

**ADDENDUM No1 TO THE FINANCING AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF TURKEY  
AND  
THE EUROPEAN UNION, REPRESENTED BY THE  
EUROPEAN COMMISSION  
CONCERNING THE PROGRAMME ON FINANCING  
THE PARTICIPATION OF TURKEY IN THE ENPI  
BLACK SEA BASIN PROGRAMME UNDER THE IPA  
CROSS-BORDER CO-OPERATION COMPONENT, FOR  
THE YEAR 2010  
(2010 / 022-572)**

**ADDENDUM No 1 TO:**

**The Financing Agreement between the Government of the Republic of Turkey and the European Union, represented by the European Commission concerning the programme on financing the participation of Turkey in the ENPI Black Sea Basin Programme under the IPA Cross-Border Co-operation component, for the year 2010**

**The European Union, represented by the European Commission hereinafter referred to as "the Commission",**

**of the one part, and**

**The Republic of Turkey, hereinafter referred to as "the Beneficiary",  
of the other part,**

**jointly hereinafter referred to as the "Parties",**

**Whereas**

- a) The Commission adopted on 17 December 2013 a Commission Implementing Decision C(2013) 9448 Final, amending the Commission Implementing Decision C(2010)7470 of 4 November 2010 adopting the Programme on financing the participation of Turkey in the ENPI Black Sea Basin Programme under the IPA – Cross-border Cooperation component, for the year 2010 ("the Programme"). The Programme is implemented by means of a Financing Agreement concluded between the European Commission and the Government of Turkey on 13 September 2011.
- b) An amendment to the above Decision was appropriate in order to extend the execution deadline by 12 months, thereby ensuring the successful completion of the projects under this Programme. Consequently the disbursement deadline has been aligned with the new execution deadline. The new execution deadline has been extended to 13 September 2016 and the new disbursement to 13 September 2017.
- c) It is necessary to bring the Financing Agreement in line with the amendment to the Programme brought by Commission Decision C(2013)9448 final,

**HAVE AGREED AS FOLLOWS:**

**Article 1**

**The Annex A (Programme on financing the participation of Turkey in the ENPI Black Sea Basin Programme under the IPA Cross-Border Co-operation component, for the year 2010) to the Financing Agreement concluded between the European Commission**

and the Government of Turkey on 13 September 2011 is replaced by the Annex A to the present Addendum.

## **Article 2**

All other Terms and Conditions of the original Financing Agreement remain unchanged.

## **Article 3**

This addendum to the Financing Agreement is drawn up in duplicate in the English language.

## **Article 4 – Entry into force**

This addendum shall enter into force on the date on which the Contracting Parties inform each other in writing of its ratification in accordance with the existing internal legislation or procedure of each of the Parties.

## **SIGNATURES**

*Signed, for and on behalf of the  
Commission by*

*Signed, for and on behalf of the  
Government of the Republic of Turkey,*

**Mrs Alexandra Cas Granje**  
Director  
European Commission  
Directorate-General Enlargement  
B – Montenegro, Iceland, the Former  
Yugoslav Republic of Macedonia,  
Turkey,

**H.E. Ambassador Haluk Ilıcak**  
National IPA Coordinator (NIPAC)  
Undersecretary Ministry for EU  
Affairs

Done at Brussels  
Date: 17.01.2014

Done at Ankara  
Date: 04.03.2014

ANNEX 1

**PROGRAMME ON FINANCING THE PARTICIPATION OF TURKEY IN THE  
ENPI BLACK SEA BASIN PROGRAMME UNDER THE IPA CROSS-BORDER CO-  
OPERATION COMPONENT FOR THE YEAR 2010**

**1. IDENTIFICATION**

Beneficiary	Turkey
CRIS number	2010 / 022-572
Year	2010
Cost	EUR 1 000 000 (one million euros)
Operating structure	Ministry for EU Affairs (MEUA)
Implementing Authority	The Implementing Agency responsible for the programme is the Central Finance and Contracts Unit (CFCU) at the Undersecretariat of the Treasury
Final date for concluding the Financing Agreement:	At the latest by 31 December 2011
Final date for contracting	2 years following the date of conclusion of the Financing Agreement.  No deadline for audit and evaluation projects covered by this Financing Agreement, as referred to in Article 166(2) of the Financial Regulation  These dates apply also to the national co-financing.
Final date for execution	3 years following the end date for contracting.  These dates apply also to the national co-financing.
Sector Code	15110
Budget line concerned	22.020401
Programming Task Manager	DG ELARG Unit B.3 (Turkey)
Implementation Task Manager	Head of Operations section, EU Delegation to Turkey

## **2. THE PROGRAMME**

### **2.1. Introduction**

The purpose of this programme is to support – through the 2010 funds of the IPA Cross-border Co-operation (CBC) component – the participation of Turkey in the ENPI Black Sea basin programme 2007–2013. IPA funds are committed in annual instalments to support Turkey's participation in the programme.

Multilateral cross-border co-operation between coastal regions of countries along one of the three shared sea basins on the EU's external borders (Baltic Sea, Black Sea and the Mediterranean) is one of the priorities of the Cross-border Co-operation component of the European Neighbourhood and Partnership Instrument (ENPI).

In this framework, the co-operation involves the coastal regions of Member States and of partner countries covered by the European Neighbourhood Policy (ENP) plus Russia.

Moreover, as foreseen by the IPA legal base, the coastal regions of candidate/potential candidate countries may participate, where appropriate, in the ENPI multilateral sea basins programmes.

Considering its geographical location in the Black Sea basin, Turkey has been invited to participate in the programme.

The relevant Turkish authorities have accepted the invitation and decided to take part in the Black Sea basin programme with the financial support of the IPA Cross-border Co-operation component for the year 2010.

The ENPI Black Sea Basin programme ("Black Sea 2007-2013") was concluded by the 10 participating countries including Turkey and submitted to the Commission, which adopted the programme on 27 November 2008. Romania was appointed Managing Authority of the programme.

On 1 December 2008 a Commission Decision was adopted on conferring the management powers for the programme on Turkey's participation in the ENPI Black Sea basin programme to the Turkish authorities.

The areas of Turkey eligible for the ENPI Black Sea basin programme are the NUTS level II equivalent regions along the Black Sea coast: TR10 (İstanbul), TR21 (Tekirdağ, Edirne, Kırklareli), TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova), TR81 (Zonguldak, Karabük, Bartın), TR82 (Kastamonu, Çankırı, Sinop), TR83 (Samsun, Tokat, Çorum, Amasya) and TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane).

### **2.2. Objective of the programme**

The objective of this programme is twofold:

- To support the participation of Turkey in joint sea basin co-operation activities with partners from EU Member States and third countries;
- To familiarise Turkey with the multilateral sea basin co-operation programmes under the ENPI with a view to their implementation upon accession.

### **2.3. Priorities**

The aim of the ENPI Black Sea Basin programme is to achieve a stronger and sustainable economic and social development of the regions of the Black Sea basin, based on stronger regional partnership and co-operation, concentrating primarily on the following areas:

- (a) Promoting economic and social development in the Black Sea basin area. This objective should be pursued through cross-border support for partnerships for social and economic development, based on common resources and joint activities from local actors, including social partners. Actions may *inter alia* include: integrated local development initiatives especially in the area of rural economy and fisheries; integration and promotion of tourism development initiatives including through the establishment of networks among public and private actors in the tourism sector; increased administrative capacity for local administrations to promote economic and social development through the establishment of international partnerships.
- (b) Working together to address common challenges. This objective should be pursued through networking resources and competencies for environmental protection and valorisation. Actions may *inter alia* include: addressing common challenges in the environmental protection of the hydrographic system in the area (marine and rivers); promotion of research and innovation in the field of valorisation and environmental protection of protected natural areas; promotion of innovation in technologies and management of waste and wastewater management systems.
- (c) Promoting local, people-to-people type actions. This objective should be pursued through support for cultural and educational initiatives for the establishment of a common cultural environment in the basin. Actions may *inter alia* include: promoting the cultural networking and exchange in Black Sea communities; promoting networking and development between education institutions.

The priorities should be essentially implemented through single calls for proposals covering all of the eligible territory. The essential selection and award criteria to be used to select the proposals are laid down in the ENPI Black Sea basin programme.

The detailed selection and award criteria for the award of grants will be laid down in the Call for Proposals application pack (Guidelines for applicants).

Up to 10% of IPA funds allocated to Turkey for its participation in the ENPI Black Sea Basin programme can be used to co-finance the eligible operational and administrative costs incurred in the implementation of the programme.

These may include, *inter alia*, the following costs:

- support for the Operating Structure;
- expenses for participation in different meetings related to the implementation of the programme;
- costs related to the participation of national staff in the Joint Technical Secretariat, with the exclusion of salaries of public officials, and to the establishment, as appropriate, of national antennae of the JTS or info points;
- administrative and operational costs, including the costs of preparation, monitoring and evaluation of the programme, support to projects preparation, appraisal and selection of operations, the organisation of meetings related to the programme, translation, information and publicity costs.

The main aim of the IPA contribution to this expenditure is to facilitate effective and efficient administration and implementation of this programme in Turkey.

The main beneficiaries of the technical assistance funds would be the Operating Structure or any other structures/bodies related to development and implementation of this programme, and the programme beneficiaries.

Considering that the Managing Authority of the ENPI Black Sea Basin programme (The Directorate for International Cross Border Cooperation, General Directorate for European Territorial Cooperation, Ministry of Regional Development and Tourism in Romania) enjoys a *de facto* monopoly situation (within the meaning of Article 168, paragraph 1, subparagraph c of the Implementing Rules to the Financial Regulation) for managing the TA funds under the above programme, the Turkish Implementing Agency may conclude direct grant agreements without calls for proposals with the Romanian Managing Authority for the purpose of technical assistance.

The direct grant agreements can be concluded up to the limits for technical assistance (maximum 10% of the IPA funds allocated to Turkey for its participation in the ENPI Black Sea Basin programme) specified in the financing table in section 3.1.

The direct grant agreements can be signed as soon as the Financing Agreement concerning this programme has been concluded. Activities covered by the direct grant agreements (e.g. Joint Technical Secretariat, evaluation, publicity, etc.) can be procured further by the grantee in accordance with Article 120 of the Financial Regulation and Article 184 of the Implementing Rules to the Financial Regulation.

#### **2.4. Overview of past and on-going experience in cross-border and transnational co-operation, including lessons learned**

Turkey has participated in multilateral cross-border and trans-national programmes under EU instruments. Through funding from the EU pre-accession instrument for Turkey it took part in the bilateral cross-border co-operation programmes Turkey-Bulgaria 2004-06 (a Phare-CBC type programme) and, to a more limited extent, Turkey-Greece 2004-06 (an INTERREG IIIA programme). Turkey's participation in the current ENPI Black Sea basin programme has been supported through annual programmes since 2007 under the IPA CBC Component, likewise the multi-annual Turkey-Bulgaria 2007-2013 programme.

A sectoral Interim Evaluation Report from October 2008 on Turkey's experiences of cross-border co-operation points to the following:

- effective participation in multilateral co-operation programmes requires a good understanding by national authorities of the co-operation mechanisms and the acknowledgment of the "common benefit" concept which must characterize all operations supported by the programme;
- Turkish authorities have to allocate enough human resources to take active part in the management structures of the programme (joint monitoring committee, joint steering/evaluation committee, joint technical secretariat) and to follow up the implementation of the programme/projects in Turkey. Efficiency of programme preparation and the establishment of functional project offices and monitoring systems need to be improved. A small fraction of IPA funds allocated to this programme can be made available to co-finance the operational costs linked with the implementation of the programme;

- effective co-ordination between the EU Delegation to Turkey and the managing Authority of the ENPI Black Sea Basin programme (hosted by Romania) is essential to ensure a smooth and timely implementation of the programme. Representatives of the EU Delegation to Turkey should participate, in an advisory capacity, in the work of the Joint Monitoring Committee which is the body responsible, *inter alia*, for the selection of projects.

## 2.5. Conditions

The National Authorities are committed to avoid overlaps between IPA components.

## 2.6. Benchmarks

	N (2011)	N+1 (cumulative)	N+2 (cumulative)
Number of calls for proposals launched	1	1	1
Contracting Rate (%)	0 %	50%	100 %
Number of direct grant agreements (TA funds)	1	1	1

"N" being the date of conclusion of the Financing Agreement

## 2.7. Roadmap for the decentralisation of the management of EU funds without ex ante controls by the European Commission

A Commission Decision establishing conferral of management with ex-ante controls on the IPA Transition Assistance and Institution Building Component was adopted on 29 October 2008, thereby accrediting the Turkish DIS (decentralised implementation system) institutions and procedures. The Decision includes a number of recommendations to further improve the management and control system, which are monitored closely by the European Commission. The Turkish authorities have in 2009 also prepared a roadmap for full decentralisation of the management of EU funds without *ex ante* controls by the European Commission. Once the roadmap is implemented and the European Commission confirms that the necessary conditions are met, a partial or full waiver of ex ante controls may be considered.

## 3. 2010 BUDGET

### 3.1. Indicative 2010 financial table

	IPA EU contribution		National Contribution		Total (IPA plus National Contribution)	
	EUR (a)	% <sup>(1)</sup>	EUR (b)	(%) <sup>(1)</sup>	EUR (c)=(a)+(b)	(%) <sup>(2)</sup>
Participation in the ENPI Black Sea Basin programme	900 000	90 %	100 000	10 %	1 000 000	100

<b>TA funds</b>	100 000	90 %	11 111	10 %	111 111	100
<b>TOTAL</b>	1 000 000	90 %	111 111	10 %	1 111 111	<b>100</b>

(1) Expressed in % of the Total (IPA plus National contributions) (column (c))

(2) Expressed in % of the grand total of column (c). It indicates the relative weight of the each priority with reference to the total funds (IPA + National)

### 3.2. Principle of co-financing applying to the projects funded under the programme

The EU contribution has been calculated in relation to the **eligible expenditure** which, in the case of this programme, is based on **public expenditure**.

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1. Introduction

This programme provides Turkey with IPA component II funds to finance the participation of its national partners in joint co-operation projects under the ENPI Black Sea Basin programme as laid down in the Joint Operational Programme agreed between the participating countries.

The main implementation steps are the following:

- (1) The relevant Turkish authorities of Turkey have established an Operating Structure consisting of the National Authority/Implementing Agency (i.e. TIKA/CFCU) to deal with the management and implementation of this programme. The Operating Structure co-operates with the Joint Managing Authority of the ENPI Black Sea Basin programme; TIKA/CFCU is represented as a full member in the Joint Monitoring Committee of the above programme.
- (2) The Joint Monitoring Committee of the ENPI Black Sea Basin programme approves the Call for Proposals – Application pack (Guidelines for applicants) for the implementation of the programme.
- (3) Before being published, the Call for Proposals notice and its Application pack is submitted to the EU Delegation to Turkey for ex-ante approval (see point 4.2 below).
- (4) The participation of Turkish partners is only possible in projects involving at least one partner from an EU Member State and one partner from an ENP country or Russia. Applications must clearly distinguish between activities – and their costs – taking place in Member States, ENP countries or Russia with ENPI funds, and those taking place in Turkey with IPA funds.
- (5) For joint projects which involve the participation of Turkish partners, they shall appoint an IPA Financial Lead Partner among themselves.
- (6) The Joint Monitoring Committee of the ENPI Black Sea Basin programme is responsible for selecting joint projects according to ENPI rules.
- (7) The evaluation report and the list of joint projects selected for financing are submitted to the EU Delegation to Turkey for ex-ante approval (see point 4.2 below). This approval concerns only the participation of Turkish partners in the relevant joint projects.



- (8) Following the ex-ante approval by the EU Delegation, the Turkish Operating Structure signs a grant contract for the corresponding IPA funds with the IPA Financial Lead Partner.
- (9) The IPA Financial Lead Partner must cooperate closely with the ENPI Lead Partner for a successful implementation of the joint project and with the aim of ensuring single operational reporting of the project, even if differentiating between ENPI and IPA expenditure.

#### **4.2. Method of Implementation**

This programme shall be implemented in accordance with Article 53c of the Financial Regulation<sup>1</sup> and the corresponding provisions of the Implementing Rules<sup>2</sup>. The Beneficiary Country will continue to ensure that the conditions laid down in Article 56 of the Financial Regulation are respected at all times.

The ex-ante control by the European Commission shall apply to the tendering of contracts, launch of call for proposals and the award of contracts and grants until the European Commission allows for decentralised management without ex-ante controls as referred in Article 18 of the IPA Implementing Regulation.

#### **4.3. General rules for Procurement and grant award procedures**

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules<sup>3</sup> as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Union for the purposes of cooperation with third countries as adopted by the European Commission on 24 May 2007 (C(2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

Where appropriate, the Contracting Authorities shall also use the standard templates and models facilitating the application of the above rules provided for in the "Practical Guide to contract procedures for EU external actions" ("Practical Guide") as published on the EuropeAid website<sup>4</sup> at the date of the initiation of the procurement or grant award procedure.

#### **4.4. Environmental Impact Assessment and Nature Conservation (where appropriate)**

All investments shall be carried out in compliance with the relevant EU environmental legislation.

The procedures for environmental impact assessment as set down in the EIA Directive<sup>5</sup> fully apply to all investment projects under IPA. If the EIA Directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned Directive.

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<sup>1</sup> Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1) as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1)

<sup>2</sup> Regulation 2342/2002 (OJ L 357, 31.12.2002, p.1) as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 13)

<sup>3</sup> See footnotes 1 and 2 *supra*

<sup>4</sup> current address: [http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

<sup>5</sup> Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40). Directive as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003, p. 17.

If a project is likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made, equivalent to that provided for in Article 6 of the Habitats Directive must be documented<sup>6</sup>.

## **5. MONITORING AND EVALUATION**

### **5.1. Monitoring**

In Turkey, the implementation of this programme will be monitored through the IPA monitoring committee in accordance with Article 58 of the IPA Implementing Regulation.

The IPA monitoring committee shall assess the effectiveness, quality and coherence of the implementation of the programme to ensure the achievements of the programme objectives and enhance the efficiency of the assistance provided.

### **5.2. Evaluation**

This programme shall be subject to evaluations in accordance with Articles 57 and 82 of the IPA Implementing Regulation, with the aim of improving the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programme. The European Commission may also carry out strategic evaluations.

The ENPI Black Sea Basin programme is subject to evaluation according to ENPI rules, under the responsibility of the European Commission. When such an evaluation is conducted, every effort should be made to evaluate also the elements concerning the participation of Turkey in the programme.

## **6. AUDIT, FINANCIAL CONTROL, ANTIFRAUD MEASURES; FINANCIAL ADJUSTMENTS, PREVENTIVE MEASURES AND FINANCIAL CORRECTIONS**

### **6.1. Audit, Financial Control and Anti-fraud measures**

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the European Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegations in the Beneficiary Countries.

In order to ensure the efficient protection of the financial interests of the European Union, the European Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96<sup>7</sup>.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

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<sup>6</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992). Directive as last amended by Regulation (EC) No 1882/2003 (OJ L284, 31.10.2003, p. 1)

<sup>7</sup> Council Regulation (EC, Euratom) 2185/96 of 11. November 1996, OJ L 292; 15.11.1996; p. 2.

## **6.2. Financial adjustments**

In Turkey the national authorising officer, who bears in the first instance the responsibility for investigating all irregularities, shall make the financial adjustments where irregularities or negligence are detected in connection with the implementation of this programme, by cancelling all or part of the EU assistance. The national authorising officer shall take into account the nature and gravity of the irregularities and the financial loss to the EU.

In case of an irregularity, including negligence and fraud, the national authorising officer shall recover the EU assistance paid to the beneficiary in accordance with national recovery procedures.

## **6.3. Audit trail**

In Turkey, the national authorising officer shall ensure that all the relevant information is available to ensure at all times a sufficiently detailed audit trail. This information shall include documentary evidence of the authorisation of payment applications, of the accounting and payment of such applications, and of the treatment of advances, guarantees and debts.

## **6.4. Preventive Measures**

Turkey shall ensure investigation and effective treatment of suspected cases of fraud and irregularities and shall ensure the functioning of a control and reporting mechanism equivalent to that provided for in European Commission Regulation 1828/2006<sup>8</sup>. All suspected or actual cases of fraud and irregularity as well as all measures related thereto taken must be reported to the European Commission services without delay. Should there be no suspected or actual cases of fraud or irregularity to report, the beneficiary country shall inform the European Commission of this fact within two months following the end of each quarter.

Irregularity shall mean any infringement of a provision of applicable rules and contracts, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

Fraud shall mean any intentional act or omission relating to: 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 European Union or budgets managed by, or on behalf of, the European Union; 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.

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption practises at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts. "

"Active corruption is defined as 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 for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or a

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<sup>8</sup> OJ L 371, 27.12.2006, p.1.

third party, or accepts a promise of such advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Union's financial interests.

The authorities of the beneficiary country, including the personnel responsible for the implementation of the programme, shall also undertake to take whatever precautions are necessary to avoid any risk of conflict of interest, and shall inform the European Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

#### **6.5. Financial corrections**

In order to ensure that the funds are used in accordance with the applicable rules, in Turkey the European Commission shall apply clearance-of-accounts procedures or financial correction mechanisms in accordance with Article 53c (2) of the Financial Regulation and as detailed in the Framework Agreement concluded between the European Commission and Turkey or, where the latter does not exist, in the Financing Agreement concluded with Turkey for the implementation of this programme.

A financial correction may arise following:

- (i) identification of a specific irregularity, including fraud; or
- (ii) identification of a weakness or deficiency in the management and control systems of the beneficiary country.

If the European Commission finds that expenditure under this programme has been incurred in a way that has infringed applicable rules, it shall decide what amounts are to be excluded from EU financing.

The calculation and establishment of any such corrections, as well as the related recoveries, shall be made by the European Commission following the criteria and procedures provided for in the IPA Implementing Regulation.

### **7. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME**

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature<sup>9</sup>, may be undertaken by the European Commission's authorising officer by delegation (AOD), or by the European Commission's authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

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<sup>9</sup> These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.