

Financing Agreement N°DO/FED/22421

**FINANCING AGREEMENT
BETWEEN
THE EUROPEAN UNION
AND
THE DOMINICAN REPUBLIC**

Education Sector Budget Support Programme

FINANCING AGREEMENT

Special Conditions

The European Union and its Member States, hereinafter referred to as "**the EU**", represented by the European Commission in its capacity as manager of the 10th European Development Fund, hereinafter referred to as "**the Commission**",

of the one part, and

The Dominican Republic, represented by the National Authorising Officer, 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 # 22 421

Education Sector Budget Support Programme

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

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

ARTICLE 2 - THE EU'S FINANCIAL CONTRIBUTION

2.1 The total cost of the Programme is estimated at 45,500,000 euro, with the following components:

2.1.1 Budget support: 43,000,000 euro

2.1.2 Technical Cooperation: 2,300,000 euro

2.1.3 Audit & Evaluation: 200,000 euro

2.2 The EU undertakes to finance a maximum of 45,500,000 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 shall contribute zero euro to the Programme.

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

ARTICLE 4 – PERIOD OF EXECUTION

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.

ARTICLE 5 - PAYING AGENT

In order to effect the payments resulting from this Financing Agreement, the role of paying agent shall be performed by the financial institution chosen by the Commission.

In order to effect the payments (Budget support), Article 4 of these Special Conditions shall apply.

ARTICLE 6 - ADDRESSES

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

a) **for the Commission**

The Head of Delegation of the EU
Santo Domingo,
Dominican Republic

b) **for the Beneficiary**

The National Authorizing Officer of the Dominican Republic.
Edificio Oficinas Gubernamentales, Bloque "A"
Avenida México Esquina Doctor Delgado,
Santo Domingo,
Dominican Republic

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 Should a conflict arise 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. Should a conflict arise between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

ARTICLE 8 - CONDITIONS APPLYING TO A BUDGET SUPPORT OPERATION

8.1. Given the nature of a budget support operation, the following clauses of the General Conditions shall not be applicable in respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions: Articles 2, 4.2 first sentence, 5, 6, 7, 8, 9, 10, 11, 12, 14, 16 and 17.2.

8.2. In respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions, the following clauses of the General Conditions shall be replaced by the following:

8.2.1 In respect to Article 3.1: The Programme shall be implemented by the Commission by centralised management. This consists of the verification of the compliance with the conditions for payment and the payment of the amounts due for each instalment, in conformity with this Financing Agreement.

8.2.2 In respect to Article 13: The country of 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 used will be the one published by the Dominican Central Bank on the value date of the notification of the credit in compliance with the applicable national legislation in force.

8.3 In respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions, 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 Community financing provided that such requests are submitted by the Beneficiary during the operational implementation phase.

8.4 Article 18.3 of the General Conditions shall mutatis mutandis be applicable in relation to any practices of active or passive corruption whatsoever in relation to the implementation of the operation.

ARTICLE 9 - OTHER SPECIAL CONDITIONS APPLYING TO THE PROGRAMME

For the purpose of Article 3 of the General Conditions, the Authority responsible for carrying out the Programme which is the subject of this Financing Agreement is the National Authorising Officer of the Dominican Republic.

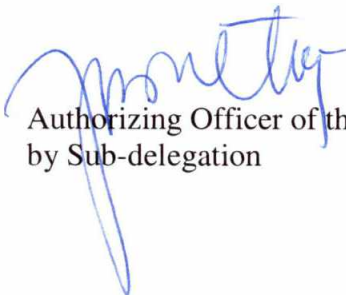
ARTICLE 10 – ENTRY INTO FORCE OF THE FINANCING AGREEMENT

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

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

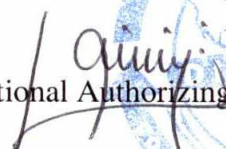
Done at Brussels
FOR THE COMMISSION

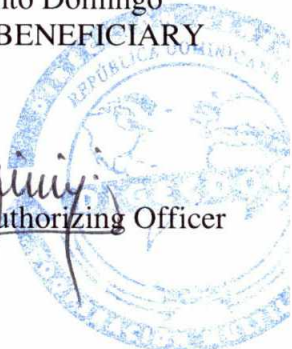



Authorizing Officer of the EDF
by Sub-delegation

Date 24 SEP. 2012

Done at Santo Domingo
FOR THE BENEFICIARY


National Authorizing Officer



Date 09 / 11 / 2012, —