

**EUROPEAN UNION CONTRIBUTION AGREEMENT
WITH AN INTERNATIONAL ORGANISATION**

ENPI/2014/2014/352-267

(the "Agreement")

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

of the one part,

and

The European Investment Bank (EIB) with its Head office at 98-100, Boulevard Konrad Adenauer, L-2950 Luxembourg, (the "Organisation")

of the other part,

(Individually a "Party" and collectively the "Parties"), have agreed as follows:

Special Conditions

Article 1 - Purpose

- 1(1) The purpose of this Agreement is a contribution by the Contracting Authority (the "Contribution") for the implementation of the action (the "Action") comprising of certain activities relating to the investment programme entitled: **"Support to the Armenia North-South Road Corridor Investment Programme, Section Yerevan to Bavra"** as described in Annex I.
- 1(2) The Organisation will be awarded the contribution on the terms and conditions set out in this Agreement, which consists of these special conditions (the "Special Conditions") and their annexes, including General Conditions.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action in accordance with the terms and conditions set out in this Agreement.
- 1(4) The Action is a Joint Management Action for all purposes of this Agreement.
- 1(5) The Action is a Multi-donor Action for all purposes of this Agreement.

Article 2 – Entry into force, Implementation Period and Execution Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation period of this Agreement (the "Implementation Period") will begin on the day following that on which the last of the two Parties signs this Agreement.
- 2(3) The Implementation Period, as laid down in Annex I, is 68 months.
- 2(4) The execution period of this Agreement shall start at the entry into force of this Agreement as provided for in Article 2(1) and shall end at the moment when final payment is paid by the Contracting Authority in accordance with Article 17 of Annex II



or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18 of Annex II. In cases where there is no final payment by the Contracting Authority or final repayment by the Organisation, the end of the execution period shall be the end date referred to in Article 12.5 of Annex II.

2(5) The terms of Article 11.2 of Annex II do not apply.

Article 3 - Financing the Action

3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 12.440.000 as set out in Annex III.

3(2) The Contracting Authority undertakes to finance a maximum of EUR 12.440.000; the final amount will be established in accordance with Articles 14 and 17 of Annex II.

3(3) Pursuant to Article 15 of the NIF Framework Arrangement and by derogation from article 14.4 of Annex II, the Organisation, as Lead Finance Institution, as such term is defined in the NIF Framework Arrangement, shall be entitled to a flat remuneration of an amount of EUR 440.000 for the management and administration of the contribution made by the Contracting Authority under this Agreement, to be reimbursed by the Contracting Authority to the Organisation.

3(4) Interest yielded by pre-financing payments is not due.

Article 4 - Narrative and financial reporting and payment arrangements

4(1) Narrative and financial reports shall be produced in accordance with section 4 of Annex I.

4(2) Payments will be made in accordance with Article 7(2)(2) of these Special Conditions by derogation from Article 15 of Annex II.

4(3) For each payment, the Contracting Authority shall inform the Organisation, by e-mail to fi_pro_bot_lpc_cm@eib.org (or to such other e-mail address as may be indicated by the Organisation from time to time) when such payment has been initiated. The message instructing such payment shall include the reference "NIF Contribution to NSRC" in SWIFT in field 70 (remittance information). This identification message shall also be included by the Organisation in the requests for payments transmitted to the Contracting Authority.

Article 5 - Contact addresses

Any communication relating to this Agreement shall be in writing, shall state the number and title of the Action, and shall use the following addresses:

For the Contracting Authority:

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

European Commission
Directorate-General for Development & Cooperation - EuropeAid

March 2013
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Directorate for Neighbourhood/EuropeAid F
For the attention of the Head of Unit of Finance, Contracts, Audit (F5)
Rue Joseph II, 54
B-1000, Brussels
Belgium

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

European Commission
Directorate-General for Development & Cooperation - EuropeAid
Directorate for Neighbourhood/EuropeAid F
For the attention of the Head of Unit of Regional Programmes, Neighbourhood East (F3)
Rue Joseph II, 54
B-1000, Brussels
Belgium

For the Organisation:

European Investment Bank
Eastern Neighbours & Central Asia – 2 Division
For the attention of the Head of Division Mr Philippe Szymczak
98-100, Boulevard Konrad Adenauer
L-2950 Luxembourg
Tel: +352 4379 1
Fax: +352 43 79 66889

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
- Annex II: General Conditions applicable to European Union contribution agreements with international organisations
- 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 the provisions of the present 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 the provisions of Annex II:

- 7(1)(1) Where Annex II refers to “indicators”, “indicators of achievement” or “objectives”, reference shall be made to the general description of the Action as set out in Annex I.
- 7(1)(2) Article 3.2 of Annex II is hereby supplemented by the following: “other than for failure to perform its obligations set forth in this Agreement”.
- 7(1)(3) It is recognised by the Contracting Authority, having regard to this Agreement, that the financing by the Organisation of any project identified in the course of the implementation of the Action shall not constitute a conflict of interest within the application of Article 4 of Annex II.
- 7(1)(4) In addition to the provisions of Article 8.1 of Annex II, the Organisation and the Contracting Authority shall consult and agree in advance on the scope of participation of the Contracting Authority.
- 7(1)(5) The following shall replace the second sentence of Article 13.1 of Annex II: “In default of amicable settlement, any Party may refer the matter to the General Court of the European Union and, in the event of appeal, the Court of Justice of the European Union”.
- 7(1)(6) In line with Article 16.5 of Annex II, the Tripartite Agreement between the Commission, the EIB and the Court of Auditors signed on 27 October 2003 shall supplement the provisions of Article 16. In the event of a conflict between the provisions of the Article 16 and those of the Tripartite Agreement, the provisions of the Tripartite Agreement shall take precedence.
- 7(2) The following derogations from the provisions of Annex II shall apply:
- 7(2)(1) By derogation from Article 15 (1) of Annex II the Contracting Authority will make payments to the Organisation in the following manner:
1. The Contracting Authority will pay to the Organisation a first tranche of pre-financing of EUR 2.640.000 (two million six hundred and forty thousand euros), equivalent to 100% of the forecast budget for the first 12 months of the Action (of which EUR 1.200.000 for the NIF TA component and EUR 1,000,000 for the NIF Investment Grant component, as these are defined in Annex I) and 100% of the flat remuneration mentioned in Article 3(3), within 30 days of receiving the Agreement signed by both Parties.
 2. For the NIF TA component (as defined in Annex I), further instalments of pre-financing will be paid to the Organisation by the Contracting Authority, in amounts equivalent to 100% of the payment forecasts for the subsequent 12-month period (or of the remaining period, if shorter, as regards the last payment of pre-financing) within 45 days of receiving from the Organisation a request for payment, substantially in the form foreseen in Annex V and confirming expenditure of at least 60% of the immediately preceding payment (and 100% of previous payments if any). Details of the expenditures will be provided on request.
 3. For the NIF Investment Grant component (as defined in Annex I), further payments will be paid to the Organisation by the Contracting Authority, each of a minimum amount of EUR 1.000.000 (one million euros), within 45 days of

receiving from the Organisation a request for payment, substantially in the form foreseen in Annex V confirming also expenditure of at least 70% of the immediately preceding tranche and (for the first of such further payments) subject to confirmation by the Organisation that the Republic of Armenia requested disbursement of the first tranche of the credit under the EIB Finance Contract, and the conditions precedent for the disbursement of this first tranche included in the EIB Finance Contract are fulfilled. The further payments foreseen in this paragraph shall be made by the Contracting Authority provided that 70% of the immediately preceding tranche and 100% of previous tranches (if any) has been committed to contractors by the PIU. .

4. For both components, i.e. the NIF TA and NIF Investment Grant, the Contracting Authority shall receive from the Organisation the annual progress report (as defined in Annex I, Section 4.2 (*Reporting*)) on the Action. The annual progress report shall be submitted within 6 months from the end of the corresponding reporting period and the Contracting Authority shall approve it within 45 days following its receipt. If no reaction is received from the Contracting Authority within such 45 days period, the report will be deemed approved.

Done in Brussels in four (4) originals in the English language, two (2) for the Contracting Authority and two (2) for the Organisation.

For the Contracting Authority

Name: Michael A. Köhler

Position: Director for the Neighbourhood
Directorate-General for Development
and Cooperation - EuropeAid

Signature:

Date:



19. 12. 2014

For the Organisation

Name: PHILIPPE SZYM CZAK

Position: HEAD OF DIVISION
LENDING OPERATIONS IN EASTERN
NEIGHBOURS & CENTRAL ASIA

Signature:

Date:



23. 12. 2014

Name:

Markus VATTER

Position:

Technical Adviser

Signature:



Date:

23/12/2014

