

AGREEMENT
between
THE ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE
and the
GOVERNMENT OF ITALY
ON THE FUNDING OF THE PROJECT

“Support Anti-corruption measures in Albania”

PROJECT NUMBER 2500398

This agreement, (hereinafter referred to as the “Agreement”) is made between the Organization for Security and Co-operation in Europe, (hereinafter referred to as the “OSCE”), and the Government of Italy (hereinafter referred to as the “Donor”), jointly referred to as the “Parties”;

WHEREAS, the Donor is willing to contribute financially to the OSCE extra-budgetary Project entitled “Support Anti-corruption measures in Albania”, project number 2500398 (hereinafter referred to as the “Project”);

WHEREAS, the Secretary General has accepted the extra-budgetary contribution offered by the Donor in accordance with the OSCE Financial Regulations;

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: Purpose of this Agreement

The purpose of the Agreement is to set out the conditions under which the Donor is prepared to contribute to the Project described in the Project Document annexed to this Agreement (Annex 1), as well as the conditions under which the OSCE is prepared to accept the Donor’s contribution.

Article 2: Donor’s Contribution

1. The Donor shall contribute to the financing of the Project, within the limits of the budget attached to the Project Document annexed to this Agreement, for an amount of 290,000.00 EURO (in words: two hundred ninety thousand).
2. The OSCE shall endeavour to obtain exemption from customs duties, import/export fees, value added tax, social tax or similar charges which may be due for the implementation of the Project. However, should taxes be payable, these shall be paid from the contribution.
3. The OSCE shall notify the Donor should any portion of the contribution remain unutilised after the completion of the Project. Such unutilised portion of the contribution shall be repaid by the OSCE to the Donor.
4. All financial accounts and statements shall be expressed in Euro.
5. Any interest income attributable to the contribution shall be credited to OSCE Account and shall be utilized in accordance with the OSCE Financial Regulations.

Article 3: The Project

1. The discharging of the responsibilities of OSCE pursuant to this Agreement and the annexed project document shall be dependent on receipt by OSCE of the contribution in accordance with the schedule of payment as set out in Article 5.

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2. The contribution shall be used for the Project entitled "Support Anti-corruption measures in Albania" as described in the Project Document number 2500398 dated October 6, 2014 made by the OSCE Presence in Albania, annexed to this Agreement.
3. The extra-budgetary Project shall start on 15 December 2014 and expire on 15 December 2015.
4. The OSCE shall be responsible for the planning, implementation, follow-up and reporting of the Project. The implementation of the Project shall be organised as described in the Annex 1.
5. The OSCE's contribution to the Project shall be of in-kind nature as described in the Project Document annexed to this Agreement.
6. Should the OSCE Presence in Albania mandate be discontinued during the period of implementation of the project, the OSCE shall ensure the proper transfer of ownership of all assets purchased with the Donor's contribution to the final recipients of the Project before the Mission's closing.

Article 4: OSCE Acceptance of the Contribution

1. The contribution shall be accepted by the OSCE under the understanding that:
 - (a) the contribution shall be used and administered in accordance with the internal rules and procedures of the OSCE;
 - (b) **the OSCE commits itself only within the limits of its mandate and competence and;**
 - (c) extraneous factors beyond the OSCE control may impede the successful implementation of the Project in question.
2. The OSCE shall not be held responsible for the unsuccessful implementation of the Project, resulting from the fact that the OSCE personnel and/or the OSCE contractors and partners, as the case may be, have not been granted by the countries involved in the Project financed by this contribution:
 - (a) access to the sites, equipment and facilities where activities are undertaken to ensure effective implementation and oversight;
 - (b) the necessary site security and personnel safety;
 - (c) any necessary visas and travel documents.
1. In case of structural changes to the OSCE Presence in Albania with direct impact on the implementation of the Project, the OSCE will inform the Donor at least with thirty days' notice in advance.

Article 5: Disbursement of the Contribution

The Donor shall pay the contribution in one instalment. The instalment € 290,000.00 (in words: two hundred ninety thousand) will be transferred within one month after entry into force of this Agreement.

1. The payments shall be transferred to the following bank account:
 UniCredit Bank Austria AG
 Schottengasse 6-8
 A-1010 Vienna, Austria
 BIC/Swift Code: BKAU ATWW
 IBAN: AT34 1200 0006 9680 4202 (EUR)
 Transfer title: Project Number 2500398
2. The Donor will inform OSCE when the contribution is paid via an e-mail message with remittance information to the Ambassador Mr Florian Raunig, Head of Presence in Albania: florian.raunig@osce.org.
3. The OSCE shall acknowledge receipt of the payment within 7 (seven) calendar days of receipt to: Mr Massimo Gaiani, Ambassador of Italy in Tirana: ambasciatore.tirana@esteri.it.
4. OSCE shall receive and administer the payment in accordance with the regulations, rules and directives of OSCE.

Article 6: Reporting

1. Project management and expenditures shall be governed by the regulations, rules and directives of OSCE and as agreed upon by the Donor.
2. OSCE shall provide the Donor with the following reports in accordance with OSCE accounting and reporting procedures: a mid-term narrative report and financial statement covering the first six months of project implementation to be submitted no later than six weeks after the date of the report; a final financial and narrative report summarizing project activities and impact of activities as well as all financial data within three months after the date of completion or termination of the Agreement
3. The contribution shall be subject to the auditing procedures laid down in the OSCE rules and procedures..
4. The project will be evaluated during its implementation by an external evaluator. The costs for the evaluation shall be borne by the project budget.
5. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of OSCE.
6. Should the Donor wish to perform a separate verification, the cost of such review shall be fully borne by the Donor.

Article 7: Visibility

The use of the official logo and name of the Donor should be used by OSCE along with its own in view of providing proper visibility to the Project activity. OSCE must acknowledge the contribution of the Donor to the Project in any advertising or publicity connected with the Project.

Article 8: Communication

All communications and information relating to the project activities as well as the reports and other documentation shall be addressed to the following addresses:

(a) For the OSCE: OSCE Presence in Albania

Address: Italy Square – Sheraton Tirana Hotel, 1st Floor – 1010, Tirana, Albania
Project Manager: Paolo Fraccaro
Telephone: 00355 69 4010041
Telefax: 00355 4 2 248684
E-mail: paolo.fraccaro@osce.org

and

Address: Italy Square – Sheraton Tirana Hotel, 1st Floor – 1010, Tirana, Albania
Head of GEEID Department: Lussi Manoela
Telephone: 00355 69 4010041
Telefax: 00355 4 2 248684
E-mail: manoela.lussi@osce.org

(b) For the Donor: Massimo Gaiani, Embassy of Italy in Albania
Address: Ruga Papa Gjon Pali II n.2 1000 Tirana

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Telephone:+355 4 2275900/912

Telefax:+355 4 2250921

E-mail: segreteriaambasciata.tirana@esteri.it; utl.albania@esteri.it

Article 9: Agreement and its Annexes

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

Article 10: Prevention of Corruption and Fraud

1. Both the Donor and OSCE are firmly committed to preventing and detecting fraudulent and corrupt practices. OSCE will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the organization, as well as all individuals acting on behalf of OSCE, observe the highest standard of ethics and integrity.
2. OSCE will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to the Donor of the outcome of substantiated allegations of fraud and corruption in connection with the implementation of the Project, along with details of action taken by OSCE.
3. Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, OSCE will:
 - a. Use reasonable efforts to recover any part of the Contribution, which has established as being diverted through fraud or corruption;
 - b. In connection with (a) above, give proper consideration to referring the matter to the appropriate authorities of the Member States where the fraud or corruption is believed to have occurred; and
 - c. As required by the Donor, and following consultations between the Parties, reimburse to the Donor any part of the Contribution which OSCE has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.
4. Any information provided to the Donor in relation to any matters arising under the Article shall be treated by the Donor as strictly confidential.

Any action further to the above paragraphs shall be consistent with OSCE regulations, rules and directives.

Article 11: Settlement of Dispute

Any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof, shall be settled amicably through negotiations between the parties. If the parties fail to settle the dispute amicably, the dispute shall be settled through arbitration. Arbitration shall be performed in accordance with the UNCITRAL arbitration rules. The arbitral award will be final and binding.

Article 12: 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 13: Completion of the Agreement

1. OSCE shall notify the Donor when all activities relating to the project have been completed. Notwithstanding the completion of the project, OSCE shall continue to hold

unutilized payments until all commitments and liabilities incurred in the implementation of the project have been satisfied and project activities brought to an orderly conclusion.

2. Any Contribution which has not been used upon completion of the Project, as reported in the final financial report, shall be refunded to the Donor unless otherwise agreed by the Parties.

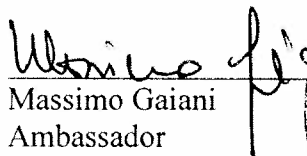
Article 14: Entry into Force, Termination and Amendment

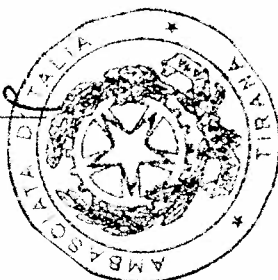
1. This Agreement and its Annex I shall enter into force upon signature by both parties, and remain in force until the completion of all obligations of the Parties deriving from this Agreement. This Agreement may be terminated by either party, at any time, by the provision of not less than ninety (90) calendar days' written notice to the other party. Notwithstanding the termination of the Agreement, OSCE shall continue to hold any unutilized contribution until all commitments and liabilities have been satisfied.
2. Should circumstances arise which call the feasibility of the Project into question, or which induce major adjustments to the Project, the OSCE shall consult with the Donor before continuing the Project or before implementing such major adjustments.
3. In case of non-compliance with or breach of the terms of this Agreement by one of the Parties, the other Party may terminate the Agreement with immediate effect. In such a case the Donor may suspend further disbursements and/or reclaim, without prejudice to paragraph 3 above, the funds already disbursed to OSCE in whole or part.
4. Any modification of the Agreement shall be subject to the written approval of both parties. This shall concern also the Project Document and the related budget. The OSCE may exceed individual budget items without the Donor's prior written approval by up to 10% but at most by up to the amount of EUR 10,000.00 if the exceeding amount is covered by cost savings in respect of other budget items and the approved total amount for the Project is not exceeded. This is not applicable to the indirect costs budget line.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

Done in Tirana in two originals in the English language.

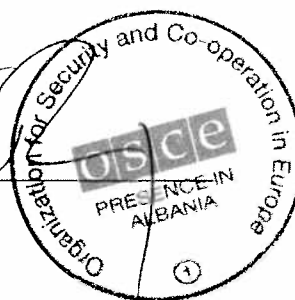
For the Donor


Massimo Gaiani
Ambassador



For the OSCE


Florian Raunig
Ambassador



03/12/2014
Date of Signature

4/12/2014
Date of Signature

Annex:1) Project Proposal