

ADMINISTRATIVE AGREEMENT

between

**The General Directorate for European Countries
of the Ministry of Foreign Affairs of Italy**

and

**The Intergovernmental Oceanographic Commission of the United Nations Educational,
Scientific and Cultural Organization (UNESCO/IOC)**

Whereas

- through the Law 84/2001 the Government of Italy has committed the funding of specific initiatives which should contribute to the stability, reconstruction and development of Balkan countries in the area of environment;
- the Italian Ministry of Foreign Affairs, through the Directorate General for European Countries (hereinafter referred as the "Donor") has decided to provide grant funding to support the Project entitled "ADRIatic sea integrated COastal areaS and river basin Management system pilot project - EXTension" (hereinafter referred as the "Project") for a total amount of 1,000,000 euros;
- the Project was approved by the Technical-Operational Unit for the Balkans (UTOB) of the Italian Presidency of the Council of Ministers on 16th December 2002;
- the United Nations Educational, Scientific and Cultural Organisation (hereinafter referred to as "UNESCO"), is pleased to acknowledge the intention of the Donor to make available the aforesaid funds and it is prepared to accept responsibility for ensuring the implementation, through its **Intergovernmental Oceanographic Commission (IOC)** (hereinafter referred to as "UNESCO /IOC"), of the Project as described in the **Technical Brief** contained in *Annex I*;
- UNESCO-IOC, as an integral part of its Medium-Term Strategy for 2002-2006, intends to extend its links to, and seek the conclusion of cooperation agreements with, other intergovernmental, international and regional institutions, development banks, and bilateral partners, for a most effective implementation of its mandates;
- The work of UNESCO/IOC, over the four decades since its inception, has focused on promoting marine scientific investigations and related ocean services, with a view to learning more about the nature and resources of the oceans. UNESCO/IOC, in the same perspective, is fostering international cooperation with respect to the development and promotion of international oceanographic research programmes to improve our understanding of critical global and regional ocean processes and their relationship to the sustainable development and stewardship of ocean resources;
- In the particular field of Environmental Management and Sustainable Development, one of UNESCO/IOC 's major objective is to ensure the effective planning,

establishment and co-ordination of an operational global ocean observing system to provide the information needed for oceanic and atmospheric forecasting, for oceans and coastal zone management by coastal nations, and for global environmental change research;

now therefore UNESCO/IOC and the Donor hereby agree as follows:

Article 1

1. The Donor shall, in the manner referred in paragraph 2 below, place at the disposal of UNESCO/IOC the sum of Euro 1,000,000 that is duly noted in the project document. The Grant shall be used by UNESCO/IOC to meet the overall costs of the Project as described in the Technical Brief contained in Annex I, including 6.5% project support cost intended to defray UNESCO's costs for the administrative and technical backstopping of the project, as well as the amount of EUR 65,000.00 for IOC staff costs and travel related to the project execution.
2. The Donor shall deposit the aforesaid funds to the UNESCO Account: A/C No. 30003-03301-00037291909-97 SOCIETE GENERALE Paris Seine Amont 10 rue Thénard 75005 PARIS, France, SWIFT code : SOGEFRPP IBAN : FR76 30003 03301 00037291909 97, in favour of the **ADRIatic sea integrated COastal areaS and river basin Management system pilot project – EXTension**.
3. UNESCO/IOC shall manage the fund under its financial regulations and rules for the administration of the aforesaid funds.
4. The fund shall be utilized by UNESCO/IOC according to Annex I. Services, equipment and materials used to realise the project shall be purchased on the basis of competitive bidding where required, under UNESCO/IOC's financial rules and regulations. All equipment, materials and supplies provided in accordance with this Plan of Operation shall be devoted exclusively to the execution of the project. Non-expendable equipment with an individual value exceeding US\$ 1,000 shall remain the property of UNESCO and shall be recorded in its inventory register. On termination of the project, UNESCO shall, in consultation with the Donor, decide on the transfer of the official title of such equipment. The title to all other equipment, materials and supplies is considered to have been transferred to the beneficiary government where the project is implemented when they are delivered to the project site.

Article 2

1. The research and development program of the *Adriatic-Ionian Initiative (AII)* has been initiated with the *ADRICOSM project (ADRIatic sea integrated COastal areaS and river basin Management system pilot project)* that started on October 2001 with the financial support of the Italian Ministry for the Environment and Territory and involved Italy, Slovenia, Croatia and France.

Since the coastal areas are strongly forced by drainage-basin inputs and disperse these inputs in a complex hydrodynamic environment, the key step toward the establishment of an integrated coastal area and river basin management system is to connect the

catchment basin runoff and the wastewater management with the monitoring and forecasting of the marine environment.

ADRICOSM has the following general aims:

- i) to demonstrate the feasibility of *Near Real Time (NRT)* coastal currents forecasts;
- ii) to carry out the implementation of a river basin and wastewater management system in an Adriatic test site (the river *Cetina, Split, Croatia*);
- iii) to develop the integration of the river system with the coastal current forecasting.

The initial ADRICOSM Project, coordinated by INGV with a duration of 3 years, consists of 3 phases: preparation, forecasting, and assessment. At the present time ADRICOSM is at the end of its second phase with all the monitoring and modelling activities well underway. In its final phase ADRICOSM will provide a dissemination of the results to Italian, Slovenian, and Croatian experts and users (Coast Guards, Port Authorities, and Coastal Operators). Furthermore ADRICOSM has been adopted in the WSSD in Johannesburg as a "*Type II Initiative*", i.e., an initiative addressing the promotion of sustainable development by a group of partner institutions.

In the above framework and as the next step, it is considered essential that the experience and knowledge-base generated by ADRICOSM be extended to other Adriatic Countries and continues the implementation of a state of the art monitoring and forecasting system for the marine coastal areas and their adjacent river catchments.

To accomplish this overall objective, the **Project** was initiated and institutions from these countries were invited to participate in the planning process.

The **Project** will continue and enlarge the research and development work of ADRICOSM and will coordinate activities between all the Adriatic riparian Member States, i.e., Italy, Slovenia, Croatia, Albania, Bosnia-Herzegovina, and Serbia and Montenegro. This Agreement refers to the actions to be supported during the first 18 (eighteen) months as specified in the **Technical Brief (Annex I)** of the **Project**.

The overall objectives of the **Project** are the following:

Objective 1: Activate the participation of Bosnia-Herzegovina, Serbia-Montenegro and Albania in the activities of ADRICOSM;

Objective 2: Continuation and further enhancement of the ADRICOSM observational network with the active participation of the new entering countries;

Objective 3: Expansion of the Integrated Catchment Simulator System implementation in one of the new entering countries;

Objective 4: Expansion and implementation of a data management system for real time exchange and historical data archiving;

Objective 5: Activate training courses and workshops on different aspects of real time monitoring and forecasting.

2. The Project duration is of 18 (eighteen) months, starting from the date of signature of the present Agreement by both parties.

Article 3

1. **UNESCO/IOC** shall commence operations upon receipt of an executed copy of this Administrative Agreement in accordance with article 1 of this Administrative Agreement. It is understood that no activity to be financed under the Grant can be implemented unless the relevant funds have been received by **UNESCO/IOC**.
2. **UNESCO/IOC** shall not make any modification to the project document enclosed in Annex I without prior written approval by the **Donor**.
3. **UNESCO/IOC** will exercise the overall responsibility for Project execution, making every effort to ensure effective and timely delivery of inputs and production of outputs by the participating institutions. **UNESCO/IOC** shall implement the **Project** activities in full independence according to its own rules and regulations.

Article 4

1. **UNESCO/IOC** undertakes to submit progress reports and financial statements concerning the expenditures incurred by the **Project**.
2. As regards progress reports, **UNESCO/IOC** shall submit to the **Donor** a six months progress report. Upon completion of the project activities, **UNESCO/IOC** shall also submit a Final Report establishing that the planned activities have been implemented, and including an evaluation thereof. Beyond formal monitoring and reporting requirements, **UNESCO/IOC** agrees to keep the **Donor** informed of key issues, as well as of progress or eventual problems in the project implementation, as they arise. A representative of the **Donor** shall attend the coordination meetings that will be established upon inception of the **Project**. Upon the completion of the **Project**, the **Donor** and **UNESCO/IOC** will undertake a joint final evaluation.
3. As regards to the financial statements, each year **UNESCO/IOC** shall submit to the **Donor** a financial statement, prepared by the Division of the Comptroller, showing funds received and spent by the project in the previous calendar year. At the end of the project, **UNESCO/IOC** shall submit a final financial statement in UNESCO standard form, certified by the Division of the Comptroller, together with an annex prepared by **UNESCO/IOC** showing a breakdown of expenditure for each component approved in the initial budget, within three months after the end of the financial period in which the last disbursement of funds for this **Project** was recorded. The end of the **Project** shall be notified to the **Donor** by **UNESCO/IOC**'s official representative.
4. The Ministry of the Foreign Affairs will monitor at no cost for the **Project** implementation with all means deemed necessary, both during its execution and upon completion. **UNESCO/IOC** shall make it possible to carry out the said monitoring activities.

5. All financial accounts and statements shall be expressed in US Dollars and there shall be no accounting or reporting in other currencies. For the purpose of recording receipts and/or payments, all transactions shall be converted into US Dollars at the United Nations official rate of exchange applied on the date of the transactions.

Article 5

1. UNESCO/IOC shall not assume any liability in excess of the amount deposited by the **Donor** under this Administrative Agreement. If, due to unforeseen circumstances, the funds received are not expected to cover the costs of the Project as estimated in the Project Budget *Annex II*, UNESCO/IOC shall inform the **Donor** immediately of the necessary modifications for its approval, giving full justification. On the basis of consultations, it may then be necessary to adjust the inputs indicated in the **Technical Brief Annex I**, to ensure that funds provided by the **Donor** cover all expenses for the provision of the services agreed.
2. Any balance which remains unspent after satisfying all project commitments and liabilities shall be returned to the **Donor**. Any interest accrued from temporary credit balances of the project funds and/or funds remaining after the completion of the **Project** shall also be returned to the **Donor**.

Article 6

This Administrative Agreement may be terminated by either Party on ninety (90) days written notice to the other Party. Notwithstanding the termination of this Administrative Agreement, UNESCO/IOC shall continue to hold the contribution until all the incurred commitments and liabilities have been satisfied.

Article 7

Any dispute arising under this Administration Agreement shall be settled through consultation between the two Parties.

Article 8

The Offices responsible for coordination of all matters related to the implementation of this Administration Agreement are:

For the Donor:

Directorate General for European Countries
Ministry of Foreign Affairs of Italy
Piazzale della Farnesina, 1
00194 Rome – Italy
Tel.: +39.06.3691.8775
Fax: +39.06.36917151

For the UNESCO:

UNESCO/IOC
1 rue Miollis
75732 Paris Cedex 15
Tel.: 33 1 45 68 39 83
Fax.: 33 1 45 68 58 12

Article 9

1. This Administrative Agreement is executed in English.
2. This Administrative Agreement shall enter into force upon signature.

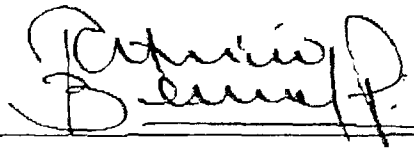
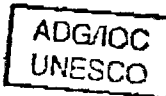
In witness whereof, the undersigned, being duly authorized thereto, have signed the present Agreement in three copies in English.

For the Donor

 date 15/10/2005

Min. Plen.
Directorate General for European Countries
Ministry of Foreign Affairs

For UNESCO/IOC

 date 23/3/05 

Mr. Patricio A. Bernal, Assistant Director-General of UNESCO
The United Nations Educational, Scientific and Cultural Organisation
Executive Secretary, Intergovernmental Oceanographic Commission.