



Republika e Kosovës
 Republika Kosova-Republic of Kosovo
 Qeveria - Vlada - Government
 Ministria e Administrimit të Pushtetit Lokal
 Ministarstvo Administracije Lokalne Samouprave
 Ministry of Local Government Administration



Pranuar më: 24.04.2020		
Primjeto: 24.04.2020		
Njësia Jedinica	Numri Broj	Shtojca Dodatak
1-400-	17044	

Prishtina, 15.04.2020
 Nr. 072/2020

Pursuant to Articles 8, 9, 10, 11 of the Law No. 06/L-113 on the Organization and Functioning of State Administration and Independent Agencies, Article 8, paragraph 1.4 of the Regulation (GRK) No. 05/2020 on Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries, Article 5 of the Law No. 03/L-040 on Local Self-Government, the Law No. 07/L-001 on the Budget of the Republic of Kosovo for 2020, in accordance with the Agreement between MLGA, Municipality of Lipjan/Lipljan and Helvetas Swiss Intercooperation for Participation in Municipal Performance Grant, and Decision of Municipal Performance Grant Commission dated 31.03.2020, the following is concluded:

AGREEMENT FOR FINANCIAL SUPPORT ON THE PROJECT "Construction of the Janjevka River bed" UNDER MUNICIPAL PERFORMANCE GRANT (MPG) SCHEME

Between:

1. Ministry of Local Government Administration, represented by the Minister of MLGA (hereinafter MLGA),
2. Helvetas Swiss Intercooperation, represented by the Director of DEMOS project (hereinafter DEMOS) and,
3. Municipality of Lipjan/Lipljan, represented by the Mayor (hereinafter the Municipality).

**Article 1
 Purpose**

1. The signatories to this Agreement intend to apply the criteria, principles, procedures and legal rules for co-funding and spending the funds in accordance with the provisions of this Agreement and in accordance with the Rules of the Municipal Performance Grant (MPG).
2. The Agreement provides for the rights and obligations of the parties to comply with the rules set for project co-funding, other contractual terms and conditions for legal entities, in order to properly utilize the Municipal Performance Grant and increase the efficiency of municipalities in democratic governance, municipal management and delivery of quality services to citizens.

Article 2
Object of the Agreement

1. This object of this Agreement is the project co-funding as follows:

"Construction of the Janjevka River bed" – Lipjan

Article 3
Project value and the manner of co-funding

1. The total project amount in the pre-estimated value is 130,000.00 €
2. The total amount allocated by the MPG for 2020 (DEMOS portion) is ështëë 60,000.00 €
3. From its 2020 annual budget, the Municipality funds this project in the amount of 70,000.00 €
4. Any other value in excess of the predetermined project amount is funded by the budget of the Municipality.

Article 4
The rights and obligations of MLGA

1. For projects funded by the MLGA budget as part of the MPG, the MLGA pledges to:
 - a) Ensure the commitment of funds under Article 3.2 of this Agreement. A copy of the commitment of funds is sent to the Municipality. Perform financial obligations based on the performance of works/supplies under contract terms.
 - b) Continuously monitor the project and cooperate with the Municipality to ensure regular information on the progress of activities under the contract terms.
4. MLGA is not responsible in case the project fails due to reasons not related to its authorizations as well as in case of possible changes of any nature or violations that may occur during the implementation of projects falling under the responsibility of the Municipality.

Article 5
The rights and obligations of DEMOS

1. The Swiss Agency for Development and Cooperation (SDC), the Swedish International Development Cooperation Agency (SIDA) and the Norwegian Ministry of Foreign Affairs (NMFA), through the DEMOS project, will co-finance the Municipal Performance Grant with MLGA for 4 years, 2018-2021, in accordance with the Rules of the MPG.
2. For projects funded by the DEMOS project budget as part of the MPG, DEMOS pledges to cooperate with the MLGA and the relevant ministries to ensure the transfer, to the Municipality's budget, of the foreseen project amount under Article 3.2 of this Agreement.
3. DEMOS, in cooperation with the MLGA and the Municipality, may provide information on the funded project.

4. DEMOS is not responsible in case the project fails due to reasons not related to its authorizations as well as in case of possible changes of any nature or violations that may occur during the implementation of projects falling under the responsibility of the Municipality.

Article 6

The rights and obligations of the Municipality

1. The Municipality has the right to fund the project under Article 2 of this Agreement from the MPG.
2. In case of co-funding by the municipality, the latter is obliged to give its financial contribution to the implementation of the project in the amount specified in Article 3.3 of this Agreement.
3. The Municipality, upon signing this agreement, is obliged to submit to MLGA the necessary information for development of PiP (Public Investment Project) in order to begin procedures for commitment of funds as a result of this agreement.
4. If, following the procurement procedures, the project amount turns out to be lower than the value specified in Article 3.1 of the Agreement, the Municipality is obliged to reduce its contribution while the amount of the MPG remains the same.
5. The Municipality is obliged to implement the project in accordance with this Agreement and the applicable legal framework.
6. After signing the contract with the Economic Operator (EO), the Municipality is obliged to submit to MLGA a copy of the contract and the financial offer identical to the original, together with business information for the purpose of issuing a purchase order, as follows:
 - business registration certificate;
 - fiscal number certificate;
 - a copy of EO's bank card or the bank certificate;
 - copy of the identification document of business owner;
7. The Municipality is obliged to inform DEMOS of the final value of the project co-funded under this Agreement after the completion of the procurement procedures.
8. The Municipality assigns the project manager/supervisory body for the supervision of the performance of works and the commission which issues the certificate of acceptance of works/technical acceptance.
9. The Municipality is obliged to provide MLGA and DEMOS with copies of all project closure documents including:
 - a copy of technical acceptance as official confirmation of completion of projects and
 - the final amount of the project.
10. The Municipality is obliged to notify MLGA and DEMOS of any proposal for any change of quantity and quality during the implementation of the project. For projects funded by the MLGA budget as part of the MPG, the Municipality shall obtain prior approval in case there is a need to perform additional works.
11. The Municipality is obliged to inform MLGA of the dynamics of the works being performed until the project is completed.

12. Projects are available at any time for regular annual audits performed by the Kosovo National Audit Office (KNAO) or for audits required by DEMOS and/or its donors for projects funded by DEMOS as part of MPG.

Article 7

Necessary documentation of the Municipality for payment of the project funded by the MLGA budget

1. The Municipality is obliged to complete the following documentation in order to execute payments for the works/supplies performed:
 - 1.1. A copy of the Contract signed together with the General Conditions, Special Conditions and the Financial Offer which must be identical to the original certified by the Municipal Procurement Manager.
 - 1.2. Decision on the assignment of the project manager/supervisory body/acceptance commission by the Municipality, in case it is not defined by the Special Conditions of the Contract.
 - 1.3. Report of the project manager/supervisory body, acceptance commission on the works/supplies performed, approved (original).
 - 1.4. Invoice from the Economic Operator and the approved layout (original).
 - 1.5. Performance security, quality assurance with technical acceptance under contract terms.

Article 8

Project implementation deadline

1. The Municipality shall take all measures to complete the project within the fiscal year 2020.
2. Upon expiry of the deadline set forth in paragraph 1 of this Article, all obligations shall be borne by the Municipality.
3. If the project is not completed during fiscal year 2020, for projects funded by the DEMOS budget as part of the MPG, the unspent funds under Article 3.2 are returned to DEMOS and will be added to the total MPG amount for 2021.

Article 9

Project ownership

1. Upon technical acceptance of the project by the Municipality, projects co-funded under this Agreement shall be transferred to the ownership of the Municipality.
2. The Municipality is obliged to record projects under its ownership within the assets system of the Ministry of Finance and Transfers (KFMIS).

3. The project is transferred to the ownership of the Municipality when the non-financial asset has passed all the rules and procedures of submission, the last payment with technical acceptance, when the MLGA makes all payments of the layouts and when the Municipality makes the payment - the last layout with technical acceptance. In this case, MLGA closes the investment account, while the Municipality records the non-financial asset received from MLGA in its non-financial asset registers.

Article 10 **Amendments and termination of the Agreement**

1. The Agreement may be amended and supplemented with the prior consent of MLGA, DEMOS and the Municipality.
2. MLGA and DEMOS reserve the right to terminate the Agreement in case the Municipality does not comply with the terms of this Agreement.

Article 11 **Dispute resolution**

1. The Parties have agreed that any eventual disputes shall be resolved amicably.

Article 12 **Entry into force**

1. This Agreement shall enter into force upon being signed by MLGA, DEMOS and the Municipality.
2. This Agreement is signed in Albanian, Serbian and English in three (3) authentic copies, one for each of the signatories.

Emilija Redžepi
Minister of MLGA

Norbert Pijls
Director of Demos project

Imri Ahmeti
Mayor of Lipjan/Lipljan

