

AGREEMENT

Memorandum on Project Development “Development and support for regional association”

signed in Paris on April 1, 2002 between:

The Organisation for Economic Co-operation and Development, whose Headquarters are situated at 2 rue André Pascal, 75775 Paris Cedex 16, France, represented by Mr. Stilpon Nestor, hereinafter referred to as "the Organisation", on the one hand,
And

South Eastern Partnership for Accountancy Development “SEEPAD”, an association of public organisations, hereinafter referred to as "SEEPAD", whose registered office is situated at 19 Njegoseva St. POB 403, Belgrade represented by Pero Skobic, President, acting on the basis of SEEPAD General Assembly Decision reached in Istanbul on December 14, 2001,

PROVIDED THAT the Transition Economies Programme of the Organisation seeks to contribute to the financial disclosure, accounting and audit reform in the SEE Region and, in particular, to the development of the institutional infrastructure needed for the creation of a sound accounting and audit regime in SEE;

PROVIDED THAT such reforms can only be effectively implemented with the active co-operation of local actors;

PROVIDED THAT the South Eastern Partnership for Accountancy Development “SEEPAD” (hereinafter “SEEPAD”) is the only body that brings together representatives of the accounting and audit professions in the SEE region and that the Organisation, together with other international and national institutions, was instrumental in its establishment;

PROVIDED THAT funding has been made available to the Organisation by the United States Agency for International Development (USAID) within the context of the Co-operative Agreement on Accounting and Audit Reform in SEE, dated 1 December 1999, between the Organisation and USAID for the specific purpose of financing the activities of SEEPAD as described below, where the financing to be provided by the Organisation under this Memorandum shall be considered technical non-repayable financial assistance of the United States of America within the scope of the Agreement, is exempted from taxes and customs duties in the territory of Serbia; and

PROVIDED THAT during 2002 SEEPAD achieve results in promoting the accounting and audit reform in the territory of a number of the SEE countries, and establish close working contacts between professional accountancy organisations in the SEE countries.

THE PARTIES AGREE AS FOLLOWS:

1. Establish this Memorandum on Implementing the Project “Development and support of a regional association” for 2002,
2. In accordance with this Agreement, SEEPAD undertakes to:
 - a) hold two meetings of the Council and all Committees and one meeting of the General Assembly in 2002 (subject to available funding) ;
 - b) Organise committees and establish a work plan for the group that includes the following;

- b) Design and establish a regional Quality Control System for audit activities in SEEPAD member bodies;
 - c) introduce a plan of membership qualification based on an internationally recognised program of training, testing, and certification within the region;
 - d) further the introduction, implementation, and monitoring of IFAC compliance (ethics, continuing education, ISA compliance) to member associations within the region;
 - c) develop a Strategic Plan including Business Plan providing for achieving self-sustainability within 3 years;
 - d) take measurable actions geared towards raising internal and external visibility of the Association;
 - e) begin efforts to find alternative sources of financial support including making efforts of contacting other donors, preparing grant requests, etc;
 - f) prepare a comparative financial statement in accordance with IFRS to be made available to OECD and USAID for the year ending 2002 in (English and Serbian).
3. To accomplish the tasks set out in this Additional Agreement to the Memorandum, the Organisation shall transfer to the bank account of Eurasia the sum of *See attached schedule* net of taxes subject to providing sufficient expense report documentation as required by OECD budget and finance department. Payments to be disbursed on a monthly basis in accordance with the following schedule.

Done in Paris, «April» 1, 2002
in three copies

On behalf of the Organisation

Mr. Stilpon Nestor
Head of the Corporate Affairs Division
Organisation for Economic Co-Operation
and Development (OECD)

On behalf of SEEPAD

Mr. Pero Skobic
President
South Eastern European Partnership
for Accountancy Development "SEEPAD"