

an
Memorandum of Understanding
Between
Caucasus University
Free University
Georgian American University
International Black Sea University

Caucasus University (CU), Free University, Georgian American University (GAU) and International Black Sea University (IBSU) represented by Kakha Shengelia, Marina Karchava, Michael Cowgill and Sevket Ercan Tunc have agreed to co-operate in the framework of developing a Corporate Social Responsibility (CSR) in the Academic Field for the purpose of establishing a joint CSR program to be implemented in 2011-2012 academic year in all four universities and further supporting enhancement of corporate social responsibility in Georgia through education and research.

Regarding establishment of a joint CSR program and enhancement of CSR through education and research this MoU shall define: (a) the modalities for the establishment of a joint program on CSR; (b) the respective obligations of involved parties and (c) such other analogous conditions for the execution of this agreement.

1. Context

The field of corporate social responsibility (CSR) has grown immensely in the last decade. In developed western markets, more companies than ever before are engaged in serious efforts to define and integrate CSR into all aspects of their business. Corporate social responsibility is defined as achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment. CSR also means addressing the legal, ethical, commercial, and other expectations society has for business and making decisions that fairly balance the claims of all key stakeholders.

The concept of corporate social responsibility is relatively new for Georgia. There is more a tradition of individual businessmen doing charity rather than a comprehensive approach to social responsibility as a set of practices and policies. Many reasons account for this: Georgia is an emerging market where the private sector is still in the process of its formation. Businesses face various challenges with a constantly changing regulatory environment and unpredictable future that increase expenses and risk in investment projects. On the other hand, the benefits of having socially responsible businesses are not fully realized by society itself, which still sees business as a source of financial gain rather than a contributor to economic development. Advantages to socially responsible businesses lack definition and are vague whereas in the West social responsibility is encouraged through various incentives and greater customer loyalty, etc.

Emphasizing the alignment of corporate social responsibility with education and research in the academic field will help students (future leaders, businessmen, professionals, regulators) and instructors (training future leaders, businessmen, professionals, regulators) to define priorities, integrate social responsibility throughout their specialities and build social and business value. Students will be given an opportunity to strengthen their ability to define and implement powerful CSR strategies that position the organization, its reputation, and its way of doing business for enduring success. A group of

instructors assigned by parties will have an opportunity to undergo a training of trainers (ToT) on CSR ensuring sustainability of the project through continuous research and education.

As an outcome of CSR education, **students** will be: competent in understanding the principles of corporate social responsibility; be familiar with methods and instruments for the implementation of CSR strategies, have strengthened corporate social responsibility skills and improve decision making throughout defining priorities.

As an outcome of CSR education, **participating universities** will be: competent in teaching CSR, will possess knowledgeable human resources (instructors), will be able to integrate CSR in other programs and disciplines and further advocate for its enhancement through research and education.

2. Aim of co-operation

1.1. Having a common goal of promoting corporate social responsibility among various private universities in Georgia and engaging generations of future leaders into understanding CSR the parties agree to co-operate in the following:

- To collaborate closely and assist each other in the activities, aimed at supporting establishment of CSR program for implementation in the 2011-2012 academic year.
- To support further development of the program through assigning relevant academic personnel within each university for teaching of CSR.
- To advocate for enhancement of CSR in Georgia through education, research and raising awareness.

3. Duties and Responsibilities

It is recognised by all parties that, while striving towards the same overall goal, the parties follow somewhat different strategies, and develop individual areas of expertise. Although, in order to achieve the common aim, the parties agree on the following:

3.1 Caucasus University

3.1.1 Caucasus University will coordinate the overall implementation of the CSR project.

3.2. Georgian American University (GAU)

3.2.1 GAU will work with CU to ensure that the activities of this joint CSR program are coordinated with the UNDP Global Compact Program and American Chamber of Commerce's CSR committee.

3.3. Free University, Georgian American University (GAU), International Black Sea University (IBSU) and University of Georgia

3.3.1 Free University, Georgian American University (GAU) and International Black Sea University (IBSU) will participate in the project, including all project related working group discussions and other events supported by the project;

3.2.2. All the outputs of the project will be equally shared among project partners.

4. Joint Undertakings

4.1 Parties are responsible for providing information about emerging problems that may influence the progress of the co-operative work.

4.2 To share the monitoring and evaluation responsibilities of the progress made and periodically review the development of the programme.

5. Final Provision

5.1. The term of the validity of the MOU is one year after signing. The MOU can be prolonged by mutual agreement of the parties.


5.2. The MOU hereby can be modified or completed by mutual agreement of the parties, subsequent to periodic evaluations.

5.3. The MOU hereby was concluded and signed today in four copies, in English language.

Names, signatures, titles and dates:

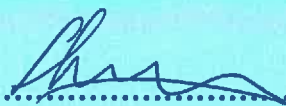
This MOU is signed on 09.02.2011 (Date)

On behalf of Caucasus University

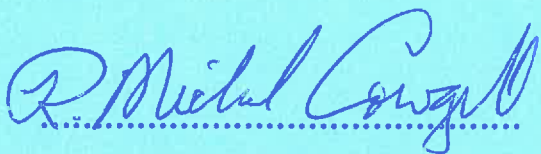
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Kakha Shengelia
President

On behalf of the Free University, Georgian American University (GAU) and International Black Sea University (IBSU)

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Marina Karchava, Vice Rector, Free University

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Michael Cowgill, President, Georgian American University

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Sevket Ercan Tunc, Rector, International Black Sea University