

LETTER OF AGREEMENT

**between UNDP and the Government for the Provision of Support Services for
the Project:**

**"Self-employment IV and Technical Assistance to the Government for Operation Plan
for ALMM for 2010"**

Your Excellency Minister Bajarami,

1. Reference is made to consultations between officials of the Government of Former Yugoslav Republic of Macedonia (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP Country Office for nationally executed programmes or projects. UNDP and the Government hereby agree that the UNDP Country Office may provide such support services at the request of the Government through its Executing Agent (hereinafter referred as Ministry of Labour and Social Policy) designated in the relevant project document.
In providing such services, the UNDP Country Office shall ensure that the capacity of the Ministry of Labour and Social Policy is strengthened to enable it to carry out such activities directly.
2. In addition, the Government and UNDP Country Office agreed that on a request of Ministry of Labor and Social Policy, UNDP may provide, the following support services for implementation activities:
 - i. Identification and assistance with and/or recruitment of project and programme and all project personnel contracts;
 - ii. Identification and facilitation of training activities;
 - iii. Procurement of goods and services related to this project;
 - iv. Execution of direct payments;
 - v. Assistance with reporting requirements, and
 - vi. Access to UNDP-managed global information systems, the network of UNDP country offices and specialized system containing operations information, including roster of consultants and providers of development services.
3. The procurement of goods and services and the recruitment of project and programme personnel related to this project by the UNDP Country Office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 2 above shall be detailed in the annex to the project document, in the form provided in Attachment hereto. If the requirements for support services by the country office change during the life of a project, the annex to the Project document is revised with the mutual agreement of the UNDP Resident Representative and the Ministry of Labour and Social Policy.

4. The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between UNDP and the Government of Former Yugoslav Republic of Macedonia of 30 October 1995, including the provisions on liability and privileges and immunities, shall apply to the provisions of such support services. The Government shall retain overall responsibility for the nationally executed programme or project through Ministry of Labour and Social Policy. The responsibility of the UNDP Country Office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.
5. Any claim or dispute arising under or in connection with the provision of support services by the UNDP Country Office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
6. The manner and method of cost recovery by the UNDP Country Office in providing the support services described in paragraph 3 above shall be specified in the Annex 1 to the Project Document.
7. The UNDP Country Office shall submit progress and financial reports on the support services provided and shall report on the costs reimbursed in providing such services monthly, quarterly, and as may be required, expressing relevant amounts in MKD.
8. Any modifications of the present arrangements shall be effected by mutual written agreement of the parties hereto.
9. If you are in agreement with the provision set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP Country Office for nationally managed programmes and projects.

Yours sincerely,

Deirdre Boyd

UNDP Resident Representative

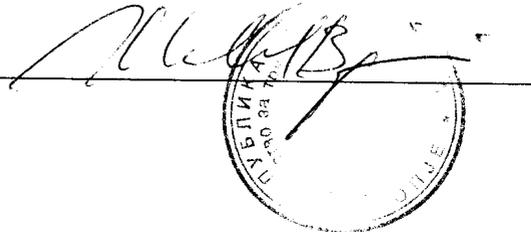
Date: _____



Xhelal Bajrami

Minister of Labour and Social Policy

Date: _____



ANNEX TO ROLES AND RESPONSIBILITIES OF PARTIES IN PROJECT SUPPORT

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

- *Resident Representative/Deputy Resident Representative*
 - Approval of the project on behalf of UNDP;
 - Approval of project revisions within the existing set of objectives, as stated in the Project Document;
 - Ensures the timelines and cost-effectiveness of services provided;
 - Ensures that all applicable rules and procedures are fully met in the course of project implementation;
 - Signs the project personnel contracts;
 - Signs the contracts for procurement of goods/services related to this project.

- *Programme Officer*
 - Approves the work-plan and monitors its implementation;
 - Takes part in the recruitment and selection process;
 - Ensures that all procurement and recruitment are according to the Annual Project Work Plan;
 - Approves travel for the Project Manager and Travel Authorization Form for all project related international travels;
 - Provides policy advice and facilitation;
 - Mobilizes additional resources if needed;
 - Participates at Project Board meetings.

- *Programme Assistant*
 - Certifies relevance of RFPs (based on agreed work plan) to project activities;
 - Informs Finance Assistant of changes in the Pipeline;
 - "One Stop Shop" for operational follow up within the country office, when relevant.

- *Operations*
 - Maintain an up-to-date database of the project personnel;
 - Maintain a roster of suppliers;
 - Manages processes of recruitment related to this project;
 - Carry out and supports the procurement procedure for goods/services related to this project;
 - Arranges Travels.

- *Finance Assistant*
 - Certifies availability of funds to process the Requests for Direct Payment;
 - Makes direct payment on behalf of the project;

- Prepares mandatory and other budget revisions;
- Prepares and sends to Project Manager reconciliation of expenses;
- Prepares Delivery Reports on quarterly basis and sends it to the national counterparts through the respective Project Manager;
- Processes VAT exemptions.

MINISTRY OF LABOUR AND SOCIAL POLICY

➤ *National Project Director (NPD)*

- Approves or delegates the approval of the work plan;
- Ensures that all Ministry inputs committed to the project are made available in a timely fashion;
- Takes part or delegates the authority to UNDP in the recruitment and selection process;
- Signs or delegates the signing authority to UNDP representative for Requests for Direct Payment;
- Participates at the Project Advisory Board meetings.

➤ *National Project Coordinators (NPC)*

- Liaise with the Programme Officer and the Project Manager on issues related to the project implementation when needed;
- If delegated, approves the work plan;
- Exercise the delegated authority of the NPD.

➤ *Project Managers (and administrative assistant of projects as required)*

- Prepares the annual work plan and budget;
- Prepares monthly and progress project reports and plans for activities, and sends to the national counterparts;
- Keep attendance record of project staff;
- Keep an updated inventory of the project and ensures the proper use and maintenance of the equipment;
- Ensures utilization of the project funds according to the agreed annual work plan and the project budget.



REPUBLIC OF MACEDONIA
MINISTRY OF LABOR AND SOCIAL POLICY

S k o p j e

02-160214

Skopje, February, 2010

LETTER OF ACCEPTANCE

With reference to the United Nations Development Programme (UNDP) Project Document titled "**Implementation of Self-employment IV Project as part of the Governmental Operational Plan for Employment for 2010**", I hereby confirm, on behalf of the Government of the Republic of Macedonia, that the Government of Macedonia agrees to be bound by the aforementioned Annex to the Contract and accepts the rights and duties stipulated in the Letter of Agreement for the Provision of Support Services.

This acceptance of the Ministry of Labour and Social Policy, on behalf of the Government of the Republic of Macedonia, that the Annex to the Contract is concluded by the Letter of Acceptance does not prejudice that the Government of the Republic of Macedonia accepts to refer to itself otherwise than its constitutional name of our country - Republic of Macedonia.

Hereby the Government of the Republic of Macedonia understands that the aforementioned Letter of Agreement for the Provision of Support Services, as attached to this Letter of Acceptance, constitute an agreement to be obligatory for the both parties to this Project.

Minister of Labour and Social Policy,

Mr. Xhelal Bajrami

Ms. Deirdre Boyd
Resident Representative
United Nations Development Programme