

AGENT AGREEMENT

BETWEEN

THE GOVERNMENT OF GEORGIA

AND

CROWN AGENTS JAPAN LIMITED

REGARDING THE IMPLEMENTATION OF

JAPANESE GRANT AID FOR

THE ECONOMIC AND SOCIAL DEVELOPMENT PROGRAMME

2020

DATED: 10 September, 2020

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THIS AGREEMENT is made this 10th day of September, 2020.

BETWEEN:

THE GOVERNMENT OF GEORGIA represented by the **Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs** (hereinafter called the "Recipient") of the one part;

AND:

CROWN AGENTS JAPAN LIMITED whose Registered Office is at 1st Floor, Sabo Kaikan Honkan, 2-7-5 Hirakawacho, Chiyoda-ku, Tokyo 102-0093, Japan (hereinafter called "Crown Agents") of the other part.

The Recipient and Crown Agents are hereinafter referred to collectively as the "Parties" and individually as a "Party".

WHEREAS the Government of Japan (hereinafter called "GOJ") has made available Japanese Grant Aid for the Economic and Social Development Programme to the Recipient (hereinafter referred to as "the Programme"), under an Exchange of Notes and Agreed Minutes on Procedural Details dated 22 July 2020 (hereinafter referred to as "the EON").

AND:

WHEREAS the Recipient intends to use funds available under Japanese Grant Aid for the Programme in order to pay for (i) Products and/or Services procured for and on behalf of the Recipient by Crown Agents and (ii) the services of Crown Agents;

AND:

WHEREAS Crown Agents have declared and represented to the Recipient that they have considerable experience in the procurement of Products and Services.

NOW THEREFORE IT IS HEREBY AGREED as follows:

1 DEFINITIONS

In this Agreement, the following terms have the respective meanings set out below:

- (1) "Advances" means the funds received in the Procurement Account from the Recipient Account to cover (i) expenses related to the procurement of Products and/or Services and (ii) the Agent's Fee as set out in Clause 9 hereof.
- (2) "Agent's Fee" means the remuneration that the Recipient shall pay to Crown Agents for the Agent's Services, pursuant to this Agreement.
- (3) "Agent's Services" shall mean the services detailed in Appendix A hereto and the EON, to be performed by Crown Agents.
- (4) "Bank" is the bank appointed by Crown Agents, which shall make payments to suppliers of Products and/or Services from the Advances. The Agent's Fee shall be disbursed by the Bank from the Advances.

- (5) "Blanket Disbursement Authorisation" or "BDA" means the form attached hereto as Appendix C. By signing this form, the Recipient designates Crown Agents as its representative authorised to act in its name concerning all transfers of the Grant, plus any interest earned, to the Procurement Account.
- (6) "Certificate of Eligible Procurement" or "CEP" means the form attached hereto as Appendix G. The form shall be issued by Crown Agents prior to entering into a contract for the procurement of Products and/or Services with the supplier thereof and prior to payment of the balance of the Agent's Fee to Crown Agents. This form shall certify the eligibility of a proposed procurement concerning the Products and/or Services to be procured under the Grant and shall be submitted to GOJ. A copy of the CEP shall be submitted to the Recipient.
- (7) "Certificate of Eligible Procurement for the Remaining Amount" means the form attached to the EON as Appendix IV. The Recipient shall submit this form, together with all necessary documents including invoices, commercial invoice(s), bills of lading, and airway bills to Crown Agents to instruct to arrange the remittance of the remaining amount of the Grant plus any interest earned to a bank account designated by the Recipient. This form shall be issued by the Recipient when all payments from the Procurement Account have been made and when the total of the remaining amount in the Procurement Account and the remaining amount of the Advances is less than 3% of the Grant plus any interest earned.
- (8) "Detailed Estimate" means the form attached hereto as Appendix F. Crown Agents shall issue the form, which describes the allocation of the Grant according to the decision by the Recipient, and submit the form to the Japanese Bank as an attachment to the Disbursement Request.
- (9) "Disbursement Request" means the form attached hereto as Appendix E. Crown Agents shall use the form to request the Japanese Bank to transfer the funds to cover expenses necessary for both the procurement of Products and/or Services and also for the Agent's Services.
- (10) "End-User" means the organisation(s) in the Recipient country that intend to use the Products and/or Services procured under this Agreement.
- (11) "Grant" means the funds made available by the Programme.
- (12) "Japanese Bank" means a bank in Japan in which the Recipient has opened the Yen ordinary deposit account to receive the Grant from GOJ. The Recipient and the Japanese Bank shall conclude an arrangement regarding transfer of the Grant plus any interest earned in which the Recipient shall designate Crown Agents as the representative acting in the name of the Recipient concerning all transfers of funds to the Procurement Account in accordance with the EON.
- (13) "Notification of Disbursement Request" means the form attached hereto as Appendix D. Crown Agents shall use the form to notify the Recipient of disbursement requests made to the Japanese Bank.
- (14) "Products" and "Services" mean the products and/or services necessary for the implementation of the Programme and enumerated in EON.
- (15) "Procurement Account" means the account(s) in the Bank, the main purpose of which is to receive funds from the Recipient Account necessary for both the procurement of Products and/or Services and also for payment of the Agent's Services. Crown

Agents shall make payments to suppliers as well as the Agent's Fee from the Advances deposited in the Procurement Account.

- (16) "Recipient Account" means the Yen ordinary deposit account in the name of the Recipient with the Japanese Bank, the purpose of which is to receive the Grant from GOJ.

2 APPOINTMENT

The Recipient hereby appoints and authorises Crown Agents to act as an agent on its behalf and Crown Agents hereby agrees to act as an agent in accordance with the terms of the EON and this Agreement, for and on behalf of the Recipient, to procure Products and/or Services requested by the Recipient. Crown Agents shall also provide to the Committee (as defined in Appendix V of the EON) such services as are set out in Appendix II of the EON. Subject to written notification to the Recipient, Crown Agents may delegate any of its obligations under this Agreement to any affiliate including but not limited to a parent company and Crown Agents will be responsible for all acts or omissions of such affiliate in relation to this Agreement.

3 ENTRY INTO FORCE

This Agreement shall come into force upon the date shown above and shall continue until the funds available have been utilised under the EON, or termination of their use under the terms of the EON, or upon termination of this Agreement in accordance with its terms.

4 PROCUREMENT PROCEDURE

In undertaking the procurement of Products and/or Services on behalf of the Recipient, Crown Agents shall follow the Scope of the Agent's Services attached to the EON for ensuring proper procurement, and the procedure set out in Appendix A hereto (or such other procedure as may be agreed in writing between the Parties from time to time provided that such procedures shall in all aspects conform with the requirement of the EON).

5 SHIPMENT AND INSURANCE

In accordance with the Recipient's requirements, Crown Agents shall make such arrangements as are appropriate to effect shipment and marine insurance of the Products procured under this Agreement.

6 QUALITY CONTROL AND INSPECTION

In the event that Crown Agents considers it advisable that any Products to be procured under this Agreement be technically inspected, they shall present recommendations to the Recipient together with details of the scope of inspection and the fee payable in respect of such inspection. Upon receipt of instructions from the Recipient, Crown Agents shall arrange to carry out a quality control inspection. The inspection fee shall be debited to the Procurement Account.

7 CROWN AGENTS' LIABILITY

Crown Agents shall provide their services as agents and shall undertake to exercise due skill and care in the performance of the Agent's Services and in particular to obtain the most favourable terms available to the Recipient for the supply of Products and/or

Services. If the Recipient shall incur any loss or damage as a result of any acts or omissions of Crown Agents under this Agreement, Crown Agents shall be liable to the Recipient only for direct loss or damage (excluding lost profits or revenues and any loss of goodwill, reputation or opportunity) as shall be shown to have been incurred solely as a result of wilful misconduct of Crown Agents. Crown Agents shall not be liable to the Recipient for any special, indirect or consequential loss or damage, lost profits or revenues or any loss of goodwill, reputation or opportunity, arising out of or in connection with this Agreement or any breach or non-performance of it. The total amount of damages for which Crown Agents may be liable shall not exceed the amount paid by the Recipient for the Agents' Fee in accordance with the provisions of Clause 9 hereof. Notwithstanding the provisions of this clause, Crown Agents does not seek to limit or exclude its liability in respect of any death or personal injury caused by its negligence, nor for any other liability which cannot legally be limited or excluded.

8 INDEMNIFICATION

The Recipient shall indemnify and keep indemnified Crown Agents against any cost, claim or expense incurred by Crown Agents in the proper performance of the Agent's Services.

9 AGENT'S FEES

The Recipient shall pay Crown Agents for the Agent's Services in accordance with the procedure detailed in Appendix A hereto and in accordance with the Agent's Fees set out in Appendix B hereto.

10 CONDITIONS PRECEDENT TO PERFORMANCE

Notwithstanding the provisions of Clause 3, Crown Agents shall not be required to commence performance of the Agents' Services under this Agreement until:

- (i) the EON has been signed and is in force;
- (ii) this Agreement has been approved by GOJ;
- (iii) the Blanket Disbursement Authorisation has been signed by an authorised signatory as detailed in the EON or banking arrangement and received by Crown Agents. On receipt of the signed Blanket Disbursement Authorisation Crown Agents will proceed to submit the relevant Disbursement Request and Detailed Estimate (Budget); and
- (iv) the first payment as detailed in point 4.1 of Appendix B has been received.

11 PAYMENT AND ACCOUNTING PROCEDURES

The payment procedure for Products and/or Services procured under this Agreement and the procedure for accounting to the Recipient and GOJ shall be as set out in Appendix A hereto.

12 RECIPIENT'S DUTIES

- 12.1 The Recipient shall provide Crown Agents or shall cause Crown Agents to receive all necessary permissions, approvals, licences, admissions or any other authorisations required in the Recipient's country in connection with the Agent's Services or shall extend assistance to Crown Agents in obtaining such necessary permissions. The Recipient shall also supply to Crown Agents details of the names and signatures of those persons in the Recipient's country who are authorised to provide instructions to Crown Agents or sign documents under this Agreement.
- 12.2 The Recipient shall, on behalf of Crown Agents, arrange any other formalities that may be necessary for the entry of Crown Agents' personnel into the Recipient's country and their stay therein while performing Agent's Services under this Agreement.
- 12.3 The Recipient shall exempt Crown Agents from the payment of customs duties, internal taxes and other fiscal levies which may be imposed in the Recipient's country with respect to the Agent's Services (including but not limited to any of the goods brought into the Recipient's country by Crown Agents and services provided by Crown Agents in the course of performance of this Agreement), compensation or salaries paid to Crown Agents' personnel or any amount paid or payable to Crown Agents under or incidental to this Agreement.

13 WAIVER OF SOVEREIGN IMMUNITY

The Recipient hereby irrevocably waives and agrees to waive in any proceedings for the enforcement of this Agreement or any document provided for hereunder any and all privilege or sovereign immunity from suit or enforceability or any arbitral award immunity of its property from attachment or execution or any other legal process to which it may be entitled under international or domestic laws, as a procedural defence or otherwise.

14 FORCE MAJEURE

Neither Party shall be deemed to be in default or in breach of this Agreement if such Party is unable to perform because of circumstances beyond such Party's reasonable control about which the parties might not have known upon concluding this Agreement. Such circumstances (hereinafter referred to as Force Majeure) may occur in any part of the world.

15 OPERATION OF THE AGREEMENT

- 15.1 The Recipient and Crown Agents agree to be bound by the provisions of the EON as though it were annexed to and formed part of this Agreement.
- 15.2 The Recipient and Crown Agents recognise that it is impractical in this Agreement to provide for every contingency which may arise during the term of this Agreement. The Recipient and Crown Agents agree that it is their intention that this Agreement shall operate fairly as between them, and without detriment to their respective interests, and that if during the term of this Agreement either Party reasonably believes that this Agreement is or in the future will be operating unfairly with respect to such Party, the Recipient and Crown Agents shall consult with each other in good faith in order to agree on such action as may be necessary to remove or prevent the cause or causes of such unfairness.

16 TERMINATION

- 16.1 The Recipient may terminate this Agreement by giving thirty (30) days' written notice of termination in the event that:-
- a) Crown Agents do not remedy a failure in the performance of their obligations under this Agreement within thirty (30) days after being notified in writing or within such further period as the Recipient may subsequently approve in writing; or
 - b) Crown Agents become insolvent; or
 - c) as a result of Force Majeure Crown Agents are unable to perform a material portion of the Agent's Services for a period of not less than sixty (60) days; or
 - d) pursuant to the provisions of Clause 19.3, in the event of a breach by Crown Agents of its obligations under Appendix H.
- 16.2 Crown Agents may terminate this Agreement by giving thirty (30) days' written notice of termination in the event that:
- a) the Recipient does not remedy a failure in the performance of its obligations under this Agreement within thirty (30) days after being notified in writing or within such further period as Crown Agents may subsequently approve in writing;
 - b) as a result of Force Majeure, Crown Agents are unable to perform a material portion of the Agent's Services for a period of not less than sixty (60) days; or
 - c) pursuant to the provisions of Clause 19.3, in the event of a breach by Recipient of its obligations under Appendix H.
- 16.3 Crown Agents shall upon giving or receiving notice of termination of this Agreement proceed in an orderly manner but with all reasonable speed and economy to take such steps as are necessary to bring to an end the Agent's Services under this Agreement. Termination of this Agreement shall not prejudice or affect the accrued rights or obligations of either Party to this Agreement. Upon termination, Crown Agents shall be entitled to claim and be paid all Agent's Fees due to be paid at that time or a proportion thereof representing the Agent's Services provided up to the date of termination, as set out in Appendix B hereto and all costs and expenses resulting from such termination, provided such termination did not arise under the provisions of Clause 16.1 (a) and/or (b) hereof.
- 16.4 In the event of the Agreement being terminated, Crown Agents shall prepare and submit to the Recipient, within a period of 45 days from the date of termination, a statement in writing showing the total sum remaining in the Procurement Account not yet disbursed or committed for disbursement.
- 16.5 The said statement shall be accompanied by a certificate from an independent auditor confirming the accuracy of the figures submitted in the statement.
- 16.6 Crown Agents shall make payment to or on the order of the GOJ of the amount detailed in such statement within a period of 45 days from the date of submission by Crown Agents of the statement.

- 16.7 Payment of any sums due to Crown Agents upon termination shall be made by the debiting of the appropriate Procurement Account as detailed in this Agreement or if sufficient sums are not available the remittance from the Recipient Account to Crown Agents of any sums due within 45 days of submission of an invoice by Crown Agents.

17 SETTLEMENT OF DISPUTES

Any dispute or difference arising out of this Agreement which cannot be resolved amicably between the Parties will be settled by arbitration in accordance with the provisions of the UNCITRAL Arbitration Rules by one or more arbitrators appointed in accordance with those rules. The place of arbitration shall be mutually agreed between the Parties but in the event of dispute it shall be Geneva, Switzerland. The arbitration shall be conducted in the English language.

18 GOVERNING LAW

The validity, construction and performance of this Agreement will be governed by and construed under the laws of Japan.

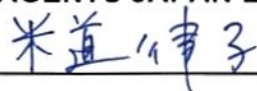
19 MISCELLANEOUS

- 19.1 If there is any conflict or inconsistency between the terms of this Agreement and any of its Appendices the terms of this Agreement shall prevail over the Appendices.
- 19.2 Neither Party shall assign, pledge or otherwise dispose of its rights under this Agreement without the prior written consent of the other Party in each instance.
- 19.3 The Parties shall uphold the highest standards of ethics in the performance of this Agreement and comply with the obligations contained in the EON. Any breach of those obligations shall constitute a breach of this Agreement which is not capable of remedy and shall entitle the non-defaulting Party to terminate this Agreement in accordance with Clause 16.1(d) or Clause 16.2(c), as applicable.

IN WITNESS WHEREOF the duly authorised representatives of the Parties hereto have hereunto set their hands the day and year first before written.

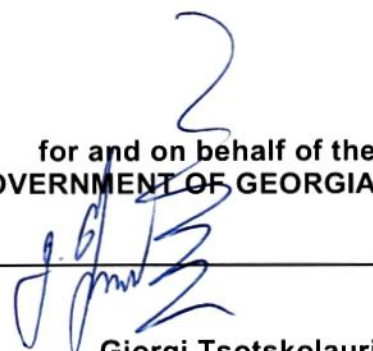
SIGNED:

for and on behalf of
CROWN AGENTS JAPAN LIMITED



Ritsuko Yonemichi
Senior Director
Crown Agents Japan Limited

for and on behalf of the
GOVERNMENT OF GEORGIA



Giorgi Tsotskolauri
Deputy Minister of Internally Displaced
Persons from the Occupied Territories,
Labour, Health and Social Affairs of Georgia

APPENDIX A

PROCUREMENT AND ACCOUNTING PROCEDURES

- 1** The procedures for the provision of Procurement and Accounting Services to the Recipient provided by Crown Agents are as set out in this Appendix.

2 PROCUREMENT ARRANGEMENTS

- 2.1 Procurement shall be undertaken in accordance with the procurement guidelines designated by the Government of Japan and the highest public service standards and principles taking into account the need for speed of disbursement, and, as far as possible, seeking value for money for the Recipient and the End-User.
- 2.2 Crown Agents considers that, in principle, Competitive Bidding ("CB") is the best method for satisfying the requirements mentioned above in respect of procurement of Products and/or Services. When using the CB method, Crown Agents shall procure the Products and/or Services through CB in accordance with the procedures described in paragraphs 2.2 and 2.3 of this Appendix.

In case of the procurement of the Products and/or Services under CB, Crown Agents shall advertise the tender invitation to prequalify by way of a General Procurement Notice published in widely read newspapers (e.g. Japan Times, The Wall Street Journal and the Financial Times) and on Crown Agents Internet Web page. The General Procurement Notice shall contain information concerning the Donor, the Recipient, the amount and purpose of the grant, the names of the Products and/or Services to be procured and the required information for applying for prequalification when required by Crown Agents.

Where pre-qualification is necessary it shall be based entirely upon the capability of prospective tenderers to perform the particular contract satisfactorily, taking into account their:

- (i) experience of and past performance on similar procurements;
- (ii) capabilities with respect to after sales service and warranty; and
- (iii) financial position.

- 2.3 Where CB is used, Crown Agents shall

- (i) prepare and agree a procurement plan for the items identified by the Recipient for procurement, including, where necessary detailed discussions with the Recipient and End-users;
- (ii) prepare the tender documents with specifications, including, where necessary, detailed discussion with the Recipient and the End-Users;
- (iii) issue the tender documents which shall provide all information necessary for a prospective tenderer to prepare a tender;
- (iv) arrange an opening of tenders on the date stated for the latest delivery of tenders or promptly thereafter;

- (v) after the opening of tenders, begin evaluation and comparison of the tenders in a manner that will permit a comparison of tenders on the basis of their price and relevant factors. (Tender documents will clearly state such factors, in addition to price, which will be considered in tender evaluation and the manner in which they will be applied for the purpose of determining the best evaluated tender);
 - (vi) prepare a detailed report on the evaluation and comparison of tenders setting out the specific reasons on which the recommendation is based for the award of the contract and shall send copies to the Recipient and the End-User for its written approval to place a contract; and
 - (vii) after receipt of advice of the Recipient's and End-User's decision on which offer to accept, proceed to place contract(s) with the successful tenderer.
- 2.4 There may be circumstances in which CB may not be appropriate and Crown Agents may consider alternative procedures acceptable in the following cases:
- (i) where the number of qualified contractors, suppliers or manufacturers is limited;
 - (ii) where the amount involved in the procurement is so small that prospective suppliers clearly would not be interested, or where the advantages of CB would be outweighed by the administrative burden involved;
 - (iii) re-tendering after all or part of the initial tender, if the procedure for CB has been cancelled;
 - (iv) where the Products to be ordered are proprietary items, spare parts or items which have a single source of manufacture; or
 - (v) where, other than cases (i), (ii), (iii) and (iv), Crown Agents deems it inappropriate to follow CB procedures, e.g. in the case of emergency procurement.
- 2.5 In the above mentioned circumstances, the following procurement methods may be applied, as appropriate, taking into account fairness, equality of opportunity, efficiency and economy:
- (i) Limited Bidding, which is essentially a competitive tender by direct invitation without open advertisement;
 - (ii) Shopping, which is a procurement method based on the comparison of price quotations obtained from several (usually at least three) tenderers, to ensure competitive prices; or
 - (iii) Direct Contracting where Crown Agents will negotiate directly with the supplier before concluding a contract. Where practicable, Crown Agents shall endeavour to compare prices against previous similar contracts.
- 2.6 The Recipient and Crown Agents shall discuss, agree and confirm in writing the procurement methods to be used for the various Products and/or Services to be procured under this Agreement.
- 2.7 After placing of contracts, Crown Agents shall monitor progress of the contract and provide quarterly status reports to the Recipient and the End-User.

- 2.8 Crown Agents shall receive shipping documents and other required documentation from suppliers and check that such documentation is in accordance with the terms of the individual contracts.
- 2.9 Crown Agents shall as necessary, at the request of the Recipient, assist the Recipient by providing the following services:
- send a copy of the contract with the supplier to the Recipient and the End-User.
 - as instructed, make arrangements for quality control inspections;
 - expedite contracts and confirm whether delivery dates are met;
 - instruct the supplier to handle, pack, label and transport the Products all in accordance with the requirements on behalf of the Recipient;
 - arrange shipment on behalf of the Recipient;
 - arrange marine insurance on behalf of the Recipient;
 - notify the Recipient of each shipment, date of shipment, estimated date of arrival, name of vessel and invoice;
 - cause the bill of lading to be issued to the appropriate consignee;
and
 - arrange to forward all original documents direct to the appropriate consignee.
- 2.10 Settlement to suppliers, freight companies and the insurers will be arranged by Crown Agents by means of debiting amounts allocated to the relevant contract to the Procurement Account.

3 SERVICES TO THE COMMITTEE

Unless termination of this Agreement by notice has taken place, Crown Agents shall provide advisory services to the Committee as detailed in the EON for a period of three years from the date of coming into force of the EON or until termination of the use of the funds has taken place, whichever is the later. Crown Agents shall provide reporting services to the Committee for a period of five years from the date of coming into force of the EON.

4 ACCOUNTING ARRANGEMENTS

- 4.1 Upon signature of the Agreement, the Recipient shall request Crown Agents to arrange with the Bank to open an account (the "Procurement Account").

At the same time Crown Agents will submit to the Japanese Bank:

- (i) a copy of the notification of the approval of this Agreement by GOJ;
- (ii) an original copy of the BDA;
- (iii) a Disbursement Request for the Advances;
- (iv) a Detailed Estimate (Budget) for the Advances;

for authorisation to transfer funds for the procurement of Products and/or Services and payment of its Agent's Fees, signed where applicable by a duly authorised signatory of the EON or banking arrangement.

On receipt of the amount claimed, Crown Agents will credit it to the Procurement Account and will immediately debit the whole amount to be received by it pursuant to Appendix B of this Agreement - Payment Schedule - 4.1 First Payment.

- 4.2 Prior to the commitment of any contract by Crown Agents, the Bank will receive funds required for payment under the contract, plus any associated costs and charges, from the Japanese Bank against submission of a Disbursement Request. On receipt of the funds, the funds will be placed in the Procurement Account until any payment(s) in respect of the contract falls due and Crown Agents will confirm the contract with the supplier.

On confirmation of the contract by Crown Agents the funds held shall be allocated against payments due in respect of the contract and the funds may not be utilised by the Recipient for any other purpose.

- 4.3 Crown Agents shall not be obliged to enter into any contract for the procurement of Products and/or Services on behalf of the Recipient until such time as a sum has been received in the Procurement Account at least equal to and in the currency(ies) of the full value of the contract and associated Crown Agents' charges.
- 4.4 Monthly statements of the Procurement Account shall be provided to the Recipient which shall detail opening and closing balances.
- 4.5 The Bank shall be entitled to treat all sums received for the credit of the account and all liabilities of the Bank on the account at any time as being in the absolute beneficial ownership of the Recipient free from all other liens, charges, equities or encumbrances notwithstanding any designation of the account or any notice or claim in respect of it. The Recipient will indemnify and keep indemnified Crown Agents against any loss, claim or expense incurred by them in connection with the assertion of any lien, charge, equity or encumbrance in respect of any account of the Recipient.
- 4.6 In the event that Crown Agents provides services which do not result in a contract for the procurement of Products and/or Services being placed due to circumstances beyond the control of Crown Agents, Crown Agents shall be entitled to claim and be paid a proportion of the Agent's Fee, as detailed in Appendix B.
- 4.7 Crown Agents will receive the Advances from the Japanese Bank against submission of a Disbursement Request.
- 4.8 Prior to Crown Agents confirming the contract with the supplier for the procurement of Products and/or Services, Crown Agents shall have received authority from the Recipient. Crown Agents shall make payment(s) to the supplier for the cost of the Products and/or Services pursuant to the contract. Any associated costs and charges for such payment shall be paid from the Procurement Account.
- 4.9 Any interest accrued on the Procurement Account shall be utilised for payments for Products and/or Services.
- 4.10 When Crown Agents requests the final transfer of the funds from the Recipient Account to the Procurement Account, Crown Agents will request the Japanese Bank to transfer the remaining funds plus any interest earned in the Recipient Account to the Procurement Account.
- 4.11 When the total remaining amount in the Recipient Account or the Procurement Account is less than 3% of the Grant plus accrued interest, the Recipient shall request Crown Agents to reimburse the remaining amount. The Recipient shall submit to Crown Agents the form of Reimbursement Request and an invoice, to be attached to the CEP for the remaining amount for payments already made by the Recipient for the

procurement of eligible Products and/or Services in accordance with the EON on or after the effective date of the EON. The sum of the invoice amount shall be equivalent to the reimbursement amount or larger. Upon receipt of these documents, Crown Agents shall issue a CEP for the remaining amount. Upon receipt of an authorised CEP, Crown Agents shall copy the CEP to GOJ and reimburse the remaining amount to a Bank designated by the Recipient.

- 4.12 In the event that the Advances received in Japanese Yen have to be exchanged into other currencies, the exchange rate to be applied to the conversion shall be the rate available to the Bank at the time the currency exchange is required.
- 4.13 Remittance will be credited to an account on the date received by the Bank or, if later, when they are identified. Charges by the Bank will be debited to an account when they fall due. An account will be debited when the Bank, on behalf of its client:
- a) makes payment, or a transfer to other account(s);
 - b) incurs liability for a payment (including a future or contingent liability); or
 - c) receives an instruction from Crown Agents as agent for the Recipient to make payment under the procedure used by Crown Agents for the procurement of Products and/or Services.
- 4.14 Where payment to any supplier is to be made by Crown Agents by means of a Letter of Credit, Crown Agents shall debit the Procurement Account with the full value of the Letter of Credit and any associated bank charges prior to giving instructions to the Bank to issue the Letter of Credit. The Recipient shall ensure that there are sufficient funds in the Procurement Account to meet the value and cost of any such Letter of Credit as well as any other commitments incurred in accordance with this Agreement. Funds debited to the Procurement Account for the purpose of making payment by means of a Letter of Credit shall stand to the credit of Crown Agents and Crown Agents shall apply such solely for the purpose of making payments due to the Bank under the terms of the Letter of Credit agreement.
- 4.15 The funds received by Crown Agents for the credit of the Procurement Account shall be handled in accordance with the laws of Japan.

AGENT'S FEES

1. Pursuant to the framework agreement between Crown Agents and the GOJ in relation to the appointment of Crown Agents, the Recipient shall pay Crown Agents the Agent's Fees of a total amount in Japanese Yen (JPY) derived from the Grant value multiplied by the percentage given in the following table subject to the value of the grant aid and the number of individually specified items procured under contracts placed and managed by Crown Agents on behalf of the Recipient under this Grant for services to be rendered pursuant to this Agreement. This fee calculation table has been approved by the GOJ under the process to select procurement agents to recommend to Recipient Governments under this grant aid scheme.

Number of items to be procured	1 to 5	6 to 10	11 to 15	16 to 20
Grant Value (JPY)				
300 million to less than 500 million	6%	7%	8%	9%

2. Items to be procured and the number of items are subject to the agreement between the GOJ and the Recipient at the earliest stage of the Grant. However, should the number of items to be procured not be established when this agreement enters into force the first fee detailed in point 4.1 below shall be taken based on the assumption that the number of items to be procured will be between 1 and 5. Should the eventual number be greater, once the final number is clarified, the Agent's Fees shall be adjusted accordingly. In case the number of items to be procured is more than 20, Crown Agents shall set the percentage upon GOJ's approval.
3. Pursuant to the framework agreement between Crown Agents and the GOJ in relation to the appointment of Crown Agents, the Recipient shall pay Crown Agents additional Agent's Fees in the event they are required to procure consulting services and/or Services designed by the consultant under the Grant. Crown Agents shall set the amount of additional Agent's Fees as approved by the GOJ.

4. Payment Schedule

The Advances for the total amount of the Agent's Fees shall be transferred in Japanese Yen from the Recipient's Account to the Procurement Account and the Agent's Fees shall be paid to Crown Agents in Japanese Yen from the Advances in the following manner:-

- 4.1 First Payment

Forty per cent (40%) of the Agent's Fees as defined in accordance to the above table in paragraph 1 as applicable to the number of items to be procured and value of Grant shall be paid to the Crown Agents from the Procurement Account, upon the request of Crown Agents, immediately after entry into force of this Agreement, pursuant to Clause 9 above.

- 4.2 Second Payment

Thirty per cent (30%) of the Agent's Fees as defined in accordance to the above table in paragraph 1 as applicable to the number of items to be procured and the value of Grant shall be paid to Crown Agents from the Procurement Account upon the request of Crown

Agents when the total amount of Grant funds committed for the procurement of Products and/or Services is equal to 50% of the Grant Value and its accrued interest excluding the Agent's Fees.

4.3 Third Payment

Twenty per cent (20%) of the Agent's Fees as defined in accordance to the above table in the paragraph 1 as applicable to the number of items to be procured and the value of Grant shall be paid to the Crown Agents from the Procurement Account upon the request of Crown Agents when the total amount of Grant funds committed for the procurement of Products and/or Services is equal to 75% of the Grant Value and its accrued interest excluding the Agent's Fees.

4.4 Final Payment

Ten per cent (10%) of the Agent's Fees as defined in accordance to the above table in paragraph 1 as applicable to the number of items to be procured and the value of Grant shall be paid to the Crown Agents from the Procurement Account upon the request of Crown Agents when the total amount of Grant disbursed more than 97% of the Grant Value and its accrued interest excluding the Agent's Fees.

5. Adjustment of Fees

- 5.1 In the event that the eventual number of items to be procured is more than agreed between the Parties, pursuant to paragraph 1 above, the amount payable to Crown Agents for the Agent's Services shall be adjusted upwards in line with the fee calculation table above to reflect the difference between the original estimate of the Agent's Fees and the final Agent's Fee.
- 5.2 In the event that the Crown Agents is required by the Recipient to place and manage more than 20 (twenty) items, Crown Agents and the Recipient shall agree on the fee rate that will be applicable and the amendment of the fee rate shall be effected by formal amendment to this Agreement and shall be effective once approved by the GOJ.

6. Additional Fees

If Crown Agents has implemented Agent's Services beyond the periods established in agreed procurement plans (Appendix A 2.3 (i) and such extension of Agent's Services is necessary through reasons beyond their control, Crown Agents shall be entitled to additional Agent's Fees. Crown Agents and the Recipient shall agree in writing on the fee rate that will apply and the amendment of the fee rate shall be made by formal amendment to this Agreement and shall be effective once approved by the GOJ.

BLANKET DISBURSEMENT AUTHORISATION

Japanese Grant Aid for the Economic and Social Development Programme

On behalf of the Government of Georgia, I hereby authorise

MUFG Bank, Ltd.
Tokyo, Japan

To execute the transfer of the funds to the (Procurement Account) upon the request of Crown Agents to the full amount of the proceeds of Grant Aid received from the Government of Japan in the value of Japanese Yen 300,000,000 [Three Hundred Million] plus interest earned.

Total amount of the Grant JPY 300,000,000
Deposited in account No. 3015650 with your bank

Disbursement from the above account related to costs of procurement of Products and/or Services shall be made to Crown Agents Japan Limited Account No. 0476897 with MUFG Bank, Ltd., Ichigaya Branch, Tokyo Japan (Procurement Account)

On behalf of the Government of Georgia.

(Signed)

(Name)

(Title)

(Date)

NOTIFICATION OF DISBURSEMENT REQUEST

Japanese Grant Aid for the Economic and Social Development Programme
for the Government of Georgia

Date

To: Government of Georgia

From: Crown Agents

With reference to the Detailed Estimate as per attached, please be informed that Crown Agents requested MUFG Bank, Ltd. on [date], to transfer the following amount to the Procurement Account.

Amount: Amount in figures
(Amount in words)

(Name)

Grant Manager

Attachment:

(1) Detailed Estimate (copy)

(2) Disbursement Request (copy)

DISBURSEMENT REQUEST

Japanese Grant Aid for the Economic and Social Development Programme
for the Government of Georgia

Date:

To: MUFG Bank, Ltd.
Tokyo, Japan
From: Crown Agents

Please execute the transfer of funds between the accounts stated below which relates to the procurement of Products and/or Services for the Government of Georgia against this request on the basis of the Blanket Disbursement Authorisation (BDA) signed by the Government of Georgia on (date).

Account to be debited: 3015650 with your bank

Account to be credited: Crown Agents Japan Limited Account No 0476897 with MUFG Bank, Ltd., Ichigaya Branch, Tokyo Japan (Procurement Account)

Address of Remittee: Tokyo, Japan

Amount: Amount in figures
When the account is closed: The remaining balance plus accrued interest

(Name)
(Title)

Attachment:

Attachment	Transfer	First request	After Second request
Blanket Disbursement Authorisation (BDA)		Original	Copy
Agent Agreement		Copy	-
Donor's approval of Agent Agreement		Copy	
Detailed Estimate		Original	Original

DETAILED ESTIMATE (BUDGET)

Japanese Grant Aid for the Economic and Social Development Programme
for the Government of Georgia

Date:

The Government of Georgia
Grant Aid by the Government of Japan

Name of Item* Allocation (in JPY)

Total
*

Name of the Products and/or Services and/or the Agent's Services to be specified.

**Actual procurement does not exceed the total amount of the remaining balance and accrued interest of the Recipient Account.

(Name)
(Title)

CERTIFICATE OF ELIGIBLE PROCUREMENT

Date:
REF NO:

To whom it may concern:

With reference to the pro forma invoice attached hereto, we hereby certify that the procurement complies with all relevant terms and conditions of the Exchange of Notes between the Government of Japan and the Government of Georgia dated 22 July 2020 and the Agreed Minutes on Procedural Details between the two governments dated 22 July 2020

The following are the principal relevant facts concerning the procurement.

1. Method of Procurement
(Insert X in appropriate place)
a. _____: Competitive Bidding
b. _____: Limited Bidding
c. _____: Shopping
d. _____: Direct Contracting
2. Products and/or Services
a. Name of Products and/or Services:
b. Origin:
3. Cost of Products and/or Services
a. Products and/or Services:
b. Freight:
c. Marine Insurance:
d. Agent's Fees:
e. Total (a + b + c + d):
4. Supplier
Name:

Address:

Nationality:

(Country where the supplier is incorporated and registered)

5. Consignee

Name:

Address:

(Signature)

Crown Agents Japan Limited
Name Title

ANTI-BRIBERY AND CORRUPTION

- 1.1 Crown Agents does not and will not offer, pay, solicit, receive, authorise, collude in or condone the payment or receipt of bribes (including so-called "Facilitation Payments") anywhere in the world by any person on its behalf or for its benefit in any way whatsoever. Even the suggestion of bribery or corruption may seriously damage the reputation of Crown Agents or its clients and business partners, affect its ability to do business and damage the reputation of its employees. Crown Agents is committed to sharing information and strengthening collective action to eliminate bribery and corruption.
- 1.2 Each Party to this Agreement shall comply with all anti-bribery and anti-corruption laws, regulations and codes applicable in the countries in which they operate and where those laws, regulations and codes apply outside those countries (for example the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977), in all those other countries to which such anti-bribery and corruption laws, regulations and codes apply.
- 1.3 Each Party shall promptly report to the other any request or demand for any undue financial or other advantage of any kind received by the relevant Party in connection with the performance of this Agreement or any suspicions the relevant Party may have regarding the aforesaid.
- 1.4 Each Party shall report to the other Party in confidence as soon as reasonably practicable any suspicions it has regarding possible corrupt activity by the other Party's personnel or associated persons.
- 1.5 Both Parties acknowledge their respective responsibility to prevent and counter bribery and corruption and undertake to operate their activities ethically and with complete integrity and to implement and maintain effective corporate governance, transparency, accountability and reporting systems in order to prevent and counter bribery and corruption in any form in all internal and external activities.
- 1.6 Neither Party shall knowingly involve itself in any business in connection with, or use information arising from this Agreement, in any manner which conflicts with the interests of the other Party.