

# Contract for Local Subsidies

Contract number: **83383644**  
Processing number: **19.2204.6-004.00**  
Project: **Good Governance for Local Development**  
Country: **Georgia**  
Location: **Tbilisi**

The  
**Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH**  
**Dag-Hammarskjöld-Weg 1 - 5**  
**65760 Eschborn**  
**Federal Republic of Germany**

represented by

Bertram Winkler, Head of Finance and Administration of GIZ Office  
Georgia and Christoph Beier, Programme Director  
hereinafter referred to as "GIZ"

and the  
Institute for Development of Freedom of Information (IDFI)  
Shevchenko Str. 20  
Tbilisi, Georgia  
204569617  
represented by

Mr. Giorgi Kldiashvili, Director  
hereinafter referred to as "the Recipient"

herewith agree on the following to govern the granting of a local  
subsidy from GIZ project funds as part of the contributions of the

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Internationale Zusammenarbeit (GIZ) GmbH

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Federal Republic of Germany for the above-mentioned project and for the promotion period from **15.06.2021** to **15.12.2021**, on the basis of the Exchange of Notes/Project Agreement and/or the Implementation Agreement between the Government of the Federal Republic of Germany and the Government of Georgia:

**1. Amount and use of the local subsidy**

- 1.1 GIZ shall grant the Recipient a subsidy up to the amount of **162.750,00 GEL**(in words:one hundred sixty/two thousand seven hundred fifty Lari,00 tetri ). This amount is a net and does not include VAT. (the status of tax exempt within this agreement can be found under the following link: <http://rs.ge/5440> by indicating ID code)
- 1.2 This subsidy is intended exclusively for the payment based on the project description/budget set out in Annex 4. Any remaining amount must be repaid to GIZ. Any additional costs shall be borne by the Recipient itself.
- 1.3 The Recipient shall be advised in implementing the measures specified in Article 1.2 by **Mrs. Rusudan Abulashvili** and shall comply with their recommendations.
- 1.4 The Recipient shall ensure that the persons it has charged with the preparation and implementation of the specified measures and in particular the awarding of contracts for the supplies and services being financed do not demand, accept, provide, grant, pledge or have had pledged to them any illegal payments or other advantages in connection with these tasks.
- 1.5 The Recipient must take appropriate steps to ensure that it enters into business and maintains such business relations only with such third parties that are reliable and to whom no statutory ban on doing business applies. In particular he will ensure that the funds are neither directly nor indirectly made available to third parties that are listed in the blacklist of the United Nations and the EU.



## **2. Disbursement of the local subsidy**

2.1 The Recipient must meet the following conditions before the local subsidy is disbursed:

- It must sign this agreement in a legally binding manner
- Submission/provision of requesting payment according to the Paragraph 2.3 of the contract.

2.2 Payment of this subsidy shall take the form of advance instalments from **15.06.2021** in line with **3 month's** requirements.

If at least 80% of the previous funds have been settled before the next disbursement date, the next advance payment can be requested. The advance payment must be requested in writing.

Any remaining funds held by the Recipient will be offset against the following disbursement.

2.3 Upon receipt of payment of a subsidy, the Recipient shall provide GIZ with a properly signed receipt specifying the purpose for which the subsidy is to be used. For bank transfers, the Recipient shall submit with the statement of account the voucher specifying that the funds have been received (bank statement).

## **3. Accounting procedure for the local subsidy and reporting**

3.1 Together with the forms of evidence of use for the stipulated purpose as specified below, the Recipient shall complete, sign, and submit the List of Expenditures attached as Annex 1.

- 3.2 The Recipient shall provide evidence that the funds provided have been used for the stipulated purpose. As evidence of this, the Recipient shall submit to GIZ, as originals in each case, duly receipted commercial invoices, along with proof that services have been performed and payments made and/or receivables record sheets, which the Recipient has checked and signed as factually correct within 2 weeks after the end of the respective advance payment period.
- 3.3 For cash disbursements in foreign currency, the Recipient shall submit original currency exchange vouchers.
- 3.4 The Recipient shall submit with the final evidence of the correct usage of funds a written report on the course of implementation and success of the financed measure.
- 3.5 After all activities are completed any remaining funds shall be repaid to GIZ without further request to this effect.

#### **4. Order placement procedure**

When placing orders for supplies and contracting services to be financed from this subsidy, the Recipient shall observe the regulations laid down in **Georgia** and the provisions specified in Annex 2 (Placement of Orders for Supplies and Services), which constitutes a component of this contract. The documents specified there are to be submitted with the corresponding vouchers. All procurements shall be made in close consultation with the GIZ adviser or the GIZ office.

#### **5. Employment contract**

If salaries are financed, the Recipient shall conclude employment contracts with the persons concerned in accordance with local regulations. Copies of the corresponding employment contracts must be submitted at the latest together with the request for disbursement of the first advance payment.

**6. Withholding and cancellation of disbursement, repayment of the local subsidy**

- 6.1. GIZ is entitled to suspend or cancel disbursement of the subsidy if:
- a) the Recipient fails to submit evidence in accordance with 3.2 of the proper use of those funds already received;
  - b) the Recipient has made incorrect disclosures or fraudulently withheld information related to the subsidy before entering into this agreement or during its implementation;
  - c) the Recipient has breached other significant terms of this agreement or
  - d) exceptional circumstances arise that seriously jeopardise or entirely prevent the successful implementation of the measure by the Recipient.
- 6.2. GIZ is entitled to demand immediate repayment of the amounts disbursed if any of the circumstances set out in 6.1 a-c) occur. In the case of 6.1 a), repayment is limited to the amounts that have not verifiably been used for the stipulated purpose.

**7. Project audit**

The Recipient shall enable GIZ and its representatives to examine the books and documents kept for the financed measures at any time, and to inspect the procured items or results of work and shall provide all requested information.

**8. Applicable law**

- 8.1 This agreement shall be governed by the law applicable at the official location of the Recipient.

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8.2 The place of jurisdiction shall be Georgia

Issued as two originals, one for the Recipient and one for GIZ.



Tbilisi,

Giorgi Kldiashvili



Tbilisi,

Bertram Winkler



Christoph Beier

Annexes:

1. List of expenditures
2. Placement of orders for supplies and awarding of contracts for services
3. Request for advance payment
4. Project description/Budget
5. Specimen signature of the person responsible for the financial processing