MEMORANDUM OF UNDERSTANDING

"Improving the Delivery of Justice in the Courts in Serbia"

between

THE MINISTRY OF JUSTICE OF THE REPUBLIC OF SERBIA,

and

IMG - INTERNATIONAL MANAGEMENT GROUP

SIGNATURES:

Read and approved for:

Read and approved for:

International Management Group

The Ministry of Justice

Milan

Dino Bicciato General Manager

Snezana Malovic Minister of Justice

Belgrade, 20.05., 2009

Belgrade, 20.5., 2009

For the purposes of implementing the project "Improving the Delivery of Justice in the Courts in Serbia", financed by the Government of the Kingdom of Norway, (hereinafter referred to as: the Donor), whose beneficiary is the Ministry of Justice of the Republic of Serbia, parties

- 1. Government of the Republic of Serbia –Ministry of Justice, Belgrade, Nemanjina 22-26, represented by Snezana Malovic, Minister of Justice (hereinafter referred to as: the Ministry), and
- 2. IMG (International Management Group), Vladimira Popovica 6, Novi Beograd, represented by Dino Bicciato, General Manager (hereinafter referred to as: IMG)

conclude the following

MEMORANDUM OF UNDERSTANDING

Article 1 – Subject of the Memorandum

- a) This Memorandum of Understanding (hereinafter referred to as: the Memorandum) is executed in compliance with the content, terms and conditions outlined in the Ministry's Project Proposal (hereinafter referred to as: the project) and approved by the Donor in the Agreement ref. SRB-08/067 (hereinafter referred to as: the Agreement).
- b) This Memorandum is subject to the Agreement and aims to outline procedures and general as well as respective obligations, roles and responsibilities of the Ministry and IMG.
- c) This Memorandum is binding only to the signatories, and at any occurrence of perceived or *de facto* conflict with the Agreement, the Agreement owns priority.
- d) Any changes to the project must be noted and carried out as per the instructions stipulated in the Agreement, which makes an integral part of this Memorandum as Appendix 1.

Article 2 - Available funds

The amount of funds approved by the Donor on 8 December 2008 is NOK 12,544,250 in euro counter value (approximately EUR 1,521,165.00). The amount will be utilized during the implementation schedule of 24 months, starting from October 2008. Payment of the said amount will be effected in two instalments, one for each fiscal year (2008 and 2009). The funds received for 2008 amount to EUR 694,693.19. IMG will notify the Ministry upon receipt of the final instalment made available for the project.

Article 3 – General responsibilities

- a) The project will be managed by IMG as the *implementing agency*, in coordination with the Ministry and the selected district and municipal courts.
- b) IMG and the Ministry will jointly prepare a final report on project implementation together with final project calculation. The final draft thereof should be with IMG no later than two weeks upon reception of all goods/services or upon discharge of all project-related payments, whichever comes last.

Article 4 – Specific obligations of the Ministry

- a) The Ministry will support the implementation of the project in accordance with the Project Proposal, as stipulated in the Agreement and this Memorandum.
- b) The Ministry will support IMG in securing the exemption from taxes, stamp duties, and all other fees for the project-related activities.
- c) The Ministry will ensure that IMG receives information from meetings that are deemed to be of mutual interest and are held with all bodies relevant to the project.
- d) The Ministry will ensure that IMG and persons appointed by the Donor have access to all project-related documentation, as well as that IMG and persons appointed by the Donor receive copies of all project-relevant documentation that was made prior to signing of the Memorandum, or during the course of this project, and to allow IMG free and unlimited access to all project related activities and to complete relevant documentation.
- e) The Ministry will ensure that, when applicable, it is announced and/or noted that the project is financed by the Government of the Kingdom of Norway, and to make every effort to, when applicable, secure adequate media coverage of activities and project completion ceremony.

Article 5 – Specific obligations of IMG

- a) IMG will organize and implement the project in accordance with the Project Proposal, as stipulated in the Agreement and this Memorandum.
- b) IMG will monitor and verify project implementation, including planning of project implementation, control of payments, procurements, tenders, contracting, deliveries, documentation and accounting, as well as all other activities and procedures relevant to project implementation. IMG will launch tenders and collect offers related to construction works, procurement of equipment and rendering of services.
- c) IMG will ensure that minutes of meetings that are deemed to be of mutual interest and are held with all bodies relevant to the project are produced and made available to the Ministry.
- d) IMG will ensure that the Ministry and persons appointed by the Donor have access to all project-related documentation, as well as that the Ministry and persons appointed by the donor receive copies of all project-relevant documentation that was made during the course of the project and to complete relevant documentation.

Article 6 – Discharge Clauses

In compliance with this Memorandum, IMG will not accept any liability in case of damage inflicted upon the Ministry, their facilities or utilities, their employees, or third parties. Requests regarding this matter cannot be forwarded to IMG or to the Donor.

Article 7 - Duration of the Memorandum

Provisions of this Memorandum are to be applied from the day all parties sign it until Donor approves the Final Report on project implementation and final financial statement.

Article 8 - Termination of the Memorandum

In agreement with the Donor, IMG can terminate or suspend the Memorandum and discontinue the implementation in writing if it should find that the provisions of the Memorandum of Understanding or goals of the donation are being violated or abused.

Article 9 – Settlement of disputes

All disagreements and disputes will be solved amicably between the signatories of the Memorandum.

Article 10 – Amendments to the Memorandum

Any amendments to the text of the Memorandum must be previously agreed on between the signatories and attached to the Memorandum as a duly signed annex.

Article 11 - Number of copies and official language

This Memorandum is signed in 4 (four) copies, out of which 2 (two) are in Serbian and 2 (two) are in English, with each party having 2 (two) copies, 1 (one) in Serbian and 1 (one) in English. In case of any discrepancies in regard to the content of the Memorandum, the wording in English will prevail.

Appendixes

- Donor's Agreement ref. no. SRB-08/067 (Appendix 1)
- Project Proposal (Appendix 2)