



## STANDARD TEMPLATE

# **STANDARD FORM OF AGREEMENT for Use by World Bank Borrowers**

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Delivery of Outputs by FAO  
under Bank-Financed Projects

v.1  
May, 2017

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## Foreword

1. This Delivery of Outputs Standard Form of Agreement (“Delivery of Outputs”) is the result of cooperation between the World Bank (“the Bank”)<sup>1</sup> and the Food and Agriculture Organization of the United Nations (“FAO” or “UN Partner”). It should be used when FAO is engaged by the Government 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. In the case of FAO’s previous involvement in upstream activities, including project design and/or appraisal under the World Bank–FAO Cooperative Programme (1964), the Government contracting of FAO for downstream activities may create a conflict of interest situation. The Bank’s prior review is required, prior to proceeding with the use of this Agreement.
3. The approval of this standard template was done by respective signatures of the World Bank Vice President for Operations Policy and Country Services and FAO Deputy Director-General (Programmes) on May 10, 2017.
4. The provisions in the General Conditions section of this Agreement related to financial management, audit, and fraud and corruption prevention derive from the Financial Management Framework Agreement (FMFA) and the Fiduciary Principles Accord concluded between UN Agencies (including the FAO) and the World Bank.
5. The completion date of the Agreement cannot exceed the Project closing date.
6. The text shown in *italics* is “Notes to Users”, which provide guidance to the implementing entity of the Borrower and to the FAO task team in preparing a specific Agreement. These *italicized Notes* should be deleted from the final version prior to signing of the Agreement.
7. Those wishing to submit comments or questions on this document, or obtain guidance on the use of this template, shall contact: [unagencies@worldbank.org](mailto:unagencies@worldbank.org).
8. For questions or guidance concerning FAO, please contact:

Food and Agriculture Organization of the United Nations  
Viale delle Terme di Caracalla  
00153 Rome, Italy  
e-mail: TCS-Director@fao.org

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<sup>1</sup> 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).

*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<sup>2</sup>** \_\_\_\_\_  
**Loan/Credit/Grant No.** \_\_\_\_\_

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

**FAO Reference No.<sup>3</sup>** \_\_\_\_\_  
**FAO NTE Date<sup>4</sup>** \_\_\_\_\_

**Project Closing Date** \_\_\_\_\_  
**Financing Agreement<sup>5</sup> Closing Date:** [date/month/year]

**between**

**THE GOVERNMENT OF** [country name]

**and the**

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS  
(FAO)**



**Country logo**

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<sup>2</sup> [Note to Users: “Project Name” refers to the project title as stated in the legal agreement (Financing Agreement) between the World Bank and the Government. It should not be confused with the name of the UN Agency’s project or programme financed from other sources.]

<sup>3</sup> For FAO, it refers to Unilateral Trust Fund (“UTF”)

<sup>4</sup> For FAO, it refers “Not To Exceed Date” (NTE Date)

<sup>5</sup> [Note to Users: “Financing Agreement” is a legal agreement between the World Bank and the Government.]

## 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 **FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**, a specialized agency of the United Nations, having its headquarters at Viale delle Terme di Caracalla, 00153 Rome, Italy (“FAO” or the “UN Partner”, together with the Government, the “Parties” and each a “Party”).

### WHEREAS

- A. FAO, as is a specialized agency of the United Nations system established in 1945 to raise levels of nutrition and standards of living for all people in FAO member countries; to secure improvements in the efficiency of production and distribution of food and agricultural products; and to contribute towards expanding world economy and ensure humanity’s freedom from hunger. FAO and the Government have agreed to cooperate respect of the formulation, adoption and implementation of the Government’s agricultural, nutritional and food security policies of [*name of country*].
- B. The Government, working with its development partners, including FAO and the World Bank<sup>6</sup> (the “Bank”), 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”).
- C. As part of Project implementation, the Government has asked FAO, and FAO 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 United States Dollars [*insert amount in words*] (USD [*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.

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<sup>6</sup> 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).

3. This Agreement becomes effective on the date of its last signature (the “Effective Date”), and will remain effective until [*insert date*] (the “Completion Date”) <sup>7</sup>, unless otherwise agreed by the Parties in writing. All activities under this Agreement shall be operationally completed<sup>8</sup> by the Completion Date, and the final progress report and the final certified financial statement shall be submitted to the Government not later than six (6) months thereafter.
4. The Government designates [*insert the name and title*] and FAO 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 following:
  - Government representative: [*insert phone, e-mail and fax*]
  - FAO representative: [*insert phone, e-mail and fax*]
5. For Project’s coordination purposes, the Bank’s staff contact information are as follows:
  - Bank Task Team Leader: [*insert the name, phone and e-mail*]
6. This Agreement shall be interpreted in a manner that ensures it is consistent with 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 the Convention in respect of FAO, the Government agrees to apply to FAO, its Staff and assets, the provisions of said Convention. The Government shall grant the same privileges and immunities contained in the Convention to, Consultants and Contractors performing services for FAO in connection with the execution of the Agreement.
7. Nothing contained in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of FAO, including under the Convention or otherwise.
8. The Government confirms that no official of FAO has received or will be offered by the Government any benefit arising from this Agreement. FAO 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.

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<sup>7</sup> The Completion Date is the date of operational completion, including the last deliverable (i.e. FAO Not To Exceed (NTE), and it must be at least three months prior to the Bank Project’s closing date in order to ensure that FAO has sufficient time for the financial closure and issuance of the Final Certified Statement prior to the Financing Agreement’s closing date.

<sup>8</sup> In the case when inputs include civil works (“constructions”), it is important to foresee that the completion of works is planned to be 12 months prior to the completion date of the project (i.e. FAO NTE). This period can vary for less complex works, and FAO Procurement services will need to confirm the required completion of works date in order to ensure financial compliance with FAO rules and World Bank regulations in relation to the closing date.

9. The following documents form an integral part of this Agreement:

(a) General Conditions of Agreement

(b) 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: Cost of FAO Services

10. FAO payment details are as follows:

By bank wire transfer:

**FAO Reference:** [Country]-TA Agreement [Contract Number]

ACCOUNT NAME

CURRENCY

BANK NAME

BANK ADDRESS

ACCOUNT NUMBER

SWIFT/BIC

ABA/BANK CODE

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



|  |  |  |
|--|--|--|
| <b>The Government of</b><br>[_____]        | <b>FAO</b>                                 |  |
| <b>By:</b> [signature]                     | <b>By:</b> [signature]                     |  |
| <b>Name:</b> [_____]                       | <b>Name:</b> [_____]                       |  |
| <b>Title:</b> [_____]                      | <b>Title:</b> [_____]                      |  |
| <b>Date:</b> [date/month in<br>words/year] | <b>Date:</b> [date/month in<br>words/year] |  |

The text of the clauses in 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 meanings:
  - (a) “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;
  - (b) “Consultant” means an individual who has signed an individual service agreement with the UN Partner;
  - (c) “Contractor” means a legal entity supplying goods, works, or services to the UN Partner under a contract concluded according to the UN Partner’s regulations, rules, policies and procedures. When applicable, the term includes “implementing partners” or “partner organizations” as defined and used in the UN Partner’s regulations, rules, policies and procedures;
  - (d) “Day” means business day, unless otherwise stated;
  - (e) “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**;
  - (f) “Direct Cost” means the actual cost of the UN Partner that can be directly traced to the deliverables set forth in **Annex I**;
  - (g) “Indirect Cost” means the costs incurred by the UN Partner as a function of and in support of the Project, which cannot be traced unequivocally to the deliverables as described in **Annex I**. The rate applicable to this Agreement is stated in **Annex V**.

### SCOPE AND GENERAL OBLIGATIONS OF THE PARTIES

2. The UN Partner agrees to:

- (a) deliver the Outputs within the scope and in accordance with the timetable and such level of input as detailed in **Annex I** (the “Work Plan”); and
  - (b) keep the Government informed on the progress towards achieving the Delivery of Outputs by timely submission of the progress reports, in accordance with this Agreement (the “Progress Reports”).
3. The Government agrees to:
- (a) 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 the payment schedule set out in **Annex II** (the “Payment Schedule”);
  - (b) provide all required support to the UN Partner for the purpose of implementing the activities under this Agreement, including the granting, obtaining or assisting with obtaining all permits, licenses, import approvals, and other official approvals related to any supplies; furnishing powers of attorney or authorizations to the UN Partner and cooperating with the UN Partner in a timely and expeditious manner; and
  - (c) deal with any claim arising from the execution of this Agreement, which may be brought by third parties against FAO or its Staff, Consultants, and Contractors, and shall hold them harmless in respect of any such claim or liability, unless the Government and FAO should agree that the claim or liability arises from gross negligence or willful misconduct on the part of said Staff, Consultants or Contractors.
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**

- 6. Calculations of the Total Funding Ceiling are provided in **Annex II**. The Total Funding Ceiling includes Direct Costs and Indirect Costs of the UN Partner, explained in **Annex V**.
- 7. 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.

8. The payments under this Agreement shall be made in accordance with the Payment Schedule.
9. The Government will make the payments (either directly or by authorizing the Bank to pay on the Government's behalf) 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.
10. 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 be dealt with in accordance with the UN Partner's regulations, rules, policies and procedures.
11. 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 financial regulations and rules. 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 policy-making organ, of which the Government is 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 policy-making organ.
12. 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 thirty (30) calendar days of its receipt of the payment instructions.
13. The UN Partner shall not be required to commence or continue the Delivery of Outputs 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.
14. Payments to the UN Partner shall not prejudice the Government's right to dispute any amount claimed by the UN Partner and to adjust any future payments by the amount in dispute and inform the UN Partner accordingly. In such case, the Government will promptly notify the UN Partner and the Bank to arrive at a mutually acceptable solution.

### **TERMS OF DELIVERY OF OUTPUTS**

15. ***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.

16. **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.
17. **Seeds, pesticides, fertilizers, animal vaccines required as inputs.** Seeds, pesticides, fertilizers, animal vaccines and other health-related commodities and tools required as inputs purchased under this Agreement shall be procured pursuant to the UN Partner's standard contracting practices and in accordance with FAO standards, or as otherwise agreed by the Parties; and shall be accompanied by a Certificate of Origin where feasible.
18. **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.
19. **Use of inputs.** The UN Partner shall use procured inputs only for the purpose of Delivery of Outputs.
20. 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.
21. The UN Partner shall remain fully responsible for the Delivery of Outputs. The hiring and contracting of any Staff, Consultants or Contractors by the UN Partner under this Agreement will be done according to the UN Partner's regulations, rules, policies and procedures, and bearing in mind the considerations and requirements of the Bank that are listed below:
  - (a) **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 contracts with the UN Partner;

- (b) Disqualification from Related Contracts. During the term of this Agreement and after its Early Termination or Completion, the Government will disqualify the former 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 former Staff and Consultants) resulting from, or directly related to their activities under this Agreement, and shall not hire them for any assignment that, by its nature, may be in conflict with this Agreement;
- (c) Hiring Government Institutions or Government Officials. The UN Partner shall not 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.
22. If the Government reasonably concludes that: (i) any member of the UN Partner's team as included in **Annex I** 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.
23. ***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 any 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**

24. 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**

25. The Parties note that the UN Partner is self-insured. Without prejudice to the foregoing, throughout the execution of this Agreement the UN Partner shall:

- (a) maintain appropriate insurance coverage with respect to third-party motor vehicle liability insurance;
- (b) maintain appropriate cargo insurance against loss of or damage to supplies and equipment, if any, purchased in whole or in part with funds provided under this Agreement until transferred to the Government;
- (c) with regard to Staff and Consultants, maintain appropriate health insurance; provide for compensation in respect of injury, sickness or death while performing official duties of the UN Partner; and maintain malicious acts insurance.

26. The cost of insurance is deemed included in the Total Funding Ceiling.

### **REPORTING**

- 27. 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.
- 28. The UN Partner will provide written Progress and Financial Reports to assist the Government in monitoring implementation progress towards achieving the Delivery of Outputs, and the remaining balance under the Total Funding Ceiling. The frequency of the reporting and the reporting template is set out in **Annex III**.
- 29. 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**

- 30. 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**

- 31. 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.

32. 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.
33. 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 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.
34. 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, including its regulations, rules, policies and procedures.
35. To the extent consistent with the UN Partner's accountability and oversight framework and including its regulations, rules, policies and 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 (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.
36. 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.



37. 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 in the financial regulations and rules of the UN Partner.
38. 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, including regulations, rules, policies and 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.
39. (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 in connection with this Agreement to disclose to the UN Partner whether it is subject to any sanction or temporary suspension imposed by any organization within the World Bank Group<sup>10</sup>. 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 Delivery of any of the Outputs 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 paragraph 39 (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.

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<sup>10</sup> [www.worldbank.org/debarr](http://www.worldbank.org/debarr).

## SETTLEMENT OF DISPUTES BETWEEN THE PARTIES

40. This Agreement shall be governed by general principles of international law, which shall be deemed to include the International Institute for the Unification of Private Law (UNIDROIT) Principles of International Commercial Contracts (2010). Any dispute, controversy or claim arising out of or relating to this Agreement, if not settled by negotiation or other agreed mode of settlement, shall be subject, at the request of either Party, to arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules as presently in force. 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. The arbitration panel shall have no authority to award punitive damages. The Parties may request arbitration during the execution of the Agreement and anyway not later than twelve (12) months after the Completion date or the Termination of the Agreement.

## EARLY TERMINATION

41. 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:

- (a) 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 determines that under the prevailing circumstances related to the worsened security situation in the country it can no longer implement the activities under the Agreement;
- (b) The UN Partner does not receive payment of the full amount set forth in the invoice submitted in accordance with **Annex II** and that is not disputed by the Government, within thirty (30) calendar days of the date of such invoice;
- (c) 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.

42. 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 and the Final Certified Financial Statement, and settle any outstanding payments by not later than the Financing Agreement Closing Date.

43. The obligations assumed by the Parties under this Agreement will survive Early Termination or Completion to the extent necessary to permit an orderly conclusion of all activities and settlement of accounts between the Parties.

## MISCELLANEOUS

44. **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.
45. **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.
46. **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.
47. **Notices.** Notices will be deemed "received" as follows:
- (a) in the case of personal delivery, on delivery as per date of the written acknowledgement;
  - (b) in the case of registered mail, fourteen (14) days after being sent; and
  - (c) in the case of facsimiles or other electronic communications, forty-eight (48) hours following confirmed transmission.
48. 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.
49. **Modifications.** Modifications to this Agreement may be done for immaterial revisions or clarifications through a written exchange of correspondence between the Parties.
50. **Amendments.** Substantial revisions regarding: (a) the key deliverables (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.

**OUTPUTS AND WORK PLAN**

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

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

**I. Objectives of the engagement and the Outputs**

*[Insert a short description of the main objective of engaging FAO 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 Financing Agreement with the Bank.]*

**II. Background and Content**

**III. Agreed Outputs, Activities and timeline**

*Output 1: [insert description]*

*Deliverable 1 [insert description]*

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

*Activity 1.2.....*

*[Note: Reporting requirements for the activities described in this Annex I shall be included in Annex III]*

**III. Work Plan**

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

| N°  | Activity                                   | Months |   |   |   |        | Financial Completion |
|-----|--|--------|---|---|---|--------|----------------------|
|     |  | 1      | 2 | 3 | 4 | .....n |                      |
| 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                |

**TOTAL FUNDING CEILING AND PAYMENT SCHEDULE**

**I. Total Funding Ceiling**

| BL                        | Description               | Year 1 | Year 2 | Year N | Total |
|---------------------------|---------------------------|--------|--------|--------|-------|
| <b>Output 1:</b>          |                           |        |        |        |       |
| 5011                      | Salaries Professional     |        |        |        | -     |
| 5012                      | Salaries General Services |        |        |        | -     |
| 5013                      | Consultants               |        |        |        | -     |
| 5014                      | Contracts                 |        |        |        | -     |
| 5020                      | Locally Contracted Labour |        |        |        | -     |
| 5021                      | Travel                    |        |        |        | -     |
| 5023                      | Training                  |        |        |        | -     |
| 5024                      | Exp. Procurement          |        |        |        | -     |
| 5025                      | Non Exp. Procurement      |        |        |        | -     |
|                           |                           |        |        |        |       |
| <b>Sub-Total Output 1</b> |                           | -      | -      | -      | -     |
| <b>Output n:</b>          |                           |        |        |        |       |
| 5011                      | Salaries Professional     |        |        |        | -     |
| 5012                      | Salaries General Services |        |        |        | -     |
| 5013                      | Consultants               |        |        |        | -     |
| 5014                      | Contracts                 |        |        |        | -     |
| 5020                      | Locally Contracted Labour |        |        |        | -     |
| 5021                      | Travel                    |        |        |        | -     |
| 5023                      | Training                  |        |        |        | -     |
| 5024                      | Exp. Procurement          |        |        |        | -     |
| 5025                      | Non Exp. Procurement      |        |        |        | -     |
|                           |                           |        |        |        |       |

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Subtotal Output n:</b>  |   | - | - | - | - |
| <b>5027 Technical Support Services and General Operating Expenditures</b>      |   |   |   |   |   |
| 6111   | Reporting Costs   |   |   |   | - |
| 6116   | Project Evaluation Costs                                  |   |   |   | - |
| 6120   | Technical Assistance to Field Projects                    |   |   |   |   |
| 5028   | General Operating Expenses                                |   |   |   |   |
| 5040   | General Operating Expenses - External Services            |   |   |   |   |
| 5050   | General Operating Expenses - Internal Services Chargeback |   |   |   | - |
| <b>Sub-Total Technical Support Services and General Operating Expenditures</b> |   | - | - | - | - |
| <b>TOTAL</b>   |   | - | - | - | - |
| <b>5029 Indirect - Support Costs (...% per Annex V)</b>                        |   | - | - | - | - |
| <b>GRAND TOTAL – TOTAL FUNDING CEILING</b>                                     |   | - | - | - | - |

*Notes to Table:*

- a) *“Salaries Professional” include salaries of Staff*
- b) *“Salaries General Services” include salaries of support personnel*
- c) *“Contracts” include local implementing partners contracted by FAO on a Letter of Agreement (LoA), or another UN Partner. If any reimbursable expenses to be paid to the Government are included, the Bank’s prior approval shall be obtained to confirm eligibility of such expenditures*
- d) *“Non Exp.Procurement” includes equipment, vehicles, etc. for the use of FAO team to provide the plan activities, and the total budget for this category cannot exceed 25 percent of the Total Funding Ceiling*
- e) *“General Operating Expenses” include cost of publications, printing, etc.*
- f) *“General Operating Expenses- External Services” include cost of internet services, courier services, vehicles maintenance, insurance, etc.*
- g) *“General Operating Expenses – Internal Services Chargeback” include proportionate charges, e.g. publications, interpretation, etc. provided by FAO internal sources*
- h) *“Reporting Costs” is a fixed cost amount editing of the reports*
- i) *“Project Evaluation Costs” will be applied according to FAO rules and regulations. Evaluation cost will be applied to the project if agreeable to the Government. “Technical Assistance to Field Projects” is for cross-support for the headquarters, regional and sub-regional offices’ Staff for review and advice on as needed basis.*

FAO shall indicate if any part of this Agreement is delegated to another UN organization: Yes/No, If Yes, FAO to provide the details) \_\_\_\_\_

## **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](mailto:unagencies@worldbank.org) & tcs-):*
  - *1<sup>st</sup> payment – [USD.....] [normally up to 20 percent of the Total Funding Ceiling upon signature as an advance payment, if **Annex I** (detailed list of activities) and/or **Annex II** (Work Plan with the breakdown of budget by deliverables and activities) 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 **II** are sufficiently detailed, the budget estimate shown in **Annex II** (Table I) for the first reporting period can be used as the first lump sum payment];*
  - *Subsequent payments for deliverables set up in **Annex I** – [shall be based on refined budget estimates for the next reporting period of **Table I** in **Annex II**].*
3. *All payments are made on the basis of FAO invoice (payment request) to the Government with a copy to the Bank, as per paragraph 9 of the Agreement.*

*Any advance payments will be accounted for in the last payment.*

*All payments 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**

FAO shall submit the following reports for the Deliverables agreed in **Annex I**, with a copy to the Bank:

**1.** *[As per FAO project management guidelines FAO submits a full-fledged project document prior to entering into this Agreement]. However, if the Inception Report is used, include:*

(a) Any information missing in **Annex I** at the time of Agreement signing, detailed mobilization arrangements, complete description of all activities required for the key deliverables, complete Work Plan to ensure timely start-up and on-time completion of the implementation of this Agreement;

(b) The Payment Request is based on the Payment Schedule of **Annex II**.

**2. Progress Reports:**

*[Each report shall include:*

(a) Narrative summary of the status of activities to demonstrate the progress towards the agreed Deliverables and the linkage between the payments made under this Agreement and deliverables, outputs or results in **Annex I**;

(b) Interim Financial reporting on the use of funds and the Payment Request for the next installment signed by an authorized FAO staff in charge of the delivery of outputs (a sample format is provided below); and

(c) In the case of the final Progress Report upon Completion or Early Termination, a consolidated financial summary on the use of funds for deliverables set forth in **Annex I**, offset of any paid advances, and any uncommitted balances to be refunded shall be included. The Government will consult with the Bank and will provide FAO with the payment instructions (a sample format of consolidated summary is provided below).

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.





**Grant No:**  
**Name of Project and FAO**  
**Project Symbol:**

**Financial Report (in USD) as at:**

| BL                          | Description               | Prior Period Contribution Received (as at xx/xxxx) | Current Period Contribution Received (as at xx/xxxx) | Cumulative Contribution Received (as at xx/xxxx)  |  |                   |
|-----------------------------|---------------------------|--|--|---|--|-------------------|
| 3051                        | Contribution Received     |  |  |   |  |                   |
| 3052                        | Interest Earned           |  |  |   |  |                   |
| <b>Total Funds Received</b> |                           |  |  |   |  |                   |
| BL                          | Description               | Total Budget ( A )                                 | Prior Period Expenditures (as at xx/xxxx) ( B )      | Current Period Expenditures (as at xx/xxxx) ( C ) | Cumulative Contribution Received (as at xx/xxxx) ( D = B+C ) | Balance ( A - D ) |
| <b>Output 1:</b>            |                           |  |  |   |  |                   |
| 5011                        | Salaries Professional     | -  |  |   |  |                   |
| 5012                        | Salaries General Services | -  |  |   |  |                   |
| 5013                        | Consultants               | -  |  |   |  |                   |
| 5014                        | Contracts                 | -  |  |   |  |                   |
| 5020                        | Locally Contracted Labour | -  |  |   |  |                   |
| 5021                        | Travel                    | -  |  |   |  |                   |
| 5023                        | Training                  | -  |  |   |  |                   |

|   |   |   |   |   |  |   |
|---|---|---|---|---|--|---|
| 5024  | Exp. Procurement  | - |   |   |  |   |
| 5025  | Non Exp. Procurement                                      | - |   |   |  |   |
| <b>Subtotal Output 1</b>  |   | - |   |   |  |   |
| <b>Output n:</b>  |   |   |   |   |  |   |
| 5011  | Salaries Professional                                     | - |   |   |  |   |
| 5012  | Salaries General Services                                 | - |   |   |  |   |
| 5013  | Consultants   | - |   |   |  |   |
| 5014  | Contracts   | - |   |   |  |   |
| 5020  | Locally Contracted Labour                                 | - |   |   |  |   |
| 5021  | Travel  | - |   |   |  |   |
| 5023  | Training  | - |   |   |  |   |
| 5024  | Exp. Procurement  | - |   |   |  |   |
| 5025  | Non Exp. Procurement                                      | - |   |   |  |   |
| <b>Subtotal Output n:</b>   |   | - |   |   |  |   |
| <b>5027 Technical Support Services and General Operating Expenditures</b>     |   |   |   |   |  |   |
| 6111  | <i>Reporting Costs</i>                                    | - | - | - |  | - |
| 6116  | <i>Project Evaluation Costs</i>                           | - | - | - |  | - |
| 6120  | <i>Technical Assistance to Field Projects</i>             |   |   |   |  |   |
| 5028  | General Operating Expenses                                |   |   |   |  |   |
| 5040  | General Operating Expenses - External Services            |   |   |   |  |   |
| 5050  | General Operating Expenses - Internal Services Chargeback | - | - | - |  | - |
| <b>Subtotal Technical Support Services and General Operating Expenditures</b> |   | - | - | - |  | - |
| <b>Total</b>  |   | - | - | - |  | - |

|  |   |   |   |   |
|--|---|---|---|---|
| <b>5029 Indirect - Support Costs (13%)</b> | - | - | - | - |
| <b>Grand Total Expenditures</b>            | - | - | - | - |
| <b>Balance</b>                             |   |   |   |   |

“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 FAO in accordance with its document retention policy and will be available to FAO’s External Auditors for examination in the course of the audit of FAO’s Financial Statements.

Certified by the budget holder: \_\_\_\_\_

Approved by CSFE: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## 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 FAO, the following inputs to facilitate successful implementation of this Agreement:

- (a) Government Staff (qualified experts to work with FAO team): *[include the list of names, titles, brief qualifications; insert “n/a” if none are provided]*
- (b) Surveys and Technical Inputs *[for example, surveys, drawings, files, maps, software, etc.; insert “n/a” if none are provided]*
- (c) Services *[for example, office cleaning, utilities, communication, etc.; insert “n/a” if none are provided]*
- (d) Facilities *[for example, office space, meeting and conference rooms, etc.; insert “n/a” if none are provided]*
- (e) Property *[for example, office or computer equipment, materials, vehicles, etc.; insert “n/a” if none are provided]*
- (f) *[Other – insert any other inputs by the Government that do not fall under any of the above categories but are required for successful Delivery of Outputs]*

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

### COST OF FAO's SERVICES

1. Full cost comprises Direct Cost and Indirect Cost.
2. 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 FAO's Director-General on cost recovery.