

Memorandum of Understanding

In Respect Of

Support for Justice Sector Reform & Modernization in the Republic of Serbia

among

*The Republic of Serbia
acting through its
Ministry of Justice*

*The International Bank for Reconstruction and Development
acting through its
South-East Europe Country Unit*

*The Kingdom of Denmark
acting through its
Royal Danish Embassy*

*The Kingdom of Norway
acting through its
Royal Norwegian Embassy*

*The Republic of Slovenia
acting through its
Ministry of Finance*

*The Swiss Confederation
acting through its
Embassy of Switzerland*

and

*The United Kingdom
acting through its
Department for International Development*

1. The Minister of Justice of the Republic of Serbia (hereafter “Serbia”), the Country Director for South-East Europe of the International Bank for Reconstruction and Development (hereafter “World Bank”), the Ambassador of the Kingdom of Denmark (hereafter “Denmark”), the First Secretary of the Royal Norwegian Embassy of the Kingdom of Norway (hereafter “Norway”), the Ambassador of the Republic of Slovenia (hereafter “Slovenia”), the Chargé d’Affaires *ad interim* of the Embassy of Switzerland on behalf of the Swiss Agency for Development and Cooperation (hereafter “SDC”), and the Senior Governance Advisor of the Department for International Development (hereafter “DFID”) of the United Kingdom (hereafter collectively referred to as the “Parties”) have met in Belgrade on October 24, 2008 in the presence of the Ambassador of the Kingdom of Spain to welcome joint efforts to support Serbia’s Justice Sector Reform and Modernization efforts (hereafter “the Program”).

2. The Parties hereby agree to sign this Memorandum of Understanding (“Memorandum”), which represents a statement of intent by the Parties to work together to support the Program and to facilitate such work by establishing a World Bank-administered and -executed Multi Donor Trust Fund for Justice Sector Support for Serbia (hereafter “MDTF-JSS”). To this end, Denmark, Norway, Slovenia, SDC and DFID (hereafter “Contributors”) have expressed their respective intention to make specific contributions to the MDTF-JSS, totalling about EUR 2.75 million during the next two to three years, to finance analytical, advisory and technical assistance activities as well as peer-based learning and knowledge-sharing.

3. Serbia and the World Bank express their appreciation for the commitment by, and pledges of, the Contributors to support the Program. All Parties hereby reiterate their intention to expedite the signing of the MDTF-JSS documentation and thereafter to initiate without delay the activities to be financed under the MDTF-JSS.

4. The Parties recognize that, as part of its integration process to the European Union (hereafter “EU”), Serbia has taken important steps to accelerate justice sector modernization and reforms. Following the signing of the Stabilization and Association Agreement in 2008 with the European Commission (hereafter “EC”), Serbia desires to

further accelerate its justice sector modernization and reforms, aimed at strengthening the rule of law and improving the capacity, performance, efficiency, integrity, accountability and professionalism of its justice sector. This will more effectively contribute to protect fundamental rights, improve the business climate, enhance access to justice for the poor and the vulnerable, combat corruption, strengthen governance and address the significant challenges that remain in this regard.

5. The Parties intend that the MDTF-JSS will complement EC support and technical assistance to Serbia's justice sector, and that the over-arching objective of the MDTF-JSS will be to facilitate Serbia's justice sector EU integration process, establish a justice sector performance framework and strengthen aid coordination in Serbia's justice sector. The Parties hereby express their intention that the MDTF-JSS will: (a) provide an instrument to coordinate donor support for the justice sector in line with Serbia's and EU integration priorities and Contributors' financing priorities; (b) provide focused short-term support to Serbia for justice sector capacity-building, analytical and advisory work, peer-based learning and other technical assistance to the Ministry of Justice, the judiciary and the Ministry of Finance of Serbia; (c) improve aid effectiveness in the justice sector through actions to increase on-budget programmatic donor support to Serbia's justice sector; (d) promote stakeholder participation in supporting Serbia's justice sector; and (e) track and report progress in justice reform implementation.

6. The Parties intend, in respect of the Program, to consider ways to: (a) share knowledge and plan joint activities in areas of common interest; (b) utilize and leverage their existing resources and facilities to facilitate the implementation of the Program; (c) maximize impact through working in partnership; (d) improve the integration of Program related activities; (e) pool resources and expertise where appropriate; and (f) evaluate the effectiveness of working in collaboration.

7. This Memorandum does not constitute an agreement by any Party hereto to provide support for any specific project or activity in Serbia. Specific arrangements for individual projects or activities will be set forth in respective contracts, signed by the

Parties concerned. Any sharing of information among the Parties will be subject to the Parties' respective policy on disclosure of information.

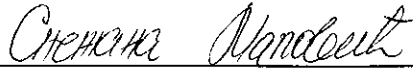
8. This Memorandum will continue for two years from the date of the last signature, with the possibility of further extension based on mutual written agreement of the Parties. Any Party may, at its sole discretion, terminate this Memorandum at any time by providing written notice to the other Parties.

9. The Parties also agree to meet on a six-monthly basis in Belgrade, Serbia or other mutually acceptable location to evaluate the overall effectiveness of the collaborative activities undertaken pursuant to this Memorandum.

10. Nothing in this Memorandum: (a) shall be construed as creating a joint venture, an agency relationship or a legal partnership among the Parties; and (b) is intended to be a waiver of the respective privileges and immunities of the Parties.

In witness whereof, the Parties hereto execute this Memorandum in Belgrade, Republic of Serbia on the twenty-fourth day of October 2008:

For The Republic of Serbia



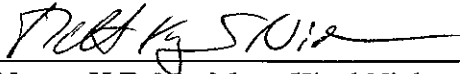
Name: H.E. Ms. Snežana Malović
Title: Minister of Justice

**For the International Bank for
Reconstruction and Development**



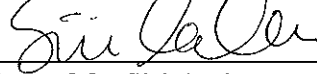
Name: Ms. Jane Armitage
Title: Country Director & Regional
Coordinator for South-East Europe

For the Kingdom of Denmark



Name: H.E. Ms. Mette Kjuel Nielsen
Title: Ambassador of the Kingdom
of Denmark

For the Kingdom of Norway



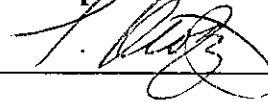
Name: Ms. Siri Andersen
Title: First Secretary of the Royal
Norwegian Embassy

For the Republic of Slovenia



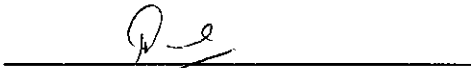
Name: H.E. Mr. Miroslav Luci
Title: Ambassador of the Republic
of Slovenia

**For the Swiss Agency for Development
and Cooperation**



Name: Mr. Stefan Klotzli
Title: Chargé d'Affaires a.i.
Embassy of Switzerland

**For the United Kingdom Department
for International Development**



Name: Mr. Satyendra Prasad
Title: Senior Governance Advisor