

# **AGREEMENT BETWEEN THE LOCAL ECONOMIC DEVELOPMENT AGENCY “KRKA” , EKO LIBURNIA AND UNOPS**

Between subscribers:

The Local Economic Development Agency of Šibenik-Knin County (LEDA “KRKA”), represented by Boris Berovic, Executive Director of the Agency (hereinafter referred as LEDA)

The Association for Development of Ecotourism, Organic Agriculture and Environmental Protection, represented by Mr Ranko Tadic, in his capacity of Director of the Association (hereinafter referred as the EKO LIBURNIA)

The United Nations Office for Project Services, represented by Mr Denis van Dam, in his function of Project Coordinator CRO/98/Q04 (hereinafter referred as UNOPS)

## **1- CONSIDERATIONS**

### **I**

The main purpose of the LEDA is to promote economic growth and job creation in the Šibenik-Knin region.

### **II**

As part of the immediate objectives of the LEDA, the following issues are considered:

- a) To reduce unemployment and stimulate local production
- b) To support small businesses in the fields of tourism, agro-processing, industry and crafts, thereby creating permanent jobs.
- c) To improve, the relationship between the banking sector and the small entrepreneurs; so that the latter can become regular customers of the banks.
- d) To improve the entrepreneurial environment and business support infrastructure through regional projects.
- e) To establish cooperation agreements with national or international organizations pursuing the same objectives in terms of support to regional development..

### **III**

The main purpose of the EKO LIBURNIA is to promote Ecotourism and organic agriculture on the Adriatic Coast , support research, provide technical assistance to local farmers or to other Croatian institutions.

### **IV**

EKO LIBURNIA has experience in providing assistance and support to local farmers or local institutions in the field of Agriculture, specifically organic crops.

One of the main purposes of UNOPS, with the financial support of the European Commission, is to support the capacity building of the LEDAs and strengthening the planning abilities of local institutions.

## **2- OBJETIVE OF THE AGREEMENT**

The parties decide to subscribe the present Agreement in order to establish a formal cooperation and re-inforce their common objectives and activities.

## **3.- ACTIVITIES OF THE AGREEMENT**

Basically, EKO LIBURNIA will provide technical assistance, as described below, to the LEDA "Krka" for the formulation of a regional development programme, related to Organic Food production.

For such a purpose, and in accordance with the working plan established by the LEDA and the Šibenik County authorities (Ministry of Agriculture), EKO LIBURNIA will carry out the following activities:

- 3.1) Define, together with the LEDA and the Ministry of Agriculture, the range of agricultural products to be included in the programme and the comparative advantages of the region for such products.
- 3.2) Visit the proposed agricultural areas & the potential beneficiaries pre-selected by the LEDA (around 50) and make recommendations on their potential use for organic food production, specially on constraints which could be faced by the farmers (water, irrigation or drainage needs, greenhouses, access, etc)
- 3.3) Once an agreement on the proposed areas has been reached, take soil samples (random basis), up to a maximum of 25, and process them in the selected laboratory, to check the level of contamination, specially metals.
- 3.4) Define the size and structure of the model farm (unit pattern) for different organic food production (vegetables, fruits, livestock, honey, etc), the technological packages (inputs) to be used by the farmers – according to the EC and IFOAM standards-, the estimated investment per unit, and a basic calculation of the benefit/cost ratio, IRT and NPV.
- 3.5) Define the agronomic measures to be taken by the farmers during the "transition period" from the traditional commercial farming pattern to the eco-food production modality.
- 3.6) Provide and analyse together with the LEDA all information which is available on production trends, existing distribution channels and potential markets.
- 3.7) Follow-up on the legal framework, i.e. on the law who will be presented to the Croatian Parliament in Janury 2001, and provide recommendations on the basis of this law.

3.8) Make specific recommendations on education needs for the farmers who will participate in the program, and identify the possible sources of training (who, when and cost).

3.9) Suggest the institutional framework of the programme, i.e how the producers could organize themselves and for which purposes.

#### **4. BUDGET AND TIME-FRAME OF THE AGREEMENT**

4.1) In full consideration of the complete and satisfactory implementation of the technical assistance to be provided under this Agreement, UNOPS shall pay to EKO LIBURNIA a fixed contract price, in Croatian Kunas, equivalent to U\$S 10.000 (U.S. Dollars Ten Thousand), using the official United Nations exchange rate.

4.2) The price mentioned above is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by EKO LIBURNIA in the performance of the Agreement.

4.3) Invoices shall be submitted by EKOLIBURNIA to the UNOPS Office in Zagreb upon achievement of the corresponding milestones and for the following amounts:

<u>MILESTONE</u>	<u>AMOUNT</u>	<u>DATE</u>
Upon signature of Agreement (20%)	U\$S 2.000	27 March 2001
Upon significant advance (40%)	U\$S 4.000	30 April 2001
Upon termination of services provision (40%)	U\$S 4.000	31 May 2001

4.4 UNOPS shall effect payment of the invoices within 72 hours after their receipt, approving the amount contained in the invoice.

4.5 Payments effected by UNOPS to EKO LIBURNIA shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNOPS of its performance, except for the last payment (40%)

#### **5. Submission of invoices**

One original and one copy of every invoice shall be submitted by mail by EKO LIBURNIA to UNOPS Zagreb for each payment under the Agreement

#### **6. Time and manner of payment**

6.1 Invoices shall be paid within seven (7) days of the date of their receipt and acceptance by UNOPS.

6.2 All payments shall be made by UNOPS to the following Bank account of the Contractor:

**NAME OF THE BANK: ZAVOD ZA PLATNI PROMET RIJEKA**

**ACCOUNT NUMBER: ZIRO RACUN: 33800-678-39859**

**ADDRESS OF THE BANK: RIJEKA**

7. Modifications

Any modification to this Agreement shall require an amendment in writing between the three parties duly signed by the authorized representatives of EKO LIBURNIA, the LEDA and UNOPS.

8. Notifications

For the purpose of notifications under the Contract, the addresses of UNOPS, the LEDA and the INSTITUTE are as follows:

For UNOPS:

**Denis van Dam** - Project Coordinator CRO/98/Q02  
UNDP/ UNOPS-  
Ilica 207  
Izgrandnja A –II Kat  
(10.000) Zagreb  
Tel/Fax:(01) –3712-628

For LEDA:

**Boris Berovic** - Director  
LEDA  
Trg Kultura 7  
(22.100) Drnis  
Tel:(022) 888-180

For EKO LIBURNIA

**Ranko Tadic** - Director  
EKO LIBURNIA  
Jelacicev trg I/III  
(51.000) Rijeka  
Tel/fax;; (051) 331184 / (051) 212074 (Fax)

If the above terms and conditions meet with your agreement as typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

Denis van Dam  
Project Coordinator  
CRO/98/Q04

For: EKO LIBURNIA

For: LEDA

Agreed and Accepted:

Agreed and Accepted

Signature \_\_\_\_\_

Signature

Name \_\_\_\_\_

Name

Title \_\_\_\_\_

Title

Date \_\_\_\_\_

Date