



**Organization for Security and Co-operation in Europe
Mission to Georgia**

**Agreement between the OSCE and
International Foundation for Election Systems (IFES)
for the implementation of the project "Election Administration Training
Programme for the Georgian Parliamentary Elections of March 28, 2004"**

The OSCE Mission to Georgia, hereinafter referred to as the USCE, and The International Foundation for Election Systems, hereinafter referred to as IFES,

Considering that the OSCE has been entrusted with the administrative and financial monitoring of the project "Election Administration Training in the Georgian Parliamentary elections of March 28, 2004", designed to provide District Election Commission (DEC) and Precinct Election Commission (PEC) staff with the knowledge and skills necessary to perform their functions on election day (hereinafter referred to as "the Project"), for which the OSCE has accepted extra-budgetary contributions from participating states at the OSCE Ministerial Councils in Maastricht on 1-2 December 2003, hereinafter referred to as "the Donors".

Considering that IFES have been selected to implement the Project.

Have agreed as follows:

Article 1: Project

The Project activities subject to this Agreement are described in Annex 1 which forms an integral part of this Agreement.

Article 2: Duration of the Project activities

1. The implementation of the Project activities shall commence on the date of signature of this Agreement and end on April 26, 2004.
2. In case if certain Project activities within the framework of Annex 1 and for which expenses are foreseen in Annex 2 have been already started by IFES, such activities will be covered by this Agreement.

Article 3: Obligations of IFES

1. IFES shall be responsible for the implementation of the Project activities in accordance with this Agreement and its Annexes.
2. IFES shall undertake the tasks referred to in Annex 1 to this Agreement. IFES shall co-ordinate activities under this Agreement with UNDP activities implementing the Agreement between the OSCE and UNDP for the

implementation of the project "Election Administration Training in the Georgian Parliamentary elections of March 28, 2004".

3. IFES shall be responsible and accountable towards the OSCE for proper management of the funds allocated to the Project activities.
4. IFES shall employ the staff necessary for the implementation of the Project activities and shall enter into contracts with them directly as their employer. The staff shall work under the supervision and responsibility of IFES. In no case shall the OSCB be responsible for the staff employed by IFES to implement the Project activities.
5. IFES shall provide all facilities necessary for the OSCE to monitor the Project activities.

Article 4: Obligations of the OSCE

The OSCE shall:

- (a) transmit the funds allocated by the Donors to IFES for the purpose of implementing the Project activities, in accordance with Article 5;
- (b) monitor the adequate implementation of the Project activities by IFES and the proper management of the funds allocated.

Article 5: Budget and Payments

1. The budget of the Project activities specified in Annex 7 shall form an integral part of this Agreement. IFES shall assume financial responsibility for the execution of this budget.
2. The USCE shall finance the Project activities for an amount not exceeding EURO 177,961 only which shall be paid in two instalments, as follows:
 - (a) A first instalment of Euro 142,369 equivalent to 80 % of the budget of the Project shall be paid within five banking days upon signature of this agreement and presentation of the Invoice for the first instalment;
 - (b) A second instalment of Euro 35,532 equivalent to 20 % of the budget of the Project shall be paid within five banking days after approval by the OSCE project manager final narrative and financial report.
3. The payments shall be transferred to the following bank account:

Bank Name: RIGGS Bank N.A.
Bank Address: 1101 15th Street, N.W.
City: Washington
state: DC
Zip Code: 20005
Account Number: 17081433
ABA Routing Number: 054000030
Name on Account: International Foundation for Election Systems

4. IFES shall acknowledge receipt of each payment within seven days of receipt.

Article 6: Reporting

1. IFES shall provide the OSCE with an interim narrative report by April 1, 2004.

2. IFES shall provide the OSCE project manager with final financial and narrative report no later than 15 days following the completion of the Project. The format of the financial report shall be as attached in Annex 3
3. The narrative reports shall provide:
 - (a) A brief reiteration of the Project objectives;
 - (b) A summary of the activities undertaken;
 - (c) Information on the achievement of the objectives;
 - (d) An evaluation of the Project, including any problems or successes encountered;
 - (e) The impact expected.
4. The financial report shall provide information on the financial status, including income, expenditures and unspent balance.
5. The reports shall be submitted in English.
6. IFES shall keep financial and accounting documents concerning the Project funded by the OSCE, and make available relevant financial information including statements of accounts concerning this contribution. The OSCE shall have unrestricted access to all documents related to the Project at any time.
7. The use of the funds for the Project's activities shall be subject to internal and/or external audits.

Article 7: Obligation to Repay

1. The portion of the contribution paid under this agreement which has not been utilized at the completion of the Project will be repaid to the OSCE within 15 days of that day.
2. The OSCE may reclaim the distributed amount, wholly or in part, from IFES:
 - (a) if substantial deviation from presented plans and budgets in the Project proposal has occurred without the OSCE consent.
 - (b) if the conditions set out in the present agreement are not fulfilled or fully respected.

Article 8: Liability

1. IFES shall save the OSCE harmless from all claims, losses and damages which the OSCE may sustain in consequence of or arising out of its funding of the Project.
2. IFES and the staff placed under its supervision for the implementation of the Project shall avoid any action, which may adversely reflect on the image and status of the OSCE.

Article 9 Advertising

1. The OSCE and the Donors funding of Project activities shall be acknowledged in any printed material prepared in connection with the Project activities. Where appropriate, IFES shall acknowledge the OSCE and the Donors in publications, speeches, and press releases or in any similar mediums.
2. Any printed or otherwise published material prepared in connection with the Project shall contain a disclaimer that the content of the publication does not necessarily reflect the opinion of the OSCE and the Donors.

Article 10: Communication

All communications relating to the implementation of the Project shall be addressed as follows:

For the OSCE:
Project Manager: Ian Smith,
Address: Krtsanisi Governmental
Residency # 5, Tbilisi, Georgia
Telephone: (+995 32)92 32 31
E-mail: ian.smith@osce.org

For IFES:
Project Manager: Silvana Puizina
Address: 43 Gogebashvili Str., Apt.4
Tbilisi, 380079, Georgia
Telephone: (+995 32) 57 09 98
E-mail: silvana@access.sanct.ge

Article 11: Settlement of Dispute

Any dispute, controversy or claims arising out of or in relation to this Agreement shall be settled through discussion between parties. If the parties fail to settle the dispute amicably, the dispute shall be settled through arbitration. Arbitration shall be performed in accordance with the UNCITRAL arbitration rules. One sole arbitrator shall be appointed who shall have full powers to make final and binding decisions. The appointing authority shall be the International Chamber of Commerce. The place of arbitration shall be Vienna and the language used in the arbitration proceedings shall be English.


Article 12: Privileges and Immunities

Nothing contained in this Agreement shall be deemed a waiver of the privileges and immunities enjoyed by the OSCE and its staff.

Article 13: Entry into Force, Termination and Amendment

1. This agreement shall enter into force when signed by both parties and remain valid until the execution of the obligations deriving from this Agreement unless it is terminated earlier by the provision of not less than 7 days written notice by OSCE or IFES.
2. Should circumstances arise which call the feasibility of the Project activities into question, or which induce major adjustments to the Project activities, IFES shall obtain the OSCE's written approval before continuing the Project activities or before implementing such changes.
3. Any modification of this agreement shall be subject to the written approval of both parties.

Done in two originals in the English language.
For IFES

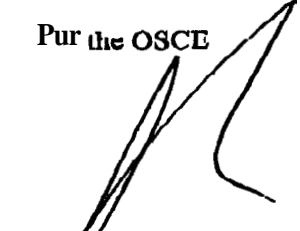


Richard Soudriette
President
International Foundation for Election Systems

Date and Signature

3/3/04

For the OSCE



25/2/04

Ambassador Roy Reeve
Head of Mission
OSCE Mission to Georgia

Date and Signature

Annexes:

Annex 1: Project activities Description

Annex 2: Budget

Annex 3: Format of Financial Report