

15 Annex - Energy

**96. MEMORANDUM OF UNDERSTANDING BETWEEN THE  
FEDERAL MINISTRY FOR TRANSPORT, INNOVATION AND  
TECHNOLOGY OF THE REPUBLIC OF AUSTRIA AND THE  
MINISTRY FOR ECONOMIC DEVELOPMENT OF  
MONTENEGRO ON TECHNOLOGY RELATED  
COOPERATION IN THE ENERGY SECTOR**

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**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE FEDERAL MINISTRY FOR TRANSPORT, INNOVATION AND TECHNOLOGY  
OF THE REPUBLIC OF AUSTRIA**

**AND**

**THE MINISTRY FOR ECONOMIC DEVELOPMENT  
OF MONTENEGRO**

**ON**

**TECHNOLOGY RELATED COOPERATION  
IN THE ENERGY SECTOR**

The Federal Ministry for Transport, Innovation and Technology of the Republic of Austria and the Ministry for Economic Development of Montenegro, hereinafter referred to as "Sides" to the Memorandum of Understanding,

- Desirous to promote and to deepen long-term infrastructure cooperation to mutual benefit by drawing on the opportunities offered in the energy and environmental technology sector;
- Recognizing the ambitious expansion and modernization programme of energy related facilities in Montenegro as a wide field for technology related cooperation in the energy technology sector between Montenegro and the Republic of Austria,
- Aiming at the modernization and extension of capacity of the existing production facilities in the field of energy technology as well as the extension of energy transportation technologies of Montenegro,
- confirming mutual interest in the technology related cooperation in the energy sector within an comprehensive Austrian-Montenegrin cooperation, have reached the following understanding:

**ARTICLE 1**

**Objectives of the Cooperation**

- (1) The sides to the Memorandum of Understanding stress the mutual interest in the technology related cooperation in the energy sector within the scope of an Austrian-Montenegrin economic cooperation. This cooperation refers to:
  1. the modernization and extension of the technology of the existing facilities of the energy sector of Montenegro,
  2. the regional and supra-regional extension of energy and environmental related technology facilities in Montenegro,

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3. the continued qualitative improvement of the energy and environmental technology related facilities in Montenegro.
- (2) The Sides shall, within a Joint Working Group from the Article 3 of this document, jointly define the projects referring to this technology related cooperation in the energy sector. Specific issues related to jointly defined projects will be governed by separate contracts between the Sides.
- (3) The Sides agree that all the projects shall be defined and implemented fully in compliance with the law of Montenegro.

**ARTICLE 2**

**Areas of Cooperation**

The general areas of the bilateral technology related cooperation in the energy sector include amongst others, the following:

1. technical and other planning
2. equipping and implementation of complete facilities as well as rehabilitation, expansion and conversion of existing technology facilities in the technology of energy supply;
3. planning, delivery, implementation and supervision as well as maintenance of technical monitoring facilities;
4. turnkey construction technology of complete facilities as well as rehabilitation, expansion and conversion of existing facilities in the energy sector;
5. rehabilitation and modernization technology of existing infrastructure (power plants, transmission networks and environmental facilities);
6. renewal and expansion technology of networks and distributive facilities;
7. delivery of equipment and material in the energy and environmental technology sector;
8. organisation-technology-related planning (work organisation, electronic data processing, personnel, training, putting into operation, operation management) and studies of profitability;
9. project management, construction supervision;
10. operation technology and assistance at operation technology management as well as assistance in constructing adequate institutions;
11. realization of studies on the operation and transport of energy, as well as the production of energy out of renewable resources;
12. technical assistance by provision of experts, specialists and highly qualified technicians;
13. teaching and training of personnel of the diverse professions in the field of energy and environment technology at institutions in connection with the projects in the sense of this Memorandum of Understanding.

**ARTICLE 3**

**Joint Working Group**

- (1) The Sides shall establish a Joint Working Group, composed of the representatives designated by them. The Joint Working Group will meet semi-annually or upon justified request of one of the Sides alternately in the Republic of Austria and Montenegro.
- (2) The "Joint Working Group" will deal with all questions related to the implementation of this Memorandum of Understanding, in particular the definition and continuous revision of the bilateral project list and analysis of possible implementation methods.

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- (3) On the Montenegrin side the Energy Division in the Ministry for Economic Development is in charge with the implementation of the Austrian-Montenegrin technology related cooperation in the energy sector.
- (4) On the Austrian side the Staff Group for Technology Transfer and Security Research in the Austrian Federal Ministry for Transport, Innovation and Technology (the "Staff Group") is in charge with the implementation of the Austrian-Montenegrin technology related cooperation in the energy and environmental sector.
- (5) For special technology projects the Staff Group may nominate appropriate Austrian companies or specific infrastructure operators via the respective Austrian cluster company in charge as project coordinator of the projects stipulated in the project list under Article 1 (2) of this Memorandum of Understanding. In such a case the "Staff Group" shall be responsible to the Montenegrin Side for selection of appropriate company, i.e. infrastructure operator. In any case, the Montenegrin Side may approve the selection of appropriate Austrian company or a specific infrastructure operator, i.e. Austrian cluster company nominated by the "Staff Group".
- (6) The Sides to this Memorandum of Understanding will endeavour to ensure, within the scope of their legal abilities, the due implementation of the technology related cooperation program in the energy sector.

**ARTICLE 4**

**Project Contracts**

- (1) The Sides have reached the understanding that any project to be realized in line with this Memorandum of Understanding is subject to a separate contract between the executing authorities, institutions and/or companies.
- (2) In view of the conclusion of contracts provided for in the above paragraph, the proposals and offers submitted by the authorities, institutions and/or companies responsible for the project will be assessed as to their competitiveness against terms and provisions prevailing on the international market, in particular as to the price, terms of payment, terms of execution and delivery, and the scope and quality of supplies and services, in all cases in compliance with legal regulations in Montenegro.

**ARTICLE 5**

**Entry into Effect and Termination**

- (1) This Memorandum of Understanding will become effective upon signature of both sides.
- (2) This Memorandum of Understanding is concluded for a period of five years and, after expiry of this period, will automatically be extended for additional period of five years, unless it is not terminated by one of the Sides three months prior to its expiry in writing or through diplomatic channels.
- (3) The termination of this Memorandum of Understanding will not affect the projects or programmes undertaken on the basis of this Memorandum of Understanding prior to the termination.

**ARTICLE 6**

**Nature of this Memorandum of Understanding**

- (1) This Memorandum of Understanding sums up guidelines for future cooperation and shall not be considered as a legally binding contract, preliminary agreement, nor negotiations between the Sides, nor shall it create any obligation to the Sides to define or implement any of the projects from the scope of cooperation as mentioned in this Memorandum of Understanding. Specific projects as agreed under the cooperation will be governed by separate contracts, in accordance with the Article 3 of this Memorandum of Understanding.

**ARTICLE 7**

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**Dispute Resolution**

- (2) Any dispute or difference which may arise between the sides in relation to the realisation or interpretation of this Memorandum of Understanding or in relation to the benefits and commitments of the sides contemplated herein shall be resolved amicably through consultation.

**ARTICLE 8**

**Entry into force**

This Memorandum shall enter into force on the date of signing.

Done in English, in two original copies.

Done at .....,

Done at.....,

on .....200\_

on .....200\_

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For the Federal Ministry  
for Transport, Innovation and Technology  
of the Republic of Austria

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For the Ministry  
for Economic Development  
of Montenegro