

**ADDENDUM NO 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE EUROPEAN COMMISSION AND THE
GOVERNMENT OF CROATIA ON THE ESTABLISHMENT OF A
CENTRAL FINANCE AND CONTRACTING UNIT**

The European Commission, represented for the purposes of this Amendment by the Delegation of the European Commission to the Republic of Croatia,

of the one part,

and

The Government of the Republic of Croatia,

of the other part,

hereafter also referred to as "the Parties",

have agreed as follows:

Article 1

The Memorandum of Understanding concluded 13 February 2003 between the European Commission and the Government of the Republic of Croatia (hereinafter: "the Memorandum of Understanding") is hereby amended so that wherever the name of "the Central Finance and Contracting Unit", or "the CFCU" as the case may be, is used it shall mean "the Central Finance and Contracting Agency", or "the CFCA" as the case may be.

Article 2

The following provisions of the Memorandum of Understanding are hereby modified as follows:

(a) Article 1, first paragraph, is replaced by the following:

"Central Finance and Contracting Agency (CFCA)

An Agency responsible for financing, procurement, payments and monitoring of the implementation of programmes and projects of the European Union, where management and responsibilities derived therefrom have been entrusted to the Republic of Croatia by the European Commission".

(b) Article 5, paragraph 1, is modified by the following:

"The CFCA will be located in Zagreb."

Article 3

It is further agreed that all other terms and conditions of the Memorandum of Understanding, as amended, shall remain in full force and effect.