

**AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT  
PROGRAMME AND THE MINISTRY OF SOCIAL POLICY AND YOUTH OF  
THE REPUBLICA OF CROATIA**

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Ministry of Social Policy and Youth (hereinafter referred to as the "MSPY") have agreed to co-operate in the implementation of a project "Synergetic Social System" in the Republic of Croatia (hereinafter referred to as "the Project"), as described in the Project document [Project no. VS/2014/0395, Synergetic Social System, European Union Programme for Employment and Social Solidarity - PROGRESS (2007-2013)], in the Republic of Croatia, and submitted to the MSPY for information.

WHEREAS the MSPY has informed UNDP of its willingness to cover funds (hereinafter referred to as "the payment") to the UNDP to increase the resources available for the Project;

WHEREAS the UNDP shall act as an Implementing Partner for the implementation of the Project financed from the payment (hereinafter referred to as "Implementing Partner")

NOW THEREFORE, UNDP and the MSPY hereby agree as follows:

**Article I**

1. MSPY shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the payment of 57.750,00 EUR.
2. The MSPY shall, in accordance with the schedule of payments set out below, deposit the payment in the following bank account:

United Nations Development Programme  
Bank of America  
112 Avenue Cleber  
CS71652, Paris  
CEDEX16, 75733 France  
Acc.no. 30238172  
SWIFT: BOFAFRPP  
IBAN: FR76 4121 9160 1000 0302 3817 252

- |     | <u>Date payment due</u>        | <u>Amount (EUR)</u> |
|-----|--------------------------------|---------------------|
| (a) | 16 <sup>th</sup> February 2015 | 38.000,00           |
| (b) | 1 <sup>st</sup> December 2015  | 15.000,00           |
| (c) | 7 <sup>th</sup> October 2016   | 4.750,00            |
3. MSPY will inform UNDP when the Payment is executed via an e-mail with remittance information to [contributions@undp.org](mailto:contributions@undp.org), providing the following information: MSPY's name, UNDP country office, Strengthening Social Inclusion Policies 00012171 (with reference to MSPY Project no. VS/2014/0395, Synergetic social System). This information should also be included in the bank remittance advice when funds are remitted to UNDP.
  4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the MSPY with a view to determining whether any further financing could be provided by the MSPY. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.
  5. The above schedule of payments takes into account the requirement that payment shall be executed in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
  6. All financial accounts and statements shall be expressed in United States dollars.
  7. UNDP may agree to accept Payments in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 6 above. Any change in the currency of the Payment shall be made only in agreement with UNDP.
  8. Any interest revenue attributable to the payment shall be credited to the UNDP Account and shall be utilized in accordance with established UNDP procedures.

## Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Payment shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these

GMS costs, the payment shall be charged a fee equal to 7%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

### Article III

1. The payment shall be administered by the UNDP in accordance with UNDP regulations, rules, policies and procedures, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP and, where applicable, the regulations, rules, policies and procedures of the Implementing Partner.

### Article IV

1. The implementation of the responsibilities of the UNDP as the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the payment in accordance with the schedule of payments set out in Article I, paragraph 2, above. UNDP shall not start implementation of the activities prior to receiving the Payment or the first tranche of the Payment (whichever is applicable).
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the MSPY on a timely basis a supplementary estimate showing the further financing that will be necessary. The MSPY shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Payment referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the MSPY or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

#### **Article V**

Ownership of equipment, supplies and other property financed from the payment shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

#### **Article VI**

The payment shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

#### **Article VII**

UNDP shall provide the MSPY on request with financial and other reports prepared in accordance with UNDP reporting procedures.

#### **Article VIII**

1. UNDP shall notify the MSPY when all activities relating to the Project have been completed in accordance with the Prodoc.
2. Notwithstanding the completion of all activities relating to the Project, UNDP shall continue to hold unutilized funds from the payment until all commitments and liabilities incurred in implementation of the activities finance by the payment have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the MSPY and consult with the MSPY on the manner in which such commitments and liabilities may be satisfied.

#### **Article IX**

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Payment already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the MSPY. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. If the unutilized payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the MSPY

and consult with the MSPY on the manner in which such commitments and liabilities may be satisfied.

3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in implementation of the activities financed by the payment have been satisfied and these activities brought to an orderly conclusion

#### Article X

Any notice or correspondence between UNDP and the MSPY will be addressed as follows:

- (a) To the MSPY:

Address: Mirjana Radovan, Head of Service for EU Funds  
Ministry of Social Policy and Youth  
Savska 66, 10 000 Zagreb, Croatia

- (b) Upon receipt of funds, UNDP shall send an electronic receipt to the MSPY email address provided below as confirmation that the remitted funds have been received by UNDP

MSPY email address: [mirjana.radovan@mspm.hr](mailto:mirjana.radovan@mspm.hr)  
Attention: [jasna.bubic@mspm.hr](mailto:jasna.bubic@mspm.hr)

- (c) To UNDP: Sandra Vlašić, Head of Office

Address: United Nations Development Programme  
Radnička cesta 41/8, 10000 Zagreb

Article XI

This Agreement shall enter into force upon the signature of this Agreement by parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English in two copies.



For the MSPY:

(Signature)

Name: Milanka Opačić  
Title: Deputy Prime Minister and  
Minister and Minister of Social  
Policy and Youth  
Date: 27/01/2015  
Place: Zagreb

For the United Nations Development Programme

(Signature)

Name: Sandra Vlašić  
Title: Head of Office

Date: 29.1.2015.  
Place: Zagreb

