

**THIRD-PARTY COST-SHARING AGREEMENT BETWEEN THE UNITED  
NATIONS DEVELOPMENT PROGRAMME AND THE MINISTRY OF  
FINANCE OF THE REPUBLIC OF SERBIA**

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Ministry of Finance of the Republic of Serbia (hereinafter referred to as the "Ministry") have agreed to co-operate in the implementation of a project "**Finance Sector Policy Coordination Framework**" Atlas Award 00058117, Atlas Project Output 00072046, in the Republic of Serbia (hereinafter referred to as "the Project") which Project is summarized in Attachment to this Agreement;

WHEREAS the Ministry has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS the UNDP shall designate an executing entity or implementing partner for the implementation of each project financed from the contribution (hereinafter referred to as "Implementing Partner")

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

**Article I**

1. The Ministry shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of USD 237,000.00 (*twohundredthirtyseventhousandUS dollars 00/00*).
2. The Ministry shall, in accordance with the schedule of payments set out below, deposit the contribution in:

*UNDP Representative in Serbia USD Account*

*Account number: 3752174582*

*SWIFT: BOFAUS3N*

*ACH routing number: 111000012*

*Wire routing number: 026009593*

*at*

*Bank of America, 1401 Elm St, Dallas TX 75202-2958*

*Project Ref: SRB10, 00072046*

(a) <u>Date payment due</u>	<u>Amount (stated currency)</u>
October 2013	USD 237,000.00 <i>(twohundredthirty seventhousandUS dollars 00/00)</i>

3. The Ministry will inform UNDP when the Contribution is paid via en e-mail with remittance information to [contributions@undp.org](mailto:contributions@undp.org), providing the following information: Ministry's name, UNDP country office, [Project no. and title], Ministry reference (if available). This information should also be included in the bank remittance advice when funds are remitted to UNDP.
4. The above schedule of payments takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
5. All financial accounts and statements shall be expressed in United States dollars.
6. UNDP may agree to accept Contributions 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 Contribution shall be made only in agreement with UNDP.
7. Any interest revenue attributable to the contribution 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 Contribution 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 contribution shall be charged a fee equal to 3%. 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 contribution 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 and of the Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution 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 Contribution or the first tranche of the Contribution (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 Ministry on a timely basis a supplementary estimate showing the further financing that will be necessary. The Ministry shall use its best endeavors to make available to UNDP the additional funds required.
3. If the Contribution 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 Ministry or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

### **Article V**

If UNDP purchases equipment:

Ownership of equipment, supplies and other property financed from the contribution and purchased as per UNDP rules and regulations shall vest in UNDP when UNDP uses and controls such equipment, supplies and other property. All pieces of equipment, supplies and other property will be transferred to National Partner during the project life in line with the PRODOC.

If National Partners purchase the equipment as per local laws:

Ownership of equipment, supplies and other property financed from the contribution and purchased by the National Partner's Institution, as its applicable laws will vest in the

National Partner's Institution. UNDP keeps the oversight mechanism over the equipment, supplies and other property from project initiation till full project closure (financial completion). Ownership of equipment, supplies and other property under UNDP use and control shall be under UNDP.

#### **Article VI**

The contribution 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 Ministry on request with financial and other reports prepared in accordance with UNDP reporting procedures.

#### **Article VIII**

1. UNDP shall notify the Ministry when all activities relating to the "Finance Sector Policy Coordination Framework" Atlas Award 00058117, Atlas Project Output 00072046, 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 Contribution until all commitments and liabilities incurred in implementation of the activities finance by the contribution 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 Ministry and consult with the Ministry on the manner in which such commitments and liabilities may be satisfied.
4. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Ministry.

#### **Article IX**

1. After consultations have taken place between the two Parties to this Agreement and provided that the funds from the Contribution 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 Ministry. 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 contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the Ministry and consult with the Ministry 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 contribution have been satisfied and these activities brought to an orderly conclusion.
4. In cases where this agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the Ministry.

#### Article X

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

- (a) To the Ministry: Ministry of Finance

Address: Kneza Milosa 20, Belgrade

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

Ministry email address: [niksa.vusurovic@mfin.gov.rs](mailto:niksa.vusurovic@mfin.gov.rs)

Attention: Niksa Vusurovic, State Secretary of the Ministry of Finance

- (c) To UNDP: Irena Vojackova Sollorano  
Resident Representative

Address: United Nations Development Programme  
Internacionalnih Brigada 69, Belgrade

## 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 and Serbian language (s) in two copies. In case of discrepancies between the documents in English and the documents in Serbian language, the English version shall prevail.

For the Ministry:



The seal is circular with a blue border. The outer ring contains the text 'РЕПУБЛИКА СРБИЈА' at the top and 'МИНИСТАРСТВО ФИНАНСИЈА' at the bottom. In the center is the coat of arms of the Republic of Serbia, featuring a crown and a shield with various symbols. A handwritten signature in blue ink is written across the seal.

(Signature)

Name: Niksa Vusurovic

Title: State Secretary of the Ministry of Finance

Date:

Place: Belgrade

For the United Nations Development Programme



A handwritten signature in blue ink, consisting of stylized letters.

(Signature)

Name: Irena Vojackova Sollorano

Title: UNDP Resident Representative

Date:

Place: Belgrade

**Addendum No. 4**

to

**STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR THE  
PROVISION OF SUPPORT SERVICES**

**Project: 00058117/00072046**

The United Nations Development Programme (UNDP), represented by Irena Vojackova Sollorano, Resident Representative of the one part

and

The Ministry of Finance (MoF) of the Republic of Serbia, represented by the Niksa Vusurovic, State Secretary, of the other part,

With regard to the Letter of Agreement concluded between the UNDP and the Ministry of Finance;

Have agreed as follows:

**The following provision of the Letter of the Agreement is hereby modified as follows:**

3. In order to properly reflect the Ministry's contribution of additional 237,000 USD, for the 2013, to the UNDP on a cost-sharing basis, to increase the resources available for the Project "Finance Sector Policy Coordination Framework", the Attachment to the Letter of the Agreement, Description of Country Office Support Services, shall be read as follows:

Support services to be provided within contribution for 2013:

Support services	Schedule for the provision of the support services	Cost to UNDP of providing such support services	Amount authorized to be disbursed by UNDP (where appropriate)
National Consultants	12 months	ISS as per Actual Cost Price List	196,097.10 USD
Printing and publishing	12 months	ISS as per Actual Cost Price List	3,000.00 USD
Travel	12 months	ISS as per Actual Cost Price List	20,000.00 USD
Training and workshops	12 months	ISS as per Actual Cost Price List	10,000.00 USD
Sundries	12 months	ISS as per Actual Cost Price List	1,000.00 USD
GMS*	12 months	3%	6,902.90 USD

\* To cover the GMS costs, the contribution is charged a fee equal to 3%

All other terms and conditions of the initial Letter of Agreement remain unchanged (including distributions of funds contributed in 2012). This addendum shall enter into force on the later date of signature by the Parties.

For the Ministry of Finance:



(Signature)

Name: Nikola Vukobratovic

Title: State Secretary

Date:

Place: Belgrade

For the United Nations Development Programme:

(Signature)

Name: Irena Vojackova Sollorano

Title: Resident Representative

Date:

Place: Belgrade