Pisarnica Ministarstvo turizma, ekologije, održivog razvoja i razvoja sjevera
Primljeno: 30 - 04 - 2024
Org. jed.	Jed. klas. znak	Redni broj	Prilog	Vrijednost
03-	011/24-	981/4		

FINANCING AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE MINISTRY OF TOURISM, ECOLOGY, SUSTAINABLE DEVELOPMENT AND NORTHERN REGION DEVELOPMENT OF MONTENEGRO

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development of Montenegro (hereinafter referred to as the "Ministry") have agreed to cooperate in the implementation of Engagement Facility "Enhancing environmental leadership and performance through innovative initiatives - Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development." (hereinafter referred to as "Project") as described in the enclosed Project Document and submitted to the Ministry for information;

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 acts as the Implementing Partner for the implementation of the Project (hereinafter referred to as the "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 EUR 2,032,400.00 [two million thirty-two thousand four hundred euros].

2. The Ministry shall in accordance with the schedule of payments set out below, deposit the contribution in Bank account number: 510000000102164417 in Crnogorska Komercijalna Banka (CKB) - beneficiary UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP).

Date payment due	Amount (EUR)
(a) 30 May 2024	2,032,400.00

3. The Ministry will inform UNDP when the Contribution is paid via e-mail with remittance information to registry.me@undp.org, providing the following information: the Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development, UNDP in Montenegro, Project: "Enhancing environmental leadership and performance through innovative initiatives - Ministry of Tourism, Ecology,

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Sustainable Development and Northern Region Development." 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 Ministry with a view to determining whether any further financing could be provided by the Ministry. 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 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. UNDP shall not absorb any loss (including but not limited to exchange fluctuations) under the Project. The Parties acknowledge and agree that all losses shall be charged to the Project.

6. All financial accounts and statements shall be expressed in United States dollars.

7. 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.

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 the 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.

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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, is 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

Ownership of equipment, supplies, and other property financed from the contribution 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 contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP.

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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 Project have been completed in accordance with the Project document.

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 the implementation of the activities financed 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 USD 5,000 (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above USD 5,000 (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

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to govern the performance of its staff, including corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Article X

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the Donor and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing

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of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the Donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article XI

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 the 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 USD 5,000 (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above USD 5,000 (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 XII

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

(a) To the Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development of Montenegro:

Address: IV Proleterske Brigade 19
81000 Podgorica, Montenegro

(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:

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Email address: kabinet@mert.gov.me

Attention: to Nikola Tomašević, Secretary General

(c) To UNDP: Ekaterina Paniklova, UNDP Resident Representative

Address: UNDP in Montenegro,
UN Eco Building, Stanka Dragojevica bb,
81000 Podgorica, Montenegro
e-mail address: registry.me@undp.org

Article XIII

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 Montenegrin languages in two copies. The English version will prevail for interpretation purposes in case of discrepancies.

For the Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development of Montenegro	For the United Nations Development Programme (UNDP) in Montenegro
Name: Vladimir Martinović Title: Minister Date:	Name: Ekaterina Paniklova Title: Resident Representative Date:

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