

Prijedlog

Na temelju clanka 30. stavka 1. Zakona o sklapanju i izvršavanju medunarodnih ugovora (Narodne novine, broj 28/96), Vlada Republike Hrvatske je na sjednici održanoj _____ godine donijela

U R E D B U

**o objavi Ugovora o darovnici Švedske agencije za medunarodni razvoj (SIDA),
između Republike Hrvatske i Medunarodne banke za obnovu i razvoj,
za sufinanciranje Projekta razvoja sustava socijalne skrbi**

Clanak 1.

Objavljuje se Ugovor o darovnici Švedske agencije za medunarodni razvoj (SIDA), između Republike Hrvatske i Medunarodne banke za obnovu razvoj, za sufinanciranje Projekta razvoja sustava socijalne skrbi, sklopljen u Zagrebu, 21. veljace 2006. godine, u izvorniku na engleskom jeziku.

Clanak 2.

Tekst medunarodnog Ugovora iz clanka 1. ove Uredbe, u izvorniku na engleskom jeziku i u prijevodu na hrvatski jezik glasi:

21. veljace 2006.

Njegova ekselencija
Ivan Šuker,
ministar financija
Zagreb, Hrvatska

Poštovani g. ministre:

**Republika Hrvatska: Darovnica Švedske agencije za medunarodni razvoj (SIDA)
za sufinanciranje Projekta razvoja sustava socijalne skrbi
Darovnica br. TF056237**

Pišem Vam u ime Medunarodne banke za obnovu i razvoj (Banka), kako bih naznacio suglasnost Banke, kao upravitelja sredstava darovnice koje daje Švedska medunarodna agencija za razvoj (Swedish International Development Agency – SIDA), na davanje darovnice Republici Hrvatskoj (Primatelju) u iznosu ne višem od petnaest milijuna švedskih kruna (SEK 15.000.000) (Darovnica).

Darovnica se daje temeljem Primateljevog zahtjeva za finacijskom pomoci i u svrhu, te u skladu s odredbama i uvjetima koji su utvrđeni u Dodatku ovom Pismu - Ugovoru. Primatelj izjavljuje, niže potvrđujući svoju suglasnost, da je ovlašten ugovoriti i povuci Darovnicu u navedene svrhe i pod navedenim odredbama i uvjetima.

Molim Vas uzmete u obzir kako je politika Banke uciniti dostupnim javnosti ovo Pismo – Ugovor i bilo koju informaciju koja se na njega odnosi, nakon što je ovo Pismo – Ugovor stupilo na snagu i Primatelj dao suglasnost na takvu objavu. Primatelj supotpisom ovog Pisma – Ugovora potvrđuje suglasnost na takvu objavu.

Molim Vas da u ime Primatelja potvrdite Vašu suglasnost s prethodno navedenim potpisom, datiranjem i vraćanjem priloženog primjerka ovog Pisma – Ugovora. Po primitku od strane Banke primjerka ovog Pisma - Ugovora kojeg ste Vi supotpisali, ovo Pismo - Ugovor ce stupiti na snagu danom supotpisa.

S poštovanjem,
MEĐUNARODNA BANKA ZA OBNOVU I RAZVOJ
Anand K. Seth, v.r.
Direktor
Svjetske banke za južnu središnju Europu
Regija Europe i središnje Azije

SUGLASAN:
REPUBLIKA HRVATSKA
Ivan Šuker, v.r.
ministar financija
21. veljace 2006. godine

Svrha, odredbe i uvjeti Darovnice

1. Svrha i aktivnosti

1.1. Svrha Darovnice je poduprijeti ciljeve projekta razvoja sustava socijalne skrbi (Projekt), financiranih kroz Zajam 7307-HR. Aktivnosti (Aktivnosti) za koje se daje Darovnica su sljedeće:

Poboljšanja u pružanju socijalnih usluga kroz:

- a) Pripremu i provođenje polaznog istraživanja i pracenja;
- b) Razvoj strategije te provođenje plana racionalizacije gotovinskih socijalnih naknada;
- c) Objedinjavanje primjera najbolje prakse i podijeliti ih sa socijalnim radnicima;
- d) Razvoj organizacije za planiranje usluga;
- e) Izradu dugoročnog master plana za pružanje usluga;
- f) Osmišljavanje i uvođenje One-stop-shop-a u centrima za socijalnu skrb;
- g) Provesti dodatne studije vezane uz Projekt;
- h) Pružanje obuke (socijalni radnici, administrativno osoblje na središnjoj i lokalnoj razini).

Upravljanje i financiranje usmjereno prema rezultatima kroz:

- a) Pružanje obuke radnicima socijalne skrbi za upravljanje i izradu proračuna usmjereno prema rezultatima;
- b) Razvoj i početak uvođenja novih standarda i mehanizma za pracenje;
- c) Kreiranje kriterija za Program za inovacije i učenje.

Oснаživanje informacijskog upravljačkog sustava socijalne skrbi kroz:

- a) Obavljanje pregleda poslovnog procesa u svrhu uvođenja novog IT sustava;
- b) Kreiranje tzv. One-stop shopa za centre za socijalnu skrb u svrhu poboljšanja informacijskih usluga.

2. Provedba općenito

2.1. Primateelj, preko Ministarstva zdravstva i socijalne skrbi će: (a) provoditi aktivnosti s dužnom pažnjom i efikasnošću; (b) promptno osigurati financijska sredstva, uvjete, usluge i druge resurse potrebne za tu svrhu; (c) osigurati takve informacije koje se odnose na Aktivnosti i uporabu sredstava iz Darovnice koje će Banka razumno zahtijevati; (d) povremeno razmjenjivati mišljenja s predstavnicima Banke o napretku i rezultatima aktivnosti; (e) poduzeti sve nužne mjere koje su potrebne da bi Banka mogla vršiti posjete na području Republike Hrvatske u svrhe koje se odnose na Darovnicu. Bez ograničenja u pogledu prethodno navedenog, Primateelj će, ako to Banka zatraži, pripremiti i dostaviti Banci odmah po okončanju Aktivnosti izvješće, u obliku i sadržaju koji će zadovoljavati Banku, o rezultatima i djelovanjima Aktivnosti.

3. Nabava

3.1. Osim ako Banka ne pristane drugacije, nabava usluga konzultanata potrebnih za izvršavanje Aktivnosti, a koje će se financirati iz sredstava Darovnice vršit će se prema odredbama Priloga 4 Ugovora o zajmu za Projekt između Primatelja i Banke od 6. srpnja 2005. (Ugovor o zajmu), i s eventualnim izmjenama tog Ugovora s vremena na vrijeme. Odredbe u Prilogu 4 Ugovora o zajmu mogu se razraditi u planu nabave za Projekt naveden u Odjeljku 1.02(k) Ugovora o zajmu, kako taj plan nabave može ažurirati Primatelj, uz odobrenje Banke.

4. Povlacenje sredstava Darovnice

4.1. Iznos Darovnice doznacit će se na račun koji je otvoren kod Banke u njenim knjigama na ime Primatelja (Račun Darovnice), te ga Primatelj s njega može povući u skladu s ovim Odjeljkom 4, za izdatke u pogledu razumnog troška usluga potrebnih za Aktivnosti i koje će se financirati iz sredstava Darovnice.

4.2. Izdaci za sljedeće kategorije stavaka financirat će se iz sredstava Darovnice, te će se isključivo koristiti za provođenje Aktivnosti:

<u>Kategorija koju treba financirati</u>	<u>Iznos Darovnice alociran (u švedskim krunama)</u>	<u>% troškova</u>
(1) Konzultantske usluge	12.250.000	100%
(2) Obuka	2.750.000	100%
UKUPNO	15.000.000	

4.3. Neovisno o odredbama gornjeg stavka 4.2.:

(a) Neće biti povlacenja s Računa Darovnice: (i) za plaćanja učinjena za izdatke prije datuma potpisa ovog Ugovora od strane Banke; ili (ii) usvrhu bilo kakvog plaćanja fizičkim ili pravnim osobama, ako je takvo plaćanje, prema saznanju Banke, zabranjeno odlukom Vijeća sigurnosti Ujedinjenih naroda donesenom sukladno Poglavlju VII Povelje Ujedinjenih naroda;

(b) Primatelj može povući sredstva iz Darovnice ukoliko su ta sredstva SIDE na raspolaganju Banke u svrhu Darovnice;

(c) Neće biti povlacenja s Računa Darovnice nakon 31. prosinca 2008. godine, ili takvog kasnijeg datuma kojeg Banka može utvrditi putem obavijesti Primatelju (Datum zatvaranja). Međutim, povlacenja se mogu vršiti nakon Datuma zatvaranja za troškove koji su nastali prije Datuma zatvaranja ako je Banka primila zahtjev za odgovarajuće povlacenje unutar četiri mjeseca nakon Datuma zatvaranja, nakon kojeg vremena će bilo koji iznos Darovnice koji nije povučen s Računa Darovnice biti otkazan;

(d) Upotreba bilo kojih sredstava Darovnice za plaćanje poreza koje odredi Primatelj, ili na području Primatelja, ili u vezi s uslugama koje će se financirati iz sredstava Darovnice, ili u vezi s njihovom nabavom ili isporukom, podložna je Bancinoj politici kojom se zahtijeva ekonomičnost i učinkovitost u upotrebi sredstava darovnica kao što je ova Darovnica. U tom smislu, ako Banka u

bilo kojem trenutku odluci da je iznos bilo kakvoga takvog poreza koji je određen, ili u vezi s bilo kojim uslugama koje će se financirati iz sredstava Darovnice, prevelik, ili u nekom drugom smislu nerazuman, Banka može, pomoću obavijesti Primatelju, prilagoditi (promijeniti) postotak takvih usluga koje će se financirati iz sredstava Darovnice navedenih u tabeli u stavku 4.2 gore, prema potrebi, kako bi se osiguralo da će biti u skladu s takvom politikom Banke.

(e) Ako, prema mišljenju Banke, neki od iznosa Darovnice alociran na bilo koju od stavaka u gornjoj tabeli u stavku 4.2 bude nedostatan za financiranje izdataka za takvu stavku, Banka može, putem pisane obavijesti Primatelju, prerasporediti za takvu stavku iznos Darovnice alociran na drugu stavku za koju, prema mišljenju Banke, neće biti nužno da odgovara ostalim izdacima.

4.4. Kad Primatelj želi povući bilo koji iznos s Racuna Darovnice, dostavit će Banci pisani zahtjev za povlačenje takvog iznosa u obliku kojeg utvrđuje Banka. Zahtjev za povlačenje bit će: (a) potpisan u ime Primatelja od strane Ministra financija, ili takve druge osobe koju će on ili ona ovlastiti pisanim putem; i (b) popraćen takvim dokazom koji podržava zahtjev i kojeg će Banka razumno tražiti. Potvrđeni uzorci potpisa osobe ovlaštene na potpis zahtjeva za povlačenje dat će se s prvom prijavom koja će nositi njegov ili njezin potpis. Svaki zahtjev za povlačenje iznosa Darovnice i dokaz koji ga podupire mora biti dostatan u obliku i sadržajem zadovoljiti Banku da je Primatelj ovlašten povlačiti takav iznos s Racuna Darovnice i da će takav iznos biti korišten u izvršavanju Aktivnosti. Banka će platiti iznose koje Primatelj povlači s Racuna Darovnice jedino Primatelju ili na nalog Primatelja.

4.5. Banka može zatražiti da se povlačenja s Racuna Darovnice vrše temeljem troškovnika za izdatke za: (a) usluge konzultantskih tvrtki koje iznose manje od protuvrijednosti US\$ 100.000; (b) usluge individualnih konzultanata koje iznose manje od protuvrijednosti US\$50.000; i (c) obuke, sve pod uvjetima koje Banka može utvrditi temeljem obavijesti Primatelju.

4.6. Povlačenja sredstava Darovnice bit će u američkim dolarima. Međutim, Banka će, na zahtjev Primatelja i u svojstvu agencije Primatelja, kupiti američkim dolarima povučenima s Racuna Darovnice valute koje su potrebne za plaćanja izdataka koji će se financirati iz sredstava Darovnice. Kada god to bude potrebno, u svrhu ovog Ugovora, odluciti o vrijednosti jedne valute prema nekoj drugoj valuti, takva vrijednost bit će onakva kako će je razumno odrediti Banka.

4.7. Radi olakšavanja izvršavanja aktivnosti, Primatelj može otvoriti i držati u US dolarima poseban racun za polog (Poseban Racun) u banci koja je prihvatljiva Banci, pod uvjetima koji zadovoljavaju banku, uključujući odgovarajuću zaštitu od prijeboja, zapljene ili ovrhe. Polozi na Posebni Racun i plaćanja s Posebnog Racuna vršit će se u skladu s odredbama Priloga I u ovom Dodatku.

5. Racuni i revizije

(a) Primatelj će održavati ili osigurati da se održava sustav financijskog upravljanja, uključujući knjige i racune, i pripreme financijskih izvješća u skladu s konzistentno prihvaćenim računovodstvenim standardima prihvatljivim Banci, koji adekvatno odražavaju poslovanje, sredstva i izdatke koji se odnose na Aktivnosti.

(b) Primatelj će: (i) imati financijska izvješća navedena u gornjem podstavku (a) za svaku fiskalnu godinu (ili drugo razdoblje na koje Banka pristane), revidirana, u skladu s konzistentno primijenjenim revizorskim standardima, prihvatljivim Banci, od strane nezavisnih revizora prihvatljivih Banci; (ii) dostaviti Banci čim budu dostupni, ali niti u kojem slučaju ne kasnije od šest mjeseci nakon kraja svake godine (ili takvog drugog razdoblja na koji Banka pristane), (A) ovjerene kopije financijskih izvješća koja se navode u gornjem podstavku (a) za takvu godinu (ili takvo drugo razdoblje na koje Banka pristane), revidirane na taj način, i (B) mišljenje o takvim izvješćima od strane navedenih revizora, u opsegu i detaljima koji zadovoljavaju Banku; i (iii) dostaviti Banci takve druge informacije koje se odnose na takve knjige i račune i revizije takvih financijskih izvješća, i koji se odnose na navedene revizore, koje Banka razumno zatraži.

(c) Za sve izdatke u odnosu na koje su se vršila povlačenja s Racuna Darovnice na temelju troškovnika, Primatelj će: (i) zadržati, barem jednu godinu nakon što je Banka primila izvješće revizora za ili koje obuhvaća fiskalnu godinu u kojoj je izvršeno zadnje povlačenje s Racuna Darovnice, sve knjige (ugovore, narudžbe, račune, fakture, obracune i druge dokumente) koji dokazuju takve izdatke; (ii) omogućiti predstavnicima Banke da pregledaju takve knjige; i (iii) osigurati da takvi troškovnici budu uključeni u reviziju za svaku fiskalnu godinu, ili drugo razdoblje na koje Banka pristane, navedeno gore u podstavku (b).

6. Izvješća o financijskom pracenju

(a) Bez obzira na obvezu Primatelja da podnosi izvješća o napretku navedenu u stavku 5. ovog Ugovora, Primatelj će pripremiti i dostaviti Banci Izvješće o financijskom pracenju, u obliku i sadržaju zadovoljavajucim za Banku, u kojem se:

(i) navode izvori i upotreba sredstava za Projekt, i kumulativno i za razdoblje navedeno u izvješću, u kojem se odvojeno prikazuju sredstva osigurana Zajmom i s objašnjenjem odstupanja između stvarne i planirane upotrebe takvih sredstava.

(ii) opisuje fizički napredak u provedbi Projekta, i kumulativno i u razdoblju obuhvaćenom tim izvješćem i s objašnjenjem odstupanja između stvarne i planirane provedbe Projekta; i;

(iii) navodi status nabave u sklopu Projekta, na kraju razdoblja obuhvaćenog navedenim izvješćem.

(b) Prvo izvješće o financijskom pracenju bit će dostavljeno Banci najkasnije 30 dana nakon kraja prvog kalendarskog tromjesečja nakon datuma stupanja na snagu, i obuhvatit će razdoblje od nastanka prvog izdatka u sklopu Projekta do kraja takvoga prvog kalendarskog tromjesečja; nakon toga svako izvješće o financijskom pracenju dostavit će se Banci najkasnije 30 dana nakon svakog naknadnog kalendarskog tromjesečja, i obuhvatit će takvo kalendarsko tromjesečje.

7. Obustava i otkazivanje

7.1. Banka može u bilo koje doba, putem obavijesti Primatelju, obustaviti pravo Primatelja na daljnja povlačenja s Racuna Darovnice u slučaju da se bilo koji od sljedećih događaja dogode i

traju: (a) povucena sredstva nisu bila korištena u svrhe dogovorene između Primatelja i Banke; (b) Aktivnosti nisu bile izvršene u skladu sa standardima i metodama dogovorenim između Primatelja i Banke; (c) ako se Primatelj nije pridržavao bilo koje obveze navedene ovdje; ili (d) ako je obustavljeno pravo Primatelja, ili bilo kojeg drugog tijela kojem je Banka odobrila zajam uz jamstvo Primatelja, da povlaci sredstva u sklopu bilo kojeg ugovora o zajmu s Bankom.

7.2. Banka može, temeljem obavijesti, ukinuti pravo Primatelja da traži daljnja povlacenja s Racuna Darovnice te otkazati bilo koji iznos iz Darovnice koji je ostao nepovucen; (a) u bilo kojem trenutku nakon što je povlacenje s Racuna Darovnice ukinuto u skladu sa odredbama stavka 7.1 gore; ili (b) ako Primatelj propusti poduzeti radnju, koja zadovoljava Banku u pogledu provođenja Aktivnosti u roku od šest mjeseci nakon datuma stupanja na snagu ovog Ugovora.

Poseban Racun

1. Za potrebe ovog Priloga:

(a) izraz "Dozvoljene stavke" znaci stavke navedene u stavku 4.2 Dodatka ovom Pismu – Ugovoru,

(b) izraz "Dozvoljeni izdaci" znaci izdaci u pogledu razumnih troškova usluga potrebnih za Aktivnost i koji ce se financirati iz sredstava Darovnice;

(c) izraz "Dozvoljena alokacija" znaci iznos jednak US\$ 500.000 koji se povlaci s Racuna Darovnice i polaže na Poseban Racun sukladno stavku 3 (a) ovog Priloga.

2. Placanja s Posebnog Racuna vršit ce se isključivo za dozvoljene izdatke sukladno odredbama ovog Priloga.

3. Nakon što Banka primi dokaz koji zadovoljava da je Poseban Racun valjano otvoren, povlacenja Dozvoljene Alokacije i naknadna povlacenja za nadopunu Posebnog racuna vršit ce se kako slijedi:

(a) Primatelj ce dostaviti Banci zahtjev ili zahtjeve za polog na Poseban Racun iznosa koji ne prelaze ukupan iznos Dozvoljene Alokacije. Na temelju takvog zahtjeva ili temeljem više zahtjeva, Banka ce, u ime Primatelja, povuci s Racuna Darovnice i položiti na Poseban Racun takav iznos ili iznose koje Primatelj zatraži.

(b) (i) Za nadopunu Posebnog Racuna, Primatelj ce dostaviti Banci zahtjeve za pologe na Poseban Racun u takvim intervalima koje ce Banka specificirati.

(ii) Prije ili u vrijeme svakog takvog zahtjeva, Primatelj ce dostaviti Banci takve dokumente i druge dokaze potrebne prema stavku 4 ovog Priloga za placanje ili placanja za koja je zatražena nadopuna. Temeljem svakog takvog zahtjeva, Banka ce, u ime Primatelja, povuci s Racuna Darovnice i položiti na Poseban Racun takav iznos kojeg Primatelj zatraži i za kojeg se navedenim dokumentima i drugim dokazom pokaže da je isplacen s Posebnog Racuna za dozvoljene izdatke. Svi takvi poloz povlaci ce se od strane banke s Racuna Darovnice prema dozvoljenoj stavci (stavkama) i u odnosima ekvivalentnim iznosima kako je navedeno u navedenim dokumentima ili drugom dokazu.

4. Za svako placanje koje Primatelj ucini s Posebnog Racuna, Primatelj ce, u roku kojeg Banka razumno zatraži, dostaviti Banci takve dokumente i drugi dokaz koji pokazuju da je takvo placanje ucinjeno isključivo za dozvoljene izdatke.

5. Neovisno od odredaba stavka 3 ovog Priloga, Banka nece biti obvezna davati daljnje pologe na Poseban Racun:

(a) ako u bilo koje doba Banka utvrdi da bi Primatelj trebao vršiti sva buduća povlačenja izravno s Racuna Darovnice;

(b) ako Primatelj propusti dostaviti Banci, u roku koji je utvrđen u stavku 5 (b) (ii) Priloga ovog Pisma-Ugovora bilo koje od izvješća revizije koje treba dostaviti banci prema navedenom stavku glede revizije knjiga i racuna za Poseban Racun;

(c) ako, u bilo koje doba, Banka obavijesti Primatelja o svojoj namjeri da odgodi u cijelosti ili u dijelu pravo Primatelja da povlaci sredstva s Racuna Darovnice prema stavku 6.1 Priloga ovom Pismu-Ugovoru; ili

(d) kada ukupni nepovuceni iznos Darovnice bude jednak dvostrukom iznosu Dopusštene Alokacije.

Nakon toga, povlačenja s Racuna Darovnice preostalog nepovucenog iznosa Darovnice vršit će se prema procedurama koje će Banka priopćiti Primatelju. Takva daljnja povlačenja vršit će se jedino nakon i u mjeri u kojoj Banka bude zadovoljna da će svi takvi iznosi koji preostaju na pologu na Posebnom Racunu na datum takve obavijesti biti iskorišteni za plaćanja za dozvoljene izdatke.

6. (a) Ukoliko Banka utvrdi u bilo koje doba da je neko plaćanje s Posebnog Racuna: (i) učinjeno za neki izdatak ili u iznosu koji nije dozvoljen prema stavku 2 ovog Priloga; ili (ii) nije opravdano dokazom koji je dostavljen Banci, Primatelj će, odmah po obavijesti Banke (A) osigurati takve dodatne dokaze koje Banka može zatražiti; ili (B) položiti na Poseban Racun (ili, ako Banka to zatraži, vratiti Banci) iznos jednak iznosu takvog plaćanja ili njegovom dijelu koji nije dozvoljen ili opravdan. Osim ako Banka ne pristane drugacije, Banka neće stavljati daljnje pologe na Poseban Racun dok Primatelj ne da takav dokaz ili ne da takav polog ili povrat, ovisno o slučaju.

(b) Ukoliko Banka utvrdi u bilo koje doba da bilo koji iznos koji je preostao na Posebnom Racunu nije potreban za daljnja plaćanja za dopuštene izdatke, Primatelj će, odmah po obavijesti Banke, vratiti takav preostali iznos Banci.

February 21, 2006

His Excellency
Ivan Šuker,
Minister of Finance
Zagreb, Croatia

Dear Mr. Minister:

**Republic of Croatia: Swedish International Development Agency (SIDA) Grant
for co-financing the Social Welfare Development Project
Trust Fund No. TF056237**

I am writing on behalf of the International Bank for Reconstruction and Development (the Bank) to indicate the Bank's agreement, as administrator of grant funds provided by the Swedish International Development Agency (SIDA), to make to the Republic of Croatia (the Recipient) a grant in an amount not exceeding fifteen million Swedish Kroner (SEK15,000,000) (the Grant).

The Grant is made in response to the Recipient's request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter-Agreement. The Recipient represents, by confirming its agreement below, that it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions.

Please note that it is the Bank's policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter-Agreement. Upon receipt by the Bank of the copy of this Letter-Agreement countersigned by you, this Letter-Agreement will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Anand K. Seth,
Director
South Central Europe
Europe and Central Asia Region

AGREED:
REPUBLIC OF CROATIA
By: Ivan Šuker
Title: Minister of Finance
Date: February, 21 2006

Purposes, Terms, and Conditions of the Grant

1. Purposes and Activities

1.1. The purpose of the Grant is to support the objectives of the Social Welfare Development Project (the Project), financed by Loan 7307-HR. The activities (the Activities) for which the Grant is given are as follows:

Improving Social Service Delivery Through:

- a) Preparing and carrying out the baseline study and monitoring;
- b) Developing a strategy and implementation plan for streamlining of cash benefits;
- c) Compiling best practices and sharing them with the social work practitioners;
- d) Developing an organization for service planning;
- e) Developing long term master plan for social service delivery;
- f) One stop shop design and implementation for centers for social work;
- g) Carrying out other studies related to the Project.
- h) Provision of training (social workers, administrative staff at central and local levels).

Managing and Financing for Results through:

- a) Provision of training to social welfare staff for managing and budgeting for results;
- b) Developing and starting to introduce new standards and monitoring mechanism;
- c) Designing the Innovation and Learning Program criteria.

Strengthening of the Social Welfare Management Information System through:

- a) Carrying out business process assessment for new IT system introduction;
- b) Designing One-stop shop concept for the centers of social work; to accomodate improvements in information technology services.

2. Implementation Generally

2.1. The Recipient, through the Ministry of Health and Social Welfare, shall: (a) carry out the Activities with due diligence and efficiency; (b) promptly provide the funds, facilities, services and other resources required for that purpose; (c) furnish all information covering the Activities and the use of the proceeds of the Grant as the Bank shall reasonably request; (d) from time to time exchange views with the Bank's representatives on the progress and results of the Activities; and (e) take all necessary measures required to enable the Bank's representatives to visit the territory of the Republic of Croatia for purposes related to the Grant. Without limitation on the foregoing, the Recipient shall, if the Bank shall so request, prepare and furnish to the Bank promptly upon completion of the Activities a report, in form and substance satisfactory to the Bank, on the results and impact of the Activities.

3. Procurement

3.1. Except as the Bank shall otherwise agree, procurement of the consultants' services required for the carrying out of the Activities and to be financed out of the proceeds of the Grant shall be governed by the provisions of Schedule 4 to the Loan Agreement for the Project between the Recipient and the Bank dated July 6, 2005 (the Loan Agreement), as said agreement may be amended from time to time. The provisions in Schedule 4 to the Loan Agreement may be further elaborated in a procurement plan for the Project referred to in Section 1.02(k) of the Loan Agreement; as such procurement plan may be updated by the Recipient, with the Bank's approval.

4. Withdrawal of Grant Proceeds

4.1. The amount of the Grant shall be credited to an account opened by the Bank on its books in the name of the Recipient (the Grant Account), and may be withdrawn therefrom by the Recipient in accordance with the provisions of this paragraph 4, for expenditures in respect of the reasonable cost of services required for the Activities and to be financed out of the proceeds of the Grant.

4.2. The expenditures for the following Categories of items may be financed out of the proceeds of the Grant and shall be used exclusively in the carrying out of the Activities:

<u>Category to be Financed</u>	<u>Amount of the Grant Allocated (in Swedish Kroner)</u>	<u>% of Expenditures</u>
(1) Consultants' services	12,250,000	100%
(2) Training	2,750,000	100%
TOTAL	15,000,000	

4.3. Notwithstanding the provisions of paragraph 4.2 above:

(a) No withdrawals from the Grant Account shall be made: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the Bank; or (ii) for the purpose of any payment to persons or entities if such payment, to the Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Recipient may withdraw amounts of the Grant to the extent that such amounts are available to the Bank from SIDA for the purposes of the Grant:

(c) No withdrawals from the Grant Account shall be made after December 31, 2008, or such later date that the Bank shall establish by notice to the Recipient (the Closing Date). However, withdrawals may be made after the Closing Date for expenditures incurred prior to the Closing Date if the corresponding withdrawal application is received by the Bank within four months after the Closing Date, after which time any amount of the Grant remaining unwithdrawn from the Grant Account shall be canceled;

(d) The use of any proceeds of the Grant to pay for taxes levied by, or in the territory of, the Recipient on or in respect of the services to be financed out of the proceeds of the Grant, or on their procurement or supply, is subject to the Bank's policy of requiring economy and efficiency in the use of the proceeds of the grants such as this Grant. To that end, if the Bank at any time determines that the amount of any such taxes levied on or in respect of any services to be financed out of the proceeds of the Grant is excessive, or otherwise unreasonable, the Bank may, by notice to the Recipient, adjust the percentage of such services to be financed out of the proceeds of the Grant specified in the table in paragraph 4.2 above, as required to ensure consistency with such policy of the Bank.

(e) If, in the Bank's opinion, an amount of the Grant allocated to any of the categories in the table in paragraph 4.2 above will be insufficient to finance the expenditures for such category, the Bank may, by written notice to the Recipient, reallocate to such category an amount of the Grant then allocated to another category which, in the Bank's opinion, will not be necessary to meet other expenditures.

4.4. When the Recipient shall desire to withdraw any amount from the Grant Account, it shall deliver to the Bank a written application for withdrawal of such amount in the form specified by the Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by the Minister of Finance or such other person as he shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the Bank shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Grant and its supporting evidence must be sufficient in form and substance to satisfy the Bank that the Recipient is entitled to withdraw such amount from the Grant Account and that such amount is to be used in the carrying out of the Activities. The Bank shall pay the amounts withdrawn by the Recipient from the Grant Account only to or on the order of the Recipient.

4.5. The Bank may require that withdrawals from the Grant Account be made on the basis of statements of expenditure for expenditures for: (a) services of consulting firms costing less than the equivalent of US\$100,000; (b) services of individual consultants costing less than the equivalent of US\$50,000; and (c) training, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

4.6. Withdrawals of the proceeds of the Grant shall be made in U.S. dollars. However, the Bank, at the Recipient's request and acting as an agent of the Recipient, shall purchase with US dollars withdrawn from the Grant Account such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Grant. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

4.7. To facilitate the carrying out of the Activities, the Recipient may open and maintain in U.S. dollars a special deposit account (the Special Account) in a bank acceptable to the Bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of the Special Account shall be made in accordance with the provisions of Attachment I to this Annex.

5. Accounts and Audits

(a) The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Activities.

(b) The Recipient shall: (i) have the financial statements referred to in subparagraph (a) above for each such fiscal year (or other period agreed to by the Bank), audited, in accordance with consistently applied auditing standards, acceptable to the Bank, by independent auditors acceptable to the Bank; (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the Bank), (A) certified copies of the financial statements referred to in subparagraph (a) above for such year (or such other period agreed to by the Bank), as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Bank; and (iii) furnish to the Bank such other information concerning such records and accounts and the audit of such financial statements, and concerning said auditors, as the Bank shall have reasonably requested.

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall: (i) retain, until at least one year after the Bank has received the audit report for or covering the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures; (ii) enable the Bank's representatives to examine such records; and (iii) ensure that such statements of expenditure are included in the audit for each fiscal year, or other period agreed to by the Bank, referred to in subparagraph (b) above.

6. Financial Monitoring Reports

(a) Without limitation upon the Recipient's progress reporting obligation set out in the paragraph 5 of this Agreement, the Recipient shall prepare and furnish to the Bank a Financial Monitoring Report, in the form and substance satisfactory to the Bank, which:

(i) sets forth sources and uses of funds for the Project, both cumulatively and for the period set by set report, showing separately funds provided under the Loan and explaining variances between actual and planned uses of such funds.

(ii) describes physical progress in project implementation, both cumulatively and for the period covered by said report and explains variances between actual and planned Project implementation; and;

(iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Bank no later than 30 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each

FMR shall be furnished to the Bank no later than 30 days after each subsequent calendar quarter, and shall cover such calendar quarter.

7. Suspension and Cancellation

7.1. The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) funds withdrawn have not been used for the purpose agreed between the Recipient and the Bank; (b) the Activities have not been carried out in accordance with the standards or methods agreed between the Recipient and the Bank; (c) the Recipient has failed to comply with any of the obligations herein specified; or (d) the right of the Recipient, or any other entity to which the Bank has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the Bank has been suspended.

7.2. The Bank may, by notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account and shall cancel any amount of the Grant remaining unwithdrawn: (a) at any time after withdrawals from the Grant Account have been suspended pursuant to the provisions of paragraph 6.1 above; or (b) if the Recipient has failed to take action, satisfactory to the Bank, regarding the implementation of the Activities within six months after the effective date of this Agreement, to carry out the Activities.

Attachment I**Special Account**

1. For the purposes of this Attachment:

(a) the term "eligible categories" means the categories set forth in paragraph 4.2 of the Annex to this Letter-Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of services required for the Activities and to be financed out of the proceeds of the Grant; and

(c) the term "Authorized Allocation" means the amount of US\$500,000 to be withdrawn from the Grant Account and deposited in the Special Account pursuant to paragraph 3 (a) of this Attachment.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Attachment.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) The Recipient shall furnish to the Bank a request or requests for a deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount or amounts as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Attachment for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Grant Account under the eligible category(ies), and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Attachment, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the Grant Account;

(b) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in paragraph 5 (b) (ii) of the Annex to this Letter Agreement, any of the audit reports required to be furnished to the Bank pursuant to said paragraph in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account pursuant to the provisions of paragraph 6.1 of the Annex to this Letter-Agreement; or

(d) once the total unwithdrawn amount of the Grant shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Grant Account of the remaining unwithdrawn amount of the Grant shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Attachment; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

Članak 3.

Za izvršenje međunarodnog Ugovora iz članka 1. ove Uredbe, nadležno je Ministarstvo zdravstva i socijalne skrbi, koje je i korisnik sredstava Darovnice.

Članak 4.

Međunarodni Ugovor iz članka 1. ove Uredbe stupio je na snagu 21. veljače 2006. godine.

Članak 5.

Ova Uredba stupa na snagu danom objave u Narodnim novinama.

Klasa:
Urbroj:

Zagreb,

PREDSJEDNIK