

AGREEMENT
between
THE ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE
and
MINISTRY OF JUSTICE OF SERBIA
for
THE IMPLEMENTATION OF THE PROJECT ON SUPPORT TO THE SECRETARIAT
OF THE SOUTHEAST EUROPEAN PROSECUTORS ADVISORY GROUP

This agreement, (hereinafter referred to as the "Agreement") is made between the Organization for Security and Co-operation in Europe, Mission to Serbia and Montenegro, (hereinafter referred to as the "OSCE"), and the Ministry of Justice of Serbia, (hereinafter referred to as the "Ministry"), jointly referred to as the "Parties";

Whereas, the OSCE has been entrusted with the administrative and financial monitoring of the Project "Support to the Secretariat of the Southeast European Prosecutors Advisory Group" (hereinafter referred to as the "Project");

Whereas, the Ministry has been entrusted to implement the Project with the financing of the OSCE;

NOW, THEREFORE, for and in consideration of the representations, warranties and mutual agreement of the Parties set forth in this Agreement, the Parties have agreed as follows:

Article 1: Project

The Project subject to this Agreement is described in its Annex, which forms an integral part of the Agreement.

Article 2: Duration of the Project

The implementation of the Project shall start on 1 January 2006 and end on 30 April, 2006.

Article 3: General Obligations of the Ministry

1. The Ministry shall be responsible for the implementation of the Project in accordance with this Agreement and its Annex.
2. The Ministry shall undertake the following actions:
 - (a) Provide free of charge adequate office space for the Secretariat of the Southeast European Prosecutors Advisory Group, in the building of the Council of Ministers;
 - (b) Provide a bank account that shall be used by the Secretariat of the Southeast European Prosecutors Advisory Group for its activities;
 - (c) Pay the salary of the Secretary of the Southeast European Prosecutors Advisory Group for which the OSCE has provided funds.
3. The Ministry shall be responsible and accountable towards the OSCE for the proper management of the funds allocated to the Project, which shall be exclusively used for its implementation.

4. The Ministry shall provide all the facilities necessary for the OSCE to monitor the Project and shall inform the OSCE about all major events, reports and studies related to it during the course of implementation of the Project.

Article 4: Staff Requirements

1. The Ministry shall organise the payment of the salary of the Secretary of the Southeast European Prosecutors Advisory Group and shall enter into contracts with him directly as an employer. The Ministry shall ensure that all relevant national labour laws are observed.
2. The Secretary of the Southeast European Prosecutors Advisory Group shall be supervised in accordance with the General Guidelines of the Southeast European Prosecutors Advisory Group. In no case shall the OSCE be responsible for the staff employed by the Ministry to implement the Project.

Article 5: General Obligations of the OSCE

The OSCE shall:

- (a) provide funds for the payment of a monthly salary to the Secretary of the Southeast European Prosecutors Advisory Group, as specified in the Project's budget;
- (b) transmit the funds to the Ministry for the purpose of implementing the Project, in accordance with Article 6;
- (c) monitor the adequate implementation of the Project by the Ministry and the proper management of the funds allocated.

Article 6: Budget and Payments

1. The budget of the Project shall be specified in its Annex, which forms an integral part of the Agreement. The Ministry shall assume financial responsibility for the execution of this budget.
2. The OSCE shall finance the Project for an amount of CSD 522,000.00 which shall be paid in one lump sum. This sum shall be available for payment upon signature of this Agreement. The Ministry shall acknowledge receipt of the contribution within seven (7) calendar days of receipt. The payment shall be transferred to the following bank account: Acc No 840-732121-843-70; call on No 97- unwritten space for two numbers -41-601.
3. The OSCE may cancel any or all payments if the Ministry fails to use the contribution exclusively for the Project, in accordance with the provisions of this Agreement and its Annex.
4. The OSCE shall not be liable for any additional expenses, fees or any other financial costs incurred by Ministry which exceed the amount budgeted and agreed upon by the OSCE in this Agreement and its Annex.
5. No consideration, offer, gift or payment, or benefit of any kind, which constitutes an illegal or inappropriate practice, shall be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Project. Any such practice shall constitute grounds for terminating this Agreement or taking any other corrective action as required.

Article 7: Reporting

The Ministry shall provide the OSCE Project manager with financial and narrative reports, no later than thirty (30) calendar days following the completion of the Project.

The narrative report shall provide:

- A brief reiteration of the Project objectives;
- A summary of the activities undertaken;
- Information on the achievement of the objectives;
- An evaluation of the Project, including any problems or successes encountered;
- The impact expected.

The final financial statement shall provide information on the financial status, including income, expenditures and unspent balance.

The reports shall be submitted in English.

5. The Ministry shall keep accurate and up-to-date financial and accounting records and documents in respect of all expenditures incurred concerning the Project funded by the OSCE. For each disbursement, proper supporting documentation shall be maintained, including original invoices, bills and receipts pertinent to the transaction. Upon completion of the Project or termination of the Agreement, the Ministry shall maintain the records for a period of at least seven (7) years. The Ministry shall make available relevant financial information including statements of accounts concerning this contribution. The OSCE shall have unrestricted access to all documents related to the Project at any time.
6. The use of the funds for the Project's activities shall be subject to internal and/or external audits, if required by the OSCE. The external audit shall be performed by a public accounting firm, the cost of which shall be included in the budget.

Article 8: Liability

1. The Ministry shall indemnify and defend at its own expense, the OSCE, its officials and persons performing services for the OSCE, from and against all suits, claims, demands and liability of any nature and kind, arising out of or in connection with the Project.
2. The Ministry and the staff placed under its supervision for the implementation of the Project shall avoid any action, which may adversely reflect on the image and status of the OSCE.
3. The Ministry shall provide and maintain appropriate insurance coverage against third party liability.

Article 9: Advertising

1. The OSCE funding of Project activities shall be acknowledged in any printed material prepared in connection with the Project. Where appropriate, the Ministry shall acknowledge the OSCE in publications, speeches, and press releases or in any similar mediums.

2. The Ministry may use the name and logo of the OSCE only in direct connection with the Project, and subject to prior consent of the Organization for Security and Co-operation in Europe Mission to Serbia and Montenegro.

Article 10: Communication

All communications relating to the implementation of the Project shall be addressed as follows:

For the OSCE:

Project manager: Rory Field
Address: Čakorska 1, Belgrade, Serbia
Telephone: +381 11 3606 284
E-mail: Rory.Field@osce.org

For the Ministry of Justice:

Project manager: Nada Petković Ristivojević
Address: Nemanjina 22, Belgrade, Serbia
Telephone: +381 11 3616 572
E-mail: kabinet@mpravde.sr.gov.yu

Article 11: Agreement and Annex

The Annex shall form an integral part of the Agreement. Where there are discrepancies or conflicts between or among this Agreement and its Annex, the Agreement shall prevail.

Article 12: Settlement of Disputes

Any dispute, controversy or claim arising out of or in relation to this Agreement shall be settled through negotiations between the Parties. If the Parties fail to settle the dispute amicably within sixty (60) days of commencement of the negotiations, the dispute shall be settled through arbitration. Arbitration shall be performed in accordance with the UNCITRAL arbitration rules. One (1) sole arbitrator shall be appointed who shall have full powers to make final and binding decisions. The appointing authority shall be the International Chamber of Commerce. The place of arbitration shall be Vienna and the language used in the arbitration proceedings shall be English.

Article 13: Privileges and Immunities

Nothing in or relating to this Agreement shall be deemed a waiver, of any of the privileges and immunities enjoyed by the OSCE and its staff.

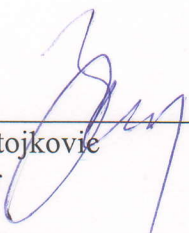
Article 14: Entry into Force, Termination and Amendment

1. This Agreement shall enter into force upon signature by both Parties and remain valid until the execution of the obligations deriving from this Agreement, unless either party decides to terminate it earlier by giving not less than thirty (30) calendar days' written notice or immediately by the OSCE upon default in whole or in part by the Ministry of its obligations under this Agreement.
2. The Ministry shall return to the OSCE any unspent funds within thirty (30) calendar days of the termination of this Agreement or the completion of the Project.
3. In the event that this Agreement is terminated, the Ministry shall be entitled to payment of the funds only for that part of the Project already carried out prior to submitting or receiving the notice of termination.

4. Should circumstances arise which call the feasibility of the Project into question, or which induce major adjustments to the Project, the Ministry shall obtain the OSCE's written approval before continuing the Project or before implementing such changes.
5. Any modification of this Agreement and its Annex shall be subject to the written approval of both Parties.

Done in Belgrade, in two originals in the English language.

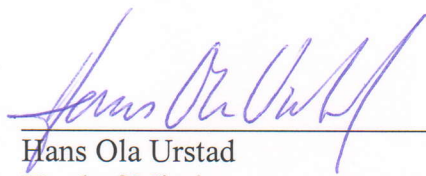
For the Ministry



Zoran Stojkovic
Minister
03.03.2006.

Date of Signature

For the OSCE



Hans Ola Urstad
Head of Mission
23.02.2006

Date of Signature

ANNEX

PROJECT ON SUPPORT TO THE SECRETARIAT OF THE SOUTHEAST EUROPEAN PROSECUTORS ADVISORY GROUP

Project Title	Support to the Secretariat of the Southeast European Prosecutors Advisory Group
Project Duration	8 Months
Starting Date	May 1, 2005
Finishing Date	December 31, 2005
Thematic Area	Regional cooperation in combating trans-border crime
Total Budget (EUR)	12 000.00
Amount Requested (EUR)	12 000.00
Project point of contact: Project Manager	Folkert Milch, Senior Coordinator; RoL/HR; OMiSaM
Short description of the project:	
<p>The project aims at enhancing regional judicial co-operation in combating trans-border crime, through supporting the operations of the Secretariat of the Southeast European Prosecutors Advisory Group (SEEPAG).</p> <p>The aim of the project is to provide financial support for funding the salary of the Secretary to the SEEPAG. The SEEPAG Secretariat, placed in Belgrade, shall be responsible for implementing the Project.</p> <p>Financial support for the implementation of these activities is outlined in the attached budget.</p>	
1. Background:	
<p><input type="checkbox"/> Analysis and description of the context in which action will be taken</p> <p>Organized crime is one of the greatest problems faced by the countries of the SEE region and one of the most serious obstacles to their further integration into Euro-Atlantic structures. It threatens the political stability of young democracies, hampers the efforts of the governments to establish the rule of law and undermines stability of the countries of the region.</p> <p>The Southeast European Prosecutors Advisory Group (SEEPAG) is an international mechanism consisting of prosecutors from 12 countries of SEE. Improving available facilities for mutual legal assistance, SEEPAG seeks to significantly increase the capacity of individual countries to suppress, investigate, and prosecute</p>	

serious trans-border crimes.

SEEPAG was founded in 2003 and so far held four meetings. The political determination of SEEPAG participants as well as the support of main international actors, in particular OMiSaM, Seci Center and the US Embassy in Belgrade, resulted in developing SEEPAG from an informal forum to an institutionalised international instrument. The agreed concept of SEEPAG involves two closely related but conceptually distinct functions. First, the setting up of a network of experienced prosecutors tasked to facilitate the rapid exchange of information and evidence in trans-border investigations, as well as to assist the SECI Center in its operations. Second, provide guidance, assistance, and feedback to lawmakers in the region on justice and law enforcement issues. By capitalizing on the unique knowledge and concrete operational experience of prosecutors, SEEPAG can provide a critical link between the conceptual framework of laws and their impact at the operational level.

During the first year of SEEPAG, the most important pitfalls to its overall performance, and, in particular, to its organizational structure have been identified. Initially all SEEPAG activities were coordinated by the SEEPAG Chairman alone. This system proved to be insufficient for the following reasons:

- SEEPAG's chairman had to deal with both organizational as well as policy issues. The amount of organizational activities weakened the Chairman's ability to provide leadership on policy matters.
- The complexity of the issues that SEEPAG had to deal with required constant consultation among SEEPAG participants (i.e. working groups' meetings and permanent negotiating). Experience demonstrated that facilitating and following of such activities exceeded the Chairman's capacity.
- SEEPAG's Chairmanship is designed to rotate regularly among SEEPAG participants. Every new Chair would have to take a leading role without sufficient institutional memory and operational background, which could cause the time gaps and inconsistency in the SEEPAG activities.

At the last conference held in Belgrade in December 2004, SEEPAG participants sought to address these problems. They recognized that the international mechanism which brings together participants from 12 different countries and has highly sensitive issues on its agenda must have much stronger institutional capacity in order to handle its tasks in a satisfying manner. The General Guidelines, which is the basic SEEPAG document adopted at the aforementioned meeting in Belgrade provides for the establishment of a new institution, SEEPAG's Secretariat. The Secretariat is envisaged to be independent and focus at facilitating SEEPAG's functioning as well as increase its capacity. The Secretariat is tasked to perform administrative and organizational activities but also assists in coordinating, developing and leading the work of SEEPAG.

Based on conclusions from the 4th SEEPAG Meeting, mutual agreement was reached between the OMiSaM, United States Embassy in Belgrade, Ministry of Justice of Serbia and the SECI Center to support the work of the SEEPAG by providing assistance for establishing the SEEPAG Secretariat. The US Embassy agreed to fund the Secretariat's equipment and furniture as well as the payment of utilities and other related office costs. OMiSaM agreed to fund the salary of the Secretary, who has been appointed in February 2005, in accordance with the procedures set up in the General Guidelines. The Ministry of Justice of Serbia provided free of charge the office space that is used by the Secretariat.

2. Objective/Beneficiary(ies):

□ Objective

The aim of the project is to put into place a mechanism for continuity of the activities of the SEEPAG Secretariat, by funding the salary of the Secretary to the SEEPAG. The Secretary's activities are needed to ensure good communication and coordination among SEEPAG participants, to ensure that institutional memory is kept even when the SEEPAG Chairman rotates, and to guarantee consistency of SEEPAG policies and activities.

□ Beneficiaries

This project has several beneficiaries. First, all participating countries would benefit from improvement of overall efficiency of the SEEPAG, as a forum intended to endorse regional judicial cooperation in fighting trans-border crime. Second, a number of international, European and regional organizations would benefit

from the Secretariat's assistance. In this respect, the SECI Center would gain significant operational support and assistance. EU institutions with similar aims and roles as SEEPAG, such as EUROJUST and the European Judicial Network, would find a counterpart that could contribute to the enhancement of Europe-wide co-operation on trans border criminal cases. Third, the establishment of the Secretariat in Belgrade would provide Serbia's judicial authorities with an additional mechanism facilitating experience-sharing in fighting organized crime.

3. Monitoring, reporting and evaluation procedures

- Regular OMiSaM rules of reporting as well as additional reporting mechanisms as required.

4. Results:

Concrete outputs expected from implementation of this project are the following:

- Promotion and improvement of regional cooperation in fighting trans-border crime;
- Improving co-ordination of the SEEPAG's cooperation with other national, regional, European and international bodies and organisations related to SEEPAG's work such as national authorities of the member states, Eurojust, Europol, SECI Center, Interpol;
- Ensuring that the SEEPAG Chairman and the SEEPAG member states are provided with analyses and advises on legal, technical and policy matters regarding SEEPAG;
- Increasing capacity of the SEEPAG Chairman to further develop a detailed work plan and timeframe for implementation of the SEEPAG activities;
- Improving coordination and organisation of SEEPAG's various functions including regional meetings.

Budget of the Project on Support to the Secretariat of the Southeast European Prosecutors Advisory Group

Contributing Agency	Description	Unit	Qty	Cost per unit in €	Total Cost in €
OMiSaM	Salary of the Secretary to the SEEPAG	8 months	1	1 500.00	12 000.00
TOTAL COSTS OF THE PROJECT				<i>TOTAL</i>	<i>12 000.00</i>