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| cid:image001.jpg@01D1BCC2.14AC2B80  STANDARD TEMPLATE |
| **STANDARD FORM OF AGREEMENT for Use by World Bank Borrowers** |
| Delivery of Outputs by UNIDO  under Bank-financed Projects |
|  |
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| **v.1**  **December, 2016** |

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**Foreword**

1. This standard template “Delivery of Outputs” is the result of cooperation between the World Bank (“the Bank”)[[1]](#footnote-2) and the United Nations Industrial Development Organization (“UNIDO”). It should be used when the Government requests UNIDO’s assistance in implementing “technical cooperation programmes or projects” that may include multiple components and a range of inputs (goods, works, consulting and non-consulting services, and training) that are required for delivery of outputs.
2. The approval of this standard template was done by respective signatures of the World Bank Vice President Operations Policy and Country Services and the UNIDO Director General on 5 December 2016.
3. The completion date of the Agreement and the delivery of the last deliverable cannot exceed the Loan/Credit/Grant’s closing date.
4. The text shown in *italics* is “*Notes to Users*”, which provide guidance to the implementing entity of the Borrower and to UNIDO task team in preparing a specific Agreement. These *italicized* *Notes* should be deleted from the final version prior to signing of the Agreement.
5. Those wishing to submit comments or questions on this document, or obtain guidance on the use of the Output-based template, should contact [unagencies@worldbank.org](mailto:unagencies@worldbank.org).
6. For questions or guidance concerning UNIDO, please contact:

Strategic Donor Relations Division

United Nations Industrial Development Organization

Vienna International Centre

Wagramerstr. 5, P.O. Box 300

A-1400, Vienna, Austria

e-mail: [donor-relations@unido.org](mailto:donor-relations@unido.org)

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*The Agreement form for use by Borrowers starts from the next page*

*Public disclosure is authorized after the signing*

**AGREEMENT**

**FOR DELIVERY OF OUTPUTS**

***[add the title of the assignment – optional*]**

**Project Name[[2]](#footnote-3)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Loan/Credit/Grant No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Reference No.** *\_\_\_\_\_\_\_\_\_\_\_ [as per Project Procurement Plan]*

**UNIDO Reference No. \_\_\_\_\_\_\_\_**

**Project Closing [[3]](#footnote-4)Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Financing Agreement**[[4]](#footnote-5) **Closing Date:**  *[date/month/year]\_\_\_\_\_\_\_\_*

**between**

**THE GOVERNMENT OF *[insert the country name]***

**and the**

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)**

**Dated:** *[date/month in words/year]*



***Insert Borrower’s logo***

**FORM OF AGREEMENT**

THIS AGREEMENT (together with all Annexes hereto, this “Agreement”) is entered into between **THE GOVERNMENT OF** [\_*name of country* \_\_] by and through its *[Ministry of …./implementing entity* \_\_\_\_\_] (the “Government”), and the **UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**, a specialized agency of the United Nations, having its headquarters at Vienna International Centre, Wagramerstr. 5, P.O. Box 300, A-1400 Vienna, Austria (“UNIDO” or the “UN Partner”, together with the Government, the “Parties” and each a “Party”).

**WHEREAS**

1. UNIDO, as a specialized agency of the United Nations, has the primary responsibility in promoting inclusive and sustainable industrial development. UNIDO and the Government cooperate with respect to the formulation, adoption and implementation of the Government’s industrial policies, development strategies, programmes and projects, towards achieving enhanced levels of inclusive and sustainable industrial development of [*name of country*], in accordance with the Standard Basic Cooperation Agreement concluded between the Government and UNIDO (the “Basic Agreement”).  If the Government has not concluded the Standard Basic Cooperation Agreement with UNIDO, references to the “Basic Agreement” shall, for the purposes of the present Agreement, be understood to refer to either the Standard Basic Assistance Agreement concluded with UNDP or the Revised Standard Technical Assistance Agreement concluded with the UN and specialized agencies.
2. The Government, working with its development partners, including UNIDO and the World Bank (the “Bank”) [[5]](#footnote-6), is implementing [*insert Project’s name*] (the “Project”). The Government has received funds from the Bank (the “Financing”) towards the cost of the Project pursuant to a legal agreement for the Project (the “Financing Agreement”).
3. As part of Project implementation, the Government has asked UNIDO, and UNIDO has agreed to deliver the outputs as set forth in **Annex I** to this Agreement (the “Outputs”).

**NOW, THEREFORE**, the Parties agree as follows:

1. The Government intends to apply a portion of the proceeds of the Financing in the amount of US$ ***[insert amount in words]*** (*[insert amount in figures]*) (the “Total Funding Ceiling”), to eligible payments under this Agreement. The Total Funding Ceiling is the Parties’ best estimate (as of the date of the signing of this Agreement) calculated in **Annex II** on the basis of the Outputs and the timeline agreed by the Parties in **Annex I**.
2. This Agreement is signed and executed in English, and all communications, notices, modifications and amendments related to this Agreement shall be made in writing and in the same language.
3. This Agreement becomes effective on the date it is signed by both Parties (the “Effective Date”), and will remain effective until *[insert the date that cannot exceed the Project’s closing date]* (the “Completion Date”), unless otherwise agreed by the Parties in writing. All activities under this Agreement shall be operationally completed and financially closed by the Completion Date, and the final progress reportsubmitted to the Government not later than three (3) months thereafter.
4. The Government designates *[insert the name and title]* and UNIDO designates *[insert the name and title]* as their respective authorized representatives for the purpose of coordination of activities under this Agreement. The contact information for the authorized representatives is as follows:

* Government representative: *[insert phone, e-mail and fax]*
* UNIDO representative: *[insert phone, e-mail and fax]*

1. For the Project’s coordination purposes, the Bank’s staff contact information is as follows:

* Bank Task Team Leader: *[insert the name, phone and e-mail]*

1. This Agreement shall be interpreted in a manner that ensures it is consistent with the provisions of the Basic Agreement and the provisions of the 1947 Convention on the Privileges and Immunities of the Specialized Agencies (the “Convention”), provided, however, that if [*name of country*] has not acceded to said Convention in respect of UNIDO, the Government agrees to apply to UNIDO the provisions of the 1946 Convention on the Privileges and Immunities of the United Nations (the “General Convention”).
2. Nothing contained in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including the UN Partner, under the Convention, the General Convention, the Basic Agreement, or otherwise.
3. The Government confirms that no official of UNIDO has received or will be offered by the Government any benefit arising from this Agreement. UNIDO confirms the same to the Government. The Parties agree that any breach of this provision is a breach of an essential term of this Agreement.
4. The following documents form an integral part of this Agreement:
5. General Conditions of Agreement;
6. Annexes:

Annex I: Outputs and Work Plan

Annex II: Total Funding Ceiling and Payment Schedule

Annex III: Reporting Requirements

Annex IV: Counterpart Staff, Services, Facilities and Property to Be Provided by the Government

Annex V: Costs of UNIDO’s Services

1. UNIDO’s payment details are as follows:

By bank wire transfer:

**UNIDO Reference:** [*Country*]- Agreement *[Contract Number]*

ACCOUNT NAME: UNIDO/IDF Account

CURRENCY US$

BANK NAME JPMORGAN CHASE

BANK ADDRESS 277 Park Avenue, 23rd Floor

New York, N.Y. 10172-0003, USA

ACCOUNT NUMBER

SWIFT ADDRES CHASUS33

ABA ROUTING 021 000 021

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement.

|  |  |
| --- | --- |
| **The Government of** [**\_\_\_\_\_\_\_**]  **By**:[\_\_\_\_\_ *signature*\_\_\_\_\_\_\_]  **Name**:[*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]  **Title**:[*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]  **Date**:[*date/month (in words)/year*] | **UNIDO**  **By**:[\_\_\_\_\_ *signature*\_\_\_\_\_\_\_]  **Name**: [*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]  **Title**: [*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]  **Date**: [*date/month (in words)/year*] |

**These General Conditions of Agreement shall not be modified**

**GENERAL CONDITIONS OF AGREEMENT**

##### Definitions

1. Unless expressly indicated otherwise, the following terms whenever used in this Agreement have the following meaning:
2. “Staff” means an individual who holds a letter of appointment with the UN Partner or is on loan to the UN Partner by another UN organization or specialized agency under the terms of the *Inter-organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations* applying the UN Common System of Salaries and Allowances;
3. “Consultant” means an individual other than a Staff who has signed an individual service agreement with the UN Partner;
4. “Contractor” means a legal entity supplying goods, works or services to the UN Partner under a commercial or corporate contract. When applicable, the term includes “implementing partners”, “partner organizations” or “executing entities” as defined and used in the UN Partner’s financial regulations and rules;
5. “Day” means business day, unless otherwise stated;
6. “Delivery of Outputs” or “Deliver the Outputs” refers to the UN Partner’s obligation to use a range of inputs (including goods, works, consulting and non-consulting services, and training) in order to deliver the Outputs that contribute to the Project’s development objectives as set out in **Annex I**;
7. “Direct Costs” means the actual cost of the UN Partner that can be directly traced to the deliverables set forth in **Annex II**; and
8. “Indirect Costs” means costs incurred by the UN Partner as a function, and in support, of this Agreement, which cannot be traced unequivocally to the activities and deliverables set up in **Annex I.** The rate applicable to this Agreement is stated in **Annex V**.

**Scope and General Obligations of the Parties**

1. The UN Partner agrees to:

(a) deliver the Outputs within the scope and in accordance with the timetable and such level of required inputs as detailed in **Annex I**; and

(b) keep the Government informed on the progress of the activities towards the Delivery of the Outputs by timely submission of the progress reports in accordance with the reporting requirements and with frequency set out in **Annex III** (the “Progress Reports”).

1. The Government agrees to:
2. make timely and complete payment to the UN Partner of all amounts (either directly or by authorizing the Bank to pay on the Government’s behalf) due under this Agreement and within the Total Funding Ceiling and in accordance with **Annex II** (the “Payment Schedule”); and
3. provide all required support in connection with the UN Partner’s obligations under this Agreement, including obtaining or assisting with obtaining all permits, licenses, import approvals, and other official approvals related to any supplies (including as provided under the terms of the Basic Agreement); furnishing powers of attorney or authorizations to the UN Partner and cooperating with the UN Partner in a timely and expeditious manner.
4. The Parties acknowledge the Government’s commitment to the successful implementation of this Agreement and to that end the Government will provide qualified staff and other required inputs as agreed by the Parties in **Annex IV**.
5. The Parties acknowledge that the level of required inputs and the Work Plan may need to be adjusted, with the agreement of both Parties, during the course of the implementation of this Agreement to achieve the agreed Outputs.

**Total funding ceiling and payments**

1. Calculations of the Total Funding Ceiling are provided in **Annex II**. The Total Funding Ceiling includes both Direct Costs and Indirect Costs of the UN Partner and are explained in Annex V.
2. Cumulative payments under this Agreement shall not exceed the Total Funding Ceiling unless it is revised through a written amendment approved by the Bank in response to the Government’s request. The UN Partner takes note that the Government’s disbursements under this Agreement are subject, in all respect, to the terms and conditions of the Financing Agreement and no party other than the Government shall derive any rights from the Financing Agreement or have any claim to the Financing proceeds.
3. The payments under this Agreement shall be made in accordance with the Payment Schedule.
4. The Government will make the payment to the UN Partner account, by wire transfer, within ten (10) days of receiving the payment request from the UN Partner. All payments will be made in United States dollars.
5. The UN Partner will administer the funds received under this Agreement in accordance with the UN Partner’s financial regulations, rules, policies and procedures. Any interest derived by the UN Partner from the funds received under this Agreement will form part of the UN Partner’s operational budget or regular resources.
6. The UN Partner will maintain a separate identifiable fund code (ledger account or “Account”) to which all UN Partner receipts and disbursements for the purposes of this Agreement will be recorded. The ledger account shall be subject exclusively to the UN Partner’s internal and external audit in accordance with the UN Partner’s regulations, rules, policies and procedures. The Parties acknowledge that the UN Partner’s financial books and records are routinely audited in accordance with the internal and external auditing procedures laid down in the UN Partner’s financial regulations and rules, and that the external auditors of the UN Partner are appointed by and report to the UN Partner’s policymaking organ, of which the Government is a member. Throughout the term of this Agreement, the UN Partner will ensure that its audited accounts and the External Auditors’ Report are posted on its website within ten (10) Days of their becoming public documents by reason of being presented to the UN Partner’s policymaking organ.
7. In the event that the final certified financial statement to be provided under Annex III (the “Final Certified Financial Statement”) indicates a balance of funds in favor of the Government, the Government will consult with the Bank and provide relevant payment instructions to the UN Partner to process the refund. The UN Partner shall transfer the refund within (30) calendar days of its receipt of the payment instructions.
8. The UN Partner shall not be required to commence or continue any activities until the UN Partner has received the payments due in accordance with the Payment Schedule and it shall not be required to assume any liability in excess of such payments

**Terms of Delivery of Outputs**

1. ***Standard of performance.*** The UN Partner will carry out its obligations under this Agreement with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices.
2. ***Procurement of inputs.*** All inputs required for the Delivery of Outputs will be undertaken in accordance with the terms of this Agreement and the UN Partner’s regulations, rules, policies and procedures.Any delegation or assignment of such procurement to another UN organization shall be disclosed in **Annex II.** The UN Partner is responsible for the importation, including customs clearance, of any inputs required for the Delivery of Outputs under this Agreement, unless otherwise agreed by both Parties in writing. (In this connection, the Parties recall that in accordance with the relevant provisions of the Convention and the Basic Agreement, such imports shall be, *inter alia,* exempt from any customs duties and subject to prompt release from customs).
3. ***Infrastructure works required as inputs.*** In the event that the scope of work set out in **Annex I** involves the undertaking by the UN Partner of any infrastructure activities, the following provisions shall also apply:

(a) *Taking Over and Final Completion:* The Government shall take the immediate possession upon issuance of the taking over certificate issued by the UN Partner upon completion of works;

(b) *Environmental Management:* The UN Partner shall, while delivering the Outputs, act in accordance with the UN Partner and Government’s environmental requirements to ensure that all aspects of works are, to the extent possible, implemented in an environmentally responsible and sustainable manner; and

(c) *Design:* In the event that the UN Partner is responsible for any or all of the design aspects, the UN Partner shall, in consultation with the Government, determine the appropriate design standards to be applied, with reference to relevant national standards and the UN Partner’s regulations, rules, policies and procedures.).

1. ***Use of inputs.*** The UN Partner shall use procured inputs only for the purpose of Delivering the Outputs set out in **Annex I**.
2. The UN Partner is responsible for engaging qualified Staff, Consultants and Contractors as, in the UN Partner’s judgment, are required to successfully Deliver the Outputs.
3. The UN Partner shall remain fully responsible for the Delivery of Outputs. The engagement of any Staff, Consultant or Contractor by the UN Partner under this Agreement will be done according to the UN Partner’s established regulations, rules, policies and procedures and bearing in mind the considerations and requirements of the Bank that are listed below:
4. Prohibition of Conflicting Activities. The Staff, Consultants or Contractors shall not engage, either directly or indirectly, in any business or professional activities which could conflict with the activities performed under their respective contract with the UN Partner.
5. Disqualification from Related Contracts. During the term of this Agreement and after its Early Termination or Completion, the Government will disqualify Staff, Consultants or Contractors, and any party affiliated with any of them, from providing goods, works or consulting or non-consulting services (other than consulting services to be provided by Staff and Consultants) resulting from, or directly related to, their activities under this Agreement, and shall not engage or hire them for any assignment that, by its nature, may be in conflict with this Agreement.
6. Hiring Government Institutions or Government Officials. The Government herewith requests, and the UN Partner herewith agrees, that the UN Partner shall not engage or hire any official or civil servant of the Government’s country as a Consultant or a Government institution or any Government-owned enterprise as a Contractor under this Agreement, unless it has been established by the Government to the Bank’s satisfaction that such hiring or contracting meets the Bank’s eligibility requirements under applicable procurement rules.
7. If the Government reasonably concludes that (i) any member of the UN Partner’s team has engaged in serious misconduct or (ii) the performance of any of the team members is unsatisfactory, then the Government shall promptly share the sufficiently detailed information with the UN Partner specifying the grounds therefore. If, after receiving the Government’s written request, the UN Partner investigates the alleged misconduct or reviews the alleged unsatisfactory performance and concludes that the misconduct and/or the dissatisfaction with the performance of the team member justifies his/her replacement, the UN Partner will proceed with a replacement within the timeframe that is in line with the implementation schedule of this Agreement, subject to the UN Partner’s regulations, rules, policies and procedures.
8. ***Transfer of ownership***; Warranties. As relevant, the Parties shall agree on the timing and modality of the transfer of ownership of any equipment, including vehicles, as well as transfer of warranties. Any equipment made available to the UN Partner by the Government during this Agreement shall remain the property of the Government.

**Intellectual property and Proprietary Rights**

1. Each Party shall retain full and sole ownership of its preexisting copyright, patent rights and other proprietary rights. All copyright, patent rights and other proprietary rights in plans, drawings, specifications, designs, reports, other documents and discoveries developed or prepared by the UN Partner under this Agreement shall belong to the UN Partner. The UN Partner herewith grants to the Government a perpetual, non-revocable, royalty-free, transferable (including the right to sub-license), fully paid-up, non-exclusive license to copy, distribute and use any such copyright, patent rights and other proprietary rights.

**Insurance**

1. The UN Partner will ensure that insurance is maintained against the following risks: third-party liability and third-party motor vehicle liability; workmen’s compensation or equivalent; and all-risk insurance against loss of or damage to equipment and materials purchased in whole or in part with funds provided under this Agreement until transferred to the Government.
2. In addition,
   * + - 1. with regard to Staff, the UN Partner will maintain appropriate health insurance; provide for compensation in respect of injury, sickness or death while performing official duties of the organization; and maintain malicious acts insurance;
         2. with regard to Consultants, the UN Partner will provide for compensation in respect of injury, sickness or death while performing official duties of the organization; and maintain malicious acts insurance.
3. The cost of such insurance is deemed included in the Total Funding Ceiling.

**Reporting**

1. The UN Partner will keep accurate accounts and records in respect of the funds made available under this Agreement, in accordance with the UN Partner’s financial regulations and rules and in such form and detail as will clearly identify all relevant charges and costs for corresponding deliverables.
2. The UN Partner will provide written Progress Reports to assist the Government in monitoring implementation progress of activities and deliverables towards the Delivery of Outputs, and the remaining balance under the Total Funding Ceiling. Reporting requirements are set out in **Annex III**.
3. Upon request from the Government and following consultations between the UN Partner and the Government, the UN Partner may, subject to the UN single audit principle, furnish supplemental information or documentation to provide additional details.

**Force Majeure**

1. Either Party prevented by force majeure from fulfilling its obligations shall not be deemed in breach of such obligations. The said Party shall use all reasonable efforts to mitigate the consequences of force majeure. At the same time, the Parties shall consult with each other on modalities of further execution of the Agreement. Force majeure as used in this Agreement is defined as natural catastrophes such as but not limited to earthquakes, floods, cyclonic or volcanic activity; war (whether declared or not), invasion, act of foreign enemies, rebellion, terrorism, revolution, insurrection, military or usurped power, civil war, riot, commotion, disorder; ionizing radiation or contaminations by radio-activity; and other acts of a similar nature or force.

**Fraud and Corruption Prevention**

1. In the event that the Government, the UN Partner or the Bank becomes aware of information that indicates the need for further scrutiny of the implementation of this Agreement or use of the funds provided by the Government pursuant to this Agreement (including non-frivolous allegations that indicate the possibility that corrupt, fraudulent, coercive or collusive practices may have occurred), the entity that has become aware of such information will promptly notify the other two.
2. In such case, this information will be brought promptly to the attention of the appropriate official or officials at the Government, the UN Partner and the Bank.
3. After consultation with the Government and the Bank, the UN Partner will, to the extent the information relates to actions within the authority or accountability of the UN Partner, take timely and appropriate action in accordance with its applicable regulations, rules, policies and procedures, to investigate this information. The Parties agree and acknowledge that the UN Partner shall have no authority to investigate information relating to possible corrupt, fraudulent, coercive or collusive practices by Government officials or by officials or consultants of the Bank.
4. To the extent that such an investigation confirms corrupt, fraudulent, collusive or coercive practices have occurred and to the extent that remedial action is within the authority of the UN Partner, the UN Partner will take timely and appropriate action in response to the findings of such an investigation, in accordance with its accountability and oversight framework and established procedures, including its financial regulations and rules, where applicable.
5. To the extent consistent with the UN Partner’s accountability and oversight framework and established procedures, the UN Partner will keep the Government and the Bank regularly informed by agreed means of actions taken, and the results of the implementation of such actions, including where relevant, details of any recovered amounts. Such recovered amounts, if any, shall be applied in the calculation of the final balances in the budget code (ledger account), or if such amounts are recovered after the date of the calculation and transfer of such final balances, the government will consult with the Bank and provide payment instructions to the UN Partner with respect to such amounts.
6. For the purposes of this Agreement, the following definitions shall apply:

(i) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

1. In the event that the Government or the Bank reasonably believes that the UN Partner has not complied with the requirements of this section, the Government or the Bank may request direct consultations at a senior level between the Bank, the Government and the UN Partner in order to obtain assurances, in a manner consistent with the UN Partner’s oversight and accountability framework and respecting appropriate confidentiality, that the UN Partner’s oversight and accountability mechanisms have been or will be fully applied. Such direct consultations may result in an understanding between the Government, the Bank, and the UN Partner, on any further actions to be taken and the timeframe for such actions. The Parties take note of the relevant provisions on external audit in the Financial Regulations and Rules of the UN Partner.
2. The Parties agree and acknowledge that nothing in this section shall be deemed to waive or otherwise limit any right or authority of the Bank or any other entity of the World Bank Group under the Financing Agreement or otherwise, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, collusive or obstructive practices by any third party, or to sanction or take remedial action against any such party which the World Bank Group has determined to have engaged in such practices; provided however that in this section, “third party” does not include the UN Partner. To the extent consistent with the UN Partner’s oversight framework and established procedures, and if requested by the Bank, the UN Partner shall cooperate with the Bank or such other entity in the conduct of such investigations.
3. (a) The UN Partner requires any party with which it has a long-term arrangement or to which it intends to issue a purchase order or a contract to disclose to the UN Partner whether it is subject to any sanction[[6]](#footnote-7) or temporary suspension imposed by any organization within the World Bank Group. The UN Partner will give due regard to such sanctions and temporary suspensions, as disclosed to it when issuing contracts in connection with the Delivery of Outputs under this Agreement.

(b) If the UN Partner intends to issue a contract in connection with the provision of any of the activities under this Agreement with a party which has disclosed to the UN Partner that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) the UN Partner will so inform the Government, with a copy to the Bank, before signing such contract; (ii) the Government and the Bank then may request direct consultations at a senior level, if required, between the Bank, the Government and the UN Partner to discuss the UN Partner’s decision; and (iii) if after such consultation, the UN Partner elects to proceed with the issuance of the contract, the Bank may inform the UN Partner by notice, with a copy to the Government, that the proceeds of the Financing may not be used to fund such contract.

(c) Any funds received by the UN Partner under this Agreement that were to be used to fund a contract in respect of which the Bank has exercised its rights under this paragraph 38(b)(iii) shall be used to defray the amounts requested by the UN Partner in any subsequent Payment Request, if any, or will be treated as a balance in favor of the Government in the calculation of the final balances upon Completion or Early Termination of this Agreement.

## **Settlement of Disputes between the Parties**

1. This Agreement shall be governed by general principles of international law, which shall be deemed to include the UNIDROIT General Principles of International Commercial Contracts (2010). Any dispute, controversy or claim arising out of or relating to this Agreement shall be resolved in accordance with the relevant provisions of the Basic Agreement or, failing such provision, if not settled by negotiation or other agreed mode of settlement, shall be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the chairman. If within thirty days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

**Early Termination**

1. This Agreement may be terminated prior to the Completion Date (“Early Termination”) by either Party upon thirty (30) calendar days’ written notice to the other in the following circumstances:
2. The UN Partner is unable to perform a material portion of the Agreement for a period of sixty (60) calendar days as the result of force majeure; or if the UN Partner believes that under the prevailing circumstances related to the worsened security situation in the country it can no longer implement the activities under the Agreement;
3. The UN Partner does not receive payment of the full amount set forth in the payment request submitted in accordance with **Annex II** and that is not disputed by the Government, within thirty (30) calendar days of the date of such payment request;
4. Either Party is in breach of any of its material obligations under this Agreement and has not remedied the same within sixty (60) calendar days (or such longer period as the other Party may have subsequently agreed to in writing) following the receipt of the notice specifying such breach.
5. Upon receipt by one Party of the other Party’s written notice of Early Termination of this Agreement, the Parties shall agree on the exit strategy to minimize any negative impact that can arise from an Early Termination of this Agreement and take all reasonable and necessary measures to complete as much of the activities as possible. In the case of Early Termination, the Parties shall agree on the deadline for the UN Partner to submit the final Progress Report, including reconciliation of accounts and settlement of any outstanding payments.

**Miscellaneous**

1. ***Records keeping.*** The UN Partner shall retain all records (contracts, reports, invoices, bills, receipts and other documentation) relating to this Agreement in accordance with the UN Partner’s documents retention policy.
2. ***Relationship between the Parties.*** Nothing contained in this Agreement will be construed as establishing a relation of principal and agent between the Government and the UN Partner. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.
3. ***Headings.*** The headings contained in this Agreement are for reference purposes only, and will not limit, alter or affect the meaning or interpretation of this Agreement.
4. ***Notices.*** Notices will be deemed “received” as follows:
5. in the case of personal delivery, on delivery as per date of the written acknowledgement;
6. in the case of registered mail, fourteen (14) days after being sent;
7. in the case of facsimiles or other electronic communications, forty-eight (48) hours following confirmed transmission.
8. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the Form of Agreement.
9. ***Modifications***. Modifications to this Agreement may be done for immaterial revisions or clarifications through a written exchange of correspondence between the Parties.
10. ***Amendments***. Any substantial revisions regarding (a) the delivery of Outputs as set forth in **Annex I**, or (b) extension of the Completion Date or Early Termination, or (c) the Total Funding Ceiling, may be done only by a signed written amendment by the Parties. Such amendment becomes effective only upon notification by the Government to the UN Partner that the Bank, as the case may be, has approved the amendment.

ANNEX I

OUTPUTS AND WORK PLAN

*Notes: This Annex shall be based on the proposal, including the detailed costing, prepared by the UN Partner for the Government to facilitate the Parties’ discussion regarding entering into this Agreement.*

*Description of the scope of work shall include the following:*

I. Objective of the engagement and the Outputs *[insert a short description of the main objective of engaging the UN Partner under this Agreement, explain how the activities and the deliverables under this Agreement will lead to an Output that is linked to or contributes to the development objectives of the Project implemented by the Government under the legal Agreement with the Bank]*

II. Agreed Activities and Deliverables

*Output 1: [insert description]*

*Activity1.1* *[Description of main activities (or tasks) to be carried out by the UN Partner, i.e., content and duration, phasing and interrelations, milestones, and location of work]*

*Activity 1.2 ………………………………………………………….*

*Output 2: [insert description]*

*Activity 2.1…………………………………………………..*

*[Note: Reporting requirements for the Outputs, deliverables and activities described in this Annex I shall be included in Annex III. The final Progress Report shall link the activities and deliverables to the Outputs and the funds used for each Output]*

III. Work Plan and Timeline

*[Shall be consistent with the technical approach and methodology described above]*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **N°** | **Activity** | **Months** | | | | | |
| **1** | **2** | **3** | **4** | **…..n** | **Financial Completion** |
| 1 | Deliverable 1. |  |  |  |  |  | - |
| 1.1 | Activity 1 |  |  |  |  | - |  |
| 1.2 | Activity 2 |  |  |  |  |  |  |
| 2. | Deliverable 2 |  |  |  |  |  |  |
| 2.1 | Activity 1 |  |  |  |  |  |  |
| n | Progress Reports (per Annex III frequency) |  |  |  |  | Final |  |
| n | Final Certified Financial Statement |  |  |  |  |  | Final |

ANNEX II

TOTAL FUNDING CEILING AND PAYMENT SCHEDULE

I. Total Funding Ceiling (in US$)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **BL** | **Description** | **Year 1** | **Year 2** | **Year 3** | **Total** |
| **Deliverable (Outcome):** | | | | | |
| **Output 1:** | | | | | |
| 11 | International experts |  |  |  | - |
| 15 | Project travel |  |  |  | - |
| 16 | Staff travel |  |  |  | - |
| 17 | National experts & admin staff |  |  |  | - |
| 21 | Subcontracts |  |  |  | - |
| 30 | In-service training, conferences, workshops |  |  |  | - |
| 35 | International Meetings |  |  |  | - |
| 43 | Premises |  |  |  | - |
| 45 | Equipment |  |  |  | - |
| 51 | Miscellaneous |  |  |  | - |
| **Sub-Total Output 1** | | **-** | **-** | **-** | **-** |
| **Output 2:** | | | | | |
| 11 | International experts |  |  |  | - |
| 15 | Project travel |  |  |  | - |
| 16 | Staff travel |  |  |  | - |
| 17 | National experts & admin staff |  |  |  | - |
| 21 | Subcontracts |  |  |  | - |
| 30 | In-service training, conferences, workshops |  |  |  | - |
| 35 | International Meetings |  |  |  | - |
| 43 | Premises |  |  |  | - |
| 45 | Equipment |  |  |  | - |
| 51 | Miscellaneous |  |  |  | - |
| **Sub-Total Output 2** | | **-** | **-** | **-** | **-** |
| **Independent mid-term and evaluation at completion** | | | | | |
| 11 | International evaluator |  |  |  | - |
| 15 | Project staff travel |  |  |  | - |
| 17 | National evaluator(s) |  |  |  | - |
| 51 | Miscellaneous |  |  |  | - |
| **Sub-Total Evaluation** | | **-** | **-** | **-** | **-** |
| **TOTAL** | | **-** | **-** | **-** | **-** |
| **Indirect Costs (13%)** | | **-** | **-** | **-** | **-** |
| **GRAND TOTAL** | | **-** | **-** | **-** | **-** |

II. Payment Schedule

*[Instruction to users:*

1. *For Agreements of short duration (for example, less than 12 months), the payment of the Total Funding Ceiling can be made in one tranche upon signature.*
2. *For Agreements of longer than 12 months duration, normally the following payments schedule is used [for exceptions, please seek advice from unagencies@worldbank.org]:*
3. 1st payment – [US$.......] *[normally up to 20% of the Total Funding Ceiling upon signing as an advance payment, if Annex I (detailed list of activities) and/or Annex II (Work Plan with the breakdown of budget by activities and deliverables) are not prepared in detail at the time of signature and are expected to be submitted in the Inception Report. If both Annex I and Annex II are sufficiently detailed, the budget estimate shown in Annex II for the first reporting period can be used as the first lump sum payment];* and
4. Subsequent payments for deliverables set up in Annex I *shall be based on the estimates in Annex II and the estimates in the financial part of the preceding Progress Report (see Annex III).*
5. *Any advance payments will be deducted from the last payment.*
6. *All payments, reconciliations and refunds under this Agreement shall be made within the validity period of the Financing Agreement. Under no circumstances can payments be made after the Financing Agreement closing date.*

ANNEX III

REPORTING REQUIREMENTS

The UN Partner shall submit the following reports for the Outputs agreed in Annex I:

1. *If the Inception Report is used, include:*
2. Any information missing in Annex I at the time of Agreement signing, detailed mobilization arrangements, complete the description of all activities required for the Outputs, any assignment of procurement of inputs to any other UN organization, complete the Work Plan to ensure timely start-up and on-time completion of the implementation of this Agreement;
3. The Payment Request for the first lump sum installment calculated on the basis of budget estimates for the activities budgeted in Annex II.
4. Progress Reports:
   1. Each report submitted on a [*insert frequency of reports* ] basis shall include: (i) a narrative and financial summary of the status of activities to demonstrate the progress towards the Outputs and the linkage between the payments made under this Agreement and the deliverables as set out in **Annex I**; and (ii) an interim financial report on the use of funds; and the Payment Request for the next installment signed by an authorized official of the UN Partner’s Department of Finance.

* 1. The final Progress Report upon Completion or Early Termination shall include a consolidated financial summary on the use of funds for Outputs set forth in **Annex I.**

All financial reports shall be expressed in United States dollars. The UN Operational Rate of Exchange shall be used for converting expenditures made in other currencies.

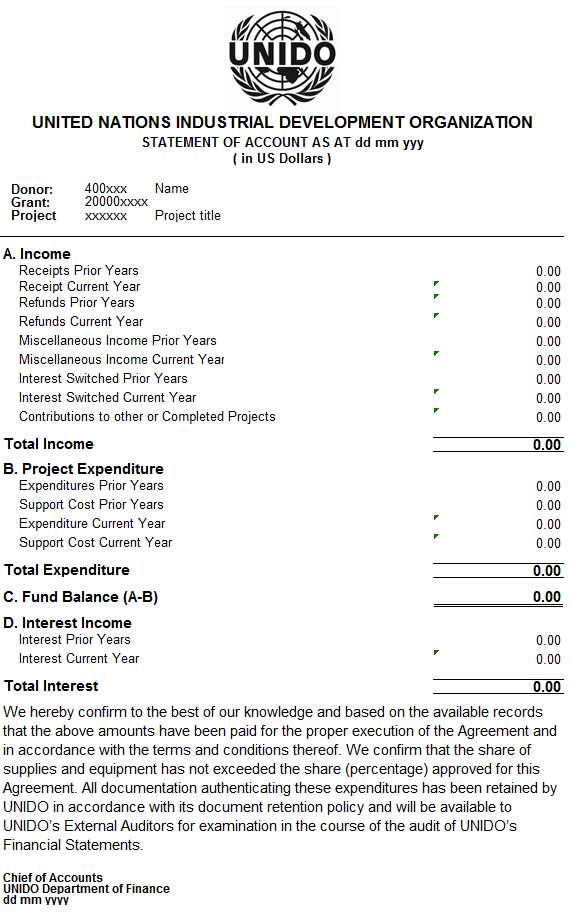
The final Progress Report shall include a financial statement signed by an authorized official of the UN Partner:

“We hereby confirm to the best of our knowledge and based on the available records that the above amounts have been paid for the proper execution of the Agreement and in accordance with the terms and conditions thereof. All documentation authenticating these expenditures has been retained by UNIDO in accordance with its document retention policy and will be available to UNIDO’s External Auditors for examination in the course of the audit of UNIDO’s Financial Statements.”

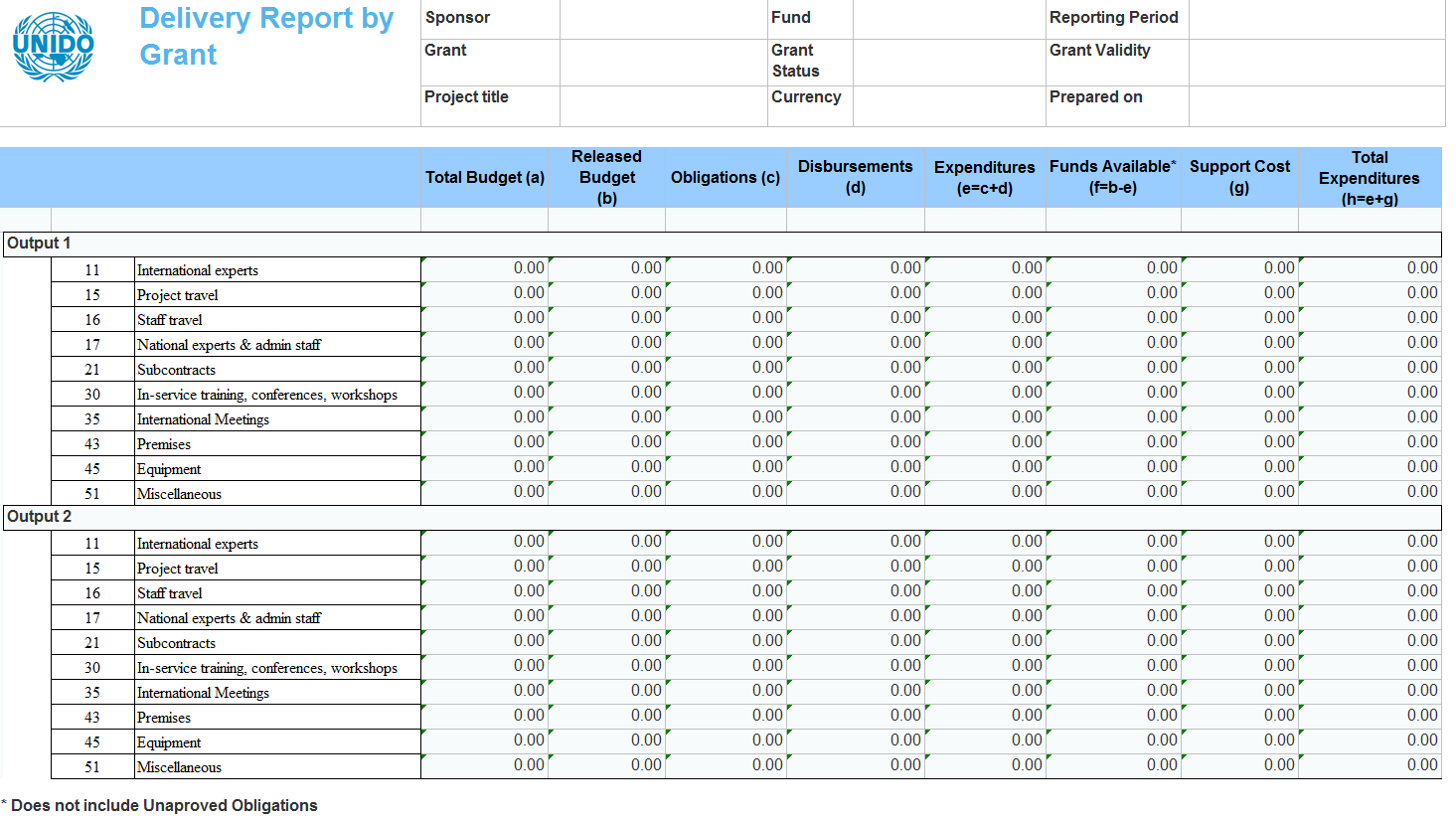
Signed by:

Name and Title: Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***I. Sample of Financial Statement (part of Progress Report)***



***II. Sample of Delivery Report (part of Progress Report)***

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ANNEX IV

Counterpart Staff, Services, Facilities and Property to Be Provided by the Government

The Parties agree that the Government commits to provide, at its own expense and at no cost to the UN Partner, the following inputs to facilitate successful implementation of this Agreement:

1. Government Staff (qualified experts to work with the UN Partner’s team): *[include the list of names, titles, brief qualifications. Indicate “n/a” if none are provided]*
2. Surveys and Technical Inputs *[for example, surveys, drawings, files, maps, software, etc., or insert “n/a” if none are provided]*
3. Services *[for example, office cleaning, utilities, communication, etc. , or insert “n/a” if none are provided]*
4. Facilities *[for example, office space, meeting and conference rooms, etc., or insert “n/a” if none are provided]*
5. Property *[for example, office or computer equipment, materials, vehicles, etc., or insert “n/a” if none are provided]*
6. *[Other – insert any other inputs by the Government that do not fall under any of the above categories but are required for successful implementation of this Agreement]*

*The extent and timing of provision of counterpart staff and of facilities should be agreed upon and included in this Annex.*

ANNEX V

COST of the UNIDO’s SERVICES

1. Full cost comprises Direct Cost and Indirect Cost.

2. Direct Costs are the UNIDO’s costs incurred for the benefit of a particular project and can be clearly identifiable and documented as directly attributable to project activities. Direct Cost calculations are shown as line items in the Total Funding Ceiling calculations in Annex II.

3. Indirect Cost rate applicable to the Agreements with the Government that are financed from the loan, credit or grant proceeds obtained from the World Bank pursuant to the Financing Agreement between the Government and the Bank, are set up in accordance with the relevant decisions of UNIDO’s Director General on [cost recovery](https://docs.myunfpa.org/docushare/dsweb/Get/UNFPA_Publication-52635), and is 13% (thirteen percent).

1. References in this Agreement to the “World Bank” or “Bank” include both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). [↑](#footnote-ref-2)
2. *[Note to Users: “Project Name” refers to the project title as stated in the legal agreement (Financing Agreement) between the World Bank (a financier of this Agreement) and the Government. It should not be confused with the name of the UN Agency’s project or program financed from other sources.]* [↑](#footnote-ref-3)
3. *[Note to Users: Project Closing date is stated in the Financing Agreement between the Bank and the Government]* [↑](#footnote-ref-4)
4. *[Note to Users: “Financing Agreement” is a legal agreement between the financier (the World Bank) and the Government**]* [↑](#footnote-ref-5)
5. References in this Agreement to the “World Bank” or “Bank” include both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). [↑](#footnote-ref-6)
6. [www.worldbank.org/debarr](http://www.worldbank.org/debarr). [↑](#footnote-ref-7)