



**EUROPEAN COMMISSION**



*Convention between AICS and CREA  
signed under Italian Law n. 125/2014 ex. Art. 24*

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*‘Research-based capacity building and training in agricultural development for cereal  
production’*

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*FINANCED UNDER THE CONTRIBUTION AGREEMENT  
NDICI-GEO-NEAR/2023/442-279*

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**BETWEEN**

The Italian Agency for Development Cooperation, via Cantalupo in Sabina n. 29, 00191 Rome, tax code 97871890584, represented by the Deputy Technical Director, dott. Leonardo Carmenati,

(hereinafter referred to as “AICS”)

of the one part,

**AND**

The Council for Research in Agriculture and Economics, Via della Navicella 2/4, 00184 Rome, tax code 97231970589, represented by its Special Commissioner and legal representative Prof. Mario Pezzotti,

(hereinafter referred to as “CREA”)

of the other part,

(individually a “Party” and collectively the “Parties”) have agreed as follows:

## **WHEREAS**

- CONSIDERING that Law No. 125 of 11 August 2014 on the “General Regulations on International Cooperation for Development” (hereinafter to as Law 125/2014), and in particular Article 1(2) thereof, lists the fundamental objectives of development cooperation;
- CONSIDERING that Article 24 paragraph 1 of Law 125/2014 promotes inter-institutional collaborations with State Administrations, Chambers of Commerce, Universities or public bodies aimed at the pursuit of the objectives and goals of the law itself;
- PROVIDING that Article 24 paragraph 2 of the aforesaid law provides that the AICS may entrust to the entities referred to in paragraph 1, the implementation of cooperation initiatives or may grant contributions to such entities for the implementation of development cooperation project on the basis of proposals submitted by said entities;
- PROVIDING that the implementation of mentioned Article 24 paragraph 2 shall not give rise to new or additional costs for the public finance, and that the public institutions involved in the implementation of development cooperation initiatives do so with the human, instrumental and financial resources available under current legislation;
- PROVIDING that Article 15(1) of Ministerial Decree 113/2015 stipulates that the Conventions referred to in Article 24 of Law 125/2014 “shall determine the methods of implementation, financing and monitoring of the results”;
- CONSIDERING that the Ambassador to the Delegation of the European Union in Cairo, Christian Berger, and the Director of AICS, Luca Maestripieri, signed on 7<sup>th</sup> of April 2023 the Contribution Agreement No. NDICI-GEO-NEAR/2023/442-279 for the implementation of the programme called “EU كافي(Kafi) - EU Support to Improve Cereal Crops Production in Egypt” for a total value of 40 (forty) million Euros fully financed by the European Union;
- CONSIDERING that CREA has been identified by Annex I (Description of the Action) to the Contribution Agreement as a technical partner for the implementation of part of the activities envisaged in the frame of the programme, as defined in the Single Project Document (Annex I to this Convention).

## **ALL THE FOREGOING**

*The following is agreed and stipulated between the Parties, as constituted above*

# CONDITIONS

## **Art. 1- Purpose**

- 1.1. The purpose of this Convention is to provide a financial contribution to finance the implementation of the Action called '*Research-based capacity building and training in agricultural development for cereal production*' as described in Annex I (the 'Single Project Document') in the frame of the Contribution Agreement NDICI-GEO-NEAR/2023/442-279. This Conventions establishes the rules for the overall implementation and for the payment of the EU Contribution entrusted to AICS in the framework of the Contribution Agreement NDICI-GEO-NEAR/2023/442-279 and defines the relations between AICS and CREA.
- 1.2. CREA shall be responsible to AICS for the implementation of the Sub-Action including those parts that might be implemented by CREA through third parties.

## **Art. 2- Entry into force and duration**

- 2.1. The Convention shall enter into force on the date when the last Party signs.
- 2.2. The Implementation Period of the Convention will start from the date of the signature of the last Party.
- 2.3. The Implementation Period of the Convention is fifty-two (52) months.

## **Art. 3- Financing the Sub-Action**

- 3.1. AICS undertakes to provide a contribution up to a maximum of EUR 2,151,178 (the "Contribution") for the implementation of the activities described in Annex I.
- 3.2. The cost for the activities to be implemented in Egypt are VAT exempted as per the applicable exemptions received by the Egyptian Authorities.
- 3.3. No remuneration is foreseen.

## **Art. 4 - Payment Arrangements and Reporting**

- 4.1. AICS shall provide CREA with pre-financing installments as follows:
  - i) First pre-financing instalment: EUR 258,000 within thirty (30) Days of receiving the Convention signed by both Parties.
  - ii) Further pre-financing instalments: EUR 1,893,178 following the end of the 1st, 2nd, etc. reporting period, from date to date corresponding to the part of the forecast budget for the subsequent 12 months.
  - iii) Balance: to be determined based on article 4.3.
- 4.2. CREA may submit a request for further pre-financing instalment for the following reporting period in accordance with the following provisions:
  - i) the reporting period is intended as a twelve-month period. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;
  - ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the CREA to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the CREA to its staff or has been subject to a legal

- commitment with a third party;
- iii) CREA may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by CREA to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;
- iv) at the end of the Implementation Period, CREA shall submit a payment request for the balance, where applicable, together with the final report.

4.3. The final amount will be established in accordance with the following provisions:

- i) The final amount shall be determined by AICS when approving CREA's final report.
- ii) If the final amount of the Contribution is higher than the total amount already paid to the CREA, AICS shall pay the difference up to the maximum Contribution referred to in Article 3.1;
- iii) If the final amount of the Contribution is lower than the total amount already paid to the CREA, AICS will recover the funds.

4.4. Where the Sub-Action (i) is not implemented, (ii) is not implemented in line with the Convention or (iii) is implemented partially or late, AICS may, after allowing CREA to submit its observations, reduce the Contribution in proportion to the seriousness of the above mentioned situations.

4.5. Payment requests shall be accompanied by: (i) narrative and financial reports (ii) external audit reports. The requests for pre-financing payments and the request for the balance shall be drafted in Euro.

4.6. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report (including external audit report).

4.7. Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein. AICS is entitled to deduct from the instalments, or to request reimbursement, of any amounts relating to ineligible expenses determined by External Auditors contracted by CREA, AICS, the EU, including those auditors contracted after the administrative closure of the Convention.

## **Art. 5 – Eligibility**

5.1. Costs are eligible if they meet all the following criteria:

- a) they are necessary for carrying out the Sub-Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;
- b) they are incurred in accordance with the provisions of this Convention;
- c) they are actually incurred by CREA, i.e. they represent real expenditure definitely and genuinely borne by CREA;
- d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the CREA regardless of their source of funding;
- e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
- f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the CREA;
- g) they are covered by one of the sub-headings indicated in the estimated budget in Annex II and by the activities described in Annex I; and
- h) they comply with the applicable tax and social legislation taking into account the CREA's privileges and immunities

The following costs are ineligible:

- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the CREA shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international

- accounting standards;
- b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Sub-Action and ownership is transferred to the beneficiaries determined by AICS;
- c) duties, taxes and charges, including VAT, that are recoverable/deductible by CREA;
- d) return of capital;
- e) negative remuneration charged by banks or other financial institutions;
- f) debts and debt service charges;
- g) provision for losses, debts or potential future liabilities;
- h) banking charges for the transfers from and to AICS/CREA;
- i) costs incurred during the suspension of the implementation of the Convention;
- j) costs declared by CREA under another agreement financed by the European Union budget (including through the European Development Fund) or AICS;
- k) contributions in kind. The cost of staff assigned to the Sub-Action and actually incurred by CREA is not a contribution in kind and may be declared as a direct eligible cost if it complies with the conditions set out in Article 5.1; and
- l) costs of purchase of land or buildings.

#### **Art. 6- Submission of Reports and Accounts**

- 6.1. CREA shall provide an inception report to AICS as detailed in Annex I.
- 6.2. CREA shall submit to AICS progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.
- 6.3. Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Sub-Action for the period covered. The report shall describe the implementation of the Sub-Action according to the activities envisaged in Annex I as well as the degree of progress towards the achievement of its Results (Outputs, Outcomes and if possible Impact) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the Results, the means envisaged and employed. The level of detail in any report shall match that of Annexes I and II.
- 6.4. AICS may request additional information at any time, providing the reasons for that request. Such information shall be supplied within thirty (30) Days of receipt of the request. CREA may submit a duly motivated request to extend the 30-Day deadline.
- 6.5. CREA shall notify AICS without delay of any circumstances likely to adversely affect the implementation and management of the Action, or to delay or jeopardise the performance of the activities.
- 6.6. The progress report(s) shall relate directly to this Convention and shall at least include: a) summary and context of the Sub-Action; b) actual Results: an updated table based on a logical framework matrix (as included in Annex I) including reporting of Results achieved by the Sub-Action (Outputs, Outcomes, and if possible, Impact) as measured by their corresponding Indicators, against agreed baselines and targets, and relevant data sources; c) information on the activities directly related to the Sub-Action as described in Annex I and carried out during the reporting period; d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced; e) information on measures taken to identify the EU as source of financing; f) a breakdown of the total costs, following the structure set out in Annex II, incurred from the beginning of the Sub-Action as well as the legal commitments entered into by CREA during the reporting period; g) a summary of controls carried out and available final audit reports in line with CREA's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided; h) where applicable, a request for payment; i) work plan and budget forecast for the next reporting period.
- 6.7. The final report shall cover the entire Implementation Period and include: a) all the information requested in Article 6.6 a) to h); b) a summary of the Sub-Action's receipts, payments received and of

- the eligible costs incurred; c) where applicable, an overview of any funds unduly paid or incorrectly used which CREA could or could not recover itself; d) the exact link to the webpage where the information regarding the beneficiaries are described; e) if relevant, details of transfers of equipment, vehicles, and remaining major supplies; f) where applicable, a request for payment.
- 6.8. CREA shall submit a report for every reporting period starting from the commencement of the Implementation Period. The model for narrative, financial, and audit reports will be agreed upon by the Parties on the basis of EU standards (PRAG – Grants) within 90 calendar days from the start of the implementation period.
- 6.9. Reporting, narrative as well as financial, shall cover the whole Sub-Action.
- 6.10. Progress reports shall be submitted within thirty (30) Days after the period covered by such report. The final report shall be submitted, at the latest, three (3) months after the end of the Implementation Period.
- 6.11. Every progress and final report shall be accompanied by a management declaration in accordance with the template included in the Convention.

### **Art. 7 - External Auditor**

- 7.1. CREA shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Convention. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.
- 7.2. Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report.
- 7.3. The Auditor identified by CREA, in compliance with the requirements set forth in Article 7.1, is:
- Studio Legale e Commerciale Associato R. Cippitani, R. Di Gioacchino & I. Iozzolino.
  - Via XX Settembre 98/E. PEC: [studiocippitanidigioacchinoiozzolino@mypec.eu](mailto:studiocippitanidigioacchinoiozzolino@mypec.eu).
  - Registration in the Register of statutory auditors, from 17/12/1999 with number 104277 and registration in the Register of Chartered Accountants since 09/06/1997.
- 7.4. The Auditor must be contracted by CREA within 90 days of the signing of the Convention, failing which the Convention will be suspended or terminated.
- 7.5. CREA shall attach to the notice of appointment the “Declaration of non-existence of causes of incompatibility” duly signed by the Auditor.
- 7.6. Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein. AICS is entitled to deduct from the instalments, or to request reimbursement, of any amounts relating to ineligible expenses determined by External Auditors contracted by CREA, AICS, the EU.
- 7.7. CREA undertakes to repay within 30 calendar days upon AICS’s request any amount unduly paid as results of the opinion released by External Auditors contracted by CREA, AICS, the EU including those auditors contracted after the administrative closure of the Convention.
- 7.8. Should the results of the auditor contracted by CREA differ from the results of the auditor contracted by AICS, the latter shall prevail.
- 7.9. Should the results of the auditor contracted by AICS differ from the results of the auditor contracted by the EU, the latter shall prevail.

### **Art. 8 - Other obligations of the Executing Agency**

- 8.1. CREA is responsible for the implementation of the Sub-Action described in Annex I, regardless of whether the activities are performed by CREA itself, a Contractor, or any other third parties. Both Parties will endeavour to strengthen their mutual contacts with a view to fostering the exchange of information throughout the implementation of the Sub-Action.



- 8.2. In the management of Procurement Contracts CREA shall apply the latest edition of the practical guide on contract procedures for European Union external action (PRAG) and “*Decreto legislativo 31 marzo 2023, n. 36 - Codice dei contratti pubblici*” for the management of Procurement Contracts in Italy.
- 8.3. CREA shall authorize the publication of the internet site where it publishes the information regarding the recipients of the funds.
- 8.4. CREA shall be responsible for the performance of the obligations under this Convention with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds.
- 8.5. CREA shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Sub-Action.
- 8.6. CREA must ensure that the subcontractors and all natural persons linked to the Convention, including participants to workshops and/or trainings and recipients of financial support to third parties, do not include entities/persons included in the lists of EU restrictive measures.
- 8.7. CREA shall have full financial responsibility towards AICS for all funds, including those unduly paid to or incorrectly used by Contractors or any other third parties. CREA shall take measures to prevent, detect, and correct irregularities and fraud when implementing the Sub-Action. To this end, CREA shall carry out, in accordance with the principle of proportionality ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Sub-Action financed by the Contribution is effectively carried out and implemented correctly.
- 8.8. CREA shall inform AICS of irregularities and fraud detected in the management of the Contribution and the measures taken so that AICS to inform the European Commission
- 8.9. Where funds have been unduly paid to or incorrectly used by Contractors or any third parties entrusted by CREA, CREA shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or third parties to AICS or the European Commission.

#### **Art. 9- Staff**

- 9.1. Pursuant to Article 16 ter of Legislative Decree No. 165 of 2001, CREA undertakes not to appoint employees and former employees of the Agency who, in the last three years of service, have performed functions of technical and managerial responsibility in relation to programmes financed by AICS to CREA.
- 9.2. For the personnel employed in the Sub-Action, CREA undertakes to comply with the regulations in force in Italy and in Egypt as applicable and comply with the AICS Ethic code.
- 9.3. CREA is responsible for the security of the personnel employed in the implementation of the Sub-Action and for the respect of the security measures that will be indicated by the competent Diplomatic Representation.
- 9.4. AICS reserves the right to suspend/terminate the Convention and issue a recovery order in the event of non-compliance by CREA with the security measures indicated by the competent Diplomatic Representation.

#### **Art. 10 - Failure to comply with reporting obligations**

- 10.1. If CREA is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in the Convention, CREA shall inform AICS in writing of the reasons. CREA shall also provide a summary of the state of progress of the Sub-Action and, where applicable, a provisional work plan for the next period. If CREA fails to comply with this obligation for two (2) months, AICS may terminate the Convention, refuse to pay any outstanding amount and recover any amount unduly paid.

### **Article 11-Liability towards third parties**

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

### **Article 12-Conflict of interests**

- 12.1. CREA shall refrain from any action which may give rise to a conflict of interests.
- 12.2. A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Convention is compromised.

### **Article 13-Visibility**

- 13.1. CREA shall take all appropriate measures to publicise the fact that the Sub-Action has received funding from AICS as the main implementing entity in the framework of the EU-funded Action. Such measures shall be carried out in accordance with the Visibility Requirements for EU External Action, as in effect at the time of entry into force of this Convention as well as AICS Communication and Visual Identity Guidelines ([https://www.aics.gov.it/wp-content/uploads/2018/11/Linee-Guida-External\\_Communication\\_2018.pdf](https://www.aics.gov.it/wp-content/uploads/2018/11/Linee-Guida-External_Communication_2018.pdf)).
- 13.2. If, during the implementation of the Sub-Action, equipment, vehicles or major supplies are purchased using the Contribution, CREA shall display appropriate acknowledgment on such vehicles, equipment or major supplies, including the display of the EU emblem (twelve yellow stars on a blue background). Where such display could jeopardize CREA's privileges and immunities or the safety of CREA's staff or of the Final Beneficiaries, CREA shall propose appropriate alternative arrangements.
- 13.3. The acknowledgment and the EU emblem shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Sub-Action as an activity of CREA, nor the ownership of the equipment, vehicles or major supplies by CREA.
- 13.4. If the equipment, vehicles or remaining major supplies purchased with the Contribution have not been transferred to the local authorities or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU emblem) shall continue to apply between submission of the final report and the end of the overall Sub-Action, if the latter is longer.
- 13.5. Where CREA retains ownership, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by CREA. If disclosure risks threatening CREA's safety or harming its interests, the European Commission and AICS may publish in any form and medium including on its internet sites, the name and address of CREA, the purpose and amount of the Contribution.

### **Article 14-Ownership of the results**

- 14.1. CREA shall grant and shall act to ensure that AICS, the European Commission and final beneficiaries have the right to use free of charge the results of the Sub-Action, including the reports and other

documents relating to it, which are subject to industrial or intellectual property rights.

- 14.2. Where the results mentioned in Article 14.1 include pre-existing rights and CREA cannot warrant AICS and the European Commission the right to use such results, CREA shall inform in writing AICS accordingly.
- 14.3. The equipment, vehicles and remaining major supplies purchased under this Convention shall be transferred to or remain with local authorities, local Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.

#### **Article 15-Amendment to the Convention**

- 15.1. Any amendment to this Convention, including its annexes, shall be set out in writing in an addendum signed by both Parties. Extension to the implementation period shall also be made through an addendum. This Convention can only be amended within three months from the end of the implementation period of the EU Action.
- 15.2. The requesting Party shall request in writing any amendment thirty (30) days before the amendment is intended to enter into force and no later than thirty (30) days before the end of the implementation period of the convention, unless there are special circumstances, duly demonstrated, and accepted by AICS. AICS shall notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was received.
- 15.3. By way of derogation from Articles 15.1 and 15.2, where an amendment to Annex I and/or Annex II does not affect the main purpose of the Sub-Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, CREA may unilaterally amend Annex I and/or Annex II and shall inform AICS accordingly in writing, at the latest in the next report.
- 15.4. CREA may, in agreement with AICS and before the modification takes place, change the following without a formal addendum to the Convention: (a) Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main outcome of the Action; (b) Communication activities described in Annex I. Approved changes must be explained in the next report.
- 15.5. Changes of address and of the Sub-Action bank account shall be notified in writing to AICS. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex III.

#### **Art. 16 - Financial flow traceability obligations**

- 16.1. AICS shall make payments in Euro to the bank account referred to in the financial identification. All payments from CREA to third parties shall be traceable and refer to the Sub-Action.
- 16.2. CREA undertakes to comply with all the obligations of traceability of financial flows under Italian Law No. 136 of 13 August 2010 (Law Against-Mafia), as amended and supplemented. To this end, it hereby gives notice that the bank/post account in Italy, under Article 3, paragraph 1, of Law 13 August 2010, n. 136, is dedicated, also not in an exclusive way, to public funds and to the Sub-Action.
- 16.3. Any other sub-account opened in Egypt for the implementation of the Action shall be in the name of CREA and be related to the Sub-Action.

#### **Art. 17 - Monitoring and evaluation of the Sub-Action**

- 17.1. Keeping in mind the commitment of the Parties to the effective and efficient operation of the Convention, CREA shall invite representatives of AICS to participate at their costs in the main monitoring missions and evaluation exercises related to the performance of the Sub-Action. AICS will also extend the invitation to the European Commission. Participation in evaluation exercises should be

ensured by requesting comments from AICS on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). CREA shall send all monitoring and evaluation reports relating to the Sub-Action to AICS once issued, subject to confidentiality.

17.2. Article 17.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or AICS as the main implementing entity, at their costs, may wish to perform.

17.3. In line with the spirit of partnership, CREA and AICS may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed upon in due time, planned ahead, and completed in a collaborative manner. AICS is entitled to invite representatives of the European Commission and the partner country in these exercises.

## **Article 18-Suspension**

### **Suspension of the time limit for payment**

18.1. AICS may suspend the time limit for payment following a single payment request by notifying CREA that either: a) the amount is not due; or b) the appropriate supporting documents have not been provided and therefore AICS needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by AICS if it has doubts about compliance by CREA with its obligations in the implementation of the Sub-Sub-Action; or c) doubt the eligibility of the reported expenditure; or d) detection of deficiency in the functioning of the Internal Control System of CREA or that the expenditure reported by CREA is linked to a serious irregularity and has not been corrected. In this case, AICS may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

18.2. In the situations listed in Article 18.1, AICS shall notify CREA as soon as possible, and in any case within thirty (30) Days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when AICS sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

### **Suspension of the Convention by AICS**

18.3. AICS may suspend the implementation of the Convention, fully or partly, if: a) AICS has proof that irregularities, fraud or breach of substantial obligations have been committed by CREA; b) AICS has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of CREA's Internal Control System or the legality and regularity of the underlying transactions; c) AICS has proof that CREA has committed irregularities, fraud or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud or breaches of obligations have a material impact on this Convention.

18.4. Before suspension, AICS shall formally notify CREA of its intention to suspend, inviting CREA to make observations within ten (10) Days from the receipt of the notification. If CREA does not submit observations, or if - after examination of the observations submitted by CREA - AICS decides to pursue the suspension, AICS may suspend all or part of the implementation of this Convention serving seven (7) Days' prior notice. In case of suspension of part of the implementation of the Convention, upon request of CREA, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by CREA during the suspension and related to the part of the Convention suspended shall not be reimbursed, nor be covered by AICS. Following suspension of the implementation of the Convention, AICS may terminate the Convention, recover amounts unduly paid and/or, in agreement with CREA, resume implementation of the Convention. In the latter case, the Parties will amend the Convention

where necessary.

**Suspension for exceptional circumstances**

- 18.5. CREA may decide to suspend the implementation of all or part of the Sub-Action if exceptional and unforeseen circumstances beyond the control of CREA make such implementation impossible or excessively difficult, such as in cases of Force Majeure. CREA shall inform AICS immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.
- 18.6. AICS may also notify CREA regarding the suspension of the implementation of the Convention if exceptional circumstances so require, in particular: a) when a relevant EU Decision identifying a violation of human rights has been adopted; or b) in cases such as crisis entailing a change of EU policy.
- 18.7. Neither of the Parties shall be held liable for breach of its obligations under the Convention if Force Majeure or exceptional circumstances as set forth under Articles 18.5 and 18.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.
- 18.8. In the situations listed in Articles 18.5 and 18.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, CREA shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Convention. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Sub-Action before the notification of the suspension was received which CREA cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Convention that may be necessary to adapt the Sub-Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Convention in accordance with Article 19.3. In case of suspension due to Force Majeure, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

**Article 19-Termination**

- 19.1. Without prejudice to any other provision of these Conditions or penalties foreseen in the EU and Italian Financial Regulation, where applicable, and with due regard to the principle of proportionality, AICS may terminate the Convention if CREA: a) fails to fulfil a substantial obligation incumbent on it under the terms of the Convention; b) is guilty of misrepresentation or submits false or incomplete statements to obtain the Contribution or provides reports that do not reflect reality to obtain or keep the Contribution without cause; c) is bankrupt or being wound up, or is subject to any other similar proceedings; d) is guilty of Grave Professional Misconduct proven by any justified means; e) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of AICS; f) fails to comply with the reporting obligations; g) has committed any of the failings described in Article 18.3 on the basis of proof in the possession of AICS.
- 19.2. Before terminating the Convention in accordance with Article 19.1, AICS shall formally notify CREA of its intention to terminate, inviting CREA to make observations (including proposals for remedial measures) within thirty (30) Days from the receipt of the notification. During this period, and until the termination takes effect, AICS may suspend the time limit for any payment in accordance with Article 18.2 as a precautionary measure informing CREA immediately in writing. If CREA does not submit observations, or if, after examination of the observations submitted by CREA, AICS decides to pursue the termination, AICS may terminate the Convention serving seven (7) Days' prior notice. In case of termination, AICS may demand full repayment of any amounts paid in excess after allowing CREA to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Convention.
- 19.3. If, at any time, either Party believes that the purpose of the Convention can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Convention by serving sixty (60) Days written notice. In this case, the final amount shall cover: a) payment only for the part of the Sub-Action carried out up to the date of termination; b)

in the situations described in Articles 18.5 and 18.6, the unavoidable residual expenditures incurred during the notice period; and, c) in the situations described in Articles 18.5 and 18.6, reimbursement of legal commitments CREA entered into for implementing the Sub-Action before written notice on termination was received by it and which CREA cannot reasonably terminate on legal grounds. AICS shall recover the remaining part in accordance with Article 20.

- 19.4. In the event of termination, a final report and a request for payment of the balance shall be submitted. AICS shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

### **Article 20 – Recovery of funds**

- 20.1. If any amount is unduly paid, or if recovery is justified under the terms of this Conventions, CREA undertakes to repay AICS these amounts.
- 20.2. Payments made do not preclude the possibility for AICS to issue a recovery order following an expenditure verification report, an audit or further verification (including audit exercise conducted by AICS or the EU after the administrative closure of the Sub-Action). Where an amount is to be recovered under the terms of the Convention, CREA shall repay the amount due to AICS.
- 20.3. Before recovery, AICS shall formally notify CREA of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting CREA to make any observations within 30 Days from the date of receipt of the notification. After examination of the observations submitted by CREA or if CREA does not submit any observations, in case AICS decides to pursue the recovery procedure, it may confirm recovery by formally notifying CREA.
- 20.4. If CREA does not make the payment by the date specified in the debit note, AICS shall recover the amount due: a) by offsetting it against any amounts owed to CREA by AICS; b) by taking legal actions; c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, AICS may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without CREA's prior consent.
- 20.5. If CREA fails to repay by the due date, the amount due shall be increased by late payment interest. The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when AICS actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.

### **Article 21 - Archiving, access and financial checks**

- 21.1. For a period of five (5) years from the administrative closure of the Convention, as notified by AICS to CREA, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European AntiFraud Office (OLAF), if notified to CREA, has been disposed of, CREA shall keep and make available all relevant financial information (originals or copies) related to the Convention and to any Procurement Contracts and other agreements financed by the Contribution.
- 21.2. CREA shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Sub-Action.
- 21.3. CREA agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.
- 21.4. CREA agrees that the execution of this Convention may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case CREA shall provide, either directly or through AICS based on instructions received by AICS, to the Court of Auditors access to the information that is required for the Court to perform its duties.
- 21.5. To that end, CREA undertakes to provide, either directly or through AICS based on instructions received by AICS, officials of the European Commission, OLAF and the European Court of Auditors

and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. CREA shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that CREA considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation. Documents must be accessible and filed in a manner permitting checks, CREA being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.

### **Art. 22 - Confidentiality and processing of personal data**

- 22.1. With regard to the processing of personal data carried out in implementation of this Convention, the Parties shall observe the principles of fairness, lawfulness, transparency, appropriateness, relevance to the necessity of the purpose of the collection and processing as well as any other principles and requirements as per Regulation (EU) No. 2016/679 and Legislative Decree No. 196 of 2003 as amended and supplemented by Legislative Decree No. 101 of 2018.
- 22.2. Taking into account the state of the art and costs of implementation, as well as the nature, subject matter, context and purposes of the processing, and the risk of varying degrees of likelihood and severity to the rights and freedoms of natural persons, the Parties undertake to implement appropriate technical and organisational measures. To this end, in implementation of Article 32 of Regulation (EU) No. 2016/679, the parties, who will act as autonomous controllers within the scope of their respective competences and purposes, shall adopt the appropriate technical and organisational measures, within their respective competences with regard to the processing operations, aimed at ensuring and demonstrating the compliance of the technical and organisational measures adopted with the provisions of the aforementioned Article 32 of Regulation (EU) No. 2016/679, as well as compliance with the principles set out therein, also with regard to the mutual information flows.
- 22.3. The data exchanged between the parties shall be adequate, relevant and limited in relation to the purposes for which they are processed. Transmission shall take place in a manner that ensures data security and protection, observing the criteria identified by the Guarantee for the protection of personal data on the subject of communication and exchange of information between public entities and within the framework of the provisions and in compliance with GDPR 2016/679 and if between administrations based in one of the EU countries, or on the basis of standard clauses if with non-EU countries.
- 22.4. The Parties are mutually bound to confidentiality, secrecy and minimisation with regard to information, data, know-how and news mutually exchanged in implementation of this Protocol, with the exception of information, data, news and decisions of which disclosure to third parties is required by law or an administrative or judicial measure.
- 22.5. The parties also undertake to mutually communicate the identification details of their respective data processors.

### **Art. 23 - Place of jurisdiction**

- 23.1. The parties undertake to resolve any dispute concerning the interpretation or execution of this Convention by resorting to conciliatory solutions. In the event of an appeal, the Court of Rome shall have jurisdiction.

### **Art.24 - Integrating parts and annexes of the Convention**

- 24.1. The following documents are annexed to these special conditions and form an integral part of the

contract:

- i. Annex I: Technical Document
- ii. Annex II: Budget for the Sub-Action
- iii. Annex III: Financial Identification Form
- iv. Annex IV: Standard Request for Payment
- v. Annex V: Management Declaration template
- vi. Annex VI: CONTRIBUTION AGREEMENT - NDICI-GEO-NEAR/2023/442-279

24.2. In the event of a conflict between the provisions of the Convention and any annex thereto, the Conditions shall take precedence. In the event of a conflict between the provisions of the annexes, the order of precedence set out in article 23.1 shall apply.

### **Article 25 - Communications**

25.1. All communications to AICS in connection with the Convention Agreement shall: a) be in English; b) occur through certified e-mail; and c) be dispatched to the addresses below.

For AICS:

Agenzia Italiana per la Cooperazione allo Sviluppo / Italian Agency for Development Cooperation – Head Office

For the attention of:

the Technical Deputy Director  
Via Cantalupo in Sabina n. 29 – 00191 Roma  
[segreteria.direttore@aics.gov.it](mailto:segreteria.direttore@aics.gov.it)

Copy to:

Italian Agency for Development Cooperation – Cairo Office  
1081 Corniche El Nile Street  
Garden City, Cairo - Egypt  
[cairo@pec.aics.gov.it](mailto:cairo@pec.aics.gov.it)  
[segreteria.ilcairo@aics.gov.it](mailto:segreteria.ilcairo@aics.gov.it)

For CREA:

Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria/Council for Research in Agriculture and Economics (Head Office)

For the attention of:

Director General  
Via della Navicella 2/4  
00184 Roma – Italia  
[crea@pec.crea.gov.it](mailto:crea@pec.crea.gov.it)  
[segreteria.direttoregenerale@crea.gov.it](mailto:segreteria.direttoregenerale@crea.gov.it)

Copy to:

CREA Centro di ricerca Politiche e Bioeconomia  
Via Barberini 36 - 00187 Roma  
[pb@pec.crea.gov.it](mailto:pb@pec.crea.gov.it)  
[pb@crea.gov.it](mailto:pb@crea.gov.it)



Done in Rome in three originals in the English language, two for AICS and one for CREA.

**For CREA**

Name  
Prof. Mario Pezzotti  
Position  
Special Commissioner  
Signature

Date

**For AICS**

Name  
Dott. Leonardo Carmenati  
Position  
Deputy Technical Director  
Signature

Date

*The e-signature shall be considered as the most efficient way of signature*