

ORIGINAL

*Financing Agreement*  
**ASIE/2005/17600**

Financing Agreement

Between

THE EUROPEAN COMMUNITY

And

THE ASSOCIATION OF SOUTH-EAST  
ASIAN NATIONS  
(ASEAN)

*“ASEAN Programme for Regional Integration Support (APRIS),  
Phase II”*



## **FINANCING AGREEMENT**

### **Special Conditions**

The European Community, hereinafter referred to as "**the Community**", represented by the Commission of the European Communities, hereinafter referred to as "**the Commission**",

of the one part, and

The Association of South-East Asian Nations (ASEAN), hereinafter referred to as "**the Beneficiary**", represented by the Secretary General of ASEAN

of the other part,

HAVE AGREED AS FOLLOWS :

#### **ARTICLE 1 - NATURE AND PURPOSE OF THE OPERATION**

1.1. The Community shall contribute to the financing of the following programme:

*ASEAN Programme for Regional Integration Support (APRIS), Phase II  
Accounting number: ASIE/2005/17600*

hereinafter referred to as the programme which is described in the Technical and Administrative Provisions in Annex II.

1.2 This programme will be implemented in accordance with the financing agreement and the annexes thereto: the General Conditions (Annex I) and the Technical and Administrative Provisions (Annex II).

#### **ARTICLE 2 – THE COMMUNITY'S FINANCIAL CONTRIBUTION**

2.1 The total cost of the programme is estimated at 8,423,000 euro.

2.2 The Community undertakes to finance a maximum of 7,287,000 euro. The breakdown of the Community's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions in Annex II.

#### **ARTICLE 3 - THE BENEFICIARY'S CONTRIBUTION**

3.1 The Beneficiary shall contribute 1,136,000 euro to the programme.

3.2 Where there is a non-financial contribution by the Beneficiary the detailed arrangements shall be set out in the Technical and Administrative Provisions in Annex II to the financing agreement.

#### **ARTICLE 4 - PERIOD OF EXECUTION**

The period of execution of the financing agreement shall commence on the entry into force of the financing agreement and end at 31/12/2012. This period of execution shall comprise two phases: an operational implementation phase, which shall commence on the entry into force of the financing agreement and end at 31/12/2010. As from this date shall commence the closure phase, which shall end at the end of the period of execution.

#### **ARTICLE 5 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS IMPLEMENTING THE FINANCING AGREEMENT**

Contracts implementing the financing agreement shall be signed by 13/12/2008 at the latest. That deadline may not be extended. This provision shall not apply to audit and evaluation contracts, which may be signed later.

#### **ARTICLE 6 - ADDRESSES**

All communications concerning the implementation of the financing agreement shall be in writing, refer expressly to the programme and be sent to the following addresses:

**a) for the Commission**

European Union  
Delegation of the European Commission to Indonesia, Brunei Darussalam and East Timor  
Wisma Dharmala Sakti, 16<sup>th</sup> Floor  
Jalan Jenderal Sudirman 32  
Jakarta 10220, Indonesia

**b) for the Beneficiary**

c/o the Director  
Bureau for Programme Coordination and External Relations  
ASEAN Secretariat  
70 A Jalan Sisingamangaraja  
Jakarta 12110, Indonesia

#### **ARTICLE 7 - ANNEXES**

7.1 The following documents shall be annexed to this agreement and form an integral part thereof:

Annex I: General Conditions

Annex II: Technical and Administrative Provisions.

7.2 In the event of a conflict between the provisions of the Annexes and those of the Special Conditions of the financing agreement, the provisions of the Special

Special Conditions - Budget (centralised)

Conditions shall take precedence. In the event of a conflict between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

**ARTICLE 8 - ENTRY INTO FORCE OF THE FINANCING AGREEMENT**

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

Done in Brussels in three original copies in English, two copies being handed to the Commission and one to the Beneficiary.

FOR THE COMMISSION

Erich W. Muller  
Director, Directorate Asia incl.  
Central Asia  
EuropeAid Co-operation Office

Signature



Date



FOR THE BENEFICIARY

Ong Keng Yong  
Secretary General of the ASEAN

Signature



Date



## **ANNEX I - GENERAL CONDITIONS**

### **TITLE I - PROJECT/PROGRAMME FINANCING**

#### **ARTICLE 1 - GENERAL PRINCIPLE**

1.1 The Community's financial contribution shall be limited to the amount specified in the financing agreement.

1.2 The provision of the Community financing shall be subject to fulfilment of the Beneficiary's obligations under this financing agreement.

#### **ARTICLE 2 - COST OVERRUNS AND COVERING THEM**

2.1 Individual overruns of the budget headings of the financing agreement shall be dealt with by reallocating funds within the overall budget, in accordance with Article 17 of these General Conditions.

2.2 Wherever there is a risk of overrunning the global amount set in the financing agreement, the Commission may either scale down the project/programme or draw on the Beneficiary's own resources or other non-Community resources.

2.3 If the project/programme cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, exceptionally grant additional Community financing. Should it so agree, the excess costs shall be financed, without prejudice to the relevant Community rules and procedures, by the release of an additional financial contribution to be set by the Commission.

### **TITLE II - IMPLEMENTATION**

#### **ARTICLE 3 - GENERAL PRINCIPLE**

3.1 The project/programme shall be implemented by the Commission acting for and on behalf of the Beneficiary.

3.2 The Commission shall be represented in the State of the Beneficiary by its Head of Delegation.

#### **ARTICLE 4 - PERIOD OF EXECUTION**

4.1 The financing agreement shall lay down a period of execution, which shall commence on the entry into force of the financing agreement and end on the date specified to this end in Article 4 of the Special Conditions.

4.2 This period of execution shall comprise two phases:

- an operational implementation phase, in which the principal activities are carried out. This phase shall commence on the entry into force of the financing agreement and end at the latest 24 months before the end of the period of execution;

- a closure phase, during which final audits and evaluation are carried out and contracts for the implementation of the financing agreement are technically and financially closed. This phase shall commence on the date of end of the operational implementation phase and end at the latest 24 months after this date.

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

4.4 Any balance remaining from the Community contribution will be automatically cancelled six months after the end of the period of execution.

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

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

### **TITLE III - AWARD OF CONTRACTS AND GRANTS**

#### **ARTICLE 5 - GENERAL PRINCIPLE**

All contracts implementing the financing agreement must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

## **ARTICLE 6 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS IMPLEMENTING THE FINANCING AGREEMENT**

6.1 The contracts implementing the financing agreement shall be signed by both parties within three years of the adoption of the budgetary commitment by the Commission, namely at the latest on the date referred to in Article 5 of the Special Conditions. That deadline may not be extended.

6.2 The above provision shall not apply to audit and evaluation contracts, which may be signed later.

6.3 On the date referred to in Article 5 of the Special Conditions, any balance for which contracts have not been signed will be cancelled.

6.4 A contract which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding cancelled.

## **ARTICLE 7 - ELIGIBILITY**

7.1 Participation in invitations to tender for works, supply or service contracts shall be open on equal terms to all natural and legal persons of the Member States of the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal persons of the beneficiary third countries or of any other third country expressly mentioned in those acts.

7.2 Participation in calls for proposals shall be open on equal terms to all legal persons of the Member States of the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal persons of the beneficiary third countries or of any other third country expressly mentioned in those acts.

7.3 Exceptionally, in duly substantiated cases approved by the Commission, it may be decided, on the basis of the specific conditions laid down in the basic acts governing the cooperation sector concerned, to allow third-country nationals other than those referred to in paragraphs 1 and 2 to tender for contracts.

7.4 Goods and supplies financed by the Community and necessary for the performance of works, supply and service contracts and procurement procedures launched by the grant beneficiaries for the execution of the action financed must originate in countries eligible to participate on the terms laid down in the previous three paragraphs.

7.5 This nationality rule shall also apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the Community.

## **TITLE IV - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS**

### **ARTICLE 8 - ESTABLISHMENT AND RIGHT OF RESIDENCE**

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

8.2 Contractors (including the grant beneficiaries) and natural persons whose services are required for the performance of the contract and members of their family shall enjoy similar rights during the implementation of the project/programme.

### **ARTICLE 9 - TAX AND CUSTOMS PROVISIONS**

9.1 Save where otherwise provided in the Special Conditions, taxes, duties or other charges (including value added tax - VAT - or equivalent taxes) shall be excluded from Community financing.

9.2 The State of the Beneficiary shall apply to procurement contracts and grants financed by the Community the most favoured tax and customs arrangements applied to States or international development organisations with which it has relations.

9.3 Where the Framework Agreement or exchange of letters applicable includes more detailed provisions on this subject, they shall apply as well.

### **ARTICLE 10 - FOREIGN EXCHANGE ARRANGEMENTS**

10.1 The State of the Beneficiary undertakes to authorise the import or purchase of the foreign currency necessary for the implementation of the project. It also undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the contractors allowed to participate referred to in Article 7 of these General Conditions.

10.2 Where the Framework Agreement or exchange of letters applicable includes more detailed provisions on this subject, they shall apply as well.

### **ARTICLE 11 – USE OF DATA FROM STUDIES**

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



## **ARTICLE 12 ALLOCATION OF AMOUNTS RECOVERED UNDER CONTRACTS**

12.1 Amounts recovered from payments wrongly effected, from guarantees of pre-financing payments or from performance guarantees supplied on the basis of contracts financed under this financing agreement, shall be allocated to the **project/programme**.

12.2 The financial penalties imposed by the contracting authority on candidate or tenderer who is in a case of exclusion in the context of a procurement contract, the calling upon of tender guarantees, as well as the damages granted to the Commission shall be repaid to the general budget of the European Communities.

## **TITLE V - GENERAL AND FINAL PROVISIONS**

### **ARTICLE 13 - VISIBILITY**

13.1 Every **project/programme** financed by the Community shall be the subject of appropriate communication and information operations. These operations shall be defined with the approval of the Commission.

13.2 These communication and information operations must follow the rules laid down and published by the Commission for the visibility of external operations in force at the time of the operations.

### **ARTICLE 14 - PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION**

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

14.2 "Irregularity" shall mean any infringement of the financing agreement, implementing contracts or Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the European Communities, or by an unjustified item of expenditure.

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

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by them, or on their behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

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

14.3 The Beneficiary undertakes to take every appropriate measure to remedy any practices of active or passive corruption whatsoever at any stage of the procedure for the award of contracts or grants or in the implementation of the related contracts. "Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities. "Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities.

#### **ARTICLE 15 - VERIFICATIONS AND CHECKS BY THE COMMISSION, THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) AND THE COURT OF AUDITORS OF THE EUROPEAN COMMUNITIES**

15.1 The Beneficiary agrees to the Commission, OLAF and the Court of Auditors of the European Communities conducting documentary and on-the-spot checks on the use made of Community funding under the financing agreement (including procedures for the award of contracts and grants) and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the project/programme, throughout the duration of the agreement and for seven years after the date of the last payment.

15.2 The Beneficiary also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities.

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

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

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

#### **ARTICLE 16 - CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY**

16.1 The Beneficiary and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this financing agreement further.

16.2 The consultation may lead to the amendment, suspension or termination of the financing agreement.

#### **ARTICLE 17 - AMENDMENT OF THE FINANCING AGREEMENT**

17.1 Any amendment to the Special Conditions and Annex II to the financing agreement shall be made in writing and be the subject of an addendum.

17.2 If the request for an amendment comes from the Beneficiary, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Beneficiary and accepted by the Commission.

17.3 The specific cases of the extension of the operational implementation phase or closure phase are governed by Article 4(5) and (6) of these General Conditions.

#### **ARTICLE 18 - SUSPENSION OF THE FINANCING AGREEMENT**

18.1 The financing agreement may be suspended in the following cases:

(a) The Commission may suspend the implementation of the financing agreement if the Beneficiary breaches an obligation under the financing agreement.

(b) The Commission may suspend the financing agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.

(c) The financing agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the party's control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by force majeure. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

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

18.3 When the suspension is notified, the consequences on the ongoing contracts or contracts to be signed will be indicated.

#### **ARTICLE 19 - TERMINATION OF THE FINANCING AGREEMENT**

19.1 If the issues which led to the suspension of the financing agreement have not been resolved within a maximum period of four months, either party may terminate the financing agreement at two months' notice.

19.2 Where a financing agreement has not given rise to any payment within three years of its signature or no implementing contract has been signed by the date referred to in Article 5 of the Special Conditions, that financing agreement will automatically be terminated.

19.3 When the termination is notified, the consequences on the ongoing contracts or contracts to be signed will be indicated.

#### **ARTICLE 20 - DISPUTE-SETTLEMENT ARRANGEMENTS**

20.1 Any dispute concerning the financing agreement which cannot be settled within a six-month period by the consultations between the parties provided for in Article 16 of these General Conditions may be settled by arbitration at one of the parties' request.

20.2 In this case the parties shall each designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

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

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

Technical and Administrative Provisions  
for centralised projects

Beneficiary: ASEAN

Title: ASEAN PROGRAMME FOR REGIONAL INTEGRATION  
SUPPORT (APRIS), Phase II

Project No: **ASIE/2005/17600**

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#### **Attachment 1: Logical framework**

# **1 OBJECTIVE**

## **1.1 Overall Objective**

The overall objective of APRIS II is to further the process of ASEAN integration while strengthening EU-ASEAN relations as a whole through the dialogue process.

The EU' experience in regional integration and in particular regional economic integration is of immediate relevance to ASEAN's own development and integration agenda. APRIS II shall be a means for ASEAN and ASEAN Secretariat to access relevant EU experience and know-how.

## **1.2 Project Purpose**

The Project purpose is to support ASEAN integration through the Trans-Regional EU-ASEAN Trade Initiative (TREATI) and Regional EU-ASEAN Dialogue Instruments (READI) dialogue process.

## **1.3 Main Results**

The envisaged results of the project are:

### **a. Component 1 - Standards and SPS:**

Development and implementation of common ASEAN standards, conformity assessment, sanitary & phyto-sanitary (SPS) standards and other technical regulations in specific sectors in line with the Vientiane Action Programme (VAP) and modelled on EU system. These outcomes will be supported by harmonization with international standards and the establishment of an ASEAN Post Market Surveillance system to ensure the technical regulations and conformity assessment procedures are implemented in practice.

### **b. Component 2 - Customs and Trade Facilitation:**

Establishment in most ASEAN Member Countries (AMCs) of an improved system of customs clearance and a transit regime to enhance economic competitiveness in international transactions in line with the requirements of the VAP.

### **c. Component 3 - Investment:**

Adoption of an Action Plan in accordance with the VAP for the creation of a free and open investment regime in ASEAN in line with the national objectives of AMCs in ASEAN.

### **d. Component 4 - Capacity Building:**

- a) Improved capacity of the Agreement and Compliance Unit of the ASEAN Secretariat to better provide legal advice and support to AMCs, to the ASEAN Compliance Monitoring Body and to an enhanced ASEAN Dispute Settlement Mechanism;
- b) ASEAN Secretariat and AMCs officials on Working Groups/Committees trained to support regional integration and the associated management processes including specific aspects of harmonisation of regulations.

## **e. Component 5 - TREATI and READI dialogues:**

A series of common positions / joint initiatives developed and implemented in support of the TREATI and READI dialogues in the areas such as transport, animal health, climate change and the information society, communicable diseases and other subjects for which dialogues are agreed.

## **2. PROJECT DESCRIPTION**

The project will contribute to further the process of ASEAN integration while strengthening EU-ASEAN relations as a whole through the dialogue process.

APRIS II will strategically focus on enhancing the process of ASEAN integration (as outlined particularly in the VAP) while at the same time pursuing common EC-ASEAN objectives agreed jointly through the TREATI and READI dialogues. This will be achieved by strengthening the capacity of ASEAN Secretariat and other ASEAN institutions to meet specific integration objectives outlined in the VAP.

The integration objectives pursued will include - but not be confined to - those relating to the four sectors of agri-food, fisheries, electronics and wood-based products and two horizontal areas of integration trade facilitation and investment already agreed under TREATI. Targeted technical assistance and supporting actions will focus on improving sanitary and phyto-sanitary standards in agro-based products and in fisheries, technical standards for electronics and on wood-based industries as well as on cross-sectoral co-operation on trade facilitation, customs and investment. Activities in these core areas shall support ASEAN and ASEAN Secretariat's implementation of the corresponding VAP roadmaps, programme areas and measures.

In parallel, by maintaining a substantial degree of flexibility in the programming of other sub-components, APRIS II will aim to respond to the evolving needs identified under the TREATI and READI dialogue processes, which in turn should reflect the changing demands and priorities of the integration process. In this regard, APRIS II shall cover any areas or issues of a mutual interest that may be identified through TREATI or READI in support of the dialogue processes and as a complement to the VAP.

The evolving nature of the TREATI and READI dialogues and the dynamics of the implementation of the VAP necessitate a significant degree of flexibility in order for APRIS II to effectively respond to identified needs.

### **2.1 Activities**

In order to achieve the Main Results whilst maintaining the flexibility required to support the dynamic nature of the TREATI and READI dialogues a number of components with both defined and indicative activities have been developed.

#### **2.1.1 Component 1 Standards and SPS**

##### **2.1.1.1 *Strategic Analysis Standards***

This component covers the four priority sectors and part of the general trade facilitation area outlined in the six priority areas under TREATI. Emphasis is placed on SPS issues in the agro-based products and fisheries sectors and on improving standards and technical



regulations in electronics, pharmaceutical, cosmetics and wood-based products as well as trade facilitation as a horizontal issue. Activities shall meet the TREATI focus on fostering regulatory convergence.

#### **2.1.1.2 Standards (Technical and SPS)**

Training, workshops, seminars, legal assistance on transposition of Directives into national law, preparation of manuals and training material for trainers and human resource capacity building to support ASEAN Secretariat/AMCs activities in relation to, but not limited to:

- ASEAN Post Market Surveillance system identification and implementation;
- General product safety and public liability;
- Transposition and implementation of the ASEAN Cosmetics Directive;
- Developing SPS measures for agro-based and food and fish products;
- Implementation of Electrical and Electronics Directive;
- Development of Wood-based Products Standards

#### **2.1.2 Component 2 - Customs and Trade Facilitation**

##### **2.1.2.1 Strategic Analysis Customs**

Improving customs clearance and enhancing the customs transit regime are the two priorities areas among the 15 Areas of ASEAN Customs Integration identified under the ASEAN Strategic Plan of Customs Development (SPCD). Activities shall logically build upon and follow up support for customs modernization in ASEAN developed under APRIS I.

##### **2.1.2.2 Customs Activities**

To enhance ASEAN and ASEAN Secretariat capacity in customs clearance and customs transit, the project will provide:

- Training, workshops, seminars
- Develop a Train the Trainers programme including the preparation of manuals and training material for trainers
- Study tours by AMC authorities to the EU
- Human resource development in support of ASEAN Secretariat/AMCs activities.

#### **2.1.3. Component 3 - Investment**

To comply with the requirements of VAP and to enhance recognition of the economic benefits of a free and open investment regime in line with the national objectives of AMCs in ASEAN, the programme will provide training, workshops and studies to underpin and support ASEAN Secretariat/AMCs actions on investment including:

- Establishing a system on comparative investment performance/attractiveness;
- Support activities relating to the implementation of the VAP roadmap for investment that may be identified as of priority concern (i.e. Support in regional efforts towards the effective promotion and facilitation of FDI; Support of regional efforts towards the harmonisation and enhancement in the collation of FDI statistics, including services FDI statistics)

## **2.1.4. Component 4 - Capacity Building**

### ***2.1.4.1 Indicative Activities***

Support will be provided for the implementation of capacity building activities listed below but not confined to:

- ASEAN Secretariat staff capacity building - training events, workshops/seminars
- Technical training for ASEAN Secretariat and AMCs officials on compliance of national policies and legislation with regional and international agreements in the area of the environment, (Kyoto Protocol regime) and trade
- Policy related skills transfer in areas such as regional agreement and Treaty negotiations, development of institutional architecture and structures, institutional management and costing, macro-planning and cost-benefit analyses, based upon the EU experience
- Policy and/or sector specific training on the development of social and intra-regional cohesion, conduct of sector studies for improving competitiveness and export potential, market research on identification of potential investors
- Training for the preparation of concept papers for TREATI and READI
- Ancillary technical training in topics supported by TREATI and READI
- Technical training for ASEAN Secretariat/AMCs officials in trade and investment in Services

This is an indicative list, to be refined by the selected contractor in the light of actual needs identified early in the Inception Period.

### ***2.1.4.2 Agreement and Compliance Unit of the ASEAN Secretariat***

Support to the Agreement and Compliance Unit of the ASEAN Secretariat will include actions to:

- Provide legal expertise to the ASEAN Secretariat in Jakarta to increase the Agreement and Compliance Unit of the ASEAN Secretariat staff knowledge on mediation, good offices, and dispute settlement procedures in different fora (EU, WTO, etc.); and
- Training Agreement and Compliance Unit staff of the ASEAN Secretariat staff on mediation, good offices and dispute settlement procedures through attachments to the legal section of the Permanent Mission of the EU to the WTO in Geneva and a study tour to EC Headquarters in Brussels.

## **2.1.5 Component 5 - TREATI and READI dialogues**

### ***2.1.5.1 TREATI Actions***

In order to retain maximum flexibility and to take account of the dynamics of the on-going dialogue, support actions in the following areas could include but not be limited to:

- IPR
- Services
- Customs

### **2.1.5.2 READI Actions**

In order to retain maximum flexibility and to take account of the dynamics of the on-going dialogue, support actions could include, but not be limited to:

- Animal health
- Climate Change
- The Information Society
- Communicable Diseases and Public health
- Minerals
- Human Trafficking
- Social protection
- Labour migration
- Maritime safety
- Transport
- Energy, including renewable energy

## **2.2 Time Schedule**

The first three months of the Project will include an inception phase to confirm the content and specific location of each project activity and to draw up a detailed timetable for implementation. The last six months of the project will be dedicated to phasing out activities and to preparing for the post-project situation.

## **2.3 Location**

The Project will be implemented in ASEAN countries. Some training activities or seminars could be conducted in the EU and Geneva, especially those related to customs and Agreement and Compliance Unit of the ASEAN Secretariat.

## **2.4 Logical Framework**

The initial Logical Framework for the project is annexed as Attachment 1. This may be updated without necessitating an amendment to the Financing Agreement.

# **3. ADMINISTRATIVE PROVISIONS**

## **3.1 Implementation Modalities**

### **3.1.1 Institutional Organisation**

The Project will be implemented by the European Commission through its Delegation in Jakarta.

### **3.1.2 Project Steering Committee**

- (a) The European Commission in co-ordination with ASEAN Secretariat will establish a Project Steering Committee (PSC) with responsibility for policy guidance and co-ordination between all institutions and groups involved in the programme.
- (b) The PSC will meet four times a year and will assist the Commission by:
  - reviewing plans of operations, Annual Work Plans, including technical assistance requirements
  - reviewing monitoring and progress reports and participating in all monitoring and evaluation processes
  - facilitating overall programme implementation;
  - selecting additional projects to be funded from the budget provision for TREATI, READI and capacity building.
- (c) The PSC will also assist in facilitating overall programme implementation.
- (d) The PSC will be chaired by a Commission official and co-chaired by the Deputy Secretary General of ASEAN Secretariat or his nominee and membership will include the Principal Director of Programme Co-ordination and External Relations Bureau, a Special Assistant to Secretary General for Institutional Affairs and Special Duties, the Directors of relevant Bureaux and the Head of Finance Unit of the ASEAN Secretariat and a Secretary. Other representatives of AMCs and of other donor agencies may be invited to the PSC in the interest of co-ordination.

### **3.1.3 Tasks**

- (a) The Commission will, in particular, undertake the following tasks:
  1. Provide technical expertise and assistance through the provision of long and short-term technical assistance to ASEAN Secretariat and AMCs;
  2. Ensure the management of all financial, personnel and administrative affairs;
  3. Execute the activities in accordance with EC procedures
  4. Arrange for monitoring and evaluation in the form of mid-term and final evaluations, participation in joint reviews, regular monitoring and technical support throughout the duration of the action;
  5. Assist and support ASEAN Secretariat and AMCs with technical and planning know-how.

## 3.2 Inputs

### Financial resources to provide:

- a) Long term European Technical Assistance Team (ETAT) of experts for approximately 96 calendar months:

<i>Positions</i>	<i>Indicative Calendar months</i>
ETAT Leader	36 months
Senior Standards Expert	36 months
Customs Expert (Clearance)	12 months
Customs Expert (Transit)	12 months

- b) Long term ASEAN Technical Assistance for approximately 48 calendar months:

<i>Positions</i>	<i>Indicative Calendar months</i>
ASEAN expert in Standards/SPS	12 months
ASEAN Operations Manager / Accountant	36 months

- c) Short term unallocated European and ASEAN Technical Assistance for approximately 2062 working days in the areas of standards/SPS, customs, investment, capacity building/policy development, legal expertise and the outcomes resulting from the TREATI/READI dialogues

## 3.3 Contribution Details

- a. ASEAN Secretariat will cover travel and Per Diem and costs related to the participation of its officials in meetings, workshops and other events as part of the normal functioning of the public services.
- b. ASEAN Secretariat will cover all salaries and all operational costs related to the participation of its staff in the Project, provide appropriate office facilities, including furniture, electricity and communication lines (including access to the Internet) free of charge for International and ASEAN experts as well as security.
- c. ASEAN Secretariat will cover any Project-related operating costs not included in the EC contribution.
- d. Where EC and the ASEAN Secretariat are both providing financial contributions to the same category of activity, the specific actions to be covered by each party will be clearly identified in the Annual Work plan and Budget concerned.
- e. The ASEAN Secretariat will be responsible for facilitating constructive and effective co-operation of the concerned Ministries and other public authorities in ASEAN Member Countries.

### 3.4 Project Costs and Financing

The total cost of the project is estimated at € 8,423,000 of which the EC contribution is € 7,287,000. ASEAN Secretariat will provide financial contributions of an amount of € 1,136,000 . The table below summarises the project budget:

Category Breakdown	EC	ASEAN Secretariat	Total	Contracting Authority / Paying Authority
<b><u>1. Services</u></b>	<b><u>7,037,000</u></b>	<b><u>923,000</u></b>	<b><u>7,960,000</u></b>	<b><u>EC</u></b>
1.1 European and ASEAN TA	6,593,000			
1.2 Monitoring and evaluation	200,000			
1.3 Audit	100,000			
1.4 Information	144,000			
1.5 Salaries ASEAN Seconded Officials		923,000		
<b><u>2. Operating Costs</u></b>	<b><u>0</u></b>	<b><u>213,000</u></b>	<b><u>213,000</u></b>	<b><u>ASEAN Secretariat</u></b>
2.1 Operational costs (office facilities, consumable)		120,000		
2.2 Travel and Per Diem costs for ASEAN Secretariat officials for seminar/workshop in AMC		93,000		
<b><u>3. Contingencies</u></b>	<b><u>250,000</u></b>	<b><u>0</u></b>	<b><u>250,000</u></b>	<b><u>EC</u></b>
<b>TOTAL</b>	<b><u>7,287,000</u></b>	<b><u>1,136,000</u></b>	<b><u>8,423,000</u></b>	

The breakdown of the budget is indicative and may be adjusted according to needs -

### 3.5 Mobilisation of the Project Budget

#### (a) Contractual Modalities

All contracts and agreements necessary for the implementation of this Financing Agreement will be concluded by the Commission.

#### (b) Financial Modalities

All payments from the EC contribution will be made by the Commission.

### 3.6 Planning and Reporting

Work plans and reports submitted shall conform to the EC standard format and include at least:

- an Inception Report to be submitted at the end of the inception period (first three months of the intervention),
- an Overall Work Plan and Budget (OWP) as well as the first Annual Work Plan and Budget (AWP1) to be submitted at the end of month four after the commencement of the project,

- a Project Progress Monitoring Plan, including objectively verifiable indicators, to be submitted together with the OWP,
- successive Annual Work Plans and Budgets (AWP),
- quarterly technical and financial progress reports, together with any event reports taking place during the period,
- any special reports related to priority issues,
- A Final project completion Report

### **3.7 Monitoring and Evaluation**

- (a) Day-to-day technical and financial monitoring will be a continuous process as part of the Commission's responsibilities.
- (b) Independent consultants recruited directly by the Commission on specially established terms of reference, in coordination with ASEAN Secretariat, will implement the external monitoring, a mid-term and final evaluation, as well as an ex-post audit.

### **3.8 Visibility**

- (a) Public relations and awareness raising will be designed by the Technical Assistance to increase the visibility, and thus the effectiveness of the Project. They will also serve to give European Commission co-operation maximum visibility. A communication budget must be provided to achieve this.
- (b) Particular attention will be given to the promotion of the Project at conferences and similar events, as well as in all public and official written material connected with the Project. All such activities shall be conducted in line with the Visibility Guidelines for External Assistance ([http://europa.eu.int/comm/europeaid/visibility/index\\_en.htm](http://europa.eu.int/comm/europeaid/visibility/index_en.htm)) and in coordination with other Commission Delegations in ASEAN Member Countries, where appropriate. All equipment and documentation connected with the Project shall carry the European Community flag.

### **3.9 Donor Co-ordination**

In order to ensure the necessary coherence between project activities and those of other donors, a permanent mechanism to ensure regular joint donor meetings will be established by the relevant ASEAN Secretariat Bureau Director to exchange information and avoid overlapping and/or double financing of activities. Due diligence shall be exercised to incorporate the lessons learnt from other donors into the activities of the project.

#### 4. SPECIAL CONDITIONS

- ASEAN Secretariat will appoint and assign, prior to Project commencement and at an appropriate professional level, the counterpart staff required for the implementation of the project. The ASEAN Secretariat is also committed to maintaining line staff in their posts where the Project has invested training and other resources in them.
- ASEAN Secretariat will invite the EC to take part in meetings with the AMC governments and other international donors, which focus on the co-ordination of programmes being implemented in the area of ASEAN integration.
- The ASEAN Secretariat will grant to the EU staff of the Project - and to their families - benefits, privileges and exemptions which are no less favourable than those granted to expatriates under other bilateral or multilateral agreements or arrangements for technical co-operation.