



MEMORANDUM OF UNDERSTANDING

between the European Community and the Government of the Republic of Serbia on the participation of the Republic of Serbia in the Community Programme for Employment and Social Solidarity, PROGRESS

THE COMMISSION OF THE EUROPEAN COMMUNITIES, hereinafter referred to as "the Commission", on behalf of the European Community,

of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF SERBIA, hereinafter referred to as "the Republic of Serbia",

of the other part,

WHEREAS:

- (1) The Framework Agreement of 22 November 2004 between the European Community and the Republic of Serbia¹ establishes the general principles for the participation of the Republic of Serbia in Community programmes, leaving the Commission and the competent authorities of the Republic of Serbia to determine the specific terms and conditions, including financial contribution, with regard to such participation in each particular programme.
- (2) The Community Programme for Employment and Social Solidarity, PROGRESS, was established by Decision No 1672/2006/EC of the European Parliament and of the Council of 24 October 2006².

HAVE AGREED AS FOLLOWS:

Article 1

Programme

The Republic of Serbia shall participate in the Community Programme for Employment and Social Solidarity, PROGRESS (2007-2013), (hereinafter called "the Programme"), in accordance with the conditions laid down in the Framework Agreement of 22 November 2004 between the European Community and the Republic of Serbia on the general principles for the participation of the Republic of Serbia in Community programmes, and under the terms and conditions referred to in Articles 2 to 6 of this Memorandum of Understanding.

¹ OJ L 192 of 22.07.2005

² OJ L 315 of 15.11.2006

Article 2

Terms and conditions of participation in the Programme

- (1) The Republic of Serbia shall participate in the activities of the Programme, in conformity with the objectives, criteria, procedures and deadlines laid down in Decision No 1672/2006/EC, and in accordance with the rules governing the participation of the Republic of Serbia set out in Annex I.
- (2) Notwithstanding paragraph 1, the Republic of Serbia shall not participate in activities of the Programme if there are limitations due to legal or regulatory constraints or, due to their subject matter, as shall be approved by the Committee under Articles 12 and 13 of Decision No 1672/2006/EC.
- (3) The terms and conditions for the submission, assessment and selection of applications by eligible institutions, organisations and individuals of the Republic of Serbia shall be the same as those applicable to eligible institutions, organisations and individuals of the Member States of the European Union.
- (4) To participate in the Programme, the Republic of Serbia shall pay every year a financial contribution to the General Budget of the European Union in accordance with Article 3 below.
- (5) The financial contribution of the Republic of Serbia in respect of its participation in and implementation of the Programme shall be added to the amount earmarked each year in the General Budget of the European Union for commitment appropriations to meet the financial obligations arising out of different forms of measures necessary for the execution, management and operation of the Programme.
- (6) One of the official languages of the Community shall be used for the procedures related to requests, contracts and reports, as well as for other administrative aspects of the Programme.

Article 3

Financial contribution

- (1) The rules governing the financial contribution of the Republic of Serbia are set out in Annex II.
- (2) Part of that financial contribution may be financed under the relevant Community external aid instrument, if the Republic of Serbia so requests.

Article 4

Participation in the Committee for the implementation of the Programme

The competent authorities of the Republic of Serbia shall designate one representative to participate as an observer in the Committee for the implementation of the Programme.

Article 5

Financial control, recovery and other anti-fraud measures

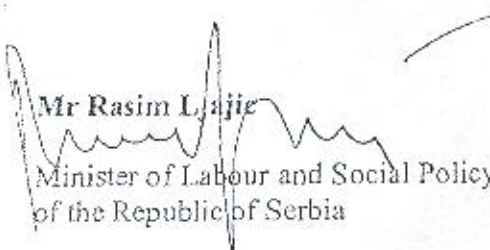
The rules concerning financial control, recovery and other anti-fraud measures are laid down in Annex III.

Article 6

Final provisions

- (1) This Memorandum of Understanding shall apply for the duration of the Programme.
- (2) Projects and activities in progress at the time of termination shall continue until their completion under the conditions laid down in this Memorandum of Understanding, as will the contractual arrangements applying to these projects and activities and the provisions of Annex III.
- (3) The Annexes form an integral part of this Memorandum of Understanding
- (4) This Memorandum of Understanding may only be amended in writing by common consent of the Parties.
- (5) This Memorandum of Understanding shall enter into force on the day of signature by both Parties.

For the Government of the Republic of Serbia
Done at ...14.30... on 2.10.2007


Mr Rasim Lajic

Minister of Labour and Social Policy
of the Republic of Serbia

For the Commission
Done at ...14.30... on 12.10.2007
on behalf of the European Community,


Mr Vladimir Špidla

Member of the Commission responsible for
Employment, Social Affairs and Equal
Opportunities

Annex I

Rules governing the participation of the Republic of Serbia in types of actions of the Community Programme for Employment and Social Solidarity, PROGRESS

In accordance with Article 2 of the present Memorandum of Understanding, the Republic of Serbia shall participate in the following types of actions, which are among those covered by Article 9 of Decision No 1672/2006/EC:

1. Analytical activities (Article 9(1) (a)):

- i. collection, development and dissemination of data and statistics;
- ii. development and dissemination of common methodologies and, where appropriate, indicators or benchmarks;
- iii. carrying out of studies, analyses and surveys and dissemination of their results.

2. Mutual learning, awareness and dissemination activities (Article 9(1) (b)):

- ii. organisation of Presidency conferences/seminars;
- iii. organisation of conferences/seminars in support of the development and implementation of Community law and policy objectives;
- iv. organisation of media campaigns and events including national awareness activities if any;
- v. compilation and publication of materials to disseminate information as well as results of the Programme.

3. Support for main actors (Article 9(1) (c)):

- i. support for the running costs of those key European-level networks whose activities are linked to implementation of the objectives of the Programme;
- v. funding of experts' networks in support of the development and implementation of Community law and for the preparation of the open method of coordination in the fields of employment and social inclusion;
- vi. funding of European-level observatories in the field of employment.

Annex II

Rules governing the financial contribution of the Republic of Serbia in the Community Programme for Employment and Social Solidarity, PROGRESS

1. The financial contribution to be paid by the Republic of Serbia to the General Budget of the European Union to participate in the Programme shall be as follows:

EUR 60 000 for the year 2007;

EUR 100 000 for the year 2008 and each subsequent year.
2. Travel and subsistence costs incurred by representatives and experts of the Republic of Serbia for the purposes of taking part as observers in the work of the committee referred to in Article 13 of Decision No 1672/2006/EC or other meetings related to the implementation of the Programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for representatives of the Member States of the European Union.
3. The Financial Regulation applicable to the General Budget of the European Union shall apply to the management of the contribution of the Republic of Serbia.
4. When this Memorandum of Understanding enters into force and at the beginning of each subsequent budgetary year, the Commission shall send to the Republic of Serbia a call for funds corresponding to its contribution to the costs covered by this Memorandum of Understanding.
5. That contribution shall be paid in euro to a euro-denominated bank account of the Commission.
6. The Republic of Serbia shall pay its contribution to the annual costs in accordance with the call for funds no later than three months after the date of the call. Any delay in payment of the contribution shall give rise to the payment of default interest by the Republic of Serbia on the outstanding amount from the due date. The interest rate shall be the rate applied by the European Central Bank to its main refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the due date falls, increased by 3.5 percentage points. If the delay in payment of the contribution is such that it may significantly jeopardise the implementation and management of the Programme, and in the absence of payment 20 working days after a formal letter of reminder has been sent by the Commission to the Republic of Serbia, the Republic of Serbia's participation in the Programme will be suspended for the year concerned.

Financial control, Recovery and other Anti-fraud measures

I. Controls and anti-fraud measures by the Community

1. In accordance with the Financial Regulation applicable to the General Budget of the European Union and with the other rules referred to in this Memorandum of Understanding, the contracts concluded with beneficiaries of the programmes established in the Republic of Serbia shall provide for financial or other audits to be conducted at any time on the premises of the beneficiaries and of their subcontractors by Commission officials or other persons mandated by the Commission.
2. Commission officials and other persons mandated by the Commission shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form. This right of access shall be stated explicitly in the contracts concluded to implement the instruments referred to in this Memorandum. The European Court of Auditors shall have the same rights as the Commission.
3. Within the framework of this Memorandum, the Commission/OLAF (the European Anti-Fraud Office) shall be authorised to carry out on-the-spot checks and inspections on territory of the Republic of Serbia, in accordance with the procedural provisions of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996.

These checks and inspections shall be prepared and conducted in close collaboration with the designated competent authorities of the Republic of Serbia, which shall be notified in good time of the object, purpose and legal basis of the checks and inspections, so that they can provide all the requisite help.

If the authorities of the Republic of Serbia so wish, the on-the-spot checks and inspections may be carried out jointly with them.

Where participants in the programmes resist an on-the-spot check or inspection, the authorities of the Republic of Serbia, acting in accordance with national rules, shall give Commission/OLAF inspectors such assistance as they need to allow them to discharge their duty in carrying out an on-the-spot check or inspection.

The Commission/OLAF shall report as soon as possible to the authorities of the Republic of Serbia any fact or suspicion relating to an irregularity which has come to its notice in the course of the on-the-spot check or inspection. In any event, the Commission/OLAF shall be required to inform the above-mentioned authorities of the result of such checks and inspections.

II. Information and consultation

1. For the purposes of proper implementation of this Annex, the competent authorities of the Republic of Serbia and Community authorities shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations.

2. The competent authorities of the Republic of Serbia shall inform the Commission without delay of any fact or suspicion which has come to their notice relating to an irregularity in connection with the conclusion and implementation of the contracts applying to the instruments referred to in this Memorandum.

III. Administrative measures and penalties

Without prejudice to application of the criminal law of the Republic of Serbia, administrative measures and penalties may be imposed by the Commission in accordance with the Financial Regulation applicable to the General Budget of the European Union.

IV. Recovery

Decisions taken by the Commission within the scope of this Memorandum which impose a pecuniary obligation on persons other than States shall be enforceable in the Republic of Serbia. Enforcement shall be governed by the rules of civil procedure in force in the State in whose territory it is carried out. The enforcement order shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the national authority which the Government of the Republic of Serbia shall designate for this purpose and shall make known to the Commission. When these formalities have been completed on application by the Commission, the latter may proceed to enforcement in accordance with the national law, by bringing the matter directly before the competent authority. The legality of the Commission decision shall be subject to control by the Court of Justice of the European Communities.

Judgments delivered by the Court of Justice of the European Communities pursuant to an arbitration clause in a contract within the scope of this Memorandum shall be enforceable on the same terms.

V. Direct communication

The Commission shall communicate directly with the participants in the Community Programme for Employment and Social Solidarity established in the Republic of Serbia and with their subcontractors. They may submit directly to the Commission all relevant information and documentation which they are required to submit on the basis of the instruments referred to in this Memorandum and of the contracts concluded to implement them.