

**FRAMEWORK FOR COOPERATION**

**BETWEEN**

**THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**

**AND**

**THE ENERGY COMMUNITY SECRETARIAT**

**FRAMEWORK FOR COOPERATION** (hereinafter sometimes referred to as the “**Framework**”) between the United States Agency for International Development (hereinafter referred to as “**USAID**”) and the Energy Community Secretariat (hereinafter referred to as the “**Secretariat**”), hereinafter separately referred to as a “**Participant**” and jointly referred to as the “**Participants**”.

**WHEREAS**, the Energy Community Secretariat is the only permanent and independent institution of the Energy Community, an international organisation which brings together the European Union and its neighbours to create an integrated pan-European energy market;

**WHEREAS**, the key objective of the Energy Community is to extend the European Union (EU) internal energy market rules and principles to countries in Southeast Europe, the Black Sea region and beyond on the basis of a legally binding framework;

**WHEREAS**, USAID is a leading international development agency assisting partner countries to achieve sustained and broad-based economic development and USAID’s Bureau for Europe and Eurasia (E&E) partners to promote resilient and democratic societies, strengthen economic growth and energy security, and support European-Atlantic integration to realize a region that is whole, free, and at peace;

**WHEREAS**, the Participants are long-standing partners that have a record of mutually-beneficial cooperation;

**WHEREAS**, the Participants are committed to continuously inform each other about and collaborate on their operational priorities, geographic outreach, and program implementation to reflect the changing political and socio-economic environments;

**WHEREAS**, the Participants, building upon their successful relationship to date, wish to set out and reaffirm the broad priorities, operational modalities, and thematic and geographic areas for cooperation, as well as to streamline certain project preparation and implementation arrangements;

The Participants have developed this Framework to achieve the following:

## **SECTION I PURPOSE**

This Framework is intended to facilitate continued, deepened, and strengthened cooperation between the Participants to support energy sector reform in the countries where they operate over the coming years and in so doing to also enhance each Participant's ability to achieve its objectives and mandate.

## **SECTION II SCOPE**

The Participants of this Framework intend to maintain a continuous working relationship for the achievement of their common objectives within the limitations of their respective resources, allocated budget, mandates, laws and policies.

## **SECTION III AREAS OF COOPERATION**

- 3.1 The Participants intend to foster existing partnerships and continuously explore new cooperation opportunities, particularly in the countries where they both conduct activities.
- 3.2 Designated points of contact of both Participants are expected to engage in discussions early on to define prospective areas of engagement and cooperation, as per their established procedures.
- 3.3 Reflecting their operational presence and priorities, the Participants intend to cooperate in the Europe and Eurasia Region, including Belarus, Moldova and Ukraine in Eastern Europe; Armenia, Azerbaijan and Georgia in the South Caucasus; and Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, and Serbia in the Western Balkans. Activities in other countries of the Europe and Eurasia Region are expected to be considered on a case-by-case basis. Areas of cooperation are expected to include, but not be limited to, the following:
  1. Energy sector reform, focused on establishing the legal and regulatory framework necessary to create an integrated energy market that allows for cross-border energy trade and integration with the EU market and that is in line with Energy Community rules;
  2. Improving the enabling environment for energy sector investment;
  3. Encouraging energy supply diversification and improving operational capability to manage the energy sector and encourage security of energy supply;
  4. Combating climate change and promoting the development of renewable energy and energy efficiency technologies while avoiding distortion of markets;
  5. Opening energy markets and protecting vulnerable consumers; and

6. Improving energy sector governance and establishing robust and independent enforcement and anti-corruption mechanisms.
- 3.4 Reflecting their experience in cooperating to date, and in the expectation of strengthening their engagement in all or some of the following Operational Modalities, the Participants expect there to be:
1. Information sharing between the Participants to coordinate activities to ensure complementarity and avoid overlap in implementation of their strategies, programs and projects, which: would be organised through designated points of contact within the Secretariat and USAID;
  2. Review by the Secretariat of USAID-supported drafts of primary and secondary legislation which are expected to be provided to the Secretariat by beneficiary countries for evaluation prior to adoption by such beneficiary countries; USAID will encourage beneficiaries routinely to submit all USAID-supported drafts to the Secretariat for review;
  3. Advice and input from USAID to the Secretariat regarding beneficiary country capability to successfully enact and implement provisions of the Energy Community Treaty and other regional initiatives (i.e. the Western Balkans 6 Initiative, CESEC etc.) by regular exchange between the designated points of contact;
  4. Coordinated support by the Participants of different parts of larger programs and initiatives, using expertise, funding and consultants of respective organisations;
  5. Where appropriate, regular meetings to identify and prioritize assistance in addressing gaps in the adoption and implementation of provisions of the Energy Community Treaty;
  6. Where appropriate, planning and implementation by the Secretariat and USAID of joint technical assistance programs and events, including consideration of programs and events previously developed by either Participant. Projects and initiatives are expected to be implemented in a financially and environmentally sustainable manner to ensure continued benefits following their conclusion.

To the extent practicable, the Participants intend to liaise in the preparation of each Participant's assistance strategies in the areas of energy sector reform.

## **SECTION IV IMPLEMENTATION**

- 4.1 It is expected that overall coordination and promotion of collaboration would be implemented by the USAID Bureau for Europe and Eurasia, Energy and Infrastructure Division, and the Director and Deputy Director of Energy Community Secretariat, whereas the Participants' sector teams, together with regional/country offices/representatives, are envisaged to take ownership of specific projects and initiatives.
- 4.2 The Participants intend to inform and engage their relevant management, staff, and implementers and update them accordingly on activities associated with the Framework.
- 4.3 The Participants expect to conduct, within 12 (twelve) months of the coming into operation of this Framework, an in-depth review to identify more specifically elements under the areas of cooperation with prospects for joint work resulting in a medium-term joint agenda for cooperation. This review would take the form of consultations between respective designated points of contact of the Participants.
- 4.4. The Participants expect to update one another on the administrative requirements in relation to the awarding and management of instruments and to review such requirements in order to optimize project preparation, implementation, and reporting, where necessary and feasible.
- 4.5 The Participants intend to meet at least twice a year to review and discuss the operation of this Framework and share information on priorities for planning and programming. The meetings may be hosted by either Participant. If deemed appropriate and upon request of either of the Participants, additional sectoral and/or thematic consultations may be organized on a bilateral basis, including for purposes of knowledge sharing. The Participants also intend to engage at the senior management level, as required, to discuss strategic cooperation issues.

## **SECTION V EXCHANGE OF INFORMATION**

The Participants intend to exchange relevant information and data for implementation of the activities described in this Framework, subject to such arrangements as may be necessary or advisable, and subject to any document and/or information protection policies and procedures of the Participants and/or arrangements between the Participants in place for the purpose of safeguarding the confidential or internal nature of certain information or data.

## **SECTION VI PUBLICITY**

- 6.1 Information regarding this Framework is to be published by the Participants only with their mutual consent.

- 6.2 If one Participant should implement activities that are the subject of this Framework on behalf of the other Participant, the implementing Participant expects to provide proper acknowledgement of the other Participant for the activities supported with the financial assistance of such other Participant

## SECTION VII COMMUNICATIONS

Any notice or other communication to be given or made under this Framework should be addressed and sent to the following addresses or such other address as either Participant designates by written notice to the other Participant:

### **For USAID:**

Address: United States Agency for International Development  
Bureau for Europe and Eurasia  
1300 Pennsylvania Ave., NW  
Washington, D.C. 20523

Attention of: Steven Burns, Chief, Energy and Infrastructure, Bureau for Europe and Eurasia  
Fax: +1 202 567 4266  
E-mail: [sburns@usaid.gov](mailto:sburns@usaid.gov)

### **For the Energy Community Secretariat:**

Address: Energy Community Secretariat  
Am Hof 4  
1010 Vienna, AUSTRIA

Attention of: Janez Kopač (Director) or Dirk Buschle (Deputy Director)  
Fax: +43 1 535 2222  
E-mail: [janez.kopac@energy-community.org](mailto:janez.kopac@energy-community.org) or [dirk.buschle@energy-community.org](mailto:dirk.buschle@energy-community.org)

## SECTION VIII FINAL PROVISIONS

- 8.1 This Framework reflects the views and intentions of the Participants to co-operate on a non-exclusive basis, expressed in good faith but without the creation of any legal obligation or the incurrance of any liability on the part of either of them. This Framework is not binding under international law. Further, no third party is intended to obtain any legal benefit from this Framework.
- 8.2 It is understood that nothing in this Framework constitutes, effects, or is to be construed as, an offer, promise, undertaking, or obligation or commitment of funds, by either Participant, to finance all or part of any activity or project identified in or pursuant to this Framework. Further, the implementation of any such activity or project by either Participant is subject to

the availability of funds to each Participant and to statutes, regulations, or other authorities governing each Participant.

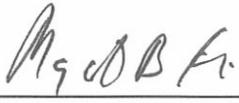
- 8.3 In the event that opportunities are identified, specific arrangements for any such activity or project would need to be decided upon between the Participants. Each of the Participants intends to incur its own expenditures arising as the result of the implementation of this Framework, unless otherwise specified in relevant separate agreements.
- 8.4 Nothing in this Framework is intended to limit the right of or prevent the Participants from entering into memoranda or arrangements with other parties with respect to any activity, project or area of co-operation covered by this Framework.
- 8.5 The Participants intend to settle any dispute arising out of, or in connection with, the interpretation or application of any provision of this Framework amicably through consultations.
- 8.6 This Framework is expected to come into operation on the date it is signed by the last of the two Participants and continues until either Participant notifies the other Participant in writing of its intention to discontinue this Framework. In such case, discontinuance of this Framework becomes effective as of the date specified in the notice of discontinuance or as otherwise agreed to by the Participants.
- 8.7 This Framework may be modified by the mutual written consent of the Participants.

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**[Signature page follows]**

**IN WITNESS WHEREOF**, the Participants, each acting through its duly authorized representative, have signed this Framework in two originals in the English language.

**FOR THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT:**

By:   
Name: Margot B. Ellis  
Title: Acting Assistant Administrator, Bureau for Europe and Eurasia  
Date: *24. 10. 2017*

**FOR THE ENERGY COMMUNITY SECRETARIAT:**

By:   
Name: Janez Kopač  
Title: Director  
Date: *24. 10. 2017*