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AGREEMENT
between
THE GOVERNMENT OF THE REPUBLIC OF FINLAND
and
THE GOVERNMENT OF GEORGIA
on
**the Co-operation in the Development of Environmental Monitoring and Management
Systems in Georgia**

The Government of the Republic of Finland ("Finland") and the Government of Georgia ("Georgia"), jointly referred to as "the Parties",

DESIRING to strengthen the friendly relations existing between the two States and their peoples;

RECALLING the Millennium Declaration and the Millennium Development Goals;

CONFIRMING the eradication of extreme poverty as the main objective for the co-operation between the Parties;

REAFFIRMING their commitment to harmonisation of development cooperation activities;

OBSERVING that the overall responsibility for the Development of Environmental Monitoring and Management Systems in Georgia ("the Project") lies with Georgia;

HAVE AGREED, in respect of the Development of Environmental Monitoring and Management Systems in Georgia as follows:

ARTICLE I
Scope and Objective

1. The overall objective of the Project is to strengthen environmental monitoring and environmental management in Georgia in order to promote sustainable development.
2. The Project shall be implemented in accordance with the Project Document and the Budget, dated October 2006 and attached as Annex IV to this Agreement, as well as in accordance with the annual work plans and budgets to be mutually agreed upon.

ARTICLE II
Principles of Co-operation

1. Respect for human rights, democratic principles, good governance and the rule of law shall form the basis for the co-operation between Finland and Georgia and constitute the essential elements of this Agreement.
2. The Project shall be implemented in accordance with the principles of transparency and open dialogue.

**ARTICLE III
Competent Authorities and Implementing Agency**

1. The Ministry for Foreign Affairs of Finland, represented in Georgia by the Roving Ambassador of Finland, and the Ministry for Environment Protection and Natural Resources of Georgia shall be the Competent Authorities to represent their respective Governments in matters relating to this Agreement.
2. The responsibility for the implementation of the Project lies with the Ministry of the Environment Protection and Natural Resources of Georgia.

**ARTICLE IV
Financing by Finland**

The contribution of Finland to the implementation of the Project in 2006 - 2008 shall, on a grant basis, be a maximum of 680 155 euros (six hundred thousand one hundred and fifty-five €). However, the contribution shall only be used up to the actual amount necessary to cover the costs resulting from the implementation of the Project as specified in the Project Document.

**ARTICLE V
Financing by Georgia**

All financial and other resources required for the implementation of the Project exceeding the Finnish contribution shall be provided by Georgia.

**ARTICLE VI
Procurements**

1. Finland shall procure the supporting services prescribed in the Project Document and shall conclude a contract with a consulting agency to be agreed upon with Georgia. Other procurements for the Project shall be made as agreed upon between Finland and Georgia.
2. No offer, gift, payment or benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts.
3. All procurements shall be made in accordance with generally accepted principles and good procurement practices as provided by the Finnish law on public procurement when applicable, otherwise complied with the United Nations Rules and Regulations for procurement. Invitations to tender as well as procurement contracts shall, respectively, include a clause on the possibility of the tender being rejected and the contract being cancelled, in case any illegal or corrupt practices have been connected with the award or execution of the contract. Furthermore, the damage or loss caused to the buyer shall, in case of the cancellation of the contract, be compensated by the supplier.

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ARTICLE VII Information

1. The Parties shall:
 - (a) Promptly inform each other of any event or situation which might affect the implementation of the Project; and
 - (b) Ensure that all relevant authorities and organisations are informed of this Agreement and the Project.
2. Within the framework of their national legislations both Parties shall have the right to disseminate information about the Project, including this Agreement, to the general public and other interested parties.
3. Any publication or other material produced in connection with the Project shall mention that the Project is being or has been implemented with the financial contribution of Finland and within the framework of the Finnish development co-operation.

ARTICLE VIII Monitoring and Reporting

The implementation of the Project shall be reported in the manner specified in the Project documentation attached to this Agreement. The reports shall be prepared in accordance with the mutually agreed principles.

ARTICLE IX Auditing

Georgia shall permit the representatives of Finland to carry out any inspection or audit in respect of the implementation of the Project. Such an inspection or audit may also be initiated by Georgia.

ARTICLE X Consultations

1. The Parties shall be available to each other for mutual consultations in order to:
 - (a) Follow up the co-operation; and
 - (b) Assess the attainment of the objectives of co-operation as well as the objectives and purposes of the Project.
2. The Parties shall provide each other with all necessary information for the purposes of the consultations.

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ARTICLE XI
Liability

1. Georgia shall bear all the risks arising from the implementation of the project under this Agreement in Georgia. The Government of Georgia shall deal with claims, if any arises, against Finland, Consulting Agencies or any member of their Personnel or against a person employed by Finland, occurring in the course of, or otherwise connected with, the performance of their duties, except when in the view of the two Governments such claims arise from gross negligence or wilful misconduct on the part of Finland, Consulting Agencies or any member of their Personnel or against a person employed by Finland.

ARTICLE XII
Suspension

1. Both Parties shall have the right, after consulting the other Party, to suspend in whole or in part the financing of the Project if:

- (a) Either Party considers that the other Party has failed to fulfil one of the essential elements of this Agreement referred to in Article II.
- (b) The financing by the other Party is not forthcoming in accordance with this Agreement and the Project Document;
- (c) Any other obligation under this Agreement or the Project Document is not fulfilled;
- (d) The management of the Project is deemed to be unsatisfactory;
- (e) A condition has arisen which interferes or threatens to interfere with the implementation of the Project or the attainment of the objectives and purposes of the Project; or
- (f) The suspension is warranted by a fundamental change in the circumstances under which the Project was started.

2. The suspension shall cease as soon as the event or events which gave rise to suspension have ceased to exist.

3. Finland reserves the right to claim reimbursement in full or in part of the Finnish contribution if it is found to be misused or not satisfactorily accounted for.

ARTICLE XIII
Commodities

1. Commodities procured in or imported into Georgia under this Agreement for the purposes of the Project shall be at the exclusive disposal of the Project.

2. The commodities shall become the property of Georgia (the Centre for Monitoring and Prognostication) upon the completion of the Project, unless otherwise agreed by the Parties.

ARTICLE XIV
Special Provisions

1. The terms and conditions concerning Consulting Agencies, Personnel and Commodities are set forth in Annexes I - III of the present Agreement, which constitute an integral part of this Agreement.
2. Georgia shall accord Consulting Agencies, members of their Personnel and persons employed by Finland, as well as their families, a treatment no less favourable than the one accorded to development co-operation agencies and personnel of any other country with the same status. The definition of family in this regard shall apply to spouse and children of members of Personnel.
3. Other obligations of the Parties are specified in the Project Document.
4. The Parties shall have the right to carry out an evaluation during the implementation of and after the termination of the Project.
5. Mutually agreed project planning and evaluation activities shall constitute an integral part of the Project and they shall be governed by the provisions of this Agreement.

ARTICLE XV
Entry into Force, Termination, Amendments and Settlement of Disputes

1. This Agreement shall enter into force within 30 days since the date of the Notes exchanged between the Parties about the completion of internal legal procedures and remain in force until all the obligations under this Agreement have been duly fulfilled by the Parties, unless terminated earlier by either Party by giving a notice in writing to that effect three months prior to the termination.
2. By mutual consent of the Contracting Parties the present Agreement can be amended by conclusion of separate protocols. The protocols enter into force in accordance with the subparagraph 1 (article XV) of this Agreement and constitute an integral part of the present Agreement.
3. Any dispute arising from the implementation or interpretation of this Agreement shall be settled amicably by negotiations between the Competent Authorities.

Done in *Tbilisi*.....on *19 June 2001* in two originals in the English and Georgian languages, both texts being equally authentic. In case of any difference regarding interpretation of the provisions of the Agreement, the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF FINLAND

FOR THE GOVERNMENT OF
GEORGIA


