

FINANCING AGREEMENT

Special Conditions

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

of the one part, and

the Government of the Republic of Moldova, hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

ARTICLE 1 – NATURE AND PURPOSE OF THE OPERATION

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

CRIS decision number: ENPI/2013/024-405

Title: Support to the Implementation of the Visa Liberalisation Action Plan

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

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

ARTICLE 2 – TOTAL ESTIMATED COST AND THE EU'S FINANCIAL CONTRIBUTION

2.1 The total cost of the programme is estimated at 21 000 000 euro with the following components:

2.1.1 Budget support: 20 000 000 euro

2.1.2 Complementary support: 1 000 000 euro

2.2 The EU undertakes to finance a maximum of 21 000 000 euro. The breakdown of the EU's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions.

ARTICLE 3 – THE BENEFICIARY'S CONTRIBUTION

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

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

ARTICLE 4 – IMPLEMENTATION

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

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

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

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

4.3.2 Article 2.3: If the project/programme cannot be scaled down, or if the overrun cannot be covered by other resources including those of the Beneficiary, the Commission may decide to grant additional EU financing. Should it take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission.

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

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

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

ARTICLE 5 – PERIOD OF EXECUTION

5.1 The period of execution of the Financing Agreement as defined in Article 4 of the General Conditions shall commence on the entry into force of the Financing Agreement and end 72 months after this date.

5.2 The duration of the operational implementation phase is fixed at 48 months.

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

ARTICLE 6 – ADDRESSES

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

a) **for the Commission**

Mr Pirkka TAPIOLA

Head of the EU Delegation to the Republic of Moldova

12, Kogalniceanu Street

MD-2001 Chisinau

Republic of Moldova

b) **for the Beneficiary**

Mr Iurie LEANCA

Prime Minister of the Republic of Moldova

1, Piata Marii Adunari Nationale

MD-2001 Chisinau

Republic of Moldova

ARTICLE 7 – ANNEXES

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

Annex I: General Conditions

Annex II: Technical and Administrative Provisions

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 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 – SPECIAL CONDITIONS APPLYING TO A BUDGET SUPPORT OPERATION

8.1. The following clauses of the General Conditions shall not be applicable to the part of the programme related to the budget support operation: Articles 1.3, 2, 4.2 first sentence, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16.2, 17 and 18.2, 19.5, 20.6, 22.3, 22.4 and 22.6.

8.2. Furthermore, the following clauses of the General Conditions shall be replaced respectively by the following:

8.2.1 Article 3: The part of the programme related to the budget support operation shall be implemented by the Commission. This consists in verifying compliance with the conditions for payment, and in the payment of the amounts due for each instalment, in conformity with this Financing Agreement.

8.2.2 Article 14: The Beneficiary undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the payments made under this Financing Agreement.

The foreign exchange transfers will be accounted for under the value date of the notification of credit to the Treasury account to the Central Bank. The exchange rate will be the average rate of the interbank foreign currency market on the value date of the notification of credit.

8.2.3 Article 18.1: Every project/programme financed by the EU shall be subject to the appropriate communication and information operations. These operations shall be defined with the approval of the Commission.

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

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

8.3 Article 4.1 of the General Conditions shall be supplemented by the following: All payment requests submitted by the Beneficiary in accordance with the provisions set out in the Technical and Administrative Provisions shall be eligible for EU financing provided that such requests are submitted during the operational implementation phase.

8.4 Article 19.6 of the General Conditions shall be applicable mutatis mutandis in relation to any practices of active or passive corruption whatsoever in relation to the implementation of the operation.

ARTICLE 9 – ENTRY INTO FORCE OF THE FINANCING AGREEMENT

The Financing Agreement shall enter into force on the date on which the Commission receives a notification from the Beneficiary confirming the completion of the internal procedures of the Beneficiary necessary for its entry into force. The Financing Agreement

will not enter into force if such a notification is not received by the Commission by 31 December 2014.

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

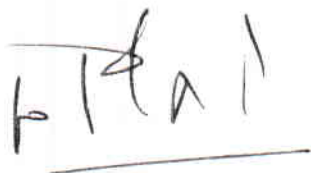
FOR THE COMMISSION

FOR THE BENEFICIARY

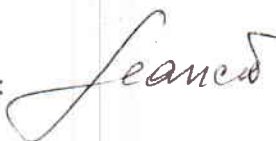
Michael A. KÖHLER
Director Neighbourhood
Directorate-General for Development
and Cooperation – EuropeAid

Iurie LEANCA
Prime Minister
Government of the Republic of Moldova

Signature:



Signature:



Date:

14/5/2014

Date:

12.06.14

ANNEX I - GENERAL CONDITIONS

TITLE I - PROJECT/PROGRAMME FINANCING

ARTICLE 1 – GENERAL PRINCIPLE

- 1.1 The EU's financial contribution shall be limited to the amount specified in the Financing Agreement.
- 1.2 The provision of the EU financing shall be subject to fulfilment of the Beneficiary's obligations under this Financing Agreement.
- 1.3 The expenditure incurred by the Beneficiary before the entry into force of the Financing Agreement is not eligible for the EU financing.

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 22 of these General Conditions.
- 2.2 Wherever there is a risk of overrunning the global amount set in the Financing Agreement, the Beneficiary shall immediately inform the Commission and seek its prior approval for the corrective measures planned to cover the overrun, proposing either to scale down the project/programme or to draw on its own or other non-EU resources.
- 2.3 If the project/programme cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, at the Beneficiary's duly substantiated request, decide to grant additional EU financing. Should the Commission take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission.

TITLE II - IMPLEMENTATION

ARTICLE 3 – GENERAL PRINCIPLE

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

ARTICLE 4 - PERIOD OF EXECUTION

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

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

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

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

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

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

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

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

- 5.1 When the Commission is making payments related to contracts implementing the Financing Agreement and awarded by the Beneficiary, the Beneficiary shall undertake to provide the Commission with the payment requests or invoice no later than 15 calendar days before the payment deadline for the initial pre-financings specified in the contract. In case of further pre-financing for grants, and interim and final payments, the Beneficiary shall undertake to provide the Commission with the payment request or invoice not later than 30 calendar days before the expiry of the payment deadline specified in the contract. The Beneficiary shall notify the Commission of the date of registration of this request. The payment request is not admissible if at least one essential requirement is not met. The time limit for payments may be suspended at any time by the Commission by informing the Beneficiary, that the payment request can not be met, either because the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request, comes to the notice of the Commission the Commission may suspend the time limit for payment for the purpose of further verification, including an on-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The suspension should be communicated to the Beneficiary as soon as possible. The time limit for payment shall resume once the payment request becomes admissible.
- 5.2 The deadline referred to in paragraph 1 shall also apply when payment is conditional on approval of a report. The approval of any report is included in the payment deadline specified in the contract. To this end, the Beneficiary has to approve the report and provide the Commission with the payment request or invoice within the deadline set above in article 5.1. When the Beneficiary does not approve the report he shall send, as soon as possible, to the contractor or grant beneficiary a document formally suspending the deadline for payment and explaining the reasons for suspension. Suspension is effective from the sending of the notification. The contractor or grant beneficiary must provide clarifications, modifications or further information within 30 days of the notification. The time limit for payment begins to run again from the date on which the clarifications are registered.
- 5.3 In the event of any delay in forwarding payment requests attributable to the Beneficiary, the Commission shall not be obliged to pay the contractor the late-payment interest provided for in contracts, which will be payable by the Beneficiary. The contractor is entitled to payment of late-payment interest, unless he is a government department or public body in an EU Member State.

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

ARTICLE 6 – GENERAL PRINCIPLE

- 6.1 When the Beneficiary is making payments to third parties, programme estimates must be drawn up and adopted beforehand.
- 6.2 The programme estimate is a document laying down the programme of measures to be carried out and the human and material resources required, the corresponding budget and the detailed technical and administrative implementing arrangements for decentralised execution of a project/programme over a specified period by direct labour and/or by means of public procurement and/or the award of grants.
- 6.3 All programme estimates implementing the Financing Agreement must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

ARTICLE 7 - DISBURSEMENT

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

- 7.4 Transfers in euro shall, if necessary, be converted into the Beneficiary's national currency as and when payments have to be made by the Beneficiary, at the bank rate in force on the day of payment by the Beneficiary.
- 7.5 The funds paid by the Commission to this bank account shall yield interest or equivalent benefits. The Beneficiary shall notify the Commission of interest or equivalent benefits yielded by those funds at least once a year.
- 7.6 Interest or equivalent benefits yielded by the funds paid of more than two hundred fifty thousand euro shall be repaid to the Commission within 45 days of receipt of the Commission's request.
- 7.7 For a programme estimate which has not given rise to any transfer of funds within three years of its signature, the corresponding committed amount shall be decommitted.

TITLE V - AWARD OF PROCUREMENT AND GRANT CONTRACTS

ARTICLE 8 – GENERAL PRINCIPLES.

- 8.1 All contracts implementing the Financing Agreement must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement and grant contracts , in force at the time of the launch of the procedure in question.
- 8.2 The Beneficiary shall use the language of this Financing Agreement for the award of procurement and grant contracts ,
- 8.3 In cases of decentralised contracts, the Beneficiary will inform the Commission when a candidate, tenderer or applicant is in a situation of exclusion from participation in award procedures according to the relevant provisions of the Financial Regulation applicable to the general budget of the European Union or when a contractor has been guilty of making false declarations or has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations.

In such cases, without prejudice to the power of the Commission to exclude an entity from future procurement and grant contracts financed by the EU according to the Financial Regulation applicable to the general budget of the European Union, financial penalties to contractors mentioned in the provision on "Administrative and Financial Penalties" of the General Conditions of

decentralised contracts may be imposed to the contractors by the Beneficiary if this is allowed by its national law. Such financial penalties shall be imposed following an adversarial procedure and ensuring the right of defence of the contractor.

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

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

- 9.1 Except for those components of this Financial Agreement implemented under Joint Management or Indirect Centralised Management, the contracts implementing the Financing Agreement shall be signed by both parties within three years of the entry into force of the Financing Agreement. That deadline may not be extended.
- 9.2 The above provision shall not apply to:
- audit and evaluation contracts, which may be signed later;
 - addenda to contracts already signed;
 - contracts concluded after early termination of an existing contract and
 - cases of change of entity charged with budget execution tasks
- 9.3 At the end of the three years of the entry into force of the Financing Agreement, any balance for which contracts have not been signed, except those referred to in Article 9.2 here above, will be decommitted
- 9.4 The above provision shall not apply to any balance of the contingency reserve.
- 9.5 A contract which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding shall be decommitted.

ARTICLE 10 - ELIGIBILITY

- 10.1 Participation in invitations to tender for works, supply or service contracts and in calls for proposals shall be open on equal terms to all natural and legal persons of the Member States of the EU and, 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.
- 10.2 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 paragraph 1 to tender for contracts.
- 10.3 Goods and supplies financed by the EU and necessary for the performance of works, supply and service contracts and procurement procedures launched by the grant beneficiaries for the execution of the action financed must originate in countries eligible to participate in the terms laid down in the previous two paragraphs, except when it is provided otherwise in the basic act.

ARTICLE 11 – PUBLICATION OF INFORMATION

- 11.1 The Beneficiary undertakes to publish each year in a dedicated and easily accessible place of its internet site the title of each contract financed by the Financing Agreement, the name and nationality of the grant beneficiary or successful tenderer as well as the amount of the corresponding grant or contract.
- 11.2 If such internet publication is impossible, the information shall be published by any other appropriate means, including the official journal of the Beneficiary. Publication shall take place during the first half of the year following the closure of the year in respect of which the contracts and grants were awarded by the Beneficiary. The Beneficiary shall communicate to the Commission the address of the place of publication and reference shall be made to this address in the dedicated place of the internet site of EuropeAid . If the information is published otherwise, the Beneficiary shall give the Commission full details of the means used.

TITLE VI - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS

ARTICLE 12 - ESTABLISHMENT AND RIGHT OF RESIDENCE

- 12.1 Where justified by the nature of the contract the Beneficiary shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts with a provisional right of establishment and residence in the Beneficiary's territory(ies). This right shall remain valid for one month after the contract is awarded.
- 12.2 The Beneficiary shall also entitle contractors (procurement and grant contracts) and natural persons whose services are required for the performance of the contract and members of their family with similar rights during the implementation of the project/programme.

ARTICLE 13 - TAX AND CUSTOMS PROVISIONS

- 13.1 The Beneficiary shall apply to procurement contracts and grants financed by the EU the most favoured tax and customs arrangements applied to States or international development organisations with which it has relations.
- 13.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

ARTICLE 14 - FOREIGN EXCHANGE ARRANGEMENTS

- 14.1 The Beneficiary undertakes to authorise the import or purchase of the foreign currency necessary for the implementation of the project. It also undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the contractors allowed to participate referred to in Article 10 of these General Conditions.
- 14.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

ARTICLE 15 – USE OF DATA FROM STUDIES

Where the Financing Agreement involves the financing of a study, the contract related to this study, signed for the implementation of the Financing Agreement, shall govern the

ownership of that study and shall include the right for the Beneficiary and the Commission to use data in the study, to publish it or to disclose it to third parties.

ARTICLE 16 - ALLOCATIONS OF AMOUNTS RECOVERED UNDER CONTRACTS

- 16.1 Without prejudice to the responsibilities of the Beneficiary, the Commission may, in accordance with the relevant provisions of the Financial Regulation applicable to the general budget of the European Union formally establish an amount as being wrongly paid under a contract financed under this Financing Agreement and proceed to its recovery by any means.
- 16.2 Amounts recovered by the Beneficiary from payments wrongly effected, from financial guarantees lodged on the basis of procedures of award of contracts or under a contract financed under this Financing Agreement, as well as from financial penalties imposed by the Beneficiary on candidate, tenderer, contractor or grant beneficiary, shall be returned to the Commission. The damages granted to the Beneficiary shall also be returned to the Commission.

ARTICLE 17 - FINANCIAL CLAIMS UNDER CONTRACTS

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

TITLE VII - GENERAL AND FINAL PROVISIONS

ARTICLE 18 – VISIBILITY

- 18.1 Every project/programme financed by the EU shall be subject to the appropriate communication and information measures. Unless otherwise agreed, the Beneficiary shall take the necessary measures to ensure the visibility of the EU funding for the project/programme. These measures shall be defined under the responsibility of the Beneficiary with the approval of the Commission.
- 18.2 These communication and information measures shall follow the rules in the Communications and Visibility Manual for EU External Actions laid down and published by the Commission, in force at the time of the measures.

ARTICLE 19 – PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Procurement procedures:

- Forecast notice with proof of publication of the procurement notice and any corrigenda
- Nomination of shortlist panel
- Shortlist report (incl. annexes) and applications
- Proof of publication of the shortlist notice
- Letters to non-shortlisted candidates
- Invitation to tender or equivalent
- Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication
- Nomination of the evaluation committee
- Tender opening report, including annexes
- Evaluation / negotiation report, including annexes and bids received¹
- Notification letter
- Supporting documents
- Cover letter for submission of contract
- Letters to unsuccessful candidates
- Award / cancellation notice, including proof of publication
- Signed contract, amendments, riders and relevant correspondence

Calls for proposals and direct award of grants:

- Nomination of the evaluation committee
- Opening and administrative report including annexes and applications received²
- Letters to successful and unsuccessful applicants
- Concept note evaluation report
- Letters to successful and unsuccessful applicants
- Evaluation report of the full application or negotiation report with relevant annexes
- Eligibility check and supporting documents
- Letters to successful and unsuccessful applicant with approved reserve list
- Cover letter for submission of contract
- Award/cancellation notice with proof of publication
- Signed contract, amendments, riders and relevant correspondence

In case of decentralised operations:

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

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

² Elimination of unsuccessful applications three years after the closure of the grant procedure.

ARTICLE 21 – CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY

- 21.1 The Beneficiary and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further.
- 21.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Beneficiary to remedy the situation and, take any steps that are necessary, including, where the Beneficiary does not, or is unable to, perform the duties incumbent on it, temporarily taking the Beneficiary's place
- 21.3 The consultation may lead to the amendment, suspension or termination of the Financing Agreement.

ARTICLE 22 – AMENDMENT OF THE FINANCING AGREEMENT

- 22.1 Any amendment to the Special Conditions, Annex II and Annex III to the Financing Agreement shall be made in writing and be the subject of an addendum.
- 22.2 If the request for an amendment comes from the Beneficiary, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Beneficiary and accepted by the Commission.
- 22.3 For technical adjustments which do not affect the objectives and results of the project/programme and alterations in matters of detail which do not affect the technical solution adopted, and with no reallocation of funds, the Beneficiary shall inform the Commission of the amendment and its justification in writing as soon as possible and apply that amendment.
- 22.4 The use of contingency reserve shall be subject to the Commission's prior written approval.
- 22.5 The specific cases of the extension of the operational implementation phase or closure phase are governed by Article 4 (4) and (5) of these General Conditions.
- 22.6 Where the Commission considers that the Beneficiary ceases to satisfy the decentralisation criteria and without prejudice to Articles 23 and 24 of these General Conditions, the Commission may decide to retake the financial implementation tasks entrusted to the Beneficiary in order to continue the implementation of the project/programme on behalf, and for the account, of the Beneficiary after informing the latter in written form

ARTICLE 23. SUSPENSION OF THE FINANCING AGREEMENT

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

- The Commission may suspend the implementation of the Financing Agreement if the Beneficiary breaches an obligation under the Financing Agreement, and notably if it ceases to satisfy the decentralisation criteria laid down, where relevant, in the Special Conditions
- The Commission may suspend the implementation of the Financing Agreement if the Beneficiary breaches any obligation set under the procedures and standard documents laid down and published by the Commission for the award and implementation of contracts and grants.
- The Commission may suspend the Financing Agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.
- The Financing Agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

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

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

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

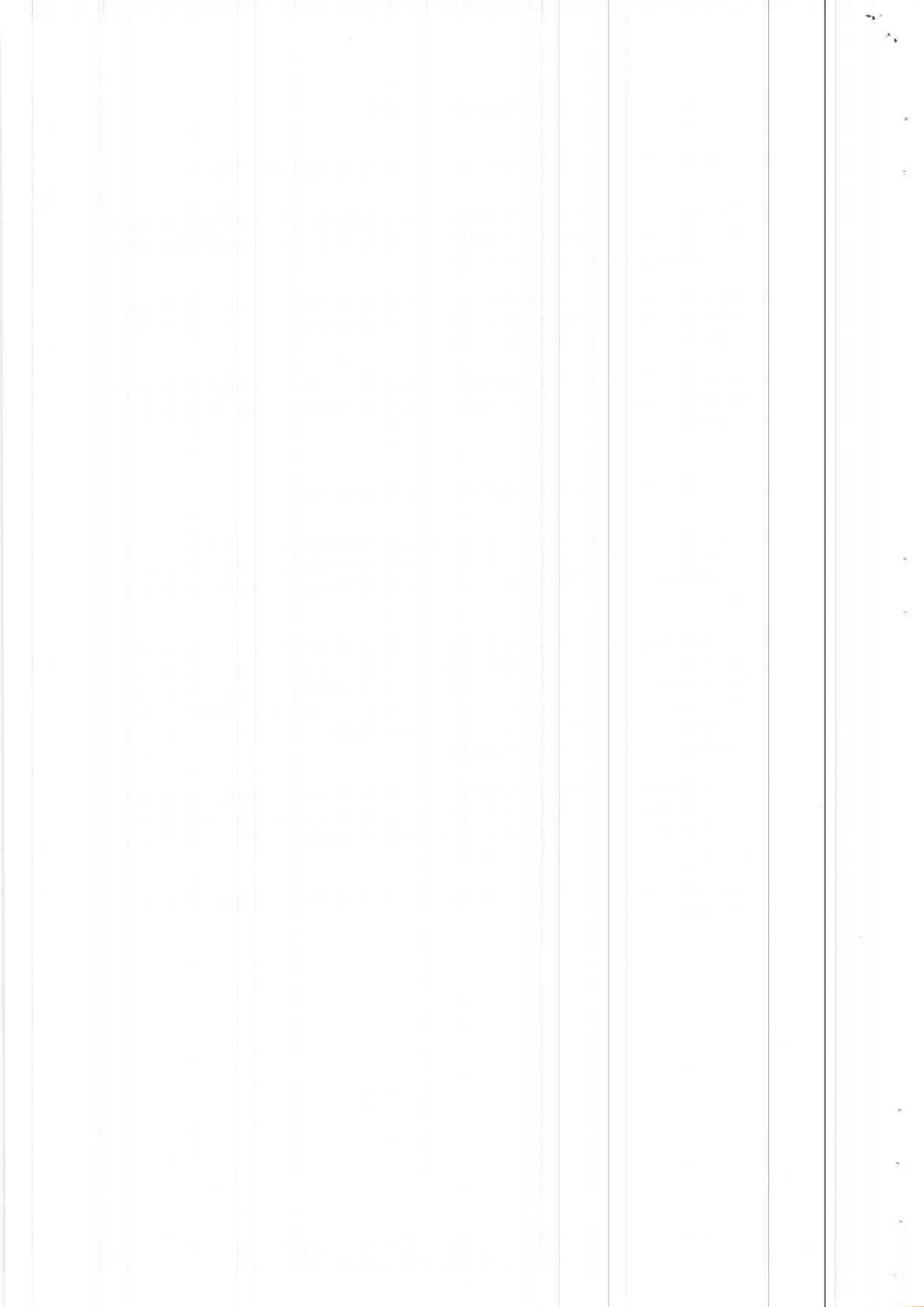
23.5 A suspension of the Financing Agreement is without prejudice to the suspension of payments by the Commission for the sake of ensuring sound financial management or protecting the EU's financial interests.

ARTICLE 24 – TERMINATION OF THE FINANCING AGREEMENT

- 24.1 If the issues which led to the suspension of the Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate the Financing Agreement at 30 days' notice.
- 24.2 Where a Financing Agreement has not given rise to any payment within three years of its signature or no implementing contract has been signed within this period, that Financing Agreement will be terminated.
- 24.3 When the termination is notified, the consequences on the ongoing contracts and programme estimates or contracts and programme estimates to be signed will be indicated.

ARTICLE 25 - DISPUTE-SETTLEMENT ARRANGEMENTS

- 25.1 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 21 of these General Conditions may be settled by arbitration at one of the parties' request.
- 25.2 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.
- 25.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.
- 25.4 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.



ANNEX II TO FINANCING AGREEMENT N° ENPI/2013/024-405

TECHNICAL AND ADMINISTRATIVE PROVISIONS

Beneficiary country/region	Republic of Moldova		
Budget heading	21 03 51 00		
Title	Support to the Implementation of the Visa Liberalisation Action Plan		
Total cost	Total amount of EU budget contribution: EUR 21 000 000 of which: EUR 20 000 000 for budget support EUR 1 000 000 for complementary support		
Aid method / Management mode	Sector Reform Contract: - Sector budget support (direct centralised management); - Complementary support (direct centralised management -- procurement of services).		
DAC sector code	15210	SECTOR	Security system management and reform
Complementary Support		DAC sector Code	15210

1. INTERVENTION

1.1 Objectives

The overall objective of this Sector Reform Contract (SRC) is to contribute to the improvement of the mobility of Moldovan nationals, while ensuring public order and security, consolidating the rule of law and strengthening human rights protection in line with European standards and best comparative practices.

The specific objectives of this SRC are derived from the EU-Moldova Visa Liberalisation Action Plan (VLAP):

1. Enhanced Border Management
2. Enhanced Migration Management
3. Enhanced Public Order and Security

The main goal of the Government of Moldova in this sector is to support the visa-free travel regime with the Schengen zone. In this context, as mentioned in the Eastern Partnership Vilnius Summit Declaration from 29 November 2013, the Republic of Moldova meets the benchmarks of the EU -Moldova Visa Liberalisation Action Plan (VLAP). Taking into account the overall relations between the EU and the Republic of Moldova, the European Commission issued a legislative proposal in November 2013 to the European Parliament and to the Council for the lifting of the short-stay visa obligation for Moldovan citizens, through an amendment of Regulation 539/2001. The visa-free regime for Moldovan citizens, holders of biometric passports, entered into force on 28 April 2014.

1.2 Expected results

Several key results areas have been identified where achievements and targets will be more specifically supported and the numbering corresponds to the results of the VLAP.

Result 1.1 Operational Integrated Border Management (IBM) System is developed

Result 1.2 Operational coordination mechanism and policy development in border management are in place

Result 2.1 Comprehensive system of collection and analysis of data on migration stocks and flows and asylum is functional

Result 2.2 Capabilities at One-Stop Shop (OSS) for documentation of foreigners are developed and improved

Result 2.3 Operational mechanism for combating illegal migration is in place

Result 2.4 Operational system for integration of foreigners, refugees and beneficiaries of humanitarian protection is functional and sustainable multi-year budget funding is ensured

Result 2.5 Capabilities for reception of asylum seekers are developed and sufficient staff and funding is provided

Result 2.6 Operational coordination mechanism and policy development in migration management are in place

Result 2.7 Document security and reliability capabilities are developed in line with EU best practices

Result 3.1 Performance in fighting organised and cross-border crime is improved

Result 3.2 Performance in preventing and fighting all forms of corruption, including high-level corruption, in all law enforcement institutions and agencies is improved

Result 3.3 Integrated Information System (IIS) between various law enforcement and line agencies involved in detection and prevention of crime is established and operational, including on trafficking of human beings (THB)

Result 3.4 Intelligence-led policing (ILP) concept in detection and prevention of crime is applied, alongside a strategic analysis model

Result 3.5 Operational mechanism for coordination and policy development of national and international detection and prevention of crime is in place

1.3 Main activities

The main activities to implement the budget support package are budget support dialogue and policy dialogue, financial transfer, performance assessment, reporting and capacity development.

1.3.1 Budget Support

Result 1.1 - Operational Integrated Border Management (IBM) System is developed:

- Feasibility study for an Integrated Information System (IIS);
- Procurement of a secured IIS integrating personal data protection;
- Develop and implement the interoperability with other national IIS;
- Creation of national Joint Risk Analysis Group at national level tasked with identification of border management risks, including on THB risk analysis;
- Development of face recognition software (FRS) capabilities in conjunction with Moldovan customs and purchase of hardware;
- Introduce fixed technical surveillance systems along the land border;
- Acquire sufficient equipment for second-line checks for every Border Crossing Point (BCP) as recommended by the Schengen Catalogue. Acquire devices for checks on vehicles for the purpose of detecting hidden persons;
- Develop unified training capabilities for capacity building.

Result 1.2 - Operational coordination mechanism and policy development in border management are in place:

- Approximation with Schengen standards and best European practices on information exchange in border control area;
- Operational communication channels and data exchange networks between Moldovan and foreign IIS based on Schengen rules and principles.

Result 2.1 - Comprehensive system of collection and analysis of data on migration stocks and flows and asylum is functional:

- Development of risk analysis, intelligence and data flow management capabilities with special emphasis on reinforcement of the risk analysis units within Bureau of Migration and Asylum.

Result 2.2 - Capabilities at One-Stop Shop (OSS) for documentation of foreigners are developed and improved:

- Development of a BMA (Bureau of Migration and Asylum) web site, including versions in several languages and with dedicated sections for each type of migrant/purpose of stay/migration to Moldova;
- 'On-the-spot', mobile and online services provided on BMA website in compliance with European standards and best practices.

Result 2.3 - Operational mechanism for combating illegal migration is in place:

- Development of inland detection capabilities and mobile units;
- Amendment of the policy and regulatory framework in accordance with European standards and best practices;
- Creation of dedicated units to combat illegal migration, and reinforce cooperation with the Border Police.

Result 2.4 - Operational system for integration of foreigners, refugees and beneficiaries of humanitarian protection is functional:

- Development and approval of the legal framework for the creation of integration centres for foreigners (ICF);
- Development and approval of the legal framework for the creation of integration centres for refugees and beneficiaries of humanitarian protection (ICR);
- Creation of central and local points for ICR and ICF.

Result 2.5 - Capabilities for reception of asylum seekers are developed and sufficient staff and funding is provided:

- Cooperation agreements with non-governmental organisations (NGOs) and civil society organisations (CSOs) on social, psychological and legal services for asylum seekers;
- Social, psychological and legal services for asylum seekers (including online) developed and provided at central and local level, including in partnerships with NGOs and CSOs.

Result 2.6 - Operational coordination mechanism and policy development in migration management:

- Approximation with European standards and practices on information exchange in migration area;
- Gap analysis and approximation of regulatory framework according to European standards and best practices in the field of migration and reintegration of migrants;
- Develop and implement operational communication channels and data exchange networks between Moldovan and foreign IIS;
- Organise public information campaigns on the rights and obligations for Moldovan citizens of visa-free travel with the EU;
- Establish and develop reintegration networks.

Result 2.7 - Document security and reliability capabilities are developed:

- Procurement of the necessary technology to produce new identification documents (IDs) according to the highest international security standards;
- Develop and implement methodologies for the fully automatized issuance of new IDs and biometric passports, gradually abandon any manual processing;
- Efficient and real-time exchange of information regarding the lost and stolen passports.

Result 3.1 - Performance in fighting organised and cross-border crime is improved:

- Development of substantive and procedural law in fighting and prevention of organised and cross-border crime in accordance with European standards and best practices;
- Effective use of joint investigative teams (JITs);
- Develop and implement legal and intervention tools for the recovery of proceeds of crime;
- Development of capacities for addressing trafficking in human beings (THB), including prevention, prosecution and the protection, assistance and re-integration of victims;
- Development of capabilities in fighting cyber-crime, money laundering, drugs and terrorism;
- Development of legislation and practice on the control of unjustified wealth of civil servants and politicians.

Result 3.2 - Performance in preventing and fighting all forms of corruption, including high-level corruption, in all law enforcement institutions and agencies is improved:

- Development of capabilities in preventing and fighting all forms of corruption, including high-level corruption in all spheres of public life;
- Development of specific capabilities in preventing and fighting corruption in all law enforcement institutions and agencies;
- Creation and development of specialized anti-corruption units (National Anti-corruption Centre (NAC), Ministry of Interior (MoI), Prosecutor's General Office (PGO));
- Draft and systematically enforce the bylaws on lifestyle checks performed by NAC including the creation of special sections of the NAC specialised only in investigations of cases involving certain level of officials or certain level of damage, in order to better tackle high-level corruption cases;
- Install video-surveillance in every booth at the BCPs to prevent and investigate corruption in the Border Police and Customs;
- Train law-enforcement authorities in financial investigations and asset recovery procedures; set-up and maintain well serviced hotlines for citizen complaints on corruption cases.

Result 3.3 - Integrated Information System (IIS) between various law enforcement and line agencies involved in detection and prevention of crime is established and operational:

- Feasibility study and procurement of equipment;
- Implementation interoperability with other national IIS.

Result 3.4 - Intelligence-led policing (ILP) concept in detection and prevention of crime is applied, alongside a strategic analysis model:

- Set-up of intelligence analysis units capable of identifying risks and threats;
- Develop the methodologies and the institutional framework to ensure their use by law enforcement, justice sector and other actors.

Result 3.5 - Operational mechanism for coordination and policy development of national and international detection and prevention of crime is in place:

- Creation of national crime detection and prevention coordination at national and local levels;
- Establish an international crime detection and prevention coordination mechanism;
- Through a gap analysis develop an approximation with European standards and best European practices on information exchange in detection and prevention of crime;
- Develop operational communication channels and data exchange networks between Moldovan and foreign IIS.

1.3.2 Complementary support

EUR 1 000 000 is reserved for complementary support, which will consist in the reviews for the first, second and third instalments, as well as in an ex-post evaluation after the third instalment. Complementary support may also include audit activities as described in section 3.

2. IMPLEMENTATION

2.1 Budget and timetable

The total EU contribution to this programme is EUR 21 000 000.

	EU contribution (in EUR)
Budget Support	20 000 000
Complementary support (procurement of services)	1 000 000
TOTAL	21 000 000

The indicative operational implementation period of this programme is as specified in Article 5 of the Special Conditions.

The maximum of EUR 20 000 000 will be disbursed in three instalments, subject to compliance with the General Conditions defined in Section 3 of Appendix 2 and the relevant Specific Conditions defined in Section 4 of Appendix 2. Instalments will comprise only variable components. The amounts of each variable components are further detailed in Appendix 2. Disbursements will be paid into the Treasury Account, indicatively in the second quarter of 2015, 2016 and 2017 (subsequent to an independent review of compliance).

Indicative Disbursement Calendar of Budget Support

	First Instalment	Second Instalment	Third Instalment
Indicative Assessment	1 st quarter 2015	1 st quarter 2016	1 st quarter 2017
Indicative Disbursement	2 nd quarter 2015	2 nd quarter 2016	2 nd quarter 2017
Variable Component (max)	EUR 6 000 000	EUR 7 000 000	EUR 7 000 000
Total: up to	EUR 6 000 000	EUR 7 000 000	EUR 7 000 000

Amounts under the variable component may be less than those shown where Government fails to fully comply with the Specific Conditions for disbursement. Amounts withheld will continue to be eligible for release at the time of subsequent instalments where Government fulfils the

disbursement requirements but will be lost irrevocably if conditions are not fulfilled by the time of assessment of the final third instalment.

2.2 Budget support modalities

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into *Moldovan Lei (MDL)* will be undertaken at the appropriate exchange rates in line with Article 8.2.2 of the Special Conditions.

2.3 Disbursement criteria

Instalments of the budget support will be payable to the Moldovan State Treasury, subject to fulfilment of General and Specific Conditions. The release of all tranches under this programme will require compliance with General Conditions related to:

- Satisfactory progress in the implementation and ensuring sustainable follow up to EU - Moldova VLAP and continued credibility and relevance of that or any successor strategy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key.
- Satisfactory progress in the implementation of the programme to improve public financial management.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

The conditions for disbursement of the variable tranches will be connected to the main components of the Specific Conditions: (1) enhanced border management, (2) enhanced migration management, (3) enhanced public order and security.

The chosen performance targets and indicators specified in Appendix 1 will apply for the duration of the programme. However, in duly justified circumstances, the Government of Moldova may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

2.4 Performance monitoring

Monitoring missions will take place at the end of the financial year to review the progress of the reform, checking financial and budget executions reports in order to collect evidence on the funding and the budget allocations. The performance criteria to be reached according the sector strategy action plan, will be used as disbursement.

On-going technical and financial monitoring of the implementation of the Visa Liberalisation Action Plan, including this Sector Reform Contract, is the responsibility of the Ministry of Foreign Affairs and European Integration, in cooperation with other sector stakeholders coordinated under the auspices of the Visa Liberalisation Task Force. The results of both the technical and financial monitoring will be reported at least twice a year to the Steering Committee and will form the basis for the assessment of the sector performance.

At the top level, the overall strategic monitoring of the implementation of the Visa Liberalisation Action Plan, including this Sector Reform Contract will be carried out by Governmental Commission for European Integration, chaired by the Prime Minister.

The overall donor coordination activity is ensured by the State Chancellery at the national level and at the sector level by several authorities: Ministry of Interior, National Anti-corruption Centre, and Ministry of Justice, which are organising on regular basis donor coordination meetings.

Oversight of the programme, and responsibility for the overall monitoring of the status of compliance with the conditions for disbursement, will be entrusted to a Steering Committee chaired by the Minister of Foreign Affairs and European Integration.

2.5 Procurement and financial procedures

Complementary support component will be implemented under direct centralised management by the Commission through the EU Delegation to Moldova.

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Review missions	Services	1	3 rd quarter of 2014
Ex-post evaluation	Services	1	4 th quarter of 2016
Audit	Services	1	3 rd quarter of 2015

3. EVALUATION AND AUDIT

Prior to the completion of the SRC, the European Commission will appoint consultants to carry out an independent final evaluation of the programme. Thus the programme will be subject to independent reviews that will assess the level of compliance with the indicators set forth in the Financing Agreement. The European Commission reserves the right to employ consultants to carry out, an audit of a sample of expenditures related to the implementation of the government' sector development policy.

4. COMMUNICATION AND VISIBILITY

The Moldovan Government will undertake to ensure that the visibility of the EU contribution to the programme is given appropriate coverage in the various publicity media. The Government will also commit to ensure the visibility of the EU contribution is at least equivalent to that given to the other donors implementing similar actions. The programme will endeavour to further enhance the positive image of the EU in the context of its work in Moldova. At appropriate milestones during the project duration and after appropriate events, press releases will be issued, in co-operation with the EU Delegation to Moldova. The Communication and Visibility Manual for EU External Actions will be applied.

APPENDICES

- 1 - Performance criteria and indicators used for disbursement
- 2 - Disbursement arrangements and timetable

Appendix 1: Performance criteria and indicators used for disbursements

Budget Support Components	2014 Performance Criteria	2015 Performance Criteria	2016 Performance Criteria
<p>A 1.1 Develop an operational Integrated Border Management (IBM) System</p> <p>Reporting coordinators: MoI, MITC, Customs Service</p>	<p>A1 Enhanced Border Management</p> <p>1. Development of an Integrated Information System (IIS) for Border Police.</p> <p>Means of verification: IIS feasibility study carried out and endorsed; Memorandum of Understanding (MoU) signed with stakeholders on scope and extent of data to be exchanged</p> <p>2. Creation of Joint Risk Analysis Group at national level tasked with identification of border management risks, including on THB risk analysis.</p> <p>Means of verification: Standard Operational Procedures (SOPs) in the field of border control approved; Joint Risk Analysis Group created.</p> <p>3. Development of border control infrastructure.</p> <p>Means of verification: Feasibility and needs identification study carried out and endorsed.</p>	<p>1.1 Procurement of a secured IIS integrating personal data protection (PDP).</p> <p>Means of verification: IIS procured and installed; PDP standards incorporated.</p> <p>1.2 Development of interoperability with other national IIS.</p> <p>Means of verification: Interoperability with other IIS is ensured; technical and institutional capacities for its use strengthened.</p> <p>2. Ensure the activity of Joint Risk Analysis Group.</p> <p>Means of verification: Border Police risk analysis and intelligence units operational; analytical products and services for use by border control and other law enforcement agencies developed.</p> <p>3.1 Procurement for every border crossing point (BCP) of equipment for second-line checks and checks on vehicles for the purpose of detecting hidden persons, in accordance with the Schengen Catalogue.</p> <p>Means of verification: Equipment procured and installed.</p> <p>3.2 Development of unified training capabilities for capacity building.</p> <p>Means of verification: Unified training capabilities developed.</p>	<p>1. Full implementation of IIS.</p> <p>Means of verification: IIS operational in compliance with European standards and best practices; interoperability with other national IIS operational.</p> <p>2. Ensure full operational activity of Joint Risk Analysis Group.</p> <p>Means of verification: Use by border control and other law enforcement services of analytical products and services developed as border control policy and management tools.</p> <p>3. Introduce fixed technical surveillance systems along the land border.</p> <p>Means of verification: Equipment procured and installed.</p>



	<p>4. Development of mobile border control capabilities.</p> <p>Means of verification: Needs assessment of central and regional mobile teams for border patrolling carried out and endorsed.</p>	<p>4. Consolidation of joint mobile teams and capacities.</p> <p>Means of verification: Equipment procured; staff capacities enhanced.</p>	<p>4. Ensure full operational activity of joint mobile teams.</p> <p>Means of verification: Joint mobile teams operational in line with European standards and best practices.</p>
	<p>5. Development of face recognition software (FRS) capabilities into State Population Registry.</p> <p>Means of verification: Feasibility and needs assessment study carried out and endorsed.</p>	<p>5. Procurement and strengthening the capacities for FRS application.</p> <p>Means of verification: Equipment procured and installed; FRS capabilities integrated into State Population Registry.</p>	<p>5. Full implementation and use of the FRS in conjunction with Moldovan customs.</p> <p>Means of verification: Analytical products and services as a result of FRS use developed and used by document issuance, border control, other law enforcement agencies as border control and customs policy and management tools.</p>
<p>A 1.2 Ensure effective operational coordination mechanism and policy development in border management</p> <p>Reporting coordinators: MoI, MITC, Customs Service, MFA/EI</p>	<p>1.1 Approximation of regulatory framework with Schengen rules and principles on information exchange in border control area.</p> <p>Means of verification: Regulatory framework approved and in force.</p> <p>1.2 Approximation with best European practices by institutionalisation of national border control coordination mechanism.</p> <p>Means of verification: Needs assessment of National Coordination Centre (NCC) carried out and endorsed.</p>	<p>1.1 Development of interoperability between foreign IIS built on Schengen rules and principles and national IIS on border control.</p> <p>Means of verification: Interoperability between foreign and national IIS ensured.</p> <p>1.2 Procurement and strengthening of the NCC capacities.</p> <p>Means of verification: Equipment procured and installed; staff capacities enhanced.</p>	<p>1.1 Ensure effective communication channels and data exchange networks between Moldovan and foreign IIS based on Schengen rules and principles.</p> <p>Means of verification: Communication channels and data exchange networks operational.</p> <p>1.2 Ensure efficient activity of NCC.</p> <p>Means of verification: NCC operational (including at regional and local points) in line with European standards and best practices.</p>
	<p>2. Development of international border control coordination mechanism.</p> <p>Means of verification: Cooperation Plan (CP) with FRONTTEX drafted and concluded.</p>	<p>2. Implementation of measures under CP with FRONTTEX.</p> <p>Means of verification: Progress report for current year.</p>	<p>2. Implementation of measures under CP with FRONTTEX.</p> <p>Means of verification: Progress report for current year.</p>
<p>A2 Enhanced Migration Management</p>			
<p>A 2.1 Ensure comprehensive system of collection and analysis of data on migration stocks and flows and asylum</p> <p>Reporting coordinators: MoI</p>	<p>i. Development of an Integrated Information System (IIS) for Bureau of Migration and Asylum.</p> <p>Means of verification: IIS feasibility study carried out and endorsed; Memorandum of Understanding (MoU) signed with stakeholders on scope and</p>	<p>1.1 Procurement of a secured IIS integrating personal data protection (PDP).</p> <p>Means of verification: IIS procured and installed; PDP standards incorporated.</p>	<p>1. Full implementation of IIS.</p> <p>Means of verification: IIS operational in compliance with European standards and best practices; interoperability with other national IIS operational.</p>

	<p>extent of data to be exchanged</p>	<p>1.2 Develop interoperability with other national IIS.</p> <p>Means of verification: Interoperability with other IIS is ensured; technical and institutional capacities for its use strengthened.</p> <p>2. Consolidation of BMA risk analysis and intelligence units (on basis of the needs assessment).</p> <p>Means of verification: Equipment procured and installed; staff capacities enhanced.</p>	<p>2. Update the EMP as result of IIS use.</p> <p>Means of verification: EMP updated; use by BMA and other key migration actors of the EMP and other analytical products and services as migration policy and management tools</p>
<p>A 2.2 Enhance capabilities of One Stop Shop (OSS) for documentation of foreigners</p> <p>Reporting coordinators: Mol</p>	<p>1. Development of OSS for documentation of foreigners at central and regional levels.</p> <p>Means of verification: Revised and updated concept of One-Stop Shop for documentation of foreigners approved; needs assessment of OSS carried out and endorsed; BMA website developed and upgraded including versions in several languages and with dedicated sections for each type of migrant/purpose of stay/migration to Moldova.</p>	<p>1. Consolidation of capabilities of OSS for documentation of foreigners at central and regional levels.</p> <p>Means of verification: OSS premises in Chisinau, Balti and Comrat refurbished; equipment procured and installed; staff capacities enhanced.</p>	<p>1. Ensure operational functionality of OSS for documentation of foreigners at central and regional levels in line with European standards and best practices.</p> <p>Means of verification: OSS fully operational; 'on-the-spot', mobile and online services provided.</p>
<p>A 2.3 Ensure operational mechanism for combating irregular migration</p> <p>Reporting coordinators: Mol</p>	<p>1. Development of inland detection and expulsion capabilities.</p> <p>Means of verification: Policy and regulatory framework amended in line with European standards and best practices; needs assessment of dedicated units for combating illegal migration and Centre for Temporary Detention of Foreigners (CTDF) carried out and endorsed.</p>	<p>1. Consolidation of inland detection and expulsion capabilities.</p> <p>Means of verification: Equipment procured and installed for dedicated units for combating illegal migration and CTDF; staff capacities enhanced; cooperation with Border Police ensured.</p>	<p>1. Ensure effective inland detection and expulsion mechanism.</p> <p>Means of verification: Dedicated units for combating illegal migration and CTDF operational in accordance with European standards and best practices.</p>
<p>A 2.4 Ensure operational system for integration of foreigners, refugees and beneficiaries of humanitarian protection</p> <p>Reporting coordinators: Mol, ML, SPF</p>	<p>1. Creation of Integration Centres for foreigners (ICF) and Integration Centres for refugees and beneficiaries of humanitarian protection (ICR).</p> <p>Means of verification: Policy and regulatory framework amended in line with European standards and best practices; needs assessment of</p>	<p>1. Consolidation of ICF and ICR capacities.</p> <p>Means of verification: New premises in Chisinau and regions (North and South) for ICF and ICR identified and rented; equipment procured and installed; staff capacities enhanced.</p>	<p>1. Ensure operational functionality of ICF and ICR.</p> <p>Means of verification: Central and regional ICF and ICR operational in line with European standards and best practices.</p>

<p>A 2.5 Enhance capabilities for reception of asylum seekers (providing sufficient staff and funding)</p> <p>Reporting coordinators: MoI, MLSPF</p>	<p>ICF and ICR carried out and endorsed.</p> <p>1. Enhancement of capabilities for reception of asylum seekers.</p> <p><u>Means of verification:</u> Consolidation of regulatory framework, including procedural guarantees for asylum seekers; needs assessment of Accommodation Centre carried out and endorsed.</p>	<p>1.1 Consolidation of capabilities for reception of asylum seekers.</p> <p><u>Means of verification:</u> Accommodation Centre refurbished and equipped; staff capacities enhanced;</p> <p>1.2 Conclusion of Cooperation agreements with non-governmental organisations (NGOs) and civil society organisation (CSOs) on social, psychological and legal services for asylum seekers.</p> <p><u>Means of verification:</u> Cooperation agreements signed; Creation Centres developed by BMA in partnership with CSOs.</p>	<p>1.1 Ensure operational functionality of Accommodation Centre.</p> <p><u>Means of verification:</u> Accommodation Centre operational in line with European standards and best practices.</p> <p>1.2 Development and provision of social, psychological and legal services for asylum seekers (including online) at central and local level, including in partnership with NGOs and CSOs.</p> <p><u>Means of verification:</u> Social, psychological and legal services for asylum seekers (including online) at central and local level provided.</p>
<p>A 2.6 Ensure operational coordination mechanism and policy development in migration management</p> <p>Reporting coordinators: MoI, MITC, MLSPF, MFAEI</p>	<p>1. Development of policy framework for inter-governmental and international coordination in migration area in line with European standards and best practices in the field of migration and reintegration of migrants.</p> <p><u>Means of verification:</u> Gap analysis carried out; policy framework amended and approved.</p>	<p>1. Consolidation of inter-governmental and international coordination in migration area in line with European standards and best practices in the field of migration and reintegration of migrants.</p> <p><u>Means of verification:</u> Interoperability between foreign IIS on migration and national IIS ensured; awareness raising and public information campaigns on rights and obligations of Moldovan citizens in the context of visa-free travel with EU carried out.</p>	<p>1. Ensure operational inter-governmental and international coordination in migration area in line with European standards and best practices in the field of migration and reintegration of migrants.</p> <p><u>Means of verification:</u> Operational communication channels and data exchange networks between Moldovan and foreign IIS; policy framework in migration area updated (special attention to Migration Management Strategy and Action Plan); reintegration networks established.</p>
<p>A 2.7 Develop document security and reliability capabilities</p> <p>Reporting coordinators: MITC.</p>	<p>1. Preparation for development of new identification documents (IDs) in line with EU standards.</p> <p><u>Means of verification:</u> Feasibility study for improvement of existing or launch of new IDs according to EU standards carried out and endorsed.</p> <p>2. Ensure efficient and real-time exchange of information regarding the lost and stolen passports.</p> <p><u>Means of verification:</u> Information exchange with</p>	<p>1. Development of new identification documents (IDs) in line with the highest international security standards.</p> <p><u>Means of verification:</u> New guidelines ("second edition") on IDs and new security technologies drafted and approved; equipment procured; staff capacities enhanced.</p> <p>2. Ensure efficient and real-time exchange of information regarding the lost and stolen passports.</p> <p><u>Means of verification:</u> Information exchange with</p>	<p>1. Issuance of new IDs in line with the highest international security standards.</p> <p><u>Means of verification:</u> New IDs issued according to EU standards, manual processing gradually abandoned.</p> <p>2. Ensure efficient and real-time exchange of information regarding the lost and stolen passports.</p>



	<p>EU Member States and other foreign counterparts on new ID samples carried out.</p> <p>3.1 Development and use of Public Key Directory (PKD).</p> <p><u>Means of verification:</u> Feasibility study carried out and endorsed, procurement carried out, capacities strengthened for PKD use.</p> <p>3.2 Implementation of rules of International Civil Aviation Organisation (ICAO) in document issuance and PKD integration.</p> <p><u>Means of verification:</u> ICAO rules implemented and PKD integrated.</p>	<p>EU Member States and other foreign counterparts on new ID samples carried out.</p> <p>3. Extension to non-ICAO PKDs.</p> <p><u>Means of verification:</u> extension to non-ICAO PKDs carried out.</p>	<p><u>Means of verification:</u> Information exchange with EU Member States and other foreign counterparts on new ID samples carried out.</p> <p>3. Ensure operational national PKD.</p> <p><u>Means of verification:</u> National PKD fully operational and interoperable with ICAO and non-ICAO systems.</p>
<p>A 3.1 Improve performance in fighting organised and cross-border crime</p> <p>Reporting coordinators: Mol, PGO, NAC</p>	<p>A3 Enhanced Public Order and Security</p>		
	<p>1. Development of substantive and procedural law in fighting and prevention of organised and cross-border crime.</p> <p><u>Means of verification:</u> Regulatory framework for joint investigative teams (JITs) approved; JITs effectively used; questions of jurisdiction between authorities regulated.</p> <p>2. Development of capabilities in fighting trafficking in human beings (THB).</p> <p><u>Means of verification:</u> Needs assessment of specialised central and regional units (MOI, PGO) tasked with investigating various types of THB carried out and endorsed; SOPs developed, including provisions for effective JIT functioning; feasibility study for dedicated IIS carried out and endorsed.</p>	<p>1.1 Adoption of regulatory framework for control of unjustified wealth of civil servants and politicians, and mechanisms for its implementation.</p> <p><u>Means of verification:</u> Regulatory framework adopted and in force.</p> <p>1.2 Enforcement of mandatory registration of reported offences.</p> <p><u>Means of verification:</u> Regulatory framework approved.</p> <p>2. Consolidation of capabilities in fighting trafficking in human beings (THB).</p> <p><u>Means of verification:</u> Dedicated IIS procured and installed; PDP standards incorporated; interoperability with other national IIS ensured; equipment for specialised units procured; staff capacities in fighting THB enhanced.</p>	<p>1. Development and implementation of legal and practical, punitive and preventive tools for recovery of proceeds of crime.</p> <p><u>Means of verification:</u> Legal and intervention instruments developed and in force.</p> <p>2. Specialised THB units and dedicated IIS operational in accordance with European standards and best practices.</p> <p><u>Means of verification:</u> Specialised THB units functional; dedicated IIS operational; analytical products and services identifying risks and threats used by law enforcement and other services as THB detection and prevention policy and management tools.</p>
	<p>3. Development of capabilities in fighting cyber-crime, money laundering, drugs and terrorism.</p>	<p>3. Consolidation of capabilities in fighting cyber-crime, money laundering, drugs and terrorism.</p>	<p>3. Specialised units tasked with fighting cyber-crime, money laundering, drugs and terrorism.</p>

<p>A 3.2 Improve performance in preventing and fighting all forms of corruption, including high-level corruption, in all law enforcement institutions and agencies</p> <p>Reporting coordinators: NAC, MoI, PGO, Customs Service, National Integrity Commission (NIC)</p>	<p>including by way of special investigative measures (SITs).</p> <p><u>Means of verification:</u> Needs assessment of specialised central and regional units (MOI, PGO) tasked with investigating cyber-crime, money laundering, drugs and terrorism carried out and endorsed; SOPs developed, including provisions for effective undercover operations; feasibility study for dedicated IIS carried out and endorsed.</p>	<p><u>Means of verification:</u> Dedicated IIS procured and installed; PDP standards incorporated; interoperability with other national IIS ensured; equipment for fighting cyber-crime, money laundering, drugs and terrorism; staff capacities enhanced.</p>	<p>and dedicated IIS, operational in accordance with European standards and best practices.</p> <p><u>Means of verification:</u> Specialised units functional; dedicated IIS operational; analytical products and services identifying risks and threats used by law enforcement and other services as cyber-crime, money laundering, drugs, terrorism detection and prevention policy and management tools.</p>
<p>A 3.3 Development of Integrated Information System (IIS) between various law enforcement and line agencies involved in detection and prevention of crime</p> <p>Reporting coordinators: NAC, MoI, PGO, Customs Service, MITC</p>	<p>1. Development of capabilities in preventing and fighting high-level corruption and corruption in all law enforcement institutions and agencies, including training of law enforcement authorities in financial investigation and asset recovery procedures.</p> <p><u>Means of verification:</u> Needs assessment at MOI, PGO, NAC and Customs Service in fighting corruption in law enforcement, including specialisation in financial investigations carried out and endorsed; SOPs developed, including provisions for effective undercover operations; feasibility study for dedicated IIS carried out and endorsed; training of law-enforcement authorities in financial investigations and asset recovery procedures; well serviced hotlines for citizen complaints on corruption cases set-up and maintained.</p>	<p>1.1 Consolidation of capabilities in fighting corruption in law enforcement institutions and agencies.</p> <p><u>Means of verification:</u> Dedicated IIS procured and installed; PDP standards incorporated; interoperability with other national IIS ensured; equipment for fighting corruption in law enforcement procured.</p> <p>1.2 Draft and systematically enforce the bylaws on lifestyle checks performed by NAC.</p> <p><u>Means of verification:</u> Regulatory framework for lifestyle checks and mechanism for its implementation put in place; sections of the NAC specialised only in investigations of cases involving certain level of officials or certain level of damage, in order to better tackle high-level corruption cases created.</p>	<p>1.1 Specialised units tasked with fighting corruption in law enforcement institutions and agencies, and dedicated IIS, operational in compliance with European standards and best practices.</p> <p><u>Means of verification:</u> Specialised anti-corruption units functional (National Anti-corruption Centre (NAC), Ministry of Interior (MoI), Prosecutor's General Office (PGO)); dedicated IIS operational; analytical products and services identifying risks and threats used by law enforcement and other services as internal corruption detection and prevention policy and management tools.</p> <p>1.2 Ensure special measures to prevent and investigate corruption in the Border Police and Customs Service.</p> <p><u>Means of verification:</u> Video-surveillance installed in every booth at BCPs.</p>
<p>A 3.3 Development of Integrated Information System (IIS) between various law enforcement and line agencies involved in detection and prevention of crime</p> <p>Reporting coordinators: NAC, MoI, PGO, Customs Service, MITC</p>	<p>1. Development of Integrated Information System (IIS) between various law enforcement and line agencies involved in detection and prevention of crime.</p> <p><u>Means of verification:</u> MoUs as to scope and extent of information to be exchanged; enterprise architecture defined; feasibility study carried out and endorsed.</p>	<p>1.1 Procurement of a secured IIS integrating personal data protection (PDP).</p> <p><u>Means of verification:</u> IIS procured and installed; PDP standards incorporated.</p> <p>1.2 Develop interoperability with other national IIS.</p> <p><u>Means of verification:</u> Interoperability with other IIS is ensured; technical and institutional capacities for its use strengthened.</p>	<p>1. Full implementation of IIS.</p> <p><u>Means of verification:</u> IIS operational in compliance with European standards and best practices; interoperability with other national IIS operational.</p>

<p>A 3.4 Application of intelligence-led policing (ILP) concept in detection and prevention of crime, alongside a strategic analysis model</p> <p>Reporting coordinators: MoI, PGO, NAC</p>	<p>1. Development of risk analysis, intelligence and data flow management capabilities in fighting cross-border crime.</p> <p><u>Means of verification:</u> SOPs developed with detailed rules on risk analysis, intelligence and data flow management; needs assessment at MOI, PGO, NAC of their risk analysis/intelligence capacities in fighting cross-border crime carried out and endorsed.</p>	<p>1. Consolidation of risk analysis and intelligence units in fighting cross-border crime in MoI, PGO and NAC.</p> <p><u>Means of verification:</u> Equipment procured based on the needs assessment; staff capacities enhanced.</p>	<p>1. Full implementation of intelligence-led policing (ILP) concept in detection and prevention of cross-border crime.</p> <p><u>Means of verification:</u> Analytical products and services identifying risks and threats developed by risk analysis and intelligence units and used by law enforcement and other services as cross-border crime detection and prevention policy and management tools.</p>
<p>A 3.5 Ensure operational mechanism for coordination and policy development of national and international detection and prevention of crime</p> <p>Reporting coordinators: MoI, PGO, NAC, Customs Service, MFAEI</p>	<p>1.1 Creation of national crime detection and prevention coordination at national and local levels.</p> <p><u>Means of verification:</u> Periodic meetings of National Organised Crime Prevention Coordination Centre (NOCPCC) and National Special Investigative Techniques Council (NSITC) held.</p> <p>1.2 Creation of international crime detection and prevention coordination mechanism.</p> <p><u>Means of verification:</u> Elaboration and signature of cooperation agreements and annual plans with Europol, Interpol, Eurojust, SELEC etc.</p> <p>1.3 Approximation with European standards and best practices on information exchange in detection and prevention of crime.</p> <p><u>Means of verification:</u> Gap analysis developed; regulatory framework with EU standards and best practices approved.</p>	<p>1.1 Creation by stakeholders (MOI, PGO, NAC) of local contact points with NOCPCC and NSITC.</p> <p><u>Means of verification:</u> Local contact points in place.</p> <p>1.2 Ensure effective international crime detection and prevention coordination.</p> <p><u>Means of verification:</u> Cooperation plans with Europol, Interpol, Eurojust, SELEC for current year implemented.</p> <p>1.3 Development of operational communication channels and data exchange networks between Moldovan and foreign IIS.</p> <p><u>Means of verification:</u> Interoperability between international (Europol, Interpol, Eurojust) and national IIS on crime prevention and detection is ensured.</p>	<p>1.1 Ensure effective national crime detection and prevention coordination at national and local levels.</p> <p><u>Means of verification:</u> Permanent meetings of National Organised Crime Prevention Coordination Centre (NOCPCC) and National Special Investigative Techniques Council (NSITC) held.</p> <p>1.2 Ensure effective international crime detection and prevention coordination.</p> <p><u>Means of verification:</u> Cooperation plans with Europol, Interpol, Eurojust, SELEC for current year implemented.</p> <p>1.3 Ensure effective operational communication channels and data exchange networks between Moldovan and foreign IIS.</p> <p><u>Means of verification:</u> Communication channels and data exchange networks between Moldovan and foreign IIS fully operational.</p>

Appendix 2: Disbursement arrangements and timetable

This appendix covers the following five main areas according to the country/intervention sector context: (1) responsibilities; (2) the indicative disbursement timetable; (3) the General Conditions for each disbursement tranche; (4) the Specific Conditions for each disbursement tranche; (5) variable tranche calculation.

1. Responsibilities

On the basis of the disbursement conditions stipulated in the Financing Agreement, Prime Minister of the Republic of Moldova will send a formal request to the European Commission for the disbursement of each tranche in accordance with the timetable specified in Table A below. The request must include: (i) a full analysis and justification for payment of the funds, with the required supporting documents attached; (ii) a financial information form, duly signed, to facilitate the corresponding payment.

2. Indicative disbursement timetable

An indicative disbursement timetable is given below.

Table A: Summary Indicative disbursement timetable (EUR million)

Tranche Type	2015				2016				2017				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Variable tranches		6				7				7			20
Total		6				7				7			20

3. General Conditions for tranche release

The General Conditions set out below for the disbursement of each tranche shall apply to the disbursement of all tranches and all tranche release requests must be accompanied by all appropriate information and documents.

Table B: General Conditions for the release of tranches

Area	Condition	Verification source
Public Policy	Satisfactory progress in the implementation and ensuring sustainable follow up to EU-Moldova VLAP and continued credibility and relevance of that or any successor strategy.	Reports by the Government of Moldova, law enforcement and line agencies
Macroeconomic stability	Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.	Reports by the Government of Moldova and by international organizations (e.g., IMF, WB, EU).
Public financial management	Satisfactory progress in the implementation of the programme to improve public financial management	Annual report transmitted by Government of Moldova and including: (i) the assessment of PFM-related performance for previous year, (ii) the progress expected to be achieved by

		end of current year, and (iii) the progress expected to be achieved within the medium-term period. Reports by international organizations (e.g., IMF, WB, EU).
Budget Transparency	Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.	Reports by the Government of Moldova and by international organizations (e.g., IMF, WB, EU).

4. Specific Conditions for the disbursement of tranches

The Specific Conditions for the disbursement set out in Table C and D shall apply to the disbursement of a specific tranche. Tranche release requests must be accompanied by all appropriate information and documents on the Specific Conditions.

Table C: Specific Conditions for the release of tranches

Tranche	Amount EUR million	Indicative disbursement request date (Quarter/Year)	Indicative disbursement date (Quarter/Year)	Condition/Criteria/ Activity for disbursement	Source of Verification (if appropriate)
First Variable Tranche	6	1/2015	2/2015	Specific Conditions on sector reform management as detailed in Appendix 1 for targets to be achieved by end 2014.	See details Table B & D
Second Variable Tranche	7	1/2016	2/2016	Specific Conditions on sector reform management as detailed in Appendix 1 for targets to be achieved by end 2015.	See details Table B & D
Third Variable Tranche	7	1/2017	2/2017	Specific Conditions on sector reform management as detailed in Appendix 1 for targets to be achieved by end 2016.	See details Table B & D

The disbursement conditions for variable tranches are fixed for the duration of the programme and may be amended in accordance with the TAPs section 2.3 of this Financing Agreement.

5. Variable tranche calculation

The programme foresees variable instalments of up to a maximum of EUR 6 000 000 in 2015, EUR 7 000 000 in 2016 and EUR 7 000 000 in 2017.

Variable instalments allow for less than the full amount to be released in the case of only partial compliance with the criteria conditioning release of instalments, defined in Appendix 1.

Therefore, four aggregate performance categories will apply. The performance categories are: "unsatisfactory" (score 0-29), "limited progress" (score 30-49), "satisfactory" (score 50-79), and "strong performance" (score 80-100). When the Government demonstrates "strong performance" as defined above, 100% of the relevant amount will be paid, 70% when the Government achieves "satisfactory" compliance, 40% for "limited progress" and nil when compliance is evaluated as "unsatisfactory".

Table D: Variable Tranche

Area A1 Enhanced Border Management – 30% out of every variable tranche					
Budget Components	Support	Component maximum weight %	2015 First Variable Tranche Sub-indicator maximum weight %	2016 Second Variable Tranche Sub-indicator maximum weight %	2017 Third Variable Tranche Sub-indicator maximum weight %
A 1.1 Develop an operational Integrated Border Management (IBM) System		80 %	1 – 20%	1.1 – 10%	1 – 20%
			2 – 20%	1.2 – 10 %	2 – 20%
			3 – 20%	2 – 20%	2 – 20%
			4 – 20%	3.1 – 10%	3 – 20%
			5 – 20%	3.2 – 10%	4 – 20%
A 1.2 Ensure effective operational coordination mechanism and policy development in border management		20 %	1.1 – 25%	1.1 – 25%	1.1 – 25%
			1.2 – 25%	1.2 – 25%	1.2 – 25%
			2 – 50 %	2 – 50 %	2 – 50 %
Area A2 Enhanced Migration Management – 35% out of every variable tranche					
Budget Components	Support	Component maximum weight %	2015 First Variable Tranche Sub-indicator maximum weight %	2016 Second Variable Tranche Sub-indicator maximum weight %	2017 Third Variable Tranche Sub-indicator maximum weight %
A 2.1 Ensure comprehensive system of collection and analysis of data on migration stocks and flows and asylum		20 %	1 – 50%	1.1 – 25%	1 – 50%
			2 – 50%	1.2 – 25%	2 – 50%
A 2.2 Enhance capabilities of One Stop Shop (OSS) for documentation of foreigners		10%	1 – 100%	1 – 100%	1 – 100%

55.	<p>Diminuarea impedimentelor economico-financiare ale populației care se confruntă cu probleme de sănătate în vederea sporirii accesului la asigurarea obligatorie de asistență medicală</p>	<p>1) Elaborarea metodologiei de trecere treptată de la contribuția sub formă de sumă fixă la contribuția calculată sub forma de cotă procentuală raportată la venituri și de ajustare a mecanismului de plată per capita, în funcție de diferențele structurii demografice a populației și numărul de persoane înregistrate la medicul de familie</p> <p>2) Elaborarea și aplicarea metodelor de achitare diferențiată a primelor de asigurare pentru populația cu ocupație individuală din sectorul agrar</p> <p>3) Informarea adecvată a angajatorilor și angajaților din localitățile rurale în privința asigurărilor medicale obligatorii</p>	2011	2011 – 43,0		<p>Ministerul Sănătății; Compania Națională de Asigurări în Medicină</p>		Metodologie elaborată	
			2011	2011 – 120,0		<p>Ministerul Sănătății; Compania Națională de Asigurări în Medicină</p>		Metode elaborate și implementate	
			2011-2014	300,0 (anual)		<p>Compania Națională de Asigurări în Medicină</p>		Numărul campaniilor de informare desfășurate, numărul de beneficiari	
CAPITOLUL 9. Asigurarea dreptului la protecție socială									
56.	<p>Eficientizarea sistemului de servicii sociale pentru toate categoriile de beneficiari</p>	<p>1) Elaborarea cadrului normativ pentru implementarea sistemului integrat de servicii de asistență socială</p>	2012	în limita alocațiilor bugetare		<p>Ministerul Muncii, Protecției Sociale și Familiei</p>	ONG-uri	Cadrul normativ elaborat	

(ILP) concept in detection and prevention of crime, alongside a strategic analysis model						
A 3.5 Ensure operational mechanism for coordination and policy development of national and international detection and prevention of crime	20%	1.1 – 30% 1.2 – 30% 1.3 – 40%	1.1 – 30% 1.2 – 30% 1.3 – 40%	1.1 – 30% 1.2 – 30% 1.3 – 40%		