

**Agreement between the Norwegian Water Resources and Energy  
Directorate (NVE) and Georgian State Electrosystem (GSE) of  
Georgia regarding Institutional Cooperation (the Agreement)**

WHEREAS the Royal Norwegian Ministry of Foreign Affairs of Norway (NMFA) has signed an agreement with NVE to provide a grant (the Grant) to be used exclusively to finance the Program as outlined in the Application for Grants from the Norwegian Ministry of Foreign Affairs (hereinafter referred as Application) (Annex 1),

WHEREAS the Norwegian Water Resources and Energy Directorate (hereinafter referred as NVE) are intended to enter into an institutional cooperation with JSC Georgian State Electrosystem (hereinafter referred as GSE) regarding the implementation of the activities set out in the Application

NOW THEREFORE GSE and NVE (hereinafter together referred as the 'parties' of this agreement) agree on the follows:

### **Article I Scope and objectives**

1. This Agreement sets forth the terms and conditions of the Parties' institutional cooperation within the Application, which pursues the overall goal to improve the utilization of Georgia's renewable energy resources for economic development of the country.
2. The Parties shall cooperate to implement the tasks as defined in the Application, which applies to Activities 2, 6 and 7. Other tasks/activities may be agreed as a result of decisions taken by the parties to the Agreement and should be formed in writing as an amendment to this Agreement or separate agreement.

### **Article II Programme Management – Consultations**

1. NVE in cooperation with GSE is responsible for the planning, administration and implementation of the activities/tasks referred to in Article I, Clause 2, including adherence to budgets in Application.
2. NVE and GSE shall meet at least on a quarterly basis to assess and evaluate the progress of the Program.
3. The meetings shall be called and chaired by NVE, which shall also be responsible for drafting Agreed Minutes from the meetings within one (1) week.

### **Article III Obligations and Responsibilities of the Parties**

1. The Parties shall keep each other informed about all matters of importance to the overall cooperation and the implementation of the activities/tasks to be performed.
2. The Parties shall make available sufficient and qualified personnel, which shall carry out their work for implementation of activities/tasks with the highest professional standards. If any problem arise or is expected to arise, the Party concerned shall notify the other Party immediately in writing. Should it become necessary to replace personnel, the Party concerned shall arrange for replacement with a person with relevant experience.
3. While carrying out the assignment, the personnel and entities engaged by either of the Parties shall comply with the laws of the respective countries of the Parties. The respective Party shall take prompt corrective action with regard to any violation by such personnel and entities.
4. GSE shall:
  - a) Provide NVE with access to all available and relevant reports and data required to undertake its tasks except the information which might be confidential or copyright of such information does not belong to GSE.

- b) Assist (within its competence) NVE in obtaining all necessary permits, licenses and permissions needed to carry out the activities/tasks in Georgia.
- c) Provide, free of charge, adequately equipped office accommodation with water main and heat/air conditioning for the personnel of NVE. The office facilities shall be equipped with or have easy access to telephone and internet.
- d) Provide transport facilities, depending on availability of vehicles.

The obligations set forth in sub-clauses “c” and “d” of this clause shall only be limited to the period of quarterly meetings of NVE and GSE and/or the periods of joint workshops and conferences.

5. NVE shall:

- e) Cooperate fully with GSE to ensure that all tasks referred to in the Application are successfully accomplished.
- f) Assist the personnel of GSE in obtaining accommodation facilities when visiting Norway, including visa and other permissions necessary for their stay in Norway.
- g) NVE will reimburse travel expenses for GSE personnel travelling to Norway for programme activities.

**Article IV Procurement**

NVE will be responsible for all procurement of equipment and services needed to carry out the activities/tasks. The procurement on the territory of Norway shall be in accordance with Norwegian procurement law and regulations.

**Article V Reporting**

GSE shall on request provide NVE with relevant information to the annual progress reports which NVE will prepare to the Norwegian Ministry of Foreign Affairs (MFA) about implementation of activities/tasks.

**Article VI Sub-contracts**

1. Any sub-contracts to be entered into by NVE or GSE to carry out the activities/tasks shall be made with duly qualified entities and NVE and GSE shall retain full responsibility for all services it is committed to render under the Agreement.
2. All sub-contracts shall be submitted to the other party for information before entering into force.

**Article VII Liability**

GSE shall not be liable – economically or in other ways – to companies or individuals engaged by NVE.

**Article VIII Copyright**

The copyright of all documents, etc. prepared by NVE under the Agreement stays with GSE. However, NVE and MFA shall have the right to use any documents free of any royalties.

#### **Article IX Corruption**

1. The Parties declare their commitment to counteract corrupt practices in the execution of the Agreement. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Agreement, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. Any such practice will be grounds for cancellation of the Agreement.
2. The Parties undertake to take rapid legal measures in their respective countries to stop, have investigated and prosecuted in accordance with applicable law any person suspected of corruption or other intentional misuse of resources, and shall inform each other of any matters in this respect.

#### **Article X Entry into Force – Duration - Amendments**

1. This Agreement shall enter into force when signed by both Parties. The Agreement shall remain in force as long as the Agreement between NVE and MFA remains in force, or as long as agreed by the Parties provided that after expiring or termination of this Agreement NVE will ensure to pay any payable amounts duly accrued during the validity of this Agreement if any.
2. Any amendments to this Agreement shall be in writing and be signed by the Parties.
3. The application (Annex 1) constitutes the integral part of this agreement.

#### **Article XI Termination**

1. Each Party may terminate this Agreement by giving three months' written notice to the other Party.
2. Upon receipt of such notice of termination both Parties shall exert their best efforts to bring the work to an end in a rapid, orderly and economical manner, and shall deliver to each other any plans or documents completed as part of the Agreement.

#### **Article XII Settlement of Disputes**

1. If any dispute arises relating to the implementation or interpretation of the Agreement, there shall be mutual consultations between the Parties with a view to secure a successful implementation of the activities referred to in this Agreement.
2. Any dispute between the parties shall be resolved amicably.

#### **Article XIII Project Assets**

1. Ownership to all equipment, consumables and intellectual property rights procured or developed by use of the Grant shall be transferred to GSE.
2. Transfer of ownership of any equipment, consumables and/or intellectual property rights during the Support Period to a third party shall be executed in accordance with the national legislation of Georgia and be made at market terms. Ownership may not be transferred to an employee of a project partner, or anyone related to or connected with an employee, if such a relation could lead to a conflict of interest.
3. Before a transfer is decided, the project partners, together with NVE, assess whether it may have an impact on the Project and, where appropriate, consult with NMFA. Any income from a transfer shall accrue to the Project, and shall be reported in the financial statement of the Project.

#### Article XIV Verification

1. NMFA or representatives of NMFA at all times shall have the right to carry out independent reviews, field visits, evaluations and other control measures to verify that the Grant has been used in accordance with NMFA – NVE Agreement which is provided in Annex 2 of this Agreement. The project partners shall facilitate such verification by providing all information and documents necessary to carry out the relevant initiative, as well as ensuring the unrestricted access of such representatives to any premises, records, goods and documents requested.


IN WITNESS WHEREOF, the undersigned, acting on behalf of their respective institutions, have signed this Agreement in two originals in the English language.

Tbilisi 23<sup>rd</sup> January 2018  
For NVE



Morten Johnsen  
Head of NVE International Dept.

Tbilisi 23<sup>rd</sup> January 2018  
For GSE

  
Sulkhan Zumburidze  
Chairman of the management  
Board