

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE UNITED NATIONS DEVELOPMENT PROGRAMME  
AND  
THE CITY HALL OF SFÂNTU GHEORGHE**

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 and the City Hall of Sfântu Gheorghe. UNDP and the City Hall of Sfântu Gheorghe are hereinafter jointly referred to 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 sustainable development, eradication of poverty, advancement of women, good governance and the rule of law.

**WHEREAS**, UNDP represented by the Project Management Office in Romania is interested in creating a fair development context which offers equal opportunities for a sustainable living for all the citizens, by promoting social inclusion and fighting against discrimination.

**WHEREAS**, the Parties share similar missions and wish to cooperate in areas of mutual concern to enhance the effectiveness of their development efforts.

The United Nations Development Programme (UNDP) supports the creation of a fair development context which offers equal opportunities for a sustainable living for all the citizens, by promoting social inclusion and fighting against discrimination. UNDP works in partnership with different sectors of the society, including the executive and legislative departments of the government, the private sector and civil society, emphasizing their different, but important roles to the development based on equity, which means development centered on the issues of poverty and workplaces. In the context of the socio-economic development, UNDP implements projects that remove potential obstacles for private entrepreneurs and promote the increase in employment opportunities for the marginalized groups and people confronted with poverty.

Within this framework, UNDP implements in partnership with the *Alternative Sociale* Association in Iași, the *Alexandru Ioan Cuza* University in Iași and the *Academy of Economic Studies* in Bucharest, the *Social Economy Model in Romania* Project - POSDRU/69/6.1/S/33490, financed through the European Social Fund – the Sectoral Operational Programme Human Resources Development, Area of intervention 6.1: The promotion of social economy. The main goal of the project is to develop the strategic capacity of the social economy sector in the same line with sustainable development for supporting the economic growth and the social inclusion (integration/reintegration) of disadvantaged groups on the labour market.

Consequently, taking into account the objectives and goals of the parties to facilitate the access on the labour market of disadvantaged groups and to promote an inclusive and cohesive society in order to ensure the welfare of all its citizens, but also considering the proved previous experience of the parties in the establishment and development of Business Incubators, the partnership between UNDP and the City Hall of Sfântu Gheorghe is set within the short and the long term priorities of national authorities, for the improvement of life quality in the specific regions.

The main goal of the partnership between the Local Public Authority and UNDP is to ensure the medium and long term sustainability for the promotion efforts of practices, benefits and the potential of Social Economy in facilitating the social integration and reintegration of disadvantaged groups, by continuing and harmonizing the endeavours initiated through the current MOU with the socio-economic development plans of the Local Public Authority. By supporting the existent entities and also by establishing new Social Economy entities, the Social Economy Incubators represent socio-economic structures meant to ensure a multiplying and sustainable effect at a local and regional level.

**AS A CONSEQUENCE**, The Parties agree to collaborate as follows:

### **Article I Purpose**

The purpose of this MOU is to provide a framework of cooperation and facilitate collaboration between the Parties, on a non-exclusive basis, in areas of common interest.

The general purpose of this document is to establish the basis of cooperation between UNDP and the City Hall of Sfântu Gheorghe in order to create and develop the Social Economy Incubator which represents a structure that will facilitate the development of strategic capacity of the social economy sector, as well as the sustainable development for supporting the economic growth and the social inclusion (integration/reintegration) of disadvantaged groups on the labour market. The development of Social Economy in Romania will bring benefits to the economy as a whole from several perspectives: will allow creation of new, flexible and innovative forms of employment, creation of strong policies and models for local development, promotion of services targeting people, as well as active citizenship, social cooperation and social solidarity.

The commitment of the Parties is certified by signing this MOU to establish the Social Economy Incubator in the CENTER Development Region, in the city of Sfântu Gheorghe, within the Social Economy Model in Romania Project - POSDRU/69/6.1/S/33490

### **Article II Areas of cooperation**

The Parties agree to cooperate in the following activity areas:

- i. The City Hall of Sfântu Gheorghe will cooperate with UNDP to establish the Social Economy Incubator in Sfântu Gheorghe, within the *Social Economy Model in Romania* project in accordance with the UNDP policies and procedures and will ensure the sustainability of the incubator, by continuing the initiatives started during the cooperation period and by integrating the identified solutions in the future socio-economic development plans;
- ii. In order to ensure the establishment of the Social Economy Incubator, the City Hall of Sfântu Gheorghe will identify and provide an adequate location within a business support structure in Sfântu Gheorghe. The location will allow the management activity of the Social Economy Incubator to be carried out in good conditions, without any costs for UNDP;
- iii. The City Hall of Sfântu Gheorghe and UNDP will share analysis, information and experiences regarding the identification of optimal solutions for establishing and supporting Social Economy enterprises developed through the Social Economy Incubator in Sfântu Gheorghe.

### **Article III**

#### **Consultation and Exchange of Information**

- 3.1 The Parties shall, 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 Article shall be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents. Such arrangements will prevail to the termination of this MOU and of any agreements signed by the parties within the scope of this collaboration.
- 3.3 The Parties shall, 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 shall be subject to the procedures applicable to such meetings or conferences.

### **Article IV**

#### **Implementation of the MOU**

- 4.1 In order to implement the specific activities envisioned hereunder, the Parties shall conclude cost-sharing agreements in accordance with the applicable UNDP regulations, rules and procedures, which shall specify the costs or expenses relating to the activity and how they are to be borne by the Parties. The cost-sharing agreements shall also include a provision incorporating by reference the MOU, which is applicable to the cost-sharing agreements and the projects/programmes financed there from.
- 4.2 Neither Party shall be an agent, representative or joint partner of the other Party. Neither Party shall enter into any contract or commitment on behalf of the other Party and shall be solely responsible for making all payments to and on behalf of its own account, as provided under this MOU and under cost-sharing agreements concluded hereunder.
- 4.3 Each Party shall be responsible for its acts and omissions in connection with this MOU and its implementation.

### **Article V**

#### **Use of Name and Emblem**

- 5.1 Neither Party shall use the name, emblem or trademarks of the other party, or any its subsidiaries, and/or affiliates, or any abbreviation thereof, without the express prior written approval of the other Party in each case. In no event will authorization to use the UNDP name or emblem, or any abbreviation thereof, be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of Partner services.

- 5.2 Partner acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise.
- 5.3 Nothing in this MOU grants to Partner the right to create a hyperlink to the UNDP website. Such link may be created only with UNDP's written authorization.
- 5.4 The Parties agree to recognize and acknowledge this partnership, as appropriate. To this end, the Parties shall consult with each other concerning the manner and form of such recognition and acknowledgement.

## **Article VI**

### **Term, Termination, Amendment**

- 6.1 The proposed cooperation under this MOU is non-exclusive and shall have an initial term of nine months from the Effective Date, as defined in **Article XII**, unless terminated earlier by either party upon two months notice in writing to the other Party. The Parties may agree to subsequently extend this MOU.
- 6.2 In the event of termination of the MOU, any cost-sharing or project cooperation agreements, and any project documents concluded pursuant to this MOU, may also be terminated in accordance with the termination provision contained in such agreements. In such case, the Parties shall take the necessary steps to ensure that the activities carried out under the MOU, the cost-sharing agreements, and project documents are brought to a prompt and orderly conclusion.
- 6.3 This MOU may be amended only by mutual written agreement of the Parties.

## **Article VII**

### **Notices and Addresses**

Any notice or request required or permitted to be given or made under this MOU shall be made 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, 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:** Andrei Oprea,  
Head of Office UNDP Romania  
B-dul. Primăverii no. 48A  
Sector 1  
București

**For the City Hall of Sfântu Gheorghe::**  
Antal Árpád András,  
Mayor of City of Sfântu Gheorghe  
Str. 1 Decembrie 1918 (fosta str. Petőfi Sándor) nr. 2  
520008 Sfântu Gheorghe,  
județul Covasna

**Article VIII**  
**Representations**

The City Hall of Sfântu Gheorghe confirms that it is an organization organized under the laws of Romania. The City Hall of Sfântu Gheorghe shall promptly notify UNDP of any legal investigation or fiscal audit that it may be subject to from time to time.

**Article XI**  
**Settlement of Disputes**

8.1 The Parties shall use good faith efforts to settle amicably any dispute, controversy or claim arising out of this MOU. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.

8.2 Any dispute, controversy or claim between the Parties arising out of this MOU which is not settled amicably in accordance with the foregoing paragraph shall be referred to arbitration under the UNCITRAL Arbitration Rules then in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

**Article X**  
**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 XI**  
**Miscellaneous**

This MOU and any related co-financing agreements and project document comprise the complete understanding of the Parties in respect of the subject matter in this MOU and supersede all prior agreements relating to the same subject matter. Failure by either Party to enforce a provision of this MOU shall not constitute a waiver of that or any other provision of this MOU. The invalidity or unenforceability of any provision of this MOU shall not affect the validity or enforceability of any other provision of the MOU. In the event of discrepancies between the English version and the Romanian version, the English version shall prevail.

**Article XII**  
**Entry into Force**

This MOU may be signed in counterparts, both in Romanian and in English, each of which shall be deemed an original and duly executed shall constitute one entire document, and shall enter into force and effect on the date \_\_\_\_ June 2013 in which it is duly signed by both parties.

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

**FOR UNDP:**  
Andrei Oprea

**FOR CITY HALL of SFANTU GHEORGHE**  
Antal Árpád András

*Name*

*Name*

Head of Office UNDP Romania  
*Title*

\_\_\_\_\_  
Date

Mayor of the City of Sfântu Gheorghe  
*Title*

\_\_\_\_\_  
Date