel assigned to the Action. Salary incl. all relevant components like fixed salary, variable remuneration, social security, external qualification measures, living abroad allowance, non-recurring costs at the end of staff assignment such as compensation payments and other personnel-related costs (e.g. rent, school fees for children).	GIZ international project personnel - Program manager (5%, 36 months, international expert, project office in Kigali) - Team leader (20%, 36 months, international expert, project office in Kigali) - Expert on Digitalization (35%, 36 months, international expert, project office in Kigali) - Expert on M&E/ crosscutting issues (40%, 36 months, international expert, project office in Kigali) - Junior finance manager (50%, 36 months, international expert, project office in Bujumbura with frequent travel) - Senior cluster finance manager (based on timesheets no more than 10%, 36 months, international expert, project office in Kigali)
1.1.2 National personnel **)		National personnel assigned to the Action. Salary incl. all relevant components like fixed salary, variable remuneration, social security, external qualification measures, non-recurring costs at the end of staff assignment such as compensation payments and other personnel-related costs.	GIZ national project personnel - Expert on mining in Rwanda (100%, 36 months, national expert, project office in Kigali) - Expert Professionalization Mining Sector (100%, 36 months, regional expert, project office in Kigali) - Admin Professional on Procurement (50%, 36 months, national expert, project office in Kigali) - Driver (based on timesheets up to 100%, 36 months, national expert, project office in Kigali)
1.2 Internal technical/admin. services directly attributable to the Action			
1.2.1 Internal technical/ admin. services in a GIZ country project office **)		Personnel from country offices working mainly on bookkeeping, HR, procurement and travel management as well as other administrative project support. These services are logged in with time sheets and billed to projects in accordance with the causality principle based on German price law. Security and Risk Management System: Costs ensure the security of GIZ's international and national personnel. To this end security costs occur that are booked directly to the project such as equipment and/or security-related constructions. Internal costs for working at home due to the security situation, security trainings depending on the development of the security situation, etc. In addition, these security costs may also be booked to vehicles. GIZ also uses a security risk management	Internal services here arise mainly from project personnel at the GIZ office in Kigali. The service is direct action. Security and Risk Management System Costs Specific security measures in Rwanda are necessary because of the fragile context in which GIZ implements its projects. It has to work with a number of risks relating to deficient politico-economic structures, difficult environmental conditions, insufficient infrastructure. GIZ in Rwanda employs a security expert that supports all projects in Rwanda.

1.3.2 External expertise for training of partners procured via HQ	International, regional and local consultants and consultancy firms exclusively for training for partners	External expertise will provide decentralized TOT trainings
2 Travel expenses		
2.1 Travel expenses, international/ expatriate personnel	Travel expenses of international personnel assigned to the action including flight tickets, transportation costs, accommodation and subsistence allowance pursuant to the German regulations on wage tax as published by the German Federal Ministry of Finance	Travel expenses of international personnel listed in budget line 1.1 They include travel within Rwanda to related activities, travel from GIZ HQ in Germany and return trip after the end of the project
2.2 Travel expenses, national personnel	Travel expenses for national personnel assigned to the action. Travel expenses include flight tickets, transportation costs, accommodation and subsistence allowance pursuant to the German regulations on wage tax as published by the German Federal Ministry of Finance	Travel expenses of national personnel listed in budget line 1.1 They include travel within Rwanda to alter activities
3 Procurement of materials and equipment incl. construction		
3.1 Procurement of goods and equipment incl. Consumables	International procurement of actively-related goods and equipment (incl. vehicles and fuel) as well as office, IT equipment and consumables. There are also transport costs, insurances and field installation. Training and workshop materials, access to databases & journals are included	Office equipment, procurement for beneficiaries/ implementing partners supporting the Action such as digiGIMCS and a proposed car to enable frequent travel in Rwanda
3.1.1 Procurement via HQ **)		
3.1.2 Local procurement	Local procurement of actively-related goods and equipment (incl. vehicles and fuel) as well as office, IT equipment and consumables. There are also transport costs, insurances and field installation. Training and workshop materials, access to databases & journals are included	Office equipment, visibility products and printing of official project documents
4 Financing		
4.4 Grants and subsidies (German and international)	Grants to German and international organisations/ institutions	Grants to RMB & NGOs and mining associations
6 Other costs		
6.1 Head Office costs**)	Project office costs for project personnel working at the Headquarters in Germany. Expenses for medical services (vacations check-up, medical treatment) of international personnel assigned to the Action.	Costs for personnel as listed in budget line 1.1.3
6.3 Operating costs in country of assignment **)	Project office costs such as rent, electricity, water, telecommunication, Internet, maintenance, etc.	Project office costs in Kigali
6.4 Other external services purchased	Repairs, vehicle maintenance, catering and room costs for workshops and seminars (travel costs, consultants, etc are booked in the respective budget lines), printing, translation and interpretation services, moderators, facilitators, websites, print media for public relations, etc.	IT licences for project staff
6.5 Other expenses and revenues **)	Travel costs of partners	Partner personnel travelling in Rwanda to attend project activities, internal training of project staff

**) The budget lines marked with **) also contain allocated costs that are ineligible for the EU contribution. As GIZ costing adjusts to changing circumstances, there may be additional ineligible costs that also may arise in other budget lines in the future.
Costs that are ineligible according to EU criteria are covered by the German Ministry for Economic Cooperation and Development based on the national approach.





FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm#en

Please use CAPITAL LETTERS and LATIN CHARACTERS when filling in the form.

BANKING DETAILS ①

ACCOUNT NAME ②	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH		
IBAN/ACCOUNT NUMBER ③	DE 45 5004 0000 0588 9555 00		
CURRENCY	EUR		
BIC/SWIFT CODE	COBADEFFXXX	BRANCH CODE ④	
BANK NAME	Commerzbank AG		
ADDRESS OF BANK BRANCH			
STREET & NUMBER	Kaiserstraße 30		
TOWN/CITY	Frankfurt/M.	POSTCODE	60261
COUNTRY	Germany		

ACCOUNT HOLDER'S DATA

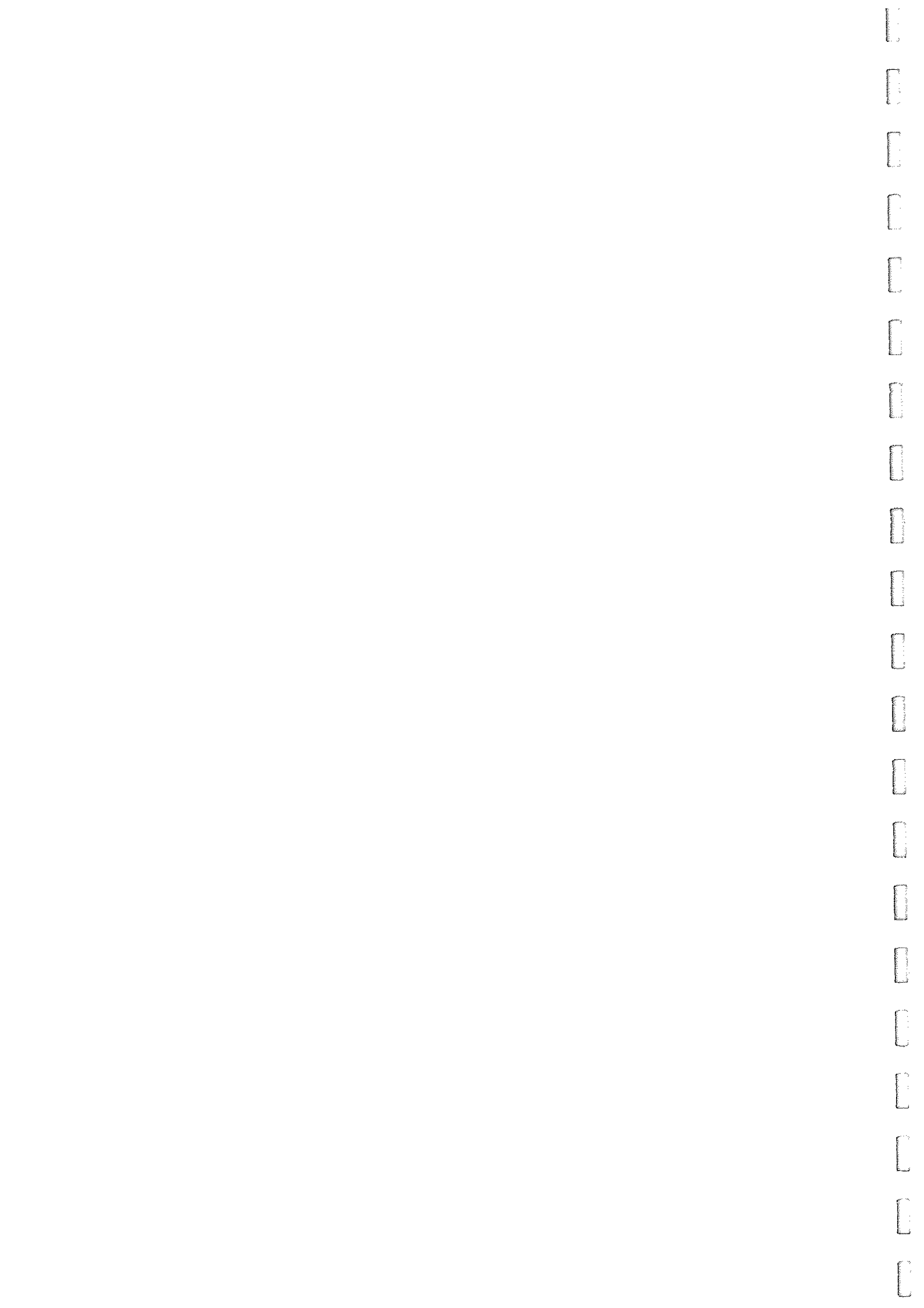
AS DECLARED TO THE BANK

ACCOUNT HOLDER	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH		
STREET & NUMBER	Dag-Hammarskjöld-Weg 1-5		
TOWN/CITY	Eschborn	POSTCODE	65760
COUNTRY	Germany		

REMARK

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE ⑤	DATE (Obligatory)
 Rainer Müller	31. Mai 2021
SIGNATURE OF ACCOUNT HOLDER (Obligatory)	
 Hannes Goebel	 Rainer Müller

- ① Enter the final bank data and not the data of the intermediary bank.
- ② This does not refer to the type of account. The account name is usually the one of the account holder. However, the account holder may have chosen to give a different name to its bank account.
- ③ Fill in the IBAN Code (International Bank Account Number) if it exists in the country where your bank is established.
- ④ Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.
- ⑤ It is preferable to attach a copy of RECENT bank statement. Please note that the bank statement has to confirm all the information listed above under 'ACCOUNT NAME', 'ACCOUNT NUMBER/IBAN' and 'BANK NAME'. With an attached statement, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder and the date are ALWAYS mandatory.



ANNEX V

Request for payment for Contribution Agreement

Date of the request for payment < >

For the attention of

<Address of the Contracting Authority>

<Financial unit indicated in the Contribution Agreement>¹

Reference number of the Contribution Agreement: **NDICI AFRICA/2022/436-837**

Title of the Contribution Agreement: **"Sustainable Development of the Mining Sector in Rwanda"**

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of pre-financing/interim payment/balance² under the Contribution Agreement mentioned above.

The amount requested is [in accordance with Article 4 of the Special Conditions of the Contribution Agreement/the following....]³

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

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

Please when making the payment indicate the following communication: ...

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully, <signature>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Contribution Agreement

² Delete the options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the financial identification form annexed to the Contribution Agreement. In the event of change of bank account, please complete and attach a new financial identification form as per model.

N.B.: Instalments of pre-financing, interim payments and final payments shall be made upon approval of the payment request accompanied by a progress or final report (see Articles 19 of the General Conditions of Contribution Agreement).

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