



**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME
AND
STATE AUDIT OFFICE**

This Memorandum of Understanding (“MOU”) is entered into by the United Nations Development Programme (“UNDP”), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA), and the State Audit Office. UNDP and the State Audit Office are hereinafter referred to individually as a “Party” and jointly as the “Parties”;

WHEREAS, UNDP serves in many respects as the operational arm of the United Nations at the country level and works with partners in numerous countries to promote among other things sustainable development, eradication of poverty, advancement of women, good governance and the rule of law;

WHEREAS, UNDP represented by Country Office in Skopje is interested in enhancing its development activities represented by the Country Office in Skopje works closely with governments and institutions at all levels to increase skills and capacities to design and implement more responsive and inclusive policies, to increase the accountability of public institutions to deliver quality services more effectively and transparently, to support public finance management reform and promote good practices in public audit.

WHEREAS, the State Audit Office is an independent supreme audit institution in the Republic of North Macedonia, which transparently, timely and objectively informs the public about the findings from conducted audits, with more than 20 years of experience. The mission of the institution is to communicate audit findings timely and objectively to the Parliament, the Government, other public institutions, and to provide effective recommendations to support the state institutions to improve the management of public funds, and thereby to improve the lives of the citizens of the Republic of North Macedonia.

WHEREAS, the Parties wish to cooperate in areas of mutual concern to enhance the effectiveness of their development efforts;

NOW, THEREFORE, the Parties wish to express their intention to cooperate as follows:

Article I Purpose and Scope

The purpose of this MOU is to provide a framework for the non-exclusive cooperation and facilitate and strengthen collaboration between the Parties in the areas of common interest identified in Article II below.

Article II Areas of Cooperation

The Parties have identified the following activities in which cooperation may be pursued, with each Party operating subject to its respective mandates, regulations, rules, policies and procedures:

- i) Promote and advance public finance management reform in the area of external audit;
- ii) Improve capacities, strengthening administrative cooperation and performing audit in the institutions from central and local level in the following areas but not limited to value for money audits, auditing of accrual financial statements, auditing of financial reports of local self-governments and internal audit;
- iii) Improve capacities, strengthening administrative cooperation and performing audit related to the topics but not limited to effective practices to advance the transition of the vulnerable and hard-to-employ persons into skilled labor force;
- iv) Support the institutional and organizational development capacities and management effectiveness of environmental governance, through environmental audits;
- v) Promote compliance with the national environmental legislation, standards and practices as well as promote environmentally conscious institutions/organizations;
- vi) Strengthening transparency and accountability through digitalization of processes and services;
- vii) Exchange best practices and lessons learned, publications and information of relevance to audits in the areas of local self-governments, social inclusion, environment and democratic governance;

- viii) Collaborate in the design of national development strategies and policies;
- ix) Collaborate in the process of SDG auditing and SDG promoting.

Article III Consultations and Exchange of Information

3.1 The Parties will, on a regular basis, keep each other informed of and consult on matters of common interest, which in their opinion are likely to lead to mutual collaboration.

3.2 Consultation and exchange of information and documents under this MOU will be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents. Such arrangements will survive the termination of this MOU and of any agreements signed by the Parties within the scope of this collaboration.

3.3 The Parties will, at such intervals as deemed appropriate, convene meetings to review the progress of activities being carried out under the present MOU and to plan future activities.

3.4 The Parties may invite each other to send observers to meetings or conferences convened by them or under their auspices in which, in the opinion of either Party, the other may have an interest. Invitations will be subject to the procedures applicable to such meetings or conferences.

Article IV Visibility

The Parties recognize the importance of providing visibility to their cooperation under this MOU and therefore agree to acknowledge the role and contribution of each Party in all public information documentation relating to activities covered by this MOU. The Parties agree to use each Party's name and emblem in accordance with the regulations and policies of each Party and subject to prior written approval of each Party.

Article V Term, Termination, Renewal, Amendment

5.1. The proposed cooperation under this MOU is non-exclusive and will have an initial term of two years from the Effective Date, as defined in Article X ("Effectiveness") [*or commencing on 04 March 2022 and ending on 04 March 2024*], unless terminated earlier by either Party upon two (2) months' notice in writing to the other Party. The Parties may

agree to extend this MOU in writing for subsequent periods of two years under the same terms and conditions.

5.2. Termination of this MOU will not affect any other agreements relating to the subject matter of this MOU, which will, unless terminated or expired, continue to regulate the relationship between the Parties in accordance with the terms thereof.

5.3. This MOU may be amended only by mutual written agreement of the Parties, signed by their duly appointed representatives.

Article VI Notices

Any notice or request required or permitted to be given or made under this MOU shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, certified mail, overnight courier, telex, or cable to the party to which it is required to be given or made at the address specified below or such other address as shall be hereafter notified.

For UNDP: Armen Grigoryan
Jordan Hadzi Konstantinov – Dzinot, 23
1000 Skopje

For the State Audit Office: Maksim Acevski
Pavel Shatev, 2, Palata Emanuel Cuckov
1000 Skopje

Article VII Legal Provisions Relating to Implementation

7.1 Notwithstanding anything in this MOU to the contrary, (a) this MOU is an expression of intent and does not constitute a legally binding document; (b) nothing herein shall be construed as creating a legally binding commitment, financial or otherwise; (c) nothing herein shall be construed as creating a joint venture and neither Party shall be an agent, representative or joint partner of the other Party; (d) all of UNDP's activities envisaged hereunder are subject to the availability of funding; (e) any funds received by UNDP shall be used, and all UNDP activities further to this MOU will be carried out, in accordance with the project documents agreed between UNDP and the concerned programme government(s) where the activities will be implemented, and in accordance with the applicable UNDP regulations, rules, policies and procedures; and (f) each Party

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shall be responsible for its acts and omissions and those of its employees, contractors and subcontractors in connection with this MOU and its implementation.

7.2 To the extent that the Parties wish to create legal or financial obligations with respect to or resulting from any activity contemplated in this MOU, a separate agreement related thereto will be concluded between the Parties prior to such activity being undertaken.

7.3. The Parties will consult each other, as appropriate and if circumstances so require, on issues relating to intellectual property and rights thereto, including the necessity of entering into separate agreement(s) to regulate such issues and rights.

7.4. The State Audit Office represents that it has all the necessary powers, authority, and legal capacity to enter into this MOU and perform its obligations hereunder.

7.5 In the event of inconsistency between any provision of this Article VII and a provision of another section of the MOU, this Article VII shall prevail.

Article VIII
Settlement of Disputes

Any dispute between UNDP and the Government relating to this MOU will be settled amicably by the Parties through direct negotiation.

Article IX
Privileges and Immunities

Nothing in or relating to this MOU shall be deemed a waiver, express, or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.


Article X
Effectiveness

This MOU will become effective on the date in which it is duly signed by both Parties ("Effective Date").

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IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

FOR UNDP:



Armen Grigoryan
Name

Resident Representative
Title

04.03.2022
Date

FOR STATE AUDIT OFFICE:



Maksim Acevski
Name


Auditor General
Title

04.03.2022
Date


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