

EUROPEAN UNION CONTRIBUTION AGREEMENT

CONTRACT NO. 2024/456-758
(the "Agreement")

The European Union, represented by the Delegation of the European Union to Montenegro, Vuka Karadzica 12, 81000 Podgorica, Montenegro (the "**Contracting Authority**"), first counterparty,

and

United Nations Development Programme (UNDP)
International Organisation
One UN Plaza
10017 – New York, USA,
hereinafter the "**Organisation**"

second counterparty, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 The purpose of this Agreement is to provide a financial contribution to finance the implementation of the action "**Strengthening capacities for increasing energy efficiency in residential sector in Montenegro**" as described in Annex I (the "Action"). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution, and defines the relations between the Organisation and the Contracting Authority.
- 1.2 The Action is fully financed by the EU Contribution.
- 1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:
 - Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment and
 - Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment
- 1.4 The Action is financed under Instrument for Pre-Accession Assistance (IPA) III: 2021 / 043-663 - Annual Action Plan in favour of Montenegro for 2021; Action 01. EU Integration Facility.
- 1.5 The Organisation shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report.
- 1.6 This Agreement is subject to the provisions of the Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations signed on 29 April 2003 and as amended by Addendum No. 1 on 26 February 2014 and its further consolidated version of 31 December 2018.

Article 2 - Entry into Force and Implementation Period

Entry into Force

2.1 The Agreement shall enter into force on the date when the last Party signs.

Implementation Period

2.2 The Implementation Period of the Agreement (the "Implementation Period") shall commence on the date when the last Party signs.

2.3 The Implementation Period of the Agreement is **24 months**.

Article 3 - Financing the Action

3.1 The total cost of the Action is estimated at USD ("Currency of the Agreement") 540,750.00, as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of **EUR 500,000** (the "EU Contribution") which is estimated at USD 540,750.00.

The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

Interest on pre-financing

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: USD 297,412.50

Second pre-financing instalment: USD 243,337.50

These amounts are indicative and subject to modification in accordance with the provisions of Article 17 of Annex II.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II): USD 0

The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

4.3 The Organisation acknowledges that the European Commission intends to progressively introduce an Electronic Exchange System pursuant to the EU Financial Regulation, accessible via the Single Electronic Data Interchange Area (SEDIA) portal, the “EU Funding & Tender Opportunities” portal (the “System”), for the electronic management of this Agreement.

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including reports, electronic payment requests and communications) are to be processed via the System.

Notwithstanding the above the Organisation shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement.

Article 5 – Communication language and contacts

- 5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.
- 5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority’s contract number and the title of the Action, and shall be dispatched to the addresses below.
- 5.3 Subject to Article 4.3, any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Delegation of the European Union to Montenegro

For the attention of: Agata Stasiak, Head of Finance and Contracts Section

Vuka Karadzica 12

81000 Podgorica, Montenegro

Email: delegation-montenegro-fcs@eeas.europa.eu

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

Delegation of the European Union to Montenegro

For the attention of Yngve Engstroem, Head of Cooperation

Vuka Karadzica 12

81000 Podgorica, Montenegro

For the Organisation

United Nations Development Programme, Country Office in Montenegro

For the attention of: Ekaterina Paniklova, Resident Representative

UN Eco House, Stanka Dragojevic bb

81000 Podgorica, Montenegro

- 5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

- 5.5 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be: Office of Audit and Investigations, Head of Investigation Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th Floor, New York, NY 100017, USA.
- 5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:
- Ekaterina Paniklova, Resident Representative
United Nations Development Programme, Country Office in Montenegro
UN Eco House, Stanka Dragojevic bb
81000 Podgorica, Montenegro
ekaterina.paniklova@undp.org

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:
- Annex I: Description of the Action (including the Logical Framework of the Action)
 - Annex II: General Conditions for Contribution Agreements
 - Annex III: Budget for the Action
 - Annex IV: Financial Identification Form
 - Annex V: Standard Request for Payment
 - Annex VI: Management Declaration template
- 6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

- 7.1 The following shall supplement Annex II:

For costs of a project office:

- 7.1.1. Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation and/or the Partner(s) may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:
- a) They comply with the cost eligibility criteria referred to in Article 16.1 of Annex II;
 - b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
 - iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;

- v) costs of consumables and supplies specifically purchased for the operations of the project office;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
 - vii) costs of energy and water specifically supplied for the operations of the project office;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;
- c) Where costs of the project office are declared as actual costs, the Organisation and/or the Partner(s) may declare as eligible only the portion of the capitalised and operating costs of project office that corresponds to the duration of the Action and the rate of actual use of the project office for the purposes of the Action.
- d) Costs of the project office not declared as actual costs are only eligible if they have been ex ante-assessed by the European Commission.

Done in Podgorica in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name: Ekatarina PANIKLOVA

Position: Resident Representative

Signature

Date


10 July 2024

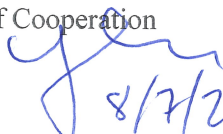
For the Contracting Authority

Name: Yngve ENGSTROEM

Position: Head of Cooperation

Signature

Date


8/7/2024

