

INTERNATIONAL ENERGY AGENCY

**IMPLEMENTING AGREEMENT
FOR A CO-OPERATIVE PROGRAMME
ON TECHNOLOGIES RELATING TO
GREENHOUSE GASES DERIVED
FROM FOSSIL FUEL USE**

INTERNATIONAL ENERGY AGENCY

IMPLEMENTING AGREEMENT
FOR A CO-OPERATIVE PROGRAMME
ON TECHNOLOGIES RELATING TO
GREENHOUSE GASES DERIVED
FROM FOSSIL USE

TABLE OF CONTENTS

PREAMBLE	1
--------------------	---

Article 1

OBJECTIVES	2
----------------------	---

Article 2

IDENTIFICATION AND INITIATION OF TASKS	2
--	---

Article 3

THE EXECUTIVE COMMITTEE	3
-----------------------------------	---

Article 4

THE OPERATING AGENTS	6
--------------------------------	---

Article 5

ADMINISTRATION AND STAFF	7
------------------------------------	---

Article 6

FINANCE	7
-------------------	---

Article 7

PROCUREMENT PROCEDURES	10
----------------------------------	----

Article 8

INFORMATION AND INTELLECTUAL PROPERTY	10
---	----

Article 9

LEGAL RESPONSIBILITY AND INSURANCE	11
--	----

Article 10

LEGISLATIVE PROVISIONS	11
----------------------------------	----

Article 11

ADMISSION AND WITHDRAWAL OF CONTRACTING PARTIES	12
---	----

Article 12

FINAL PROVISIONS	14
----------------------------	----

Annex I

ASSESSMENT OF TECHNOLOGY OPTIONS	16
--	----

INTERNATIONAL ENERGY AGENCY

IMPLEMENTING AGREEMENT FOR A CO-OPERATIVE PROGRAMME ON TECHNOLOGIES RELATING TO GREENHOUSE GASES DERIVED FROM FOSSIL FUEL USE

The Contracting Parties

CONSIDERING that the Contracting Parties, being either governments of International Energy Agency ("Agency") countries, governments of other countries invited by the Governing Board of the Agency to be Contracting Parties, international organizations so invited by the Governing Board or parties designated by their respective governments, wish to take part in the establishment and operation of a Co-operative Programme on Technologies Relating to greenhouse gases derived from fossil fuel use (the "Programme") as provided in this Agreement;

CONSIDERING that the Contracting Parties which are governments of Agency countries and the governments of Agency countries which have designated Contracting Parties (referred to collectively as the "Governments") have agreed in Article 41 of the Agreement on an International Energy Program (the "I.E.P. Agreement") to undertake national programmes in the areas set out in Article 42 of the I.E.P. Agreement, including energy research and development and agreed in Chapter IV of the Long-Term Co-operation Programme, adopted by the Governing Board of the Agency on 30th January, 1976, to undertake co-operative activities including jointly financed programmes and projects in energy research and development;

CONSIDERING that the Governing Board of the Agency on 6th March, 1991, approved the Programme as a special activity under Article 65 of the I.E.P. Agreement;

CONSIDERING that the Agency has recognized the establishment of the Programme as an important component of international co-operation in the field of energy research and development;

HAVE AGREED as follows:

Article 1

OBJECTIVES

(a) *Scope of Activity.* The Programme to be carried out by the "Contracting Parties" within the framework of this Agreement shall consist of evaluating technologies for abatement, control, utilisation and disposal of carbon dioxide and other greenhouse gases derived from fossil fuel use; preparing research, development and demonstration proposals and conducting, where appropriate, R&D projects.

(b) *Method of Implementation.* The Contracting Parties shall implement the Programme by undertaking one or more tasks (the "Task" or "Tasks") each of which will be open to participation by two or more Contracting Parties as provided in Article 2 hereof. The Contracting Parties which participate in a particular Task are, for the purposes of that Task, referred to in this Agreement as "Participants".

(c) *Task Co-ordination and Co-operation.* The Contracting Parties shall co-operate in co-ordinating the work of the Tasks and shall endeavour, on the basis of an appropriate sharing of burdens and benefits, to encourage co-operation among Participants engaged in the Tasks with the objective of advancing the state of understanding of all Contracting Parties in the field of technology options for reducing gaseous emissions of CO₂.

Article 2

IDENTIFICATION AND INITIATION OF TASKS

(a) *Initial Task.* The Contracting Parties identified in each Annex hereto at the time of their respective signatures are the initial Participants in the Task established in that Annex. Notice of Participation in that Task by other Contracting Parties shall be communicated to the Executive Director of the Agency.

(b) *Initiation of Additional Tasks.* Additional Tasks may be initiated by any Contracting Party according to the following procedure:

- (1) A Contracting Party wishing to initiate a new Task shall present the Contracting Parties for approval a draft Annex, similar in form to the Annex or Annexes attached hereto, containing a description of the scope of work and conditions of the Task proposed to be performed;
- (2) Whenever two or more Contracting Parties agree to undertake a new Task, they shall submit the draft Annex for adoption by the Executive Committee acting by majority. The adopted draft Annex shall become part of this Agreement;
- (3) A Contracting Party shall become a Participant in each Task for which the Participant is identified in the applicable Annex when the Annex is adopted.

A Contracting Party identified as the Operating Agent in an Annex when adopted shall be deemed to have accepted the designation as Operating Agent for that Annex. Notice of Participation in the Task by other Contracting Parties and Notice of Acceptance by other Operating Agents shall be communicated to the Executive Director;

- (4) In carrying out the various Tasks, Participants and Operating Agents shall co-ordinate activities both within and between Tasks to avoid unnecessary duplication of activities.

(c) *Application of Task Annexes.* Each Annex shall be binding only upon the Participants therein and upon the Operating Agent for that Task, and shall not affect the rights or obligations of other Contracting Parties.

(d) *Task Co-ordination.* The activities in all Tasks will interact with each other through the co-ordination and evaluation by the Executive Committee of the work in these Tasks. In carrying out these functions, the Executive Committee may use the evaluations developed in Task 1.

Article 3

THE EXECUTIVE COMMITTEE

(a) *Supervisory Control.* Control of the Programme shall be vested in the Executive Committee constituted under this Article.

(b) *Membership.* The Executive Committee shall consist of one member designated by each Contracting Party; each Contracting Party shall also designate an alternate member to serve on the Executive Committee in the event that its designated member is unable to do so. Each Contracting Party shall be entitled to send one observer or such additional numbers of observers as may be decided by the Executive Committee to meetings of the EC but such observers shall not have the power to vote.

(c) *Responsibilities.* The Executive Committee shall:

- (1) Adopt for each year, acting by unanimity, the Programme of Work and Budget, if foreseen, for each Task, together with an indicative programme of work and budget for the following two years; the Executive Committee may, as required, make adjustments within the framework of the Programme of Work and Budget;
- (2) Make such rules and regulations as may be required for the sound management of the Tasks, including financial rules as provided in Article 6 hereof;
- (3) Carry out the other functions conferred upon it by this Agreement and the Annexes hereto; and

- (4) Notify the IEA Secretariat of the intention to invite to any workshop, conference or similar event under the Programme any Participant or representative from any country not a member of the Agency, written notice of such intention to be given sufficiently in advance of the event to permit appropriate consultations and approval action to be taken within the Agency.
- (5) Consider any matters submitted to it by any of the Operating Agents or by any Contracting Party.

(d) *Procedure.* The Executive Committee shall carry out its responsibilities in accordance with the following procedure:

- (1) The Executive Committee shall each year elect a Chairman and one or more Vice-Chairmen;
- (2) The Executive Committee may establish such subsidiary bodies and rules of procedure as are required for its proper functioning;
- (3) A representative of the Agency and a representative of each Operating Agent (in its capacity as such) may attend meetings of the Executive Committee and its subsidiary bodies in an advisory capacity;
- (4) The Executive Committee shall meet in regular session not less than twice each year; additional meetings shall be convened by its Chairman upon the request of an Operating Agent or any Contracting Party which can demonstrate the need therefore;
- (5) Meetings of the Executive Committee shall be held at such time and in such office or offices as may be designated by the Committee;
- (6) At least twenty-eight days before each meeting of the Executive Committee, notice of the time, place and purpose of the meeting shall be given to each Contracting Party and to other persons or entities entitled to attend the meeting. No decisions taken at a Meeting of the EC shall be invalidated because notice was not given to any person or entity otherwise entitled thereto if notice is waived before or after the meeting;
- (7) The quorum for the transaction of business in meetings of the Executive Committee shall be one-half of the members plus one (less any resulting fraction) provided that any action relating to a particular Task shall require only a quorum as aforesaid of members or alternate members designated by the Participants in that Task;
- (8) The Executive Committee shall ensure that minutes of each meeting are distributed promptly after the meeting to each person or entity entitled to attend the meeting.

(e) *Voting.*

- (1) When the Executive Committee adopts a decision or recommendation for or concerning a particular Task, the Executive Committee shall act:
 - (i) When no express provision is made in this Agreement: by unanimous agreement of those members or alternate members which were designated by the Participants in that Task and which are present and voting;
 - (ii) When a majority vote is required under this Agreement: by majority vote of those members or alternate members which were designated by the Participants in that Task and which are present and voting.
- (2) In cases in which this Agreement requires the Executive Committee to act by unanimity where no express provision is made in this Agreement, this shall require unanimous agreement of each member or alternate member present and voting, and in respect of decisions and recommendations for which a majority voting provision is made in this Agreement, the Executive Committee shall act by a majority vote of the members or alternate members present and voting.
- (3) If a government has designated more than one Contracting Party to this Agreement, those Contracting Parties together may cast only one vote under this paragraph.
- (4) The decisions and recommendations referred to in sub-paragraphs (1) and (2) above may, with the agreement of each member or alternate member entitled to act thereon, be made by mail, telefax, telex, cable or other means of electronic transmission sent to the chairman of the Executive Committee without the necessity for calling a meeting. Such action shall be taken by unanimity or majority of such members as in a meeting. The Chairman of the Executive Committee may notify members and alternate members of a proposed recommendation or decision and request them to notify him whether they assent thereto. If neither the member nor the alternate member designated by a Contracting Party shall have responded to such a request within 14 days they shall be deemed to have voted against the proposal. The Chairman of the Executive Committee shall ensure that all members are informed of each action taken pursuant to this sub-paragraph.

(f) *Reports.* The Executive Committee shall, by 31st May each year, provide the Agency with 30 copies of reports containing technically substantive, non-proprietary information on the progress of the Programme and its results.

Article 4

THE OPERATING AGENTS

(a) *Designation.* Participants shall designate in the relevant Annex an Operating Agent for each Task. References in this Agreement to the Operating Agent shall apply to each Operating Agent in respect of the Task for which it is responsible.

(b) *Scope of Authority to Act on Behalf of Participants.* Subject to the provisions of the applicable Annex:

- (1) All legal acts required to carry out each Task shall be performed on behalf of the Participants by the Operating Agent for the Task;
- (2) The Operating Agent shall hold, for the benefit of the Participants, the legal title to all property rights which may accrue to or be acquired for the Task.

The Operating Agent shall operate the Task under its supervision and responsibility, subject to this Agreement, in accordance with the law of the country of the Operating Agent.

(c) *Reimbursement of Costs.* The Executive Committee shall provide that expenses and costs incurred and claimed by an Operating Agent in acting as such pursuant to this Agreement shall be reimbursed to the Operating Agent from funds made available by the Participants pursuant to Article 6 hereof.

(d) *Replacement.* Should the Executive Committee wish to replace an Operating Agent with another government or entity, the Executive Committee may, acting with the consent of such government or entity, replace the Operating Agent. References in this Agreement to the "Operating Agent" shall include any government or entity appointed to replace the original Operating Agent under this paragraph.

(e) *Resignation.* An Operating Agent shall have the right to resign at any time by giving six months written notice to that effect to the Executive Committee, provided that:

- (1) A Participant, or entity designated by a Participant, is at such time willing to assume the duties and obligations of the Operating Agent and so notifies the Executive Committee and the other Participants to that effect, in writing, not less than three months in advance of the effective date of such resignation; and
- (2) Such Participant or entity is approved in its function of Operating Agent by the Executive Committee.

(f) *Accounting.* An Operating Agent which is replaced or which resigns as Operating Agent shall not later than 3 months after such replacement or resignation takes effect provide the Executive Committee with an accounting of any monies and other assets which it may have collected or acquired for the Task in the course of carrying out its

responsibilities as Operating Agent and shall transfer those monies and other assets to the replacement Operating Agent as soon as possible after the delivery of the accounts.

(g) *Transfer of Rights.* In the event that another Operating Agent is appointed under paragraph (d) or (e) above, the Operating Agent shall transfer to such replacement Operating Agent any property rights which it may hold on behalf of the Task.

(h) *Information and Reports.* Each Operating Agent shall furnish to the Executive Committee such information concerning the Task as the Committee may request and shall each year submit, not later than two months after the end of the financial year, a report on the status of the Task.

Article 5

ADMINISTRATION AND STAFF

(a) *Administration of Tasks.* Each Operating Agent shall be responsible to the Executive Committee for implementing its designated Task in accordance with this Agreement, the applicable Task Annex, and the decisions of the Executive Committee.

(b) *Staff.* It shall be the responsibility of the Operating Agent to retain such staff as may be required to carry out its designated Task in accordance with rules determined by the Executive Committee. The Operating Agent may also, as required, utilize the services of personnel employed by other Participants (or organizations or other entities designated by Contracting Parties) and made available to the Operating Agent by secondment or otherwise. Such personnel shall be remunerated by their respective employers and shall, unless otherwise agreed by a Seconding employer and the Operating Agent, be subject to their employers' conditions of service. The Contracting Parties shall be entitled to claim the appropriate cost of such remuneration or to receive an appropriate credit for such cost as part of the Budget of the Task.

Article 6

FINANCE

(a) *Individual Financial Obligations.* Each Contracting Party shall bear the costs it incurs in carrying out this Agreement, including the costs of formulating or transmitting reports and of reimbursing its employees for travel and other per diem expenses incurred in connection with work carried out on the respective Tasks, unless provision is made for such costs to be reimbursed from common funds, established pursuant to paragraph (h) below.

(b) *Common Financial Obligations.* Participants wishing to share the costs of a particular Task shall agree in the appropriate Task Annex to do so. The apportionment of

contributions to such costs (whether in the form of cash, services rendered, intellectual property or the supply of materials) and the use of such contributions shall be governed by the regulations and decisions made pursuant to this Article by the Executive Committee.

(c) *Financial Rules, Expenditure.* The Executive Committee may make such regulations as are required for the sound financial management of each Task including, where necessary:

- (1) Establishment of budgetary and procurement procedures to be used by the Operating Agent in making payments from any common funds which may be maintained by Participants for the account of the Task or in making contracts on behalf of the Participants;
- (2) Establishment of minimum levels of expenditure for which Executive Committee approval shall be required, including expenditure involving payment of monies to the Operating Agent for other than routine salary and administrative expenses previously approved by the Executive Committee in the budget process.

(d) *Crediting of Income to Budget.* Any income which accrues from a Task shall be credited to the Budget of that Task.

(e) *Accounting.* The system of accounts employed by the Operating Agent shall conform to accounting principles generally accepted in the country of the Operating Agent and shall be consistently applied.

(f) *Programme of Work and Budget, Keeping of Accounts.* Should Participants agree to maintain common funds for the payment of obligations under a programme of work and budget of the Task, the following provisions shall be applicable unless the Executive Committee decides otherwise:

- (1) The financial year of the Task shall correspond to the financial year of the Operating Agent;
- (2) The Operating Agent shall each year prepare and submit to the Executive Committee for approval a draft programme of work and budget, together with an indicative programme of work and budget for the following two years, not later than three months before the beginning of each financial year;
- (3) The Operating Agent shall maintain complete and separate financial records which shall clearly account for all funds and property coming into the custody or possession of the Operating Agent in connection with the Task;
- (4) Not later than three months after the close of each financial year the Operating Agent shall submit to auditors selected by the Executive Committee for audit the annual accounts maintained for the Task; upon completion of the annual audit, the Operating Agent shall present the accounts together with the auditors' report to the Executive Committee for approval;

- (5) All books of account and records maintained by the Operating Agent for the Task shall be preserved for at least three years from the date of termination of the Task;
- (6) Where provided in the relevant Annex a Participant supplying services, materials or intellectual property to the Task shall be entitled to a credit, determined by the Executive Committee, acting by unanimity against its contribution (or to compensation if the value of such services, materials or intellectual property exceeds the amount of the Participant's contribution); such credits for services of staff shall be calculated on an agreed scale approved by the Executive Committee and include payroll-related costs.

(g) *Currency of Contributions.* Contributions due hereunder from the Contracting Parties shall be paid in the currency of the Operating Agent, unless another currency is specified by the Operating Agent in agreement with the Executive Committee for the purpose of meeting a commitment in that currency.

(h) *Contribution to Common Funds.* Should Participants agree to establish common funds under the annual Programme of Work and Budget for a Task, any financial contributions due from Participants in a Task shall be paid to the Operating Agent in the currency of the country of the Operating Agent at such times and upon such other conditions as the Executive Committee shall determine, provided, however, the contributions received by the Operating Agent shall be used solely in accordance with the Programme of Work and Budget for the Task;

(i) *Ancillary Services.* Ancillary services may, as agreed between the Executive Committee and the Operating Agent, be provided by that Operating Agent for the operation of a Task and the cost of such services, including overheads connected therewith, may be met from budgeted funds of that Task.

(j) *Taxes.* The Operating Agent shall pay all taxes and similar impositions (other than taxes on income) imposed by national or local governments and incurred by it in connection with a Task, as expenditure incurred in the operation of that Task under the Budget; the Operating Agent shall, however, endeavour to obtain all possible exemptions from such taxes.

(k) *Audit.* Each Participant shall have the right, at its own cost, to audit the accounts of any work in a Task for which common funds are maintained, on the following terms:

- (1) The Operating Agent shall provide the other Participants with an opportunity to participate in such audits on a cost-shared basis;
- (2) Accounts and records relating to activities of the Operating Agent other than those conducted for the Task shall be excluded from such audit, but if the Participant concerned requires verification of charges to the Budget representing services rendered to the Task by the Operating Agent, it may, at its own cost, request and obtain an audit certificate in this respect from the auditors of the Operating Agent;

- (3) Not more than one such audit shall be required in any financial year;
- (4) Any such audit shall be carried out by not more than three representatives of the Participants.

Article 7

PROCUREMENT PROCEDURES

All procurement of equipment and material shall be in accordance with the procedures laid down by the Executive Committee under Article 6(c)(1) hereof, which shall provide, *inter alia*:

- (a) The Operating Agent shall have the power to enter into agreements and contracts for all necessary support, design and developmental services, and material fabrication and facility construction activities in the interest of its designated Task, provided that such agreements and contracts are authorized in an approved Budget or by the provisions of this Agreement or by the express authority of the Executive Committee;
- (b) The Operating Agent shall not enter into any agreement for a total value of more than £100,000 without the approval of the Executive Committee;
- (c) The Operating Agent shall perform all procurement functions necessary for its designated Task, in accordance with the procurement procedures adopted by the Executive Committee pursuant to Article 6(c)(1) hereof;
- (d) Consistent with the aforementioned procurement procedures, the Operating Agent shall undertake to secure the best contractual terms and conditions available; including, where possible, provision for title to all intellectual property generated under the Agreement, for a royalty-free licence for the use of background intellectual property for the purposes of the Programme alone, and for a right on reasonable terms and conditions in accordance with Article 8 hereof for the Contracting Parties to use such background intellectual property commercially.

Article 8

INFORMATION AND INTELLECTUAL PROPERTY

It is expected that, for each Task agreed pursuant to this Agreement, the applicable Annex will contain information and intellectual property provisions. The General Guidelines Concerning Information and Intellectual Property, approved by the Governing Board of the Agency on 21st November, 1975, shall be taken into account in developing information and intellectual property provisions pursuant to this Article.

Article 9

LEGAL RESPONSIBILITY AND INSURANCE

(a) *Liability of Operating Agent.* The Operating Agent shall use all reasonable skill and care in carrying out its duties under this Agreement in accordance with all applicable laws and regulations. Except as otherwise provided in this Article, the cost of all damage to property, and all expenses associated with claims, actions, and other costs arising from work approved by the Executive Committee undertaken with common funds for a Task shall be charged to the Budget of that Task; such costs and expenses arising from other work undertaken for a Task shall be charged to the Budget of that Task if the Task Annex so provides or the Executive Committee so decides. Subject to paragraph (c) below, any liabilities, cash, claims and expenses not covered by such insurance shall be borne by the Contracting Parties out of common funds.

(b) *Insurance.* The Operating Agent shall propose to the Executive Committee all necessary liability, fire and other insurance, and shall carry such insurance as the Executive Committee may direct. The cost of obtaining and maintaining insurance shall be charged to the Budget of the Task.

(c) *Responsibility of Operating Agent.* The Operating Agent shall, in accordance with the laws of the country of the Operating Agent, be responsible in its capacity as such, for any damage to property and all legal liabilities, actions, claims, costs and expenses connected therewith to the extent that they:

- (1) Result from the failure of the Operating Agent to maintain such insurance as it may be required to maintain under paragraph (b) above; or
- (2) Result from the gross negligence or wilful misconduct of any officers or employees of the Operating Agent in carrying out their duties under this Agreement.

Article 10

LEGISLATIVE PROVISIONS

(a) *Accomplishment of Formalities.* Each Participant shall request the appropriate authorities of its country (or its Member States in the case of an international organization) to use their best endeavours, within the framework of applicable legislation, to facilitate the accomplishment of formalities involved in the movement of persons, the importation of materials and equipment and the transfer of currency which shall be required to conduct the Task in which it is engaged.

(b) *Appropriation of Funds and Applicable Laws.* In carrying out this Agreement and its Annexes the Contracting Parties shall be subject to the appropriation of funds by the appropriate governmental authority, where necessary, and to the constitutions, laws and regulations applicable to the respective Contracting Parties, including, but not limited to, laws establishing prohibitions upon the payment of commissions, percentages, brokerage or contingent fees to persons retained to solicit governmental contracts and upon any share of such contracts accruing to governmental officials.

(c) *Decisions of Agency Governing Board.* Participants in the various Tasks shall take account, as appropriate, of the Guiding Principles for Co-operation in the Field of Energy Research and Development, and any modification thereof, as well as other decisions of the Governing Board of the Agency in that field. The termination of the Guiding Principles shall not affect this Agreement, which shall remain in force in accordance with the terms hereof.

(d) *Settlement of Disputes.* Any dispute among the Contracting Parties concerning the interpretation or the application of this Agreement which is not settled by negotiation or other agreed mode of settlement shall be referred to a tribunal of three arbitrators to be chosen by the Contracting Parties concerned who shall also choose the Chairman of the tribunal. Should the Contracting Parties concerned fail to agree upon the composition of the tribunal or the selection of its Chairman, the President of the International Court of Justice shall, at the request of any of the Contracting Parties concerned, exercise those responsibilities. The tribunal shall decide any such dispute by reference to the terms of this Agreement and any applicable laws and regulations, and its decision on a question of fact shall be final and binding on the Contracting Parties concerned. Operating Agents which are not Contracting Parties shall be regarded as Contracting Parties for the purpose of this paragraph.

Article 11

ADMISSION AND WITHDRAWAL OF CONTRACTING PARTIES

(a) *Admission of New Contracting Parties: Agency Countries.* Upon the invitation of the Executive Committee, admission to this Agreement shall be open to the government of any Agency Participating Country (or a national agency, public organization, private corporation, company or other entity designated by such government), which signs or accedes to this Agreement, accepts the rights and obligations of a Contracting Party, and is accepted for participation in at least one Task by the Participants in that Task, acting by unanimity. Such admission of a Contracting Party shall become effective upon the signature of this Agreement by the new Contracting Party or its accession thereto and its giving Notice of Participation in one or more Annexes and the adoption of any consequential amendments thereto.

(b) *Admission of New Contracting Parties: Other Countries.* The government of any country which does not participate in the Agency may, on the proposal of the Executive Committee, be invited by the Governing Board of the Agency to become a Contracting Party to this Agreement (or to designate a national agency, public organization, private

corporation, company or other entity to do so), under the conditions stated in paragraph (a) above.

(c) *Participation by the European Communities.* The European Communities may participate in this Agreement in accordance with arrangements to be made by the Executive Committee.

(d) *Admission of New Participants in Tasks.* Any Contracting Party may, with the agreement of the Participants in a Task, acting by unanimity, become a Participant in that Task. Such participation shall become effective upon the Contracting Party's giving the Executive Director of the Agency a Notice of Participation in the appropriate Task Annex and the adoption of consequential amendments thereto.

(e) *Contributions.* The Executive Committee may require, as a condition to admission to participation, that the new Contracting Party or new Participant shall contribute (in the form of cash, services, materials or intellectual property) an appropriate proportion of the prior budget expenditure of any Task in which it participates.

(f) *Replacement of Contracting Parties.* With the agreement of the Executive Committee and upon the request of a Government, a Contracting Party designated by that government may be replaced by another party. In the event of such replacement, the replacement party shall assume the rights and obligations of a Contracting Party as provided in paragraph (a) above and in accordance with the procedure provided therein.

(g) *Withdrawal.* Any Contracting Party may withdraw from this Agreement (other than as an Operating Agent) or from any Task either with the agreement of the Executive Committee, or by giving twelve months written Notice of Withdrawal to the Executive Director of the Agency, such notice to be given not less than one year after the date hereof. The withdrawal of a Contracting Party under this paragraph shall not affect the rights and obligations of the other Contracting Parties; except that, where the other Contracting Parties have contributed to common funds for a Task, their proportionate shares in the Task Budget shall be adjusted to take account of such withdrawal unless the Executive Committee adopts other arrangements or decides that the Task shall terminate.

(h) *Changes of Status of Contracting Party.* A Contracting Party other than a government or an international organization shall forthwith notify the Executive Committee of any significant change in its status or ownership, or of its becoming bankrupt or entering into liquidation. The Executive Committee shall determine whether any such change in status of a Contracting Party significantly affects the interests of the other Contracting Parties; if the Executive Committee so determines, then, unless the Executive Committee, acting upon the unanimous decision of the other Contracting Parties, otherwise agrees:

- (1) That Contracting Party shall be deemed to have withdrawn from the Agreement under paragraph (g) above on a date to be fixed by the Executive Committee; and
- (2) The Executive Committee shall invite the Government which designated that Contracting Party to designate, within a period of three months of the withdrawal of that Contracting Party, a different entity to become a

Contracting Party; if approved by the Executive Committee, such entity shall become a Contracting Party with effect from the date on which it signs or accedes to this Agreement and gives the Executive Director of the Agency a Notice of Participation in one or more Annexes.

(i) *Failure to Fulfil Contractual Obligations.* Any Contracting Party which fails to fulfil its obligations under this Agreement within sixty days after its receipt of notice, specifying the nature of such failure and invoking this paragraph, may be deemed by the Executive Committee to have withdrawn from this Agreement. In so deeming the Executive Committee shall act by unanimity except that the approval of the member or alternate member designated by such Contracting Party shall not be required.

Article 12

FINAL PROVISIONS

(a) *Term of Agreement.* This Agreement shall enter into force upon signature by two or more Contracting Parties and shall remain in force for an initial period of ten years. It may be extended for such additional periods as may be determined by the Executive Committee, with the prior approval of the Governing Board of the Agency. The Executive Committee may terminate this Agreement at any time.

(b) *Legal Relationship of Contracting Parties and Participants.* Nothing in this Agreement shall be regarded as constituting a partnership between any of the Contracting Parties or Participants.

(c) *Termination.* Upon termination of this Agreement, or any Annex to this Agreement, the Executive Committee, shall arrange for the liquidation of the assets of the Task or Tasks. In the event of such liquidation, the Operating Agent in consultation with the Executive Committee shall, so far as practicable, distribute the assets of the Task, or the proceeds therefrom to the Participants, in proportion to the contributions which the Participants have made from the beginning of the operation of the Task, and for that purpose shall take into account the contributions and any outstanding obligations of former Contracting Parties. Disputes with a former Contracting Party about the proportion allocated to it under this paragraph shall be settled under Article 10(d) hereof, for which purpose a former Contracting Party shall be regarded as a Contracting Party.

(d) *Amendment.* This Agreement may be amended at any time by the Executive Committee, and any Annex to this Agreement may be amended at any time by the the Participants in the Task to which the Annex refers. Such amendments shall come into force in a manner determined by the Executive Committee, acting under the voting rule applicable to the decision to adopt the amendment.

(e) *Deposit.* The original of this Agreement shall be deposited with the Executive Director of the Agency and a certified copy thereof shall be furnished to each Contracting Party and to the Operating Agents. A copy of this Agreement shall be furnished to each Agency Participating Country, to each Member country of the Organisation for Economic Co-operation and Development and to the European Communities.

Done in Paris, this 20th day of November, 1991.

For the DEPARTMENT OF ENERGY, MINES AND RESOURCES (CANADA):	Anne Marie Doyle
	For the Minister of Energy, Mines and Resources on behalf of her Majesty the Queen in right of Canada
For the COMMISSION OF THE EUROPEAN COMMUNITIES:	Paolo Fasella
For the MINISTRY OF ENERGY, DANISH ENERGY AGENCY for and on behalf of the Government of Denmark:	Anton Beck
For the MINISTRY OF TRADE AND INDUSTRY for and on behalf of the Government of Finland:	Pasi Rutanen
For the ENTE NAZIONALE PER L'ENERGIA ELETTRICA (ENEL) (designated by the Government of Italy):	Corrado Corvi Marcello Pagliari
For the NEW ENERGY AND INDUSTRIAL TECHNOLOGY DEVELOPMENT ORGANIZATION (NEDO) ¹ (designated by the Government of Japan):	
For the NETHERLANDS AGENCY FOR ENERGY AND THE ENVIRONMENT (NOVEM) (designated by the Government of the Netherlands):	Th. J. van Rossum
For the GOVERNMENT OF THE KINGDOM OF NORWAY:	Bjørn Barth
For the CENTRO DE INVESTIGACIONES ENERGÉTICAS MEDIOAMBIENTALES Y TECNOLÓGICAS (designated by the Government of Spain):	Ramón Pérez Simarro
For the NATIONAL BOARD FOR INDUSTRIAL AND TECHNICAL DEVELOPMENT (NUTEK) (designated by the Government of Sweden):	Birgitta Råland
For the SECRETARY OF STATE FOR ENERGY for and on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland:	J. Gray
For BRITISH COAL CORPORATION (designated by the Government of the United Kingdom of Great Britain and Northern Ireland):	W. C. Whitehead
For the DEPARTMENT OF ENERGY for and on behalf of the Government of the United States of America:	Alan Larson

¹ An Instrument of Accession to the Agreement was signed in Tokyo by Mr. Masayoshi Hayashi, Chairman of NEDO, and deposited with the IEA on 26th March, 1992.