



MEMORANDUM OF UNDERSTANDING

between

the United Nations Interregional Crime and Justice Research Institute (hereinafter referred to as "UNICRI"), located in Viale Maestri del Lavoro 10, 10127 Turin, Italy

and

the National Center for Disease Control and Public Health (NCDC), Ministry of Labor, Health and Social Affairs, Georgia, (hereinafter referred to as "NCDC"), located in 9 M. Asatiani str., Tbilisi, Georgia

(Hereinafter jointly referred to as "Parties" to the Memorandum of Understanding)

WHEREAS, UNICRI, is a United Nations entity mandated to assist States, intergovernmental, governmental and non-governmental organizations in formulating and implementing improved policies in the field of crime prevention and criminal justice;

WHEREAS, UNICRI has an agreement with the European Commission to implement the Project entitled "Strengthening bio-safety and bio-security capabilities in South Caucasus and in Central Asian countries", (hereinafter referred to as "the Agreement"), as scheduled under the Project contract "IFS/ 2011/273-572";

WHEREAS, UNICRI and NCDC are willing to cooperate in the development and implementation of the activity described the Agreement and further elaborated in the Operational Plan – Annex A of the present Memorandum of Understanding.

The parties have come to the following understanding:

Article 1. Objective of the Memorandum of Understanding

1.1 Under this Memorandum of Understanding (hereinafter referred to as the “MoU”), UNICRI and NCDC hereby decide to cooperate in order to implement the Project as described in Annex A of the Agreement (hereinafter referred to as the “Project”) in accordance with the provisions of the Agreement and the present MoU.

Article 2. General responsibilities of the Parties

2.1 The Parties will implement the Project with due diligence and efficiency.

2.2 The Parties will keep each other informed and consult regularly on the status of the development and implementation of the Project. NCDC will, *inter alia*, comply with any guidances issued by UNICRI, such as guidances on substantive and financial reporting.

2.3 The Parties will have access to all accounts and records pertaining to this MoU.

2.4 The Parties will ensure that its personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the present MoU.

Article 3. Implementation Funds

3.1 UNICRI will provide the following contribution (hereinafter referred to as “the Contribution”) for the implementation of the Project:

EURO 540,457.00

Article 4. Financial and operational arrangements

4.1 The Contribution will be transferred by UNICRI, for the implementation of the Project described in Annex A.

4.2 A pre-financing of 90% of the forecast budget for the first year of the Project will be provided to NCDC within 45 days from the date upon which the last of the two parties signs. A second installment will consist of the remaining 10% of the forecast budget for the first year of the Project and 90% of the forecast budget for the second year of the Project. This installment will be paid to NCDC within 45 days of receipt of the first annual report (both narrative and financial), provided that at least 75% of the immediately preceding pre-financing installment has been expended. Alternatively, the second installment may be provided upon request to NCDC at any point prior to this where a financial report demonstrates that 75% of the immediately preceding pre-financing has been expended. The final and remaining 10% of the forecast budget for the second year of



the Project will be provided in a third installment within 45 days of the approval of the final report (narrative and financial), provided that at least 75% of the total sum thus far awarded in the first two installments has been expended. Any outstanding sum will be retained by UNICRI and returned to the donor organization.

4.3 The Contribution to be released under the MoU will be made to the following bank and account:

Banking Institution: JSC TBC BANK
Account Name: 'L. SAKVARELIDZE NATIONAL CENTER FOR DISEASE CONTROL AND PUBLIC HEALTH'
Account Number: GE70TB0632634180100001
BIC: TBCBGE22
IBAN Code: GE70TB0632634180100001
Address Bank: 34 Ts. Dadiani, Tbilisi, 0180, Georgia

Article 5. Decisions and management

5.1 All decisions essential to the subject matter of the present MoU and having a direct impact on the successful implementation of the Project, will be taken by NCDC. In this regard NCDC will ensure that UNICRI is regularly informed about any such decisions and that all relevant information is shared with UNICRI.

5.2 The day-to-day management of the Project will be carried out by NCDC, for which NCDC will be accountable. NCDC will bear the responsibility for all activities necessary for the implementation of the Project, including but not limited to:

- a) accounting and management of the Contribution.
- b) planning and coordination.

Article 6. Accounts and financial checks

6.1 The Contribution made available by UNICRI is subject to the Financial Rules and Regulations of the United Nation, and the Agreement "IFS/ 2011/273-572" entered into with the European Commission.

6.2 The Contribution received by NCDC in connection with the Project will not be used for the purposes of settling any tax liabilities and no direct salaries may be paid to its staff. A fixed payment (not more than 5% of the direct eligible costs for the Project) may, however, be charged by NCDC with respect to overheads.

6.3 All the receipts, invoices, documentation etc. generated during the implementation of this MoU will be issued in the name of NCDC. NCDC will collect and keep readily accessible information and documentation on the progress made in the implementation of



this MoU and the use made of the Contribution. To this end, NCDC will maintain separate accounts recording all receipts and expenditure under this MoU relating to the Contribution and ensure that any obligations entered into, and all disbursements made, are satisfactorily documented. For each payment a voucher will be issued detailing the Project, the name of the payee, the amount, purpose and date of disbursement. Bills, invoices, receipts and such other documentation pertinent to the transaction will be attached to the voucher in support thereof. These vouchers and the supporting documentation will be filed separately and will, upon request, be made available to UNICRI for accounting or reporting purposes.

6.4 Upon expiration or termination of this MoU, NCDC will maintain the records for a period of at least 2 (two) years, unless otherwise agreed upon with UNICRI.

6.5 The accounting period will be the duration of this MoU, as stated in Article 12.

6.6 NCDC will make provision for an audit both during and after the duration of this MoU by external and independent auditors appointed with the consent of UNICRI.

6.7. Notwithstanding the above, UNICRI shall have the right, at its own expense, to audit or review Project-related books and records as it may require, and have access to the books and record of NCDC, as necessary to this end.

Article 7. Liability

7.1 UNICRI will not be liable with respect to any third party claims in relation to the Project detailed in Annex A.

7.2 NCDC will provide for and maintain liability insurance to a degree adequate to cover third party claims for, *inter alia*, death, bodily injury, or loss of or damage to property, arising from or in connection with the activities undertaken pursuant to the MoU, or the operation of any vehicles, boats, airplanes or other equipment owned or leased by NCDC or its personnel.

7.3 NCDC will indemnify, hold and save harmless and defend at its own expense, UNICRI, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of NCDC (or NCDC's Personnel). This provision will extend, *inter alia*, to claims and liability in the nature of workmen's compensation, product liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by NCDC or its personnel. The obligations under this paragraph do not lapse upon expiration or termination of this MoU.

7.4 NCDC will be fully responsible for all services performed by its personnel. NCDC will ensure that all relevant labour laws are observed and will provide, and thereafter



maintain, appropriate medical and life insurance for its personnel in connection with this MoU.

7.5 The personnel of neither UNICRI nor NCDC will, in any respect, be considered as the employees of the other. Any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by personnel of either of the parties, as a result of their work pertaining to this MoU, will not result in any liability for the other and will be the sole responsibility of the UNICRI or NCDC in their role as employer.

7.6 In the event that NCDC engages in sub-contracting, it will be responsible for taking steps to recover any funds committed where the sub-contractor is unwilling or unable to provide the goods, works or services.

Article 8 Assets and property rights

8.1 Unless otherwise decided in writing, the intellectual property rights related to any documents, material or products produced in the course of, or as a consequence of, implementing the Project will remain with the NCDC.

8.2 Notwithstanding the above provision, the NCDC grants UNICRI the right to have access to and use free of charge, as UNICRI may see fit, all documents, materials or products referred to in Article 8.1. UNICRI may also accordingly use such documents, materials or products to ensure the implementation of the project in the event that the present MoU is terminated early in accordance with Article 9. The usage, by UNICRI, of the documents, materials or products referred to in Article 8.1 shall not be considered as a violation of any Intellectual Property Rights of the NCDC.

8.3 Unless otherwise decided in writing, the equipments, vehicles and supplies provided to the NCDC by UNICRI or paid for by the NCDC using the Contribution will be transferred to the NCDC when the objectives of the present MoU are achieved.

8.4 Unless written consent is sought by NCDC from UNICRI in this regard, the name and/or the emblem of UNICRI will not be used by NCDC. Consent to use the name and/or the emblem of UNICRI will also be sought by the NCDC in case it is publishing any documents, products and materials, mentioned in Article 8.1 above and wants to use UNICRI's name and/or emblem. Such written consent may be awarded by UNICRI to the NCDC subject to any conditions that it may deem appropriate.

Article 9. Early termination of the MoU

9.1 UNICRI and NCDC hereto recognize that the successful completion and accomplishment of the objective of this MoU is of paramount importance. It may however be necessary to terminate this MoU should circumstances arise which jeopardize



successful completion or the accomplishment of the objective. The provisions of the present article will apply to any such situation.

9.2 In the event of a situation under Article 9.1, UNICRI or NCDC, being aware of the situation, will promptly, and in writing, inform the other about the circumstances that could jeopardize the successful completion or accomplishment of the objective. UNICRI and NCDC will cooperate towards the rectification or elimination of these circumstances in question and will make all reasonable efforts to that end, including the adoption of prompt corrective steps as may be required. In case no solution is identifiable the Parties may then mutually decide to terminate this MoU before the objective is achieved.

9.3 UNICRI additionally reserves the right to unilaterally terminate the MoU at any point in its duration, in the event that it considers that NCDC is impeding the implementation of the Project in accordance with the MoU and is thus exposing UNICRI to liability. In such a situation, UNICRI will notify the contracting authority and request NCDC to cease to impede implementation within a period of 30 days. NCDC can be deemed to be impeding implementation *inter alia* if it:

- fails to implement the Project in accordance with the provisions of the present MoU; or
- is found to have adopted irregular, fraudulent, corrupt or other similar practices in the implementation of the Project; or
- declines to proceed with the implementation of the Project.

If NCDC persists in impeding implementation for a period longer than 30 days, UNICRI may take steps to terminate the MoU.

Article 10. Termination of this MoU

10.1 This MoU is terminated:

- (a) when its objective is achieved;
- (b) by joint decision of both UNICRI and NCDC under Article 9.2 or,
- (c) by unilateral decision of UNICRI in accordance with Article 9.3.

10.2 Upon the termination of this MoU, NCDC will, in particular, take the following steps:

- (a) liquidation of Contribution;
- (b) termination of all legal relationships with third parties, undertaken to meet the objective of this MoU; and,
- (c) settling of any lawful debts incurred in the process of implementing this MoU.

10.3 Upon completion of the liquidation process, any remaining cash surplus will be returned to the UNICRI. NCDC will not have the right to retain surplus cash in



anticipation of any damages that may eventually be awarded by a tribunal mandated to resolve any possible dispute between UNICRI and NCDC, as set out in Article 12.

Article 11. Resolution of disputes

11.1 Either party to this MoU, having failed to act in accordance with the MoU, may be notified in writing of this failure by the other and invited to remedy it within a period of 14 (fourteen) working days from the date of receipt of the notice. If the party failing to perform its duty does not remedy the failure within the period fixed, then the other will adopt the procedure as specified below.

11.2 The Parties will use their best efforts to amicably settle any dispute, controversy or claim arising out of this MoU or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation will take place in accordance with the *Permanent Court of Arbitration Optional Conciliation Rules*, and only then according to such other procedure as may be decided between the parties.

11.3 No claim or dispute arising out of this MoU will be made against either party unless, and to the extent that, such a claim or dispute will have been asserted in writing, not later than 2 (two) years from the expiration or termination of this MoU or the occurrence of loss, damage or injury giving rise to such claim or dispute.

Article 12. Duration of present MoU

12.1 This MoU will enter into force following the signature by both parties and the implementation of the Project will commence on 15 August 2013.

12.2 MoU will remain in force for the duration of the 24 month implementation period starting from 15 August 2013, in accordance with Annex A, unless otherwise terminated early under Article 9.

Article 13. Amendments

13.1 The present MoU or its Annex may be modified or amended only by written consent of both UNICRI and NCDC.

Article 14. Privileges and immunities of the United Nations

14.1 Nothing in or related to the present MoU will be deemed a waiver, express or implied, of any of the privileges and immunities of the UN, including its subsidiary organs.



15. Miscellaneous

15.1 The benefits and duties of any party under this MoU cannot be assigned to third parties without the prior and written consent of both UNICRI and NCDC.

15.2 The UNICRI and NCDC agree to keep confidential all technical and other knowledge relating to, and acquired in the course of, the implementation of the Project, on the understanding that both UNICRI and NCDC may use such knowledge for purposes of its activities. This obligation is not limited in time, and will continue after this MoU has been terminated.

15.3 Notices foreseen in the present MoU will be made by registered mail or by fax with confirmation by mail. They may also be validly made by electronic mail, provided the sender takes precautions necessary to ensure that the notice has been received.

IN WITNESS WHEREOF, the undersigned, being duly authorized respectively on the behalf of the UNICRI and NCDC hereto, have signed the present MoU in duplicate (two original copies) at the place and on the day specified hereunder:

For UNICRI

Name: Jonathan Lucas

Title: Director UNICRI

Signature:

Place: TURIN, ITALY

Date: 22 JULY 2013



For NCDC

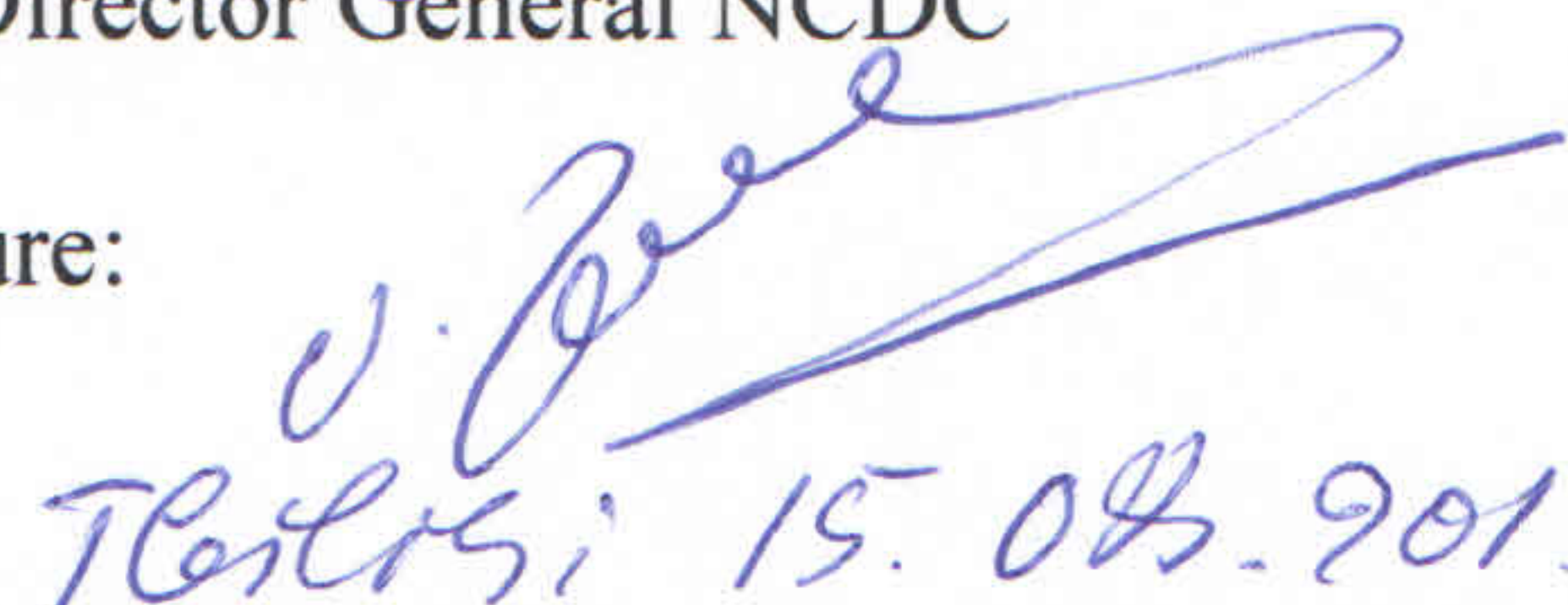
Name: Amiran Gamkrelidze

Title: Director General NCDC

Signature:

Place: Tbilisi, 15. 08. 2013

Date:



Annex A – Operational plan and Budget of the Project (attached)

