Project Consortium Agreement

between

Project Owner: [Name of the Project Owner Organization]

and

Project Partners: [Names of Project Partner Organizations]

regarding

collaboration in the execution of the R&D Project [Enter project ID]

under

the RenewableNepal Programme Framework

Whereas:

1. The Project Owner applied for R&D Project funding support from RenewableNepal Programme in [Date of Application] as described in the Project Application with Application ID [Application ID]

2. The Project Partners indicated the interest in collaborating for the Project Execution with the Project Owner with the letters of intent attached to the Project Application

3. The RenewableNepal Steering Committee decided to award funding support to the R&D Project on [Date of Decision].

4. The Project Owner and the Programme signed a Project Contract with the consent of Project Partners on [Date of signing of the Contract] to execute the R&D Project as described in the Project Contract and the Project Application; and in accordance to the General Terms and Conditions for Research and Development (R&D) Project under RenewableNepal Programme Framework.

5. The Project Owner and the Project Partners, according to Article A.1 of the Project Contract, are under obligation to enter into a “Project Consortium Agreement” in relation to the execution of the Project and get it approved by the Programme before the Date of Start of the Project Activity, [Date of Start of Project Activity].

Now therefore the Project Owner and the Project Partners (the Parties) agree to form a Project Consortium and enter into Project Consortium Agreement as follows:

Article 1: Scope and objectives

This Agreement sets forth the terms and conditions of the Parties’ which pursues the following Goal and Purpose in relation to the Collaborative R&D Project described briefly in Article 2 and elaborately in the Project Contract:

1. To execute the Project effectively and efficiently according to the collaboration indicated in the Work Plan, Schedule and Budget as defined in the Project Contract between the Project Owner and the Programme and any subsequent updates to it, under the Programme Framework.

2. To achieve the project objectives defined in the Article 2 in line with the basic Programme objectives which are:
   a. Industrial development in Nepal with aim of commercialization of Products and Services developed in the Project
   b. Institutional competence development in Nepal through the applied R&D conducted under the Project to be able to serve Nepalese industries in long term in utilizing Nepal’s renewable energy resources while contributing to socio-economic development of Nepal in the environment friendly and sustainable manner.
Promotion of women in research

3. To share the benefits of the Project between the Parties in a proportionate manner.
4. To continuously monitor the progress of the Project and take necessary decisions in relation to the collaboration.

**Article 2: Brief Description of the Collaborative Project**

1. Project title: [Specify the project title]
2. Major project objectives:
   i. [Project Objective 1]
   ii. [Project Objective 2]
   iii. [Project Objective 3]
3. Project ID: [Enter project ID]
4. Project activity start date: [Date]
5. Project activity end date: [Date]
6. Project closing date: [Deadline should be no later than 31 Oct 2013]
7. Total project funding from the Programme: NOK [Amount in figure and words]

**Article 3: Overall Project Management**

The Project Owner is the main responsible organization for the planning, administration and implementation of the Work Plan defined in the Project Contract and subsequent updates to it, including adherence to budgets and decisions related to the collaboration between the Parties. The Project Leader shall be the main responsible from the Project Owner for the responsibilities for overall technical and administrative matters related to the execution of the Project. The Project Administrator shall be main responsible for monitoring and evaluation of the Project and the decision making on behalf of the Project Owner organization in relation to the Project execution.

The Activity Leader of the partner organization with representation in the Consortium is responsible for all technical and administrative activities in the partner organization in relation to the execution of the project. The activity leader will regularly communicate with the project leader for the Project related matters. The activity leader of the partner organization is an interface between the project and project partner organization executive body. The activity leader has the authority to employ project staffs and authorize all financial transaction related to the project in the partner organization, with the permission from the project leader. The Activity leader of the Partner organization shall not be confused with a general activity leader assigned to lead activities in the work plan of the project.

**Article 4: The Project Consortium**

1. The Project Owner and the Project Partners shall set of a Consortium represented by the [Enter representatives such as Project Administrator, the Project Leader, and One Activity Leader from each Partner] as defined in Article 5.
2. The consortium is the main decision making body in relation to the collaboration in the R&D Project Execution.
3. The Consortium shall meet [meeting frequency such as at least every 6 month] regularly in connection with the reporting of the Project to the Programme, to discuss all aspects related to the collaborative execution of the Project, such as but not limited to work plans, reports and budgets. In the regular meeting, all local (Nepalese) members of the Consortium shall meet in person; the Norwegian partners may visit Nepal for the meeting depending upon convenience and budget, otherwise the Project Leader arranges to obtain the Norwegian Partner’s opinion on the agenda. Extraordinary meetings can be held at any time upon written request from one of the Parties. Such meetings may be held by e-mail, internet, telephone conference or other modes of telecommunication.
   a. The Project Leader shall convene and chair the meetings.
b. Any agenda items requiring a decision by the Consortium must be identified as such on the agenda. The agenda in regular meeting should at least include the following.
  i. Internal evaluation of project progress by the consortium
     1. Work plan and schedule versus actual work
     2. Budget versus expenditures
     3. Assessment of overall development of the Project and efficiency of the Project
     4. Assessment of the efficiency of the collaboration
  ii. Problems in collaboration and measures to handle the problems
  iii. Updates in work plan, schedule and budget related to the collaboration
  iv. Amendments to the consortium agreement

c. Agenda shall be sent by the Project Leader to all the members of Consortium 7 days before the meeting is held.

d. All decisions shall be taken unanimously.

e. The Project Leader shall produce written minutes of each meeting which shall be the formal record of all decisions taken. The minute may be finalized by the end of the meeting OR the Project Manager shall send a draft of the minutes to all parties within 3 days after the meeting. If the Parties do not respond to the minutes within 2 days of sending, the minute is assumed to be accepted by the Party. The final minute signed by the Project Leader shall be sent thereafter to all the Parties including the Programme.

f. If required, the Consortium Members are responsible to take prior consent of the respective organizations in making any decision regarding the Project.

**Article 5: Representation in the Consortium**

The Project Owner and the Partners are represented in the Consortium by the following persons. 
*Enter the following as applicable to the project. The following are generally required. Additions may be made.*

1. Project Administrator: [Enter Name]
2. Project Leader: [Enter Name]
3. Activity Leader from Partner 1: [Enter Name]
4. Activity Leader from Partner 2: [Enter Name]

The members are formally employed in the Project with Employment Contracts defining the Consortium related and Project related responsibilities, terms, and conditions. The employment will in general be for the entire project period.

**Article 6: Obligations and Responsibilities of the Parties**

The obligations of the Project Owner and Partners related to the Project execution are specified in the General Terms and Conditions for Research and Development (R&D) Project under RenewableNepal Programme Framework.

The Parties shall make available access to and use of reasonable resources available at the respective organizations in relation to the Project at reasonable/minimal costs. The parties shall also assist in arranging visits to each other’s premises or sites and arranging for reasonable logistics during such visits.

The Parties shall make available sufficient and qualified personnel which shall carry out their work with the highest professional standards. If any problem arise or is expected to arise, the Party concerned shall notify the other Party immediately in writing. Should it become necessary to replace personnel, the Party concerned shall arrange for replacement with a person with comparable experience.

Any contributions from one of the Parties to the other have to be supplied at the time and of the quality that have been agreed on to enable that Party to comply with the Project work plan, schedule, and budget.
The parties shall contribute to all Reports from the project.

**Article 7: Communications between the Parties**

In general, the Parties shall keep each other informed about all matters of importance to the overall cooperation and the implementation of the tasks to be performed jointly related to the Project. Each Party undertakes to notify each other promptly about any significant information, facts, problems or delays likely to affect the Project.

The Project Leader and the Activity Leaders representing in the Consortium shall be in consistent touch with each other via e-mails, telephone, internet, or any other suitable means of communication.

The Project Leader and the Activity Leaders shall meet regularly to discuss the developments in the Project and to take any immediate steps or minor decisions, mainly related to the collaborative R&D activities in context. Any major decision shall however be taken in the formal consortium meeting.

**Article 8: Entry into Force, Duration, and Termination**

An entity becomes a Party to this Consortium Agreement upon signature of this Consortium Agreement by a duly authorized representative.

This Consortium Agreement shall have effect from the Project Activity Start Date till the deadline of Closing of the Project between the Project Owner and the Programme.

If the Project develops unfavourably in terms of Partnerships, this Consortium Agreement or the participation of one or more of the Partners to it may be terminated by the Project Owner in agreement with the Programme. Upon receipt of such notice of termination of partnership, the Project Owner and Partners shall exert their best efforts to bring the ongoing partnership work to an end in a rapid, orderly and economical manner. The partner/partners with agreement terminated must close down the project activities at the respective organizations following the procedure below, within TWO MONTHS.

1. Clearing of all financial and accounting obligations towards the Project Owner in relation to the Project.
2. Rapidly bring the R&D work to an end at the Partner organization and submit all results of the R&D works conducted/held by the partner/partners in relation to the Project to the Project Owner.
3. Obtain transfer of ownership from the Programme for the durables purchased by the partner under the Project with majority Programme funding OR return the durables purchased by the partner with majority Programme funding to the Project Owner, in accordance to the directions from the Programme.

If all the Parties agree on early termination of the Agreement, the partners shall follow the procedure above to close down the Project Activities at the respective organizations, in a rapid, orderly and economical manner.

In the event of a breach by a Party of its obligations under this Consortium Agreement or the Contract or the General Terms and Conditions of the Programme, the matter should be brought into the notice of the Consortium and if needed the Programme. Such breach should be remedied within ONE MONTH. If such breach is substantial and is not remedied within the period designated, or the breaching party is not capable of remedy, the Consortium and/or the Programme may decide the consequences thereof.

In the event of termination of agreement, the Partners have Access Rights to Project Results held by the Party, for its own use.
The consortium is not entitled to decide the termination of the Project. Termination of project is the decision that entirely lies between or with the Project Owner and the Programme. If the Programme or the Project Owner decides to terminate the Project, the Project Owner and Partners shall enter into the termination procedure and shall terminate the project within THREE MONTHS.

**Article 9: Addition of Partners to the Consortium**

The Consortium shall decide whether or not to accept new Parties in the Consortium. Once accepted by the existing Consortium and the Programme, new Parties are entitled to representation in The Consortium.

For entry of a new Party in the Consortium, an accession document shall be prepared by the Project Owner indicating updates in the Project Contract and the existing Project Consortium Agreement, along with justification for addition of the new Party indicating how the addition of the new Party contributes to the effectiveness of the Project. The Accession Document and the Justification shall be discussed in the Consortium meeting to reach to an agreement. The decision to accept a new Party requires the unanimous approval of the Consortium.

The approval of the Consortium along with the Accession Document and the Justification will be sent to the Programme for final approval. The new Party may enter the consortium upon approval by the Programme, based on approved or set terms and conditions.

The new Party enters the Consortium upon signature of the accession document by the new Party and the Project Owner. Such accession shall have effect from the date identified in the accession document.

**Article 10: Withdrawal of Partners from the Consortium Agreement**

A Party, other than the Project Owner, may decide to withdraw from the Consortium Agreement and be exempted from further obligations pursuant to the Consortium Agreement by the Project Owner. The withdrawing Party shall send a written notice to the Project Owner with reasons for withdrawal. The withdrawing Party shall immediately enter into withdrawal procedure described as follows:

1. Clearing of all financial and accounting obligations towards the Project Owner in relation to the Project.
2. Rapidly bring the R&D work to an end and submit all results of the R&D works conducted/held by the partner/partners in relation to the Project to the Project Owner.
3. Return of all durables purchased by the Partner under the Project with majority Programme funding to the Project Owner.

The withdrawal shall be effective from the date of completion of the withdrawal procedure up to the satisfaction of the Project Owner, which shall be within TWO MONTH of the sending of the withdrawing notice by the Party.

A withdrawing Party will have Access Rights to Project Results held by the Party, for its own use.

In the event one or more Parties withdraw from the Consortium with the consequence that funding and/or essential expertise/resources are no longer available, the Consortium must seek to ensure that the Consortium has the resources needed to achieve the objectives of the Project.

**Article 11: Funding of Activities in the Partner Organizations**

The Programme funds will be made available to the use by the partners by the Project Owner based on the approved work plan, schedule, and budget.

All personnel costs of the partners working on the project shall be invoiced to the Project Account held by the Project Owner, on a monthly basis or on a basis defined in the Employment contract of
the personnel. The personnel costs shall be invoiced based on the actual time sheet of work of the personnel and the employment contract.

The cost of services provided by the Partners on the project shall be invoiced to the Project Account held by the Project Owner, on a monthly basis. The costs must be in accordance to the service agreement with the Project Owner.

The Project Owner shall immediately respond to the invoice.

The durables and consumables may be purchased by the Partners based on the approved work plan, schedule and budget in agreement with the Project Owner. The costs of such purchase shall be reimbursed by the Project Owner based on the evidences and reimbursement request from the Partners. In needy situation, the Project Owner shall provide an advance to cover approximately 80% of the cost of planned purchase to the Partner.

Travel and field visit costs of the Partners will be reimbursed by the Project Owner based on the evidences of actual expenditures and prior agreement with the Project Owner on the travel and per diem costs. In needy situation, the Project Owner shall provide an advance to cover approximately 80% of the cost of the planned mission to the partner or personnel designated by the partner.

In case of Project with Norwegian partners, an additional Project Account may be set up in Norway partner hub organization so that Norwegian costs may be invoiced to that account. The account shall be considered a part of the Project Account held by the Project Owner.

**Article 12: Employments in the Projects by Partner Organizations**

The employment in the project shall follow the method specified in the General Terms and Conditions General Terms and Conditions for Research and Development (R&D) Project under RenewableNepal Programme Framework.

The partner organizations may employ personnel in agreement with the Project Owner. All employments shall accompany the formal employment contract or specific work order.

All employments should in general accompany a confidentiality agreement.

**Article 13: Avoidance of Corruption**

The Parties declare their commitment to counteract corrupt practices in the execution of this Agreement. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Agreement, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. Any such practice will be grounds for cancellation of this Agreement.

Any significant employment and business opportunities provided by the collaboration in the Project shall be open and competitive. Procedural details and evidences shall be submitted by the partners to the Project Owner. Local law and the regulations of respective organization shall be followed.

**Article 14: Audit**

Only the annual financial statements of the Project Account held by the Project Owner in Nepal and Partner Hub in Norway shall be audited. The partners shall make available documents of all financial transaction at the respective organizations to the Project Owner in Nepal and the Partner Hub in Norway.

**Article 15: Contributions in Cash or Kind**

All planned contributions by the Nepalese partners in cash should be made available to the Project Account held by the Project Owner. Norwegian partners make the contribution available to the Project Account in Norway.
All contributions in kind shall be reported by the partners in a manner equivalent to the normal financial transactions. The contributions will not be accounted without necessary and sufficient evidences.

The contributions planned in the budget shall be respected at all circumstances.

In accordance to the Programme framework, the Project Owner and the industrial partners should work together to make significant industrial contributions to the Project. The minimum Programme requirement of industrial contributions in cash or kind amounting at least 20% of the programme funding should be respected. Failure to make the required contributions by any Nepalese industrial partners shall be justified to the Programme.

**Article 16: Distribution of Ownership of Equipments and Durables**

The distribution of final ownership of equipments and durables procured under the collaborative framework with majority programme funding shall follow the principle of good partnership practice and be in line with the objectives of the Programme. The ownership of these equipments and durables shall lie with the Programme until the Project is successfully terminated. The ownership will be finally transferred by the Programme to the Project Owner and Partners, generally based on the decision of the Consortium regarding the ownership transfer. If any dispute results, the decision of the Programme shall be final.

In general, the procurement of the equipments and durables shall be conducted and these should be located with a view of final ownership transfer.

**Article 17: Intellectual Property Rights**

Intellectual property resulting from the collaborative R&D work shall be identified as intellectual property by the Consortium. The distribution of rights shall be mentioned in the document describing the intellectual property. The distribution of right shall be proportionate based on the overall contribution of the parties to the R&D results. The intellectual property may be made available to use by a third party based upon the decision of the consortium. During the project execution period, the intellectual property and its right management lie with the consortium.

After the termination of the project, the intellectual property and its right management shall be the responsibility of one of the party, according to the decision of the Consortium. In the event that no party is willing to manage the intellectual property and its rights, the intellectual property may be made public or may be made available to any third party by any of the parties.

The parties contributing will have Access Rights to the Intellectual Property, for their own use indefinitely.

**Article 18: Transparency and Confidentiality**

The project procedures and results shall be transparent to the parties. The Parties shall hold all the R&D procedures and results confidential within the party. A portion/all of R&D procedures and results may be made public or may be made available to a third party by the consortium decision only. The confidentiality of R&D procedures and results will cease after the termination of the project, unless the procedures and results are identified as intellectual property by the consortium with the property and rights managed by one of the parties.

**Article 19: Dissemination of Project Results**
The consortium shall seek opportunity to disseminate the Project results through appropriate media so that the R&D results can have enhanced multiplier effects in a general audience. Any publication shall be discussed in the Consortium before being sent to the media for publication so that confidentiality and protection of intellectual property are intact.

**Article 20: Liability**

No warranty or representation of any kind is made to the sufficiency or fitness for purpose, nor as to the absence of any infringement of any proprietary rights of third parties, in respect of any information or materials supplied by one Party to another under the Project. The recipient Party shall in all cases be entirely and solely liable for the use of such information and materials. The donor party shall mention the sources of information or materials.

No Party shall be responsible to any other Party for any indirect or consequential loss or similar damage related to the Project execution.

A Party’s aggregate liability towards the other Parties collectively shall be limited to the said Party’s share of the total costs (received or contributed) of the Project.

Each Party shall be solely liable for any loss, damage or injury to third parties resulting from the performance of the said Party’s obligations under this Consortium Agreement or from its use of Project Results or Background knowledge.

**Article 21: Force majeure**

Either Party shall notify the other Parties without undue delay if Force majeure should prevent that party from fulfilling its obligations under the Contract or the Agreement. None of the Parties is to be held liable for a breach of Contract if the inability to fulfil its obligations is due to Force majeure. If the situation of Force majeure is expected to last, or has lasted, for more than ONE MONTH, the Consortium shall decide whether to transfer said obligations to other Parties.

**Article 22: Settlement of Disputes**

1. If any dispute arises relating to the implementation or interpretation of this Agreement, there shall be mutual consultations between the Parties with a view to secure a successful implementation of the activities referred to in this Agreement.

2. Any disputes which cannot be solved amicably shall be referred to the parties to the Programme with a view to reaching a solution.

3. Any disputes that cannot be solved amicably according to the above provisions shall be referred to the competent local court and settled in accordance with the local law.

**Article 23: Precedence of Documents Related to Project Execution**

The following documents shall be referred by the Parties as necessary during the Project execution. The precedence of the documents shall be as indicated by the numbering below.

1. The recent version of the Programme Handbook and any updates to it
2. The Project Contract between the Project Owner and the Programme and any subsequent updates to it.
3. This Project Consortium Agreement and any subsequent updates to it.

**Article 24: Interpretation and Explanation of this Agreement**

The right to interpret and explain this agreement lies with the Project Owner.

**Article 25: Amendments to the Agreement**
Any amendments to this Agreement shall be in writing and be signed by the Parties. Such amendments will become effective when approved by the Programme.

**Article 26: Signing of the Agreement**

This agreement has been signed between the Project Owner and Partners in [number of copies] copies by the following authorized persons.

[Signatures on behalf of all Partners]

[Name and Designation of signatory]

[Name of Organization]

Date of Signing of the Agreement: [Date]