

# FKEE

FONDI I KOSOVËS PËR EFIÇIENCË TË ENERGJISË  
KOSOVSKI FOND ZA ENERGETSKU EFIKASNOST  
KOSOVO ENERGY EFFICIENCY FUND

## Project Initiation Agreement

### Preamble

THIS PROJECT INITIATION AGREEMENT (hereinafter "PIA") is entered into between:

Kosovo Energy Efficiency Fund (hereinafter "KEEF"), located at St. "Luan Haradinaj" (ex Ljubljana Bank building), 10000 Prishtina, Kosovo, represented by the Managing Director, Admir Shala,

and

Municipality of Gjakova (hereinafter "Beneficiary") as parties to this Agreement (hereinafter the "Parties").

### Article I.

#### Subject of Agreement

The subject of this agreement establishes the mutual responsibilities and intentions of the Parties before entering the Energy Service Agreement (hereinafter ESA) for the implementation of a Municipal Energy Efficiency Project to undergo Energy Efficiency Measures in the framework of the Kosovo Energy Efficiency Fund project (Grant Agreement, Additional Financing - Energy Efficiency and Renewable Energy Project between REPUBLIC OF KOSOVO and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as administrator of the European Commission - World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund).

Article 2.  
Rights and obligations of the parties

NOW THEREFORE THE PARTIES hereby agree as follows:




1. The KEEF as an independent, autonomous and sustainable entity established by the Law No. 06/L-079 on Energy Efficiency, implementing the Municipal Energy Efficiency Project according to the its Operational Manual (hereinafter called the "OMoK").
2. The Beneficiary having applied to the Kosovo Energy Efficiency Fund to receive financial support by means of financing for the implementation of Energy Efficiency Measures (hereinafter "EEM") in the Municipal Energy Efficiency Project (hereinafter "MEEP"), implemented by the KEEF and determined by the KEEF to be eligible according to the criteria set out in the Public Call published on 20.04.2020.
3. The Beneficiary accepts KEEF as the qualified provider to render professional services that shall result in projected Energy (Cost) Savings and budgetary savings as well as to improve comfort levels and living standards for municipal facility users and whose services may include but are not limited to the following: energy use analysis (energy audit), detailed designs and technical specification for energy efficiency measures, including the systems and devices to be installed and maintained, construction works, supervision of implementation, basic training of the Beneficiary employees, and monitoring of the MEEP as provided herein and commissioning of services.
4. The Parties agree to initiate the implementation of the MEEP of the Beneficiary **SHMLE "KADRI KUSARI"** located by the address: 50000 Gjakova, in the Republic of Kosovo.
5. The Parties are committed to follow the provisions of the OMoK, which is an integral part of this PIA, during the MEEP's initiation and preparation.
6. By accepting this PIA, the Beneficiary confirms that it consents to the KEEF to act as *Implementation Entity* on its behalf and engage on a competitive basis with companies to provide professional services for (I) Energy Audits, (II) Design, Supervision and Commissioning and (III) Supply of Works, including the necessary equipment and materials.
7. The Parties are committed to sign a separate Energy Service Agreement (hereinafter "ESA") after selection of Contractor for Supply of Works. The Beneficiary in accordance with the methodology of calculation of projected Energy (Cost) Savings and establishment of the Investment Compensation Scheme as stipulated in in Appendix 7 of the ESA, will compensate the KEEF for the costs of investment of the MEEP.
8. The cost of other services provided by the KEEF, including financial management, procurement and technical supervision will be compensated by the Beneficiary in accordance with the terms and conditions for fees and charges as stipulated in the standard ESA section 1.6B.
9. The Beneficiary shall ensure access for the KEEF, its staff and representatives, including the KEEF's contractors, to the site of the envisaged MEEP of the Beneficiary.
10. The Beneficiary bears responsibility for getting in a timely way all permits and approvals and ensuring the technical conditions necessary for implementation of the MEEP.
11. If the Beneficiary fails to perform the obligations undertaken under this PIA or performs them only partially or refuses to sign the ESA within the deadline determined by the KEEF, the PIA shall be terminated by the request of the KEEF. The Beneficiary shall cover cost of services, works and/or equipment incurred to the KEEF for project development (i.e. energy audit, design etc.) until the date of termination of this PIA, within a deadline specified by KEEF and its Internal Regulations.
12. In case of non-performance or partial non-performance of responsibilities hereto caused by the occurrence of any event of force majeure, the Parties are exempt from liabilities. Force majeure is defined in Article 6 of the ESA.

Article 3.  
Effectiveness of the PIA

1. The relationship between the Parties shall be regulated by this PIA from the date of signing the agreement until signing of the ESA.
2. The effectiveness of this PIA is terminated upon signing of the ESA.

Article 4.  
Applicable Laws

1. This PIA is subject to obligatory performance by the Parties. 2. Any dispute arising out of this PIA, which cannot be amicably settled between the Parties, shall be regulated by laws of the Republic of Kosovo.
2. Any amendment of provisions under this PIA shall be made by mutual agreement of the Parties by signing an amendment to this PIA.
3. For the purpose of day-to-day coordination of project-related activities, each Party shall appoint its authorized representative as a single contact point for communication between the Parties.
4. The PIA is signed in Gjakova, two (2) copies in Albanian, two (2) copies in English; one copy shall be given to KEEF, one copy to the Beneficiary.

On behalf of KEEF	On behalf of the Beneficiary
Admir Shala Managing Director 	Ardian Gjini Mayor  

Date 23.10.2020

Gjakova, Republic of Kosovo