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| STANDARD TEMPLATE |
| **STANDARD FORM OF AGREEMENT** **for Use by IDB Borrowers/Beneficiaries** |
| Delivery of Outputs by UNDPunder Bank-financed Projects |
| **s** |

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**Foreword**

1. This Delivery of Outputs Standard Form of Agreement is the result of cooperation between the Inter-American Development Bank (“the Bank or the IDB”) and the United Nations Development Programme (“UNDP”) and is issued within the ambit of the Procedural Framework Agreement (PFA), between the IDB and the UNDP [include date once the PFA is signed]. It should be read and interpreted in the context of the PFA and is used when UNDP is engaged by the Government to provide services that may include multiple components and a range of inputs (goods, works, consulting and non-consulting services, and training) that are required for the delivery of outputs under a Bank-financed Project.
2. The text shown in *italics* is “*Notes to Users*”, which provide guidance to the executing agency of the Bank’s Borrower and to the UNDP task team in preparing a specific Agreement. These *Notes to Users* should be deleted from the final version prior to the signing of the Agreement.
3. Those wishing to submit comments or questions on this document, or guidance on the use of this template, shall contact procurement@iadb.org.

*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[[1]](#footnote-2)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**Reference No.** *[as per the Borrower’s Project Procurement Plan]*

**UNDP Reference No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Project Closing Date[[2]](#footnote-3):** *[date/month/year]* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Financing Agreement[[3]](#footnote-4) Closing Date:** *[date/month/year] \_\_\_\_*

**between**

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

**and the**

**UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**



 ***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/implementing entity*] (the “Government”), and the **UNITED NATIONS DEVELOPMENT PROGRAMME**, a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States under the Charter signed on 26 June 1945, with its headquarters at 1 UN Plaza in New York, New York, 10017, USA (“UNDP” or the “UNDP”, together with the Government, the “Parties” and each a “Party”).

**WHEREAS**

1. UNDP, a subsidiary organ of the United Nations, serves in many respects as the operational arm of the United Nations at the country level and cooperates with the Government and development partners to promote among other things sustainable development, eradication of poverty, advancement of women, good governance and the rule of law. UNDP and the Government cooperate with respect to the formulation, adoption and implementation of the Government’s development policies, programs and projects, towards achieving enhanced levels of inclusive and sustainable development of [*name of country*], in accordance with the Standard Basic Assistance Agreement or the basic agreement governing UNDP’s assistance to the country (the “Basic Agreement”).
2. The Government, working with its development partners, including UNDP and the Inter-American Development Bank (the “Bank”), has developed and is implementing [*insert Project’s name*] (the “Project”). The Government *[insert what is relevant: “*has received” *or* “will receive”] funds from the Bank (the “Financing”) towards the cost of the Project pursuant to a Loan Contract/Investment Grant Agreement/Technical Cooperation Agreement for the Project (the “Financing Agreement”).
3. As part of Project implementation, the Government has asked UNDP, and UNDP 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 resources of the Financing up to a total 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 the *[insert the applicable language: English/French/Spanish*] language, and all communications, notices, modifications and amendments related to this Agreement shall be made in writing and in the same language *[or replace with the applicable language]*. Any modification or amendment to this Agreement shall be made with the prior written agreement from the Bank.
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”), unless otherwise agreed by the Parties in writing. The Delivery of Outputs shall be operationally completed and financially closed by the Completion Date and the final progress report submitted to the Government no later than sixty (60) days after the Completion Date.
4. All activities under this Agreement shall be fully completed and all expenses incurred by the Completion Date[[4]](#footnote-5). The Completion Date shall not exceed the Project Closing date. UNDP shall issue the final financial statement not later than ninety (90) days after the Completion Date.
5. The Government designates [*insert the name and title*] and the UNDP 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:
6. Government representative: [*insert phone, e-mail and fax*]
7. UNDP representative: [*insert phone, e-mail and fax*]
8. For the Project coordination purposes, the Bank’s staff contact information is as follows:
9. Bank Project Team Leader: [*insert the name, phone and e-mail*]
10. 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 1946 Convention on the Privileges and Immunities of the United Nations (the “General Convention”).
11. Nothing contained in or relating to this Agreement shall be deemed a waiver, restriction or limitation, express or implied, of any of the rights, privileges and immunities of the Bank under the Agreement Establishing the Inter-American Development Bank or under any treaty or domestic or international law; and/or of the UNDP under the General Convention, the Basic Agreement or otherwise.
12. The Government confirms that no official of the UNDP has received or will be offered by the Government any benefit arising from this Agreement. UNDP 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.
13. The following documents form an integral part of this Agreement:
14. General Conditions of Agreement
15. Annexes:

Annex I: Outputs and Work Plan

Annex II: Total Funding Ceiling and Payment Schedule

Annex III: Transportation and Logistical Arrangements

Annex IV: Reporting Requirements

 Annex V: Counterpart Staff, Services, Facilities and Property to be Provided by the Government

 Annex VI: UNDP Full Cost Recovery

 Annex VII Eligibility

 Annex VIII: Integrity Covenant

 Annex IX. List of Eligible Countries

1. UNDP’s payment details are provided in the Payment Schedule in **Annex II**.

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

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| --- | --- |
| **GOVERNMENT OF** [**\_\_\_\_\_\_\_**]**REPRESENTED BY [***name of the signing entity***]****By**:[\_\_\_\_\_ *signature*\_\_\_\_\_\_\_]**Name**:[*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]**Title**:[*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]**Date**:[*date/month (in words)/year*] | **UNDP****By**:[\_\_\_\_\_ *signature*\_\_\_\_\_\_\_]**Name**: [*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]**Title**: [*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*]**Date**: [*date/month (in 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 meaning:
2. “Staff” means an individual who holds a letter of appointment with the UNDP or is on loan to the UNDP 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 United Nations Common System of Salaries and Allowances*, it being understood that Staff have the status of “officials” under the General Convention;
3. “Consultant” means an individual other than a Staff who has signed an individual service or consultant agreement with the UNDP, it being understood that Consultants have the status of “experts on mission” under the General Convention;
4. “Contractor” means a legal entity which has concluded a commercial or corporate contract with the UNDP. When applicable, the term includes “implementing partners” or “partner organizations” as defined and used in the UNDP’s regulations, rules, policies and procedures;
5. “Day” means business day, unless otherwise stated;
6. “Delivery of Outputs” or “Deliver the Outputs” refers to the UNDP’s obligation to use a range of inputs, such as goods (including equipment, materials, and supplies), 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 UNDP that can be directly traced to the deliverables and/or outputs set forth in **Annex II**; and

“Indirect Costs” means costs incurred by the UNDP as a function of and in support of this Agreement, which cannot be traced unequivocally to the activities and deliverables as described in **Annex I.** The rate applicable to this Agreement is stated in **Annex VI**.

**Scope and General Obligations of the Parties**

1. The UNDP agrees to:

(a) Establish project management mechanisms for the Project:

Subject to the Government’s agreement, UNDP shall invite the IDB, and the IDB will join to the extent permissible under is applicable policies, UNDP’s Project management mechanisms established for the Project, in order to provide IDB an active role in the oversight of activities to achieve the agreed outputs/deliverables.

(b)Deliver the Outputs within the scope and budget, in accordance with the timetable and such level of required inputs as detailed in **Annex I (Outputs and Work Plan)**; and Annex II (Total Funding Ceiling and Payment Schedule).

(c) 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 the frequency set out in **Annex IV** (the “Progress Reports”).

(d) Maintain records of services and delivery of goods made to the final destinations,

1. The Government agrees to:
2. make timely and complete payments to the UNDP 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”); and
3. provide all required support in connection with the UNDP’s obligations under this Agreement, including: obtaining or assisting with obtaining all permits, licenses, import approvals, and other official approvals related to any goods (including equipment, materials and supplies); taking all necessary actions to ensure and facilitate that the Work Plan activities may at all times be conducted freely, expeditiously and without limitations or restrictions; providing access to the site of work and all necessary rights of way; and generally cooperating as provided under the terms of the Basic Agreement, in a timely and expeditious manner.
4. Validate and indicate acceptance of deliverables and outputs provided according to the work plan.
5. 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 V**.
6. The Parties acknowledge that the level of required inputs and the Work Plan may need to be adjusted, with the agreement of both Parties and with prior non-objection of the Bank, during the course of the implementation of this Agreement to achieve the agreed Delivery of 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 UNDP explained in **Annex VI**.
2. Cumulative disbursements 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 Government confirms to the UNDP that the Government’s disbursements under this Agreement are, in all respects, consistent with 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 to the UNDP under this Agreement shall be made in accordance with the Annex II - Payment Schedule.
4. The Government will make the payments (either directly or by authorizing the Bank to pay on the Government’s behalf) to the UNDP account, by wire transfer according to and against the documents set out in the Annex II - Payment Schedule. All payments will be made in United States Dollars.
5. The UNDP will receive and administer the funds received under this Agreement in accordance with the UNDP’s regulations, rules, policies and procedures..
6. The UNDP will maintain a separate identifiable fund code (ledger account or “Account”) to which all UNDP’s receipts and disbursements for the purposes of this Agreement will be recorded. The ledger account shall be subject exclusively to the UNDP’s internal and external audit in accordance with the UNDP’s financial regulations and rules. The Parties acknowledge that the UNDP’s financial books and records are routinely audited in accordance with the internal and external auditing procedures laid down in the UNDP’s financial regulations and rules, and that the external auditors of the UNDP are appointed by and report to the UNDP’s policymaking organ. Throughout the term of this Agreement, the UNDP 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 UNDP’s policymaking organ.
7. In the event that the final financial statement to be provided under **Annex IV** (the “Final 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 UNDP to process the refund. The UNDP shall transfer the refund within thirty (30) calendar days of its receipt of the payment instructions.
8. The UNDP shall not be required to commence or continue any activities until the UNDP has received the payment(s) due in accordance with the Annex II - Payment Schedule. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Government and the Bank a supplementary estimate showing the further financing that will be necessary. The Parties acknowledge and agree that Government and the Bank do not have any obligation to provide additional funding. The Parties further acknowledge and agree that if this additional funding is not provided, then UNDP will have the faculty to amend (including but not limited to quantities and qualities of goods, services and works), reduce, suspend and/or terminate the activities under the Project.

**Terms of Delivery of Outputs**

1. ***Standard of performance.*** The UNDP 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 (goods and services) required for the Delivery of Outputs will be undertaken in accordance with the terms of this Agreement and the UNDP’s regulations, rules, policies and procedures, for the duration of this Agreement. Eligibility to participate in the corresponding procurement processes is restricted to firms and individuals from, and goods originating in IDB member countries, unless extended to IDB non-member countries as authorized by the IDB Board of Executive Directors on a project-by-project basis and/or in accordance with the donor/partner agreement applicable to the Project funded with resources under IDB’s administration. The list of eligible countries is available at Annex IX.
3. Any delegation or assignment of such procurement to another UN organization shall be disclosed in **Annex II.** The UNDP 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 General Convention and the Basic Agreement, such imports shall be, *inter alia,* exempt from any customs duties and subject to prompt release from customs).
4. ***Pharmaceuticals and other health commodities required as inputs (where applicable)***:
	1. Vaccines, pharmaceuticals and other health supplies purchased under this Agreement shall be procured pursuant to the UNDP’s standard contracting and quality assurance policies and procedures. Where applicable, such contracts shall specify that the vaccines, pharmaceuticals and other health supplies are manufactured in accordance with *Good Manufacturing Practice* as established by the World Health Organization (“WHO”), and that upon dispatch by the UNDP’s supplier, such vaccines, pharmaceuticals and other health supplies shall have a shelf life as agreed by the Parties; and
	2. Vaccines, pharmaceuticals and other health supplies procured under this Agreement will be accompanied by the required documentation in accordance with the purchase order (e.g. Certificate of Analysis, Certificate of Origin, Official Batch Release Certificate, as the case might be).
	3. The waste disposal of vaccines, pharmaceuticals and other health supplies shall be guided by the WHO document “*Safe Management of Wastes from Healthcare Activities.”*
5. ***Environmental Management****:* The UNDP acknowledges the Government’s obligation to comply with the IDB Environmental and Social Policy Framework (the “ESPF”). The UNDP will support the Government in that obligation through the application of the ESPF as well as the UNDP Social and Environmental Standards (the “SES”), which has been deemed aligned to the IDB ESPF by IDB. Prior to the signature of the present Agreement between the Government and UNDP, and upon the Government’s request, the IDB will review that the application of the UNDP SES by UNDP continues to be consistent with the IDB ESPF. In the event that a contradiction arises between the IDB ESPF and the UNDP SES, then UNDP and the IDB will consult with each other with a view to amicably resolving the matter. If the matter cannot be amicably resolved, then UNDP shall not enter into the present Agreement.[[5]](#footnote-6)
6. ***Use of inputs.*** The UNDP shall use procured inputs only for the purpose of Delivering the Outputs set out in **Annex I**.
7. The UNDP is responsible for engaging qualified Staff, Consultants and Contractors as, in the UNDP’s judgment, are required to successfully Deliver the Outputs.
8. The UNDP shall remain fully responsible for the Delivery of Outputs. The hiring and contracting of any Staff, Consultants or Contractors by the UNDP in connection with this Agreement shall be done according to the UNDP’s established regulations, rules, policies and procedures, and bearing in mind the considerations and requirements of the Bank that are listed below:
9. 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 UNDP.
10. Hiring Government Institutions or Government Officials. The UNDP 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 the procurement rules set forth in the Financing Agreement.
11. Except with the prior written consent of the Government, the Staff, Consultants or Contractors shall not at any time communicate to any person or entity any confidential information (marked as “confidential” by the Parties) acquired in the course of the services.
12. Disqualification from Related Contracts under the Scope of this Agreement. The Parties note that 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 services resulting from or directly related to their activities under this Agreement, if providing such goods, works or services would give rise to a conflict of interest situation as determined by the Bank in accordance with the Bank’s applicable procurement rules.
13. If the Government becomes aware of information that any of the UNDP’s Staff or Consultants has engaged in corrupt, fraudulent, collusive, coercive, obstructive practices or misappropriation, or reasonably concludes that the performance of any of the UNDP’s Staff or Consultants is unsatisfactory, then the Government shall promptly share the sufficiently detailed information with the UNDP specifying the grounds therefor. If, after receiving the Government’s written request, the UNDP investigates the alleged corrupt, fraudulent, collusive, coercive, obstructive practices or misappropriation, or reviews the alleged unsatisfactory performance and concludes that the corrupt, fraudulent, collusive, coercive, obstructive practices, misappropriation and/or the dissatisfaction with the performance of the UNDP’s Staff or Consultant justifies his/her replacement, the UNDP will proceed with a replacement within the timeframe that is in line with the implementation schedule of this Agreement, subject to the UNDP’s regulations, rules, policies and procedures. This is without prejudice to the obligations set forth in paragraphs 31-32 below.
14. **Transportation** -Responsibility for transportation of any goods shall be in accordance with the specified INCOTERMS or other arrangements indicated in Annex III.
15. **Warranty**- Where goods are procured on behalf of the Government, the UNDP will ensure the transfer of supplier and contractor warranties attesting to the condition and proper functioning of the goods, (including equipment, materials and supplies) or works and that said goods or works are free from defects arising from any act or omission by the supplier/contractor, or arising from design, materials, and workmanship, under normal use in the conditions prevailing in the country of final destination. In principle, when applicable, the warranty for goods will remain valid for a minimum of twelve (12) months after the goods or any portion thereof have been delivered to and accepted at the final destination indicated in the schedule at Annex III. In the case of construction works, UNDP will ensure adequate provision for the remedy of defects in the works, including coverage of the defects liability period, and that where necessary such guarantees are transferred to the Government allowing it to treat any defects that arise, directly with the contractor. No remedy will take place once the defects liability period expires or if the damage was caused by the Government.
16. **Transfer of ownership** - The UNDP will effect the transfer of ownership of [specify goods/works] to the [Borrower entity]by [date]. Any equipment made available to the UNDP 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 UNDP under this Agreement shall belong to the UNDP. The UNDP herewith grants to the Government and the Bank 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. Throughout the term of this Agreement, the UNDP will, unless self-insured against the following risks, ensure that insurance is maintained against 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 UNDP will ensure that Staff is enrolled in an appropriate health insurance plan, whether offered by the UNDP or otherwise; is covered by compensation in the event of injury, sickness or death attributable to performance of official duties for the UNDP; and is covered by insurance against death or disability caused by malicious acts;
				2. with regard to Consultants, the UNDP will ensure that the Consultant is enrolled in an appropriate health insurance plan or requires in its contract with the Consultant that the Consultant maintain appropriate health insurance; maintain an insurance arrangement against injury, sickness or death attributable to the performance of official duties for the UNDP; and maintain insurance against death or disability caused by malicious acts.
3. The cost of such insurance is deemed included in the Total Funding Ceiling.

**Reporting**

1. The UNDP will keep separate accurate accounts and records in respect of the funds made available under this Agreement, in accordance with the UNDP’s financial regulations and rules and in such form and detail as will clearly identify all relevant charges and costs for corresponding deliverables towards the Delivery of Outputs. Certified financial reports of the project will be issued on June 30th of the following year of the period being reported.
2. The UNDP will provide written Progress Reports to assist the Government in monitoring implementation progress of activities and deliverables towards the Deliveryof Outputs, and the remaining balance under the Total Funding Ceiling. Reporting requirements, including format and frequency, are set out in **Annex IV**.
3. Upon reasonable request from the Government and following consultations between the UNDP and the Government, the UNDP will furnish supplemental information or documentation, within the limits of the UNDP’s regulations, rules, policies and procedures.
4. On an exceptional basis, the Bank and the UNDP may agree through the Project management mechanisms whether a specific review and related report of the Project is necessary. Such review shall be conducted by UNDP in accordance with its regulations, rules, policies, and procedures.

**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 radioactivity; and other acts of a similar nature or force.

**Fraud and Corruption Prevention**

1. The Government shall report to UNDP and the Bank all credible allegations of Prohibited Practices of which it has knowledge or becomes aware, during the selection process and throughout the negotiation or execution of a contract. Prohibited Practices include acts of (i) corrupt practices, (ii) fraudulent practices, (iii) coercive practices, (iv) collusive practices, (v) obstructive practices, and (vi) misappropriation. Any allegation shall be transmitted to the Office of Audit and Investigations (OAI) of UNDP and the office of Office of Institutional Integrity (OII) of the Bank.
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 IDB under the Financing Agreement, the UNDP -IDB Procedural Framework Agreement, or otherwise, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, collusive, obstructive practices or misappropriation by any third party, or to sanction or take remedial action against any such party which the IDB has determined to have engaged in such practices; provided however that in this section, “third party” does not include the UNDP. To this end, the UNDP shall include the text in Annex VIII in any purchase order and contract with such third party.
3. (a) The UNDP 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 UNDP whether it is subject to any sanction or temporary suspension imposed by any organization within the cross debarment mechanism with the World Bank. The UNDP 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 UNDP intends to issue a contract in connection with the provision of any of the activities under this Agreement with a party that has disclosed to the UNDP that it is under sanction or temporary suspension by the IDB the following procedure will apply: (i) the UNDP 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 UNDP to discuss the UNDP’s decision; and (iii) if after such consultation, the UNDP elects to proceed with the issuance of the contract, the Bank may inform the UNDP 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 UNDP under this Agreement that were to be used to fund a contract in respect of which the Bank has exercised its rights under paragraph 40(b)(iii) shall be used to defray the amounts requested by the UNDP 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 (30) days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen (15) 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 UNDP 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 UNDP 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;
3. The UNDP 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 UNDP to submit the last Progress Report and the Final Financial Statement and to refund any monies received by the UNDP that have not been spent or committed by the Early Termination or Completion Date.

**Miscellaneous**

1. ***Recordkeeping.*** The UNDP shall retain all records (contracts, reports, invoices, bills, receipts and other documentation) relating to this Agreement in accordance with the UNDP’s document 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 UNDP. 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;

1. in the case of registered mail, fourteen (14) days after being sent;
2. in the case of facsimiles or other electronic communications, forty-eight (48) hours following confirmed transmission.
3. 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.
4. ***Modifications.*** Modifications to this Agreement may be done for immaterial revisions or clarifications through a written exchange of correspondence between the Parties, with the prior written consent of the Bank.
5. ***Amendments.***  Any amendment of this Agreement, including the Annexes, may be done only by signed written amendment by the Parties. Such amendment will become effective only upon notification by the Government to UNDP that the Bank, as the case may be, has given no objection to the amendment.

ANNEX I

 OUTPUTS AND WORK PLAN

[*Note to Users: This Annex shall be based on the proposal, including the detailed and disaggregated costing, description of goods or services prepared by the UNDP for the Government to facilitate the Parties’ discussion regarding entering into this Agreement.* *In instances where UNDP acts in the capacity of procurement agent, the Annex should include the type of goods, estimated unit cost, quantity, and estimated total cost)*]

*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 UNDP under this Agreement, explain how the activities 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. Agreed Outputs and Activities

Output 1:[*Insert description*]

Activity1.1 [*Insert description of main activities (or tasks) to be carried out by the UNDP, i.e., content and duration, phasing and interrelations, milestones, and location of work*. *Please note that the title of each Activity should correspond to the same in the financing reporting format in Annex III.*]

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

Output 2: [*Insert description*]

Activity 2.1 *………………………………………………………….*

[*Note to Users:*

*(a) Reporting requirements for the Outputs and activities described in this Annex I shall be included in Annex III. The final Progress Report shall link the activities to the Outputs and the funds used for each of them respectively*;

III. Work Plan and Timeline

 *[Note to Users: Shall be consistent with the technical approach and methodology described above]*

|  |  |  |
| --- | --- | --- |
| **N°** | **Activity** | **Months** |
| **1** | **2** | **3** | **4** | **…..n** | **Full Completion** |
| 1 | Output 1  |  |  |  |  |  |  |
| 1.1 | Activity 1.1  |  |  |  |  | - |  |
| 1.2 | Activity 1.2 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 2 | Output 2 |  |  |  |  |  |  |
| 2.1 | Activity 2.1 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| n | Progress Reports (per Annex III frequency) |  |  |  |  | Final |  |
| n | Final Financial Statement |  |  |  |  |  | Within 90 business days after the Agreement’s Completion Date |

*[Note to UNDP Users:* *UNDP’s internal “grant expiry date” is set up 90 business days prior to the Completion Date to ensure that UNDP has sufficient time for the financial closure and issue of the final financial statement 90 days thereafter.]*

ANNEX II

 TOTAL FUNDING CEILING AND PAYMENT SCHEDULE

I. Total Funding Ceiling (in US$)

|  |  |  |  |
| --- | --- | --- | --- |
| **Outputs/Activities** | **Total for Y1 (US$)** | **Total for Y2****(US$)** | **Notes** |
| 1.Output 11.1 Activity…1.2 Activity…1.3 Activity... |  |  |  |
| 2. Output 22.1…………2.2…………2.3………… |  |  |  |
| 3. Output 33.1……….. |  |  |  |
|  |  |  |  |
| Sub-Total |  |  |  |
| Indirect Cost (%) |  |  |  |
| **Total Funding Ceiling** |  |  |  |

Notes:

1. All lump sum amounts and totals in this table are based on the detailed estimates, including quantities and units of measurement, that are discussed and agreed with the Government and the Bank prior to the signing of the Agreement.
2. Under this Agreement, there can be no transfers to Government organizations.
3. Please indicate if any part of this Agreement is delegated to another UN organization, third party of an implementing partner(s): “Yes/No” *[If Yes, UNDP to provide the details.]*

II. Payment Schedule

*Note to Users:*

1. *The Parties shall agree on an appropriate payment schedule.*
2. *This is the suggested/recommended payment schedule.*
* 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
* 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 IV)].*
* All deliverables should be clearly linked to the outputs indicated in Annex I and II
1. *Any advance payments will be deducted from subsequent payments (parties to agree and document as part of the agreement).*
2. *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

Transportation and Logistical Arrangements

Transportation and delivery of the goods shall be according to *[Insert agreed Incoterm e.g. CIF]*

If not in accordance with Incoterms, responsibility for transportation shall be as follows:

Insert: “[*The UNDP is required under the Contract to transport the Goods to [ specific place of final destination within the purchaser’s country], defined as the Project Site. Transport to [said place of destination], including insurance and storage, as shall specified in the contract, shall be arranged by the UNDP and related costs shall be included in the Contract Price.]” Or, insert any other agreed upon trade terms (specify the responsibilities of the Purchaser and the UNDP*

ANNEX IV

REPORTING REQUIREMENTS

UNDP shall submit the following reports with a copy to the Bank:

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 and deliverables 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 and related deliverables budgeted in Annex II, and the banking information/UNDP account information.
4. Progress Reports:
	1. Each report submitted on a *[insert scope, frequency of reports]* basis shall include: (i) a narrative and financial summary in sufficient detail to allow clear identification 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 following UNDP’s *Statement of Project Expenditures by Output[[6]](#footnote-7)*; and (iii) the Payment Request for the next installment signed by an authorized UNDP staff in charge of execution of this Agreement.

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

|  |
| --- |
| ***Important Note to UNDP Staff:****The narrative of all Progress Reports should follow the format indicated in Annex IX and include,a section that reconciles the budget shown in the Total Funding Ceiling (****Annex II****) with the utilization of funds as follows:** 1. *Reconciliation of total amount received by UNDP during the reporting period, amount spent and the balance remaining alongside with the total financial commitments on a cumulative basis;*
	2. *Highlight of expenditures under each output, linking them with the specific activities and outputs achieved;*
	3. *Technical progress against utilization of funds (budget versus actual) and identification of adjustments, including potential bottlenecks and specific needs for reallocation of funds within or across categories.*

*The interim financial report should follow the format of the UNDP’s Interim Financial report by Project or Outputs that are funded by this Agreement.* *Timelines for submission of reports should be agreed with the Government and indicated in the agreement.* |

The authorized official of the UNDP will provide a written statement stating the following:

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

 Signed by:

 Name and Title:

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

1. **Final Financial Statement:**

Upon Completion or Early Termination, UNDP will also provide the Final Financial Statement issued by the UNDP Office of Financial Resources Management. The Final Financial Statement will be issued within ninety business (90) days of the Completion Date. The Parties shall plan accordingly in the Work Plan (**Annex I**). The certified financial reports will be issued per UNDP’s formats and on each 30 June of the following year of the period being reported.

All financial reports shall be expressed in United States dollars. The UN Operational Rate of Exchange shall be used for converting expenditures made by UNDP in other currencies to implement activities under this Agreement.

ANNEX V

COUNTERPART STAFF, SERVICES, FACILITIES AND PROPERTY
TO BE PROVIDED BY THE GOVERNMENT

The Parties recall the provisions of the Basic Agreement, including those relating to the facilities to be provided by the Government for the execution of UNDP assistance, and the Parties reconfirm that the Government shall provide the facilities, exemptions, privileges and immunities provided for in the Basic Agreement.

Without prejudice to the foregoing, the Parties agree that the Government commits to provide, at its own expense and at no cost to UNDP, the following inputs to facilitate successful implementation of this Agreement:

1. Government Staff (qualified experts to work with UNDP’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 VI

UNDP FULL COST RECOVERY

1. Full cost comprises of Direct Costs (DC) and Indirect Costs (IC).

Direct Costs:

1. Direct Costs are UNDP costs incurred for the benefit of a particular project and can be clearly identifiable and documented as directly attributable to the deliverables and/or outputs set forth in Annex II . Calculations are shown as line items in the Total Funding Ceiling in Annex II.

Indirect Costs:

1. Indirect Costs are incurred by UNDP management and administration in furtherance of UNDP activities and policies and cannot be directly attributable to project activities. Such costs are charged to projects as a General Management Support fee (“Indirect Costs”). Indirect Costs applicable to the Agreements with the Government that are financed from the loan, credit or grant proceeds obtained from the IDB pursuant to the Financing Agreement between the Government and the Bank, are set up in accordance with UNDP Financial Rules and Regulations, as determined in UNDP [cost recovery](https://www.unops.org/english/About/policies/Pages/default.aspx) policies and procedures (*Executive Decision on Cost Recovery*). Any higher rate as may be justified by the circumstances of a specific Agreement shall be explained by UNDP and agreed with the Government and reflected in Annex II.

**ANNEX VII**

**Eligibility**

The Parties acknowledge and agree that the following ineligibility criteria related text will be incorporated by UNDP in its solicitation templates under the present Agreement:

A Bidder shall not be eligible to submit a bid if it:

### is included in the Ineligibility List, hosted by [UNGM](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.ungm.org%2F&data=02%7C01%7Cclaudio.lema-pose%40undp.org%7C5866909d89e7489cb35708d7fd98a908%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C637256704415099206&sdata=CboNs%2FajxIqMLmEdTEWGMgexH%2BUdsgfqR5%2ByF3DtIqM%3D&reserved=0), that aggregates information disclosed by Agencies, Funds or Programs of the UN System;

### (b) is included in the [Consolidated United Nations Security Council Sanctions List](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.un.org%2Fsc%2Fsuborg%2Fen%2Fsanctions%2Fun-sc-consolidated-list&data=02%7C01%7Cclaudio.lema-pose%40undp.org%7C5866909d89e7489cb35708d7fd98a908%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C637256704415104197&sdata=kUFZZSxyGyVzDc8hETGvWX6MSmxIuuWsVKbaLmIzDhs%3D&reserved=0), including the [UN Security Council Resolution 1267/1989 list;](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.un.org%2Fsc%2Fsuborg%2Fen%2Fsanctions%2F1267%2Faq_sanctions_list&data=02%7C01%7Cclaudio.lema-pose%40undp.org%7C5866909d89e7489cb35708d7fd98a908%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C637256704415109188&sdata=haVLrz%2BEIeeU9zu1B4x5W0sbm5jyGB2KpcPDZYc7Rs8%3D&reserved=0)

### or otherwise included as ineligible by the World Bank Group or any other international organization.

  Bidders are also required to inform UNDP if they have been suspended, debarred, sanctioned, are under restrictive measures or otherwise by any other entity. It is the Bidder’s responsibility to ensure that its employees, joint venture members, sub-contractors, service providers, suppliers and/or their employees meet the eligibility requirements as established by UNDP.

In addition to the above, the Bidders will be informed through the Integrity Covenant in Annex VIII that (i) the project is financed by the Inter-American Development Bank (IDB) and (ii) that IDB has a Sanctions Procedure in place in connection with allegations of fraud and corruption as defined in such procedure.

**Annex VIII**

**INTEGRITY COVENANT**

Subject: Contract financed by the Inter-American Development Bank

Dear [\_\_\_\_],

We refer to the PurchaseOrder/Contract/Agreement No. [\_\_\_\_\_\_\_]/Invoice, entered into between [Agency]\_\_\_\_\_\_\_\_\_ and [Contractor]\_\_\_\_\_\_\_\_on [\_\_\_\_date] henceforth the “Contract”.

We hereby inform you that the Contract is being financed with resources from the Inter-American Development Bank (IDB) under Loan Contract/Non-Reimbursable Investment Grant Agreement/Technical Cooperation Agreement No. [\_\_\_ ]

Activities under the Contract financed by the Inter-American Development Bank under the  Loan Contract/Non-Reimbursable Investment Grant Agreement/ Technical Cooperation Agreement No. [\_\_\_ ]  are  subject to the application by UNDP of UNDP’s Sanctions Polices, including the provisions governing Prohibited Practices as defined therein, which are available at the website: *[*[UNDP Vendor Sanctions](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fpopp.undp.org%2FSitePages%2FPOPPSubject.aspx%3FSBJID%3D217%26Menu%3DBusinessUnit&data=05%7C01%7Cmarco.deluca%40undp.org%7C3641720187da4719a23108db1aa5f24d%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C638133072255269979%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=qWCyzTFKBasICAVb93T0GZOZDwHk8iHv4FLX86ruyyA%3D&reserved=0)] and, under the circumstances which have been agreed between UNDP and IDB in the context of audits and investigations, are also subject to the application by IDB of IDB’s Sanctions Procedures, including the provisions governing Prohibited Practices as defined therein, which are available at the website: [www.iadb.org/integrity](https://eur03.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.iadb.org%2Fintegrity%25C2%25A0&data=05%7C01%7Cmarco.deluca%40undp.org%7C3641720187da4719a23108db1aa5f24d%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C638133072255269979%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=VbyXe9PCTGWBFXJRU2dry0bOV%2BuyFEOWEI9FNuj7J5w%3D&reserved=0).

.

We therefore hereby notify you that the IDB, in coordination or jointly with the United Nations Development Programme (UNDP), may investigate allegations of Prohibited Practices in connection with the Contract. In this regard, the [Contractor] shall cooperate in full with the investigation and maintain all documents and records related to the Contract for seven (7) years after completion of the Contract.

1. [***Note to Users:*** *“Project Name” refers to the project title as stated in the Loan Contract/Investment Grant Agreement/Technical Cooperation Agreement (Financing Agreement) between the IDB 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-2)
2. *[****Note to Users:****“Project Closing Date” is stated in the Financing Agreement between the Bank and the Government.] It is strongly recommended to indicate a maximum of 60 days after the Last Disbursement Date*  [↑](#footnote-ref-3)
3. *[****Note to Users:*** *“Financing Agreement” is a legal agreement between the financier (the IDB ) and the Government.]* [↑](#footnote-ref-4)
4. *[****Note to UNDP Users:*** *UNDP’s internal “grant expiry date” is set up 90 days prior to the Completion Date to ensure that UNDP has sufficient time for the financial closure.]* [↑](#footnote-ref-5)
5. As result of the above, the signature of the present Agreement implies the application by UNDP of UNDP SES for the Project has been found acceptable by the Government and the IDB. [↑](#footnote-ref-6)
6. The *Statement of Project Expenditures by Output* will reflect the information of the *UNDP* *Combined Delivery Report (CDR)* and the *UNDP* *Interim Donor Report (IDR)*.  [↑](#footnote-ref-7)