

MEMORANDUM OF UNDERSTANDING BETWEEN
THE MINISTRY OF ELECTRICITY AND RENEWABLE ENERGY OF THE REPUBLIC
OF ECUADOR
AND
THE MINISTRY OF INDUSTRY, ENERGY AND TOURISM OF ICELAND

The Ministry of Electricity and Renewable Energy of the Republic of Ecuador and the Ministry of Industry, Energy and Tourism of the Republic of Iceland (hereinafter referred to as "the Parties");

Having identified renewable energy as a common area of interest;

DESIRING to establish Renewable Energy Cooperation between Icelandic and Ecuadorian entities with the aim to develop and promote the areas of renewable energy;

CONSIDERING the need to strengthen the friendship between the two countries;

ACKNOWLEDGING the importance of developing renewable energy policy that meets actual needs, without compromising the ability of future generations to meet their own needs, that maximizes energy productivity to strengthen economies and that prevents pollution by reducing the adverse environmental impacts associated with fossil fuels production, delivery and use;

RECALLING that promotion and strengthening scientific and technical exchange and cooperation between scientists, scientific and industrial institutions in the field of energy will further these goals;

DESIRING to strengthen a friendly relation between Iceland and Ecuador.

Have reached the following understanding:

ARTICLE 1.
OBJECTIVE

The objective of this Memorandum of Understanding is to establish the basis for a cooperative institutional relationship to encourage and promote bilateral technical cooperation on geothermal development issues on the basis of mutual benefit, equality and reciprocity, with strict observance to the legislation, rules and regulations applicable to each of the Parties and to the principles related to the administration of resources in each country.

No provision in this Memorandum of Understanding will be interpreted in such a way that compels the Parties to collaborate in any activity forbidden by the law in their respective jurisdictions.

ARTICLE 2.
AREAS OF COOPERATION

Subject to this Memorandum of Understanding, the areas of technical cooperation between the Parties may include, but are not limited to, the following:

1. Strengthening the cooperation of the Ministry of Industry, Energy and Tourism of Iceland and of the Ministry of Electricity and Renewable Energy of Ecuador, through legal and technical issues for the development and/or negotiation of contracts and agreements in the area of geothermal generation, energy efficiency and clean energies;
2. Conduct education and training programmes to employees and officials of both Parties in institutions and institutes related to renewable energy;
3. Geothermal energy exploration, exploitation, and utilization;
4. Other areas as may be agreed upon by the Parties.

ARTICLE 3.
COMPETENT AGENCIES

The responsible institutions for implementing the agreements of the present MOU are the Ministry of Electricity and Renewable Energy of Ecuador and the Ministry of Industry, Energy and Tourism of Iceland. The above-mentioned Ministries shall be able to delegate the execution of this Agreement to its state-owned agencies.

ARTICLE 4.
CONFIDENTIALITY AND USE OF INFORMATION

The Parties shall freely use any information exchanged in conformity with the provisions of this Memorandum of Understanding, except in the cases where the Party or authorized persons providing such information have previously made known the restrictions and reservation concerning its use and dissemination.

The Parties shall take all appropriate measures in accordance with their respective national laws and regulations to respect the restrictions and reservation and to protect intellectual property rights including commercial and industrial secrets transferred between authorized persons within the jurisdiction of the State of either Party.

The definition of confidential information is based on the regulations of each country. In no case whatsoever may the information exchanged under the terms of this Memorandum of

Understanding to be transferred by the recipient to third parties without the prior written consent of the official Parties owner of the information.

**ARTICLE 5.
CONTROL AND EXECUTION**

With the intention of ensuring the completion of the present Memorandum of Understanding as well as the necessary decisions making for this purpose, a joint committee shall be established to strengthen the cooperation and to oversee and coordinate the implementation of this Memorandum of Understanding. The working group shall hold its meetings when deemed necessary by the parties, but will be encouraged to use the electronic communications as much as possible. The Parties shall share the responsibility for the planning, hosting and convening of the meetings of the Joint committee on a reciprocal basis.

**ARTICLE 6.
FUNDING**

The Parties agree that the development and implementation of any project under this memorandum of understanding shall be assumed by the party who incurs them, unless otherwise stipulated in writing.

Each party shall conduct the activities provided for this Memorandum of Understanding subject to applicable laws, regulations and statutory authority of appropriated funds and personnel. The parties shall establish, in writing, the details for the financing of each activity before commencing such activity

**ARTICLE 7.
SPECIFIC AGREEMENTS**

Cooperation initiatives under this Memorandum of Understanding shall be specified in writing by mutual consent of the Parties, and shall be implemented in accordance with the national legislation of the Parties.

**ARTICLE 8.
RELATIONS WITH THIRD PARTIES**

This Memorandum of Understanding does not grant exclusive rights to the Parties nor prevents them from signing similar documents with third parties.

**ARTICLE 9.
SOVEREIGNTY**

This Memorandum of Understanding shall not, by any means and in no way affect the rights of sovereignty or the laws of the Republic of Ecuador or those of the Republic of Iceland regarding their respective territories and/or natural resources according to the laws and international legal practices.

**ARTICLE 10.
AMENDMENTS**

This Memorandum of Understanding may be amended by mutual consent of the Parties.

Either Party may request at any time in writing amendment of all parts of this Memorandum of Understanding. The method of amendments shall come into effect as decided by the Parties.

**ARTICLE 11.
SETTLEMENT OF DISPUTES**

Disputes arising from the interpretation or execution of this Memorandum of Understanding shall be settled by the Parties through direct negotiations and mutual agreements.

**ARTICLE 12.
DURATION AND EFFECT**

This Memorandum of Understanding shall enter into force on the date of its signing: it shall remain in force for a period of five (5) years and shall be renewed for similar periods, unless otherwise decided by the Parties.

However, either Party may at any time give written notice to the other Party of its intention to terminate this Memorandum of Understanding, in which case it shall terminate 6 (six) months after such notice has been given in writing.

Termination of this Memorandum of Understanding shall not affect any ongoing activities initiated under this Memorandum of Understanding but not yet completed at the time of termination unless otherwise decided.

Both Parties have signed this Memorandum of Understanding in good faith.

This Memorandum of Understanding is signed in two originals in the English and Spanish language. All texts being equally authentic. In case of different interpretation of this Memorandum of Understanding, the English text shall prevail.

In the city of Quito,

on 18/03/2009 2009



Alecksey Mosquera R.

MINISTER OF ELECTRICITY AND RENEWABLE
ENERGY OF THE REPUBLIC OF ECUADOR

In the city of Reykjavik,

on 11.03.2009 2009



Össur Skarphéðinsson

MINISTER OF INDUSTRY, ENERGY AND
TOURISM OF THE REPUBLIC OF ICELAND