

**European Agency for Reconstruction**

# **CARDS**

**Twinning Project SR 2005/IB/EN/01**

## **Twinning Contract**

### **Capacity Building of the Directorate for Water**

Name of Beneficiary (Member State Partner):	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany
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**TWINNING CONTRACT**  
**Contract No. 05SER01/05/003**

The European Agency for Reconstruction, Vasina 2-4, P.O. Box 717, 11000 Belgrade, Serbia and Montenegro, represented by Richard Zink ("the Contracting Authority")  
of the one part,  
and

and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany

with its office at:

Address: Alexanderplatz 6  
D-11055 Berlin  
Phone: +49 (0)1888-305-2372  
Fax: +49 (0)1888-305-3331  
Email: Heinz-Jochen.Poremki@bmu.bund.de

of the other part,

have agreed as follows:

**SPECIAL CONDITIONS**

**Article 1 - Purpose**

- 1.1 The purpose of this contract is the award of a grant, consisting of reimbursement of expenditures, by the Contracting Authority for the implementation of the Action entitled: **Capacity Building of the Directorate for Water (SR2005/IB/EN/01)** ("the Action").
- 1.2 The Member State Partner (MSP) will be awarded the grant on the terms and conditions set out in this contract, which consists of these special conditions ("Special Conditions") and the annexes, which the MSP hereby declares it has noted and accepted.
- 1.3 The MSP accepts the grant and undertakes to carry out the Action under its own responsibility.

**Article 2 - Implementation period of the Action**

- 2.1 This contract shall enter into force upon the date of notification by the Contracting Authority of the contract signed by all parties.
- 2.2 Implementation of the Action shall begin on the date mentioned in article 2.1
- 2.3 The Action's implementation period, as laid down in Annex I, is 27 months. This period includes the implementation period increased by three months for the starting up and closure of the Action

### Article 3 - Financing the Action

- 3.1 The total cost of the Action eligible for financing by the Contracting Authority is estimated at 2,199,990.64 EUR as set out in Annex III.
- 3.2 The Contracting Authority undertakes to finance a maximum of 2,199.990.64 EUR. The final amount shall be established in accordance with Article 17 of Annex II except where annex VII applies. The Action is co-financed as per Annex III by the Final Recipient of the Action.

### Article 4 - Technical and financial reporting and payment arrangements

- 4.1 Technical and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15.1 of the General Conditions (Annex II). In addition to these reports, the MSP will send additional interim reports in compliance with article 2.2 of the General Conditions (Annex II) on a quarterly basis. The specific reporting procedure will follow the provisions spelled out in Annex VII to this contract.
- 4.2 Payment will be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15.1, the following will apply:

#### Option 2

First instalment of pre-financing (80% of the part of the forecast budget for the first 12 months of implementation financed by the Contracting Authority:	879,996.26 EUR
Further instalment(s) of pre-financing:	879,996.26 EUR
Forecast final payment (minimum 10 %, subject to the provisions of Annex II):	439,998.12 EUR

### Article 5 - Contact addresses

Any communication relating to this contract must be in writing, state the number and title of the Action and be sent to the following addresses:

#### **Option 3: Not decentralised and not devolved:**

##### For the Contracting Authority

Payment requests and attached reports, including requests for changes to bank account arrangements should be sent to:

For the attention of the Programme Manager for Environment and Agriculture

European Agency for Reconstruction  
 Vasina 2-4  
 PO Box 717  
 11 000 Belgrade  
 Serbia and Montenegro

Tel: +381 11 30 23 442  
 Fax: +381 11 30 23 455  
 Email: [simon.davies@ear.eu.int](mailto:simon.davies@ear.eu.int)

For the Member State Partner

Mr. Heinz-Jochen Poremski  
 Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (BMU)  
 Alexanderplatz 6  
 11055 Berlin, Germany

Tel: +49 (0)1888-305-2372  
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 E-Mail: [Heinz-Jochen.Poremski@bmu.bund.de](mailto:Heinz-Jochen.Poremski@bmu.bund.de)

For the Final Recipient of the Action

Dr. Nikola Marjanovic  
 Director of Directorate for Water  
 Ministry of Agriculture, Forestry and Water Management  
 Republic of Serbia

Tel +381 11 311 5370 / 201 3360  
 Fax +318 11 311 5370  
 E-Mail: [nikola.marjanovic@minpolj.sr.gov.yu](mailto:nikola.marjanovic@minpolj.sr.gov.yu)

**Article 6 - Annexes**

6.1 The following documents are annexed to these Special Conditions and form an integral part of the contract:

- |            |   |
|------------|---|
| Annex I:   | Description of the Action (including Work Plan)   |
| Annex II:  | General Conditions applicable to European Community-financed grant contracts for external Actions |
| Annex III: | Budget for the Action (including co-financing part by the Final Recipient of the Action)          |
| Annex IV:  | Contract-award procedures   |
| Annex V:   | Standard request for payment and financial identification form                                    |
| Annex VI:  | Model audit certificate   |
| Annex VII: | Special Financial Annex   |

6.2 In the event of conflict between the provisions of the Annexes and those of the Special Conditions, the provisions of the Special Conditions shall take precedence.

## **Article 7 - Other specific conditions applying to the Action**

- 7.1 The General Conditions are supplemented by the following:
- 7.1.1 The Member State Partner is referred to as the Beneficiary within the annexes II to VI to this twinning contract. The word “NGOs” in article 1.3 is replaced by “MSP or designated Mandated Bodies”.
  - 7.1.2 The Action is co-financed as per Annex III by the Final Recipient of the Action.
  - 7.1.3 In article 7.1, ‘Beneficiary ‘ is replaced by ‘the Final Recipient of the Action’.
  - 7.1.4 The Member State Partner shall comply with the provisions of the European Agency for Reconstruction’s “Communication Guidelines: Visual and Written identity for contractors and implementing partners” set out at <http://www.ear.eu.int/publications/publications.htm>
- 7.2 The following derogations from the General Conditions shall apply:
- 7.2.1 The last sentence of article 2.4 of the General Conditions (Extension of the deadline for submission of the final report) shall not apply.
  - 7.2.2 By derogation of Article 7.1 and 7.2 of General Conditions are replaced by the following: all rights to any work done by RTAs in the performance of their duties become the property of the BC in question. The MSP and the Commission will be permitted to use the results of the work elsewhere by permission of the BC. Permission may only be refused where the proposed use is liable to prejudice the interests of the BC or the European Union, or where it is for commercial purposes.
  - 7.2.3 By derogation from article 9.2 of the General conditions, changes to the Twinning work plan and budget shall be governed by the procedure spelled out in Special financial annex VII. (Only for Phare, Transition Facility and Cards)
  - 7.2.4 By derogation from Article 12.1 of the General conditions, either party (BC or MS) may terminate the Twinning Contract at any time by giving three months notice in writing to the other party, after having informed the Commission and the administrative office thereof. Failure of a party to fulfil any of its obligations under the Twinning Contract entitles the other party to terminate the Twinning Contract stating the grounds. If such a failure occurs, or for any other duly substantiated external reason, the Commission (PHARE and equivalent pre-accession instruments before EDIS) or the administrative office after agreement with the Commission (PHARE and equivalent pre-accession instruments under EDIS) may also halt funding of the project by giving three months’ notice in writing to the BC and MSP.
  - 7.2.5. Article 13.1 is replaced by the following:  
“This Contract shall be governed by the law of Belgium”.

- 7.2.6. By derogation from Articles 13.3 and 13.4 of the General Conditions (Annex II), the following procedure for settlement of disputes shall apply: The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Twinning Contract, including its existence, validity or termination. In default of amicable settlement, any Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of this Agreement.  
The language to be used in the arbitral proceedings shall be English. The appointing authority shall be the President of the Court of Justice of the European Communities following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.
- 7.2.7 Eligible costs encountered by the MSP for this Twinning contract are defined in Annex VII. As such, if discrepancies appear between Article 14.2 of the General Conditions and Annex VII, the latter shall prevail.
- 7.2.8 Articles 14.4 and 14.5 of the General Conditions shall not apply.
- 7.2.9 The audit certificate of Article 15.6 is only required for the final payment. The auditor will be designated in accordance with the regulation prevailing for the MSP. The auditor will be duly notified to the Contracting Authority before the end of the contract.
- 7.2.10 By derogation from article 1.4 of the General Conditions (Annex II) the Commission shall not endorse the Twinning Contracts relating to Twinning projects implemented in those beneficiary countries operating under the Extended Decentralised Implementation System. (Only Phare and Transition Facility)
- 7.3 By derogation from Section 2 (Changes to a Twining Contract) of the Special Financial Annex (Annex VII) side letters (administrative orders) are to be notified to the European Agency for Reconstruction.

Done in Belgrade and Berlin in five originals in the English language, three for the Contracting Authority, one for the Member State Partner and one for the Final Recipient of the Action.

For the Member State Partner  
The Administrative authority

Name: Mr. Jürgen Keinhorst  
Position: Head of Section  
  
Institution: Federal Ministry for the  
Environment, Nature  
Conservation and Nuclear  
Safety

Signature:

Date:

The Implementing authority

Name: Mr. Heinz-Jochen Poremski  
Position: Senior officer in the Unit G II 5  
"Cooperation with Central and  
Eastern Europe and the New  
Independent States"  
  
Institution: Federal Ministry for the  
Environment, Nature  
Conservation and Nuclear  
Safety

Signature:

Date:

For the Contracting Authority

Name: Daniel Giuglaris  
Position: Head of Centre  
Institution: European Agency for  
Reconstruction (EAR)

Signature:

Date: