

EUROPEAN COMMISSION

> Brussels, 6.12.2013 COM(2013) 865 final

ANNEX 1

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PROTOCOL

to the

COUNCIL DECISION

on the conclusion of a Protocol to the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Azerbaijan, of the other part, on a Framework Agreement between the European Union and the Republic of Azerbaijan on the general principles for the participation of the Republic of Azerbaijan in Union programmes

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THE EUROPEAN UNION, hereinafter referred to as "the Union",

of the one part,

and

THE REPUBLIC OF AZERBAIJAN, hereinafter referred to as "Azerbaijan"

of the other part,

hereinafter jointly referred to as "the Parties"

Whereas:

- (1) Azerbaijan has concluded a Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Azerbaijan, of the other part, (hereinafter referred to as "the Agreement"), which entered into force on 1 July 1999.
- (2) The Brussels European Council of 17 and 18 June 2004 welcomed the European Commission's proposals for a European Neighbourhood Policy (ENP) and endorsed the Council conclusions of 14 June 2004.
- (3) The Council has, on numerous further occasions, concluded in favour of that policy.
- (4) The Council, on 5 March 2007, expressed support for the general and global approach outlined in the European Commission's Communication of 4 December 2006 to enable ENP partners to participate in Community agencies and Community programmes on their merits and where the legal bases so allow.
- (5) Azerbaijan has expressed its wish to participate in a number of Union programmes.
- (6) The specific terms and conditions, in particular, the financial contribution and reporting and evaluation procedures, regarding the participation of Azerbaijan in each particular programme should be determined in agreement between the European Commission and the competent authorities of Azerbaijan,

HAVE AGREED AS FOLLOWS:

Article 1

Azerbaijan shall be allowed to participate in all current and future programmes of the Union opened to the participation of Azerbaijan in accordance with the relevant provisions adopting those programmes.

Article 2

Azerbaijan shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which Azerbaijan participates.

Article 3

Azerbaijan's representatives shall be allowed to take part, as observers and for the points which concern Azerbaijan, in the management committees responsible for monitoring the programmes to which Azerbaijan contributes financially.

Article 4

Projects and initiatives submitted by participants from Azerbaijan shall, as far as possible, be subject to the same conditions, rules and procedures pertaining to the programmes concerned as applied to Member States.

Article 5

The specific terms and conditions regarding the participation of Azerbaijan in each particular programme, in particular the financial contribution payable as well as reporting and evaluation procedures, shall be determined by agreement between the European Commission and the competent authorities of Azerbaijan on the basis of the criteria established by the programmes concerned.

If Azerbaijan applies for external assistance of the Union to participate in a given Union programme on the basis of Article 3 of Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument or pursuant to any similar Regulation providing for external assistance of the Union to Azerbaijan that may be adopted in the future, the conditions governing the use by Azerbaijan of external assistance of the Union shall be determined in a financing agreement, respecting in particular Article 20 of Regulation (EC) No 1638/2006.

Article 6

Each agreement concluded pursuant to Article 5, shall stipulate, in accordance with Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, that financial control or audits or other verifications, including administrative investigations will be carried out by, or under the authority of, the European Commission, the European Anti-Fraud Office and the Court of Auditors.

Detailed provisions shall be made on financial control and auditing, administrative measures, penalties and recovery enabling the European Commission, the European Anti-Fraud Office, and the Court of Auditors to be granted powers equivalent to their powers with regard to beneficiaries or contractors established in the Union.

Article 7

This Protocol shall apply for the period for which the Agreement is in force.

This Protocol shall be signed and approved by the Parties in accordance with their respective procedures.

Either Party may denounce this Protocol by written notification to the other Party.

This Protocol shall terminate six months after the date of such notification.

Termination of the Protocol following denunciation by any of the Parties shall have no influence on the checks and controls to be carried out, where appropriate, in accordance with the provisions laid down in Articles 5 and 6 where appropriate.

Article 8

No later than three years after the date of entry into force of this Protocol, and every three years thereafter, both Parties may review the implementation of this Protocol on the basis of the actual participation of Azerbaijan in Union programmes.

Article 9

This Protocol shall apply, on the one hand, to the territories in which the Treaty on the Functioning of the European Union applies and under the conditions laid down in this Treaty, and, on the other hand, to the territory of Azerbaijan.

Article 10

This Protocol shall enter into force on the first day of the month following the date on which the Parties notify each other through diplomatic channels of the completion of their procedures necessary for its entry into force.

Pending its entry into force, the Parties agree to provisionally apply this Protocol from the date of its signature, pending its conclusion at a later date.

Article 11

This Protocol shall form an integral part of the Agreement.

Article 12

This Protocol shall be drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Azerbaijani languages, each text being equally authentic.

Done at Brussels,

For the European Union

For the Republic of Azerbaijan