

FINANCING AGREEMENT

SECTOR REFORM CONTRACT

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 Republic of Armenia, hereinafter referred to as "**the Partner Country**", represented by the Ministry of Economic Development and Investments of Armenia,

of the other part,

have agreed as follows:

Article 1 – Nature of the action

- 1.1. The EU agrees to finance and the Partner Country agrees to accept the financing of the following budget support action:

Public Finance Policy Reform Programme in Armenia ENI/2015/038-229

This action is financed from the EU Budget under the following basic act: European Neighbourhood Instrument.

- 1.2. The total estimated cost of this action is EUR 10.075 million and the maximum EU contribution to this action is set at EUR 10 million.

This budget support action is composed of:

(a) a budget support component with a maximum EU contribution of EUR 8 million.

(b) a complementary support component with a total estimated cost of EUR 2.075 million and a maximum EU contribution of EUR 2 million.

- 1.3. The Partner Country shall not co-finance the action.

Article 2 – Execution period

- 2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 72 months after this date.
- 2.2. The duration of the operational implementation phase is fixed at 48 months.
- 2.3. The duration of the closure phase is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing in English, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) for the Commission

The Head of Delegation
Delegation of the European Union to Armenia
21 Frik Street
Yerevan, 0002
Armenia
DELEGATION-ARMENIA@eeas.europa.eu

b) for the Partner Country

The Minister of Economic Development and Investments
Government of Armenia
National Coordinator of EU Assistance
5 Mher Mkrtchyan Street,
Yerevan, 0010
Armenia

Article 4 – OLAF contact point

The contact point of the Partner Country having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

The Ministry of Finance
International Cooperation Department
Melik Adamyan St. 1
Yerevan, 0010
Armenia

Article 5 – Annexes

5.1. This Financing Agreement is composed of:

- (a) these Special Conditions;
- (b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this Action;
- (c) Annex II: General Conditions;
- (d) Annex III: Reporting Template - not applicable to and not included in this Financing Agreement;
- (e) Annex IV: Management Declaration Template - not applicable to and not included in this Financing Agreement.

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

- 6.1. The foreign exchange transfers will be accounted for under the value date of the notification of credit to the Treasury account from the Central Bank. The exchange rate will be the average rate of the interbank foreign exchange currency market on the value date of the notification of credit.
- 6.2. Articles 18, 19, 25.3, 25.4 and 25.5 do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement.

Article 7 – Entry into force


This Financing Agreement shall enter into force on the date on which the Commission receives a notification from the Partner Country confirming the completion of the internal procedures of the Partner Country necessary for its entry into force. The Commission shall inform the Partner Country of the date of the receipt of this notification. This Financing Agreement shall not enter into force if such a notification is not received by the Commission **by 31 December 2016.**

Done in two original copies, one copy being handed to the Commission and one to the Partner Country.

For the Partner Country:

Suren Karayan
Minister of Economic Development and
Investments of Armenia
National Coordinator of EU Assistance

Signature:



Date:

16/12/2016

For the Commission:

Lawrence Meredith
Director Neighbourhood East
Directorate General for Neighbourhood and
Enlargement negotiations

Signature:



Date:

09/12/2016

have agreed as follows:

Article 1 – Nature of the action

1.1 The EU agrees to finance and the Partner Country agrees to accept the financing of the following budget support action:

Public Finance Policy Reform Programme in Armenia
ENI/2015/038-229

This action is financed from the EU Budget under the following basic act: European Neighbourhood Instrument.

1.2 The total estimated cost of this action is EUR 10.075 million and the maximum EU contribution to this action is set at EUR 10 million.

This budget support action is composed of:

(a) a budget support component with a maximum EU contribution of EUR 8 million;

(b) a complementary support component with a total estimated cost of EUR 2.075 million and a maximum EU contribution of EUR 2 million.

1.3 The Partner Country shall not co-finance the action.

