AGREEMENT

ON DEVELOPMENT COOPERATION

between

THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

and

THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA

The Government of the Republic of Moldova and the Government of the Republic of Slovenia, hereafter referred to as "the Parties",

Taking into consideration the guidelines of the OECD Development Assistance Committee (DAC), the cooperative relationship of the European Union and the states of the Western Balkans and Eastern Europe (hereafter referred to as "the Region"), and the existing framework agreements, and reaffirming the efforts of the international community in the area,

In the desire that the Republic of Slovenia contributes to the economic and social development of the Republic of Moldova and to its fulfilling of the development objectives, with the assistance of the international organizations, financial institutions and other donors,

Noting the importance of a regional development approach, aiming at contributing to peace, security, prosperity and stability in the region,

Aiming at the establishment of a contractual relationship between the Republic of Slovenia and the Republic of Moldova, based on partnership and transparency of development cooperation, with the objective to contribute to economic development and European orientation of the Republic of Moldova.

Have agreed as follows:

Article 1
Objectives

The target areas of development are as follows:

a) Modernization of industrial and civil infrastructure and assistance in the field of urbanism, rehabilitation, improvement and protection of the environment, and improved capacity to act in cases of natural and other disasters,
b) Promotion of productive investments,
c) Modernization of public administration and local self-government,
d) Return of refugees and displaced persons, and support for the building of democratic institutions,
e) Support for the rule of law,
f) Support for improvement in social policy,
g) Encouraging economic development,
h) Support for education and vocational training of the administrative and scientific potential,
i) Granting scholarships,
j) Support for development in the field of education, training and youth issues, especially within the framework of multilateral cooperation programmes,
k) Support in the legislation adjustment of the Republic of Moldova to EU requirements,

l) Training and education of the administrative and scientific human resources for participation in the European research and development programmes, particularly in the programmes of the 6th Framework Programme of the EU,
m) Participation in joint projects, registered by Slovenian organizations within the framework of European research and development programmes, with special emphasis on training and research work in Slovenia,
n) Support for training of state administration staff with a view to approaching the EU,
o) Reform of public finances;

Specific forms of development cooperation on the basis of this Agreement shall be in compliance with the long-term programme of international development cooperation of the Republic of Slovenia and shall be agreed upon in Memoranda of Cooperation concluded between the holders or contractors of projects and programmes and the beneficiary in the Republic of Moldova.

Article 2
Funds

Within framework of development cooperation, the Republic of Slovenia shall provide to Republic of Moldova development assistance as determined by the value of the planned programmes and projects under the Memoranda referred to in Article 1 hereof.

The initiative for the execution of a specific programme or project shall be given either by the Joint Committee referred to in Article 6 hereof or by individual holders or contractors of a specific development cooperation activity or project.

Boons, services and other forms of property financed within the framework of Assistance programmes and projects of the Republic of Slovenia shall be exempted from any duties, taxes or any other charges that can be applied in the Republic of Moldova.

Experts involved in implementation assistance programmes and projects financed by the Republic of Slovenia, as well as their family's members, shall be granted free of charge entry visas for the Republic of Moldova.

Article 3
Evaluation and Monitoring

In evaluation and monitoring of development programmes and projects, the Parties shall comply with the criteria and the procedures applied by the European Union.

Article 4

Compatibility with European Community policies

In the implementation of this Agreement, the Republic of Slovenia shall respect its obligations arising from the European Union *acquis*.

Projects and activities financed under the development assistance programme shall comply with European Union policies, including those concerning environmental protection, gender equality, transport, Trans European Networks (TREN), competition, as well as public procurement.

Article 5

Coherence with other donors

The Parties agree that other countries and/or international organizations both from the UN development system and others, as well as other institutions of regional cooperation may participate in the financing support for the implementation of projects and activities under this Agreement.

The financial support from other partners shall not exceed 90 per cent of total project value.

Article 6

Joint Committee

A Joint Committee shall be established to propose priorities, programmes and projects of international development taking into account the evaluation of development cooperation projects and programmes that have already been concluded. The Joint Committee shall be composed of two members from each Party.

The Joint Committee members shall be appointed by the Ministers of Foreign Affairs of the Republic of Moldova and Republic of Slovenia.

Article 7

Impediments and force majeure

In case of impediments to the implementation of this Agreement due to *force majeure*, recognized by the Parties, (such as war, civil unrest or natural disasters), the Parties may agree on temporary suspension of programmes and projects that are being implemented.

Article 8
Settlement of disputes

Disputes arising with respect to the implementation of this Agreement shall be settled through diplomatic channels.

Article 9
Amendments

The parties may amend this Agreement. Any such amendment shall enter into force according to the procedure set forth in Article 10, par.1.

Article 10
Entry into force

This Agreement shall enter into force upon receipt of the last of the two notifications by which the Parties inform each other that their respective internal procedures required for its entry into force have been completed.

This Agreement shall be concluded for an indefinite period of time, unless either Party terminates it by written notification through diplomatic channels. This Agreement shall cease to apply six months following the receipt of such notification.

Done in LJUBLJANA on 9 JUNE 2004, in two original copies in the English language.

FOR THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

FOR THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA