

## LETTER OF AGREEMENT

Between

the Food and Agriculture Organization of the United Nations ("FAO") and the

[Complete name of the institution]

[City and Country]

For provision of

“.....” (*Brief title of services*)

### 1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO") and [complete name of the Service Provider] (hereinafter referred to as the "Service Provider") (together hereinafter referred to as the "Parties") have agreed that the Service Provider will provide certain services defined in detailed in the attached Annex (the "Services") which forms an integral part of this Letter of Agreement (hereinafter the "Agreement") in support of the [project or programme of work] [name of project or programme of work and brief description]. To enable the Service Provider to provide the Services, FAO will pay the Service Provider a total amount not exceeding [currency and amount to be specified], [amount in numbers and in letters].

### 2. Purpose

- a) The purpose for which the funds provided by FAO under this Agreement shall be used are the following:
  - (i) **Objective.** The Services will contribute to the following Organizational objective [Summary statement of objective]
  - (ii) **Outputs/outcomes.** The Service Provider will produce, achieve or deliver the following outputs or outcomes: [list the outputs or outcomes expected]
  - (iii) **Activities.** The Service Provider will undertake the following activities: [list key activities that the Service Provider will undertake to achieve the outputs/outcomes. Keep description brief]
- b) A detailed description of the Services including technical and operational requirements, budget, workplan and timeframe, performance indicators and means of verification, as well as inputs to be provided free-of-charge by the Service Provider and FAO, if any, are set out in detail in the Annex.

### 3. General Conditions

- a) Funds provided by FAO under this Agreement are to be used by the Service Provider exclusively for the provision of the Services in accordance with the budget set out in the Annex. Neither the Service Provider nor its personnel nor any other persons providing the Services on its behalf, will incur any additional commitment or expense on behalf of FAO.
- b) The Service Provider will be responsible for all activities related to the provision of the Services and the acts or omissions of all employees, agents or other representatives, and authorized subcontractors providing the Services on its behalf. FAO will not be held responsible for any accident, illness, loss or damage which may occur during the provision of the Services or any claims, demands, suits, judgements, arising there from, including for any injury to the Service Provider's employees, or to third parties, or any loss of, damage to, or destruction of property of third parties, arising out of or connected to the Service Provider's work or performance under this Agreement.

- c) The Service Provider shall not utilize funds received under this Agreement to subcontract services or procure items except as specifically provided for in the Annex or as specifically approved in writing by FAO. Any subcontracting arrangement shall in no way relieve the Service Provider of the responsibility for the provision/delivery of the Services required under this Agreement. Subcontracts or procurement of the items set forth in the Annex shall be procured in conformity with the Service Provider's own procurement rules and procedures. The Service Provider confirms that its procurement rules and procedures, and their implementation, ensure that the procurement process is transparent and consistent with generally-accepted principles governing public sector procurement to obtain best value for money. The Service Provider will ensure that its agreements with any subcontractor include the obligation to maintain appropriate records for a period of five years and FAO's right to review, audit and have access to all documentation and sites related to the activities carried out in connection with this Agreement.
- d) The Service Provider shall make and thereafter maintain, in compliance with national legislation, provision for adequate insurance to cover such risks as damage to property and injuries to persons, as well as third party liability claims.
- e) The personnel assigned by the Service Provider to provide the Services are not considered in any respect as being employees or agents of FAO. Nothing in this Agreement or in any document or arrangement relating thereto shall be construed as conferring any privileges or immunities of FAO on the Service Provider, its personnel or any other persons providing the Services on its behalf.
- f) Nothing in this Agreement or in any document relating thereto, shall be construed as constituting a waiver of privileges or immunities of FAO, or as its acceptance of the jurisdiction of the courts of any country over disputes arising out of this Agreement.
- g) The present Agreement shall be governed by general principles of law, to the exclusion of any single national system of law. General principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts of 2010.
- h) In providing the Services, the Service Provider shall conform to all national laws applicable to its activities and its relations to third parties, including employees. The Service Provider shall promptly correct any violations thereof and shall keep FAO informed of any conflict or problem arising in relation to national authorities.
- i) The Service Provider confirms that it has not engaged in, nor will engage in, any corrupt, fraudulent, collusive or coercive practices in entering into or implementing this Agreement and agrees to adhere to the UN Supplier Code of Conduct which can be viewed at [http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf). For the purpose of this Agreement, the following terms shall have the following meanings:
- (i) "Fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain, financial and/or other benefit and/or to avoid an obligation.
  - (ii) "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.
  - (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) "Corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value whether tangible or intangible to improperly influence the actions of another party.
- j) The Service Provider shall take all reasonable precautions to avoid any conflict of interest in the implementation of the Services and shall inform FAO without delay of any situation constituting or

likely to entail a conflict of interest including any FAO personnel having an interest of any kind in the Service Provider's activities.

- k) Unless authorized in writing by FAO, the Service Provider shall not advertise or otherwise make public that it has a contractual relationship with FAO, nor shall the Service Provider, in any manner whatsoever use the name or emblem of FAO, or any abbreviation of the name of FAO.
- l) All intellectual property rights, including copyright, in the outputs produced under this Agreement are vested in FAO, including, without any limitations, the right to use, publish, translate, sell or distribute, privately or publicly, any item or part thereof. Neither the Service Provider nor its personnel will communicate to any other person or entity any confidential information made known to it by FAO nor will they use this information for private or corporate advantage. This provision will survive the expiration or termination of this Agreement.
- m) To comply with disclosure requirements and enhance transparency, FAO may release and/or publish the following information about this Agreement: (i) the name and nationality of the Service Provider; (ii) a brief description and location of the Services provided; and (iii) the amount of this Agreement. The Service Provider specifically consents to the release and/or publication of such information. FAO will not release or publish information that could reasonably be considered confidential or proprietary.
- n) The Service Provider shall return to FAO any unexpended funds budgeted and paid by FAO under this Agreement.
- o) This Agreement is not subject to payment by FAO of any levies, taxes, registration duties or any other duties or charges whatsoever. The Service Provider shall duly pay taxes, duties and other charges in accordance with prevailing laws and regulations applicable to the Service Provider.
- p) The Service Provider agrees to undertake all reasonable efforts to ensure that none of the funds received from FAO under this Agreement are used to provide support to individuals or entities associated with terrorism, as included in the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999) located at <http://www.un.org/sc/committees/1267/consolist.shtml>. This provision must be included in all subcontracts or sub-agreements entered into under this Agreement.
- q) The Service Provider shall take all appropriate measures to prevent sexual exploitation or abuse of any beneficiary of the services provided under this agreement, or to any persons related to such beneficiaries, by its employees or any other persons engaged and controlled by the Service Provider to perform any services under this Agreement. For these purposes, sexual activity with any person less than eighteen years of age shall constitute the sexual exploitation and abuse of such person. In addition, the Service Provider shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any beneficiary of the services provided under this Agreement or to any persons related to such beneficiaries. The Service Provider acknowledges and agrees that the provisions hereof constitute an essential term of this Agreement and that any breach of these provisions shall entitle the Organization to terminate this Agreement immediately upon notice to the Service Provider, without any liability for termination charges or any other liability of any kind.

#### 4. Reporting and Record Maintenance Requirements

- a) The Service Provider shall submit to the Responsible Officer named in paragraph 9 below, the Reports listed in the Annex on the dates set forth therein, including a final report consisting of a narrative report and financial report ("Final Report") within 30 days following the completion of the Services. The Final Report must be sufficiently detailed to allow certification of deliverables and of expenditures. The financial report shall be signed and certified as to its correctness by a duly designated representative of the Service Provider (e.g. executive officer, chief financial officer, chief accountant or similar).

- b) The Service Provider shall keep accurate financial records and maintain supporting documentation showing the utilization of inputs and funds under this Agreement and any other documentation related to the Services for a period of five years following termination or expiry of the Agreement, during which period FAO, or a person designated by FAO, or the relevant auditing authority (e.g. national audit office) shall have the right, at any time, to conduct reviews and/or audits relating to any aspect of this Agreement. The Service Provider shall provide its full and timely cooperation with any such review or audit. Full and timely cooperation shall include, but not be limited to, making available employees or agents and granting to FAO or other designated person or relevant authority, access at reasonable times and conditions to the Service Provider's premises or other sites where documentation related to this Agreement is kept or activities related to this Agreement are carried out.

## 5. Delays and Termination

- a) The Agreement shall enter into force upon signature by both Parties and shall remain in force until the Services have been satisfactorily provided or until otherwise terminated in accordance with the provisions herein.
- b) The Service Provider will carry out the Services in accordance with the workplan and within the timeframe set forth in the Annex and shall notify FAO of any delays that will prevent delivery of the Services in accordance with the workplan and within the timeframe set forth in the Annex.
- c) FAO may suspend or cancel all or part of this Agreement, obtain the Services elsewhere and make corresponding adjustments to any payments that may be due to the Service Provider, if the Service Provider fails to make delivery, or perform to a standard considered acceptable to FAO. Subject to consultation with the Service Provider, the determination of FAO, relating to this provision, shall be binding.
- d) If at any time during the course of this Agreement it becomes impossible for the parties to perform any of their obligations for reasons of Force Majeure, that party shall promptly notify the other in writing of the existence of such Force Majeure. The party giving notice is thereby relieved from such obligations as long as Force Majeure persists. For the purpose of this Agreement, the term "Force Majeure" shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their personnel, agents, or other representatives, or authorized subcontractors), and proves insurmountable in spite of all due diligence.
- e) FAO shall have the right to terminate this Agreement, by written notice to this effect, if it considers that continued implementation of the Agreement is impossible or impractical:
  - (i) for unforeseen causes beyond the control of FAO;
  - (ii) in the event of a default or delay on the part of the Service Provider after written notice by FAO which provides a reasonable period to remedy the default or delay.
- f) In the event of termination as per 5e) above, the following shall apply:
  - (i) termination for unforeseen causes beyond its control, FAO shall complete all payments for expenses which have been incurred by the Service Provider up to the effective date of termination.
  - (ii) termination due to the Service Provider's default or delay, the Service Provider shall refund to FAO any payment already received in respect of Services that have not been performed to a standard considered acceptable to FAO.

- g) FAO shall have the right to terminate this Agreement, by written notice to this effect, if FAO establishes in accordance with its administrative procedures:
  - (i) irregularities, fraud or corruption on the part of the Service Provider in relation to this Agreement;
  - (ii) a breach of the conflict of interest provision in paragraph 3l) above;
  - (iii) a breach of the reporting requirements in paragraph 4 above.
- h) In the event of termination as per g) above, the Service Provider shall refund to FAO all payments that were made on the basis of the irregularity, fraud or corruption, or as otherwise determined by FAO to be equitable and take other action as deemed appropriate by FAO.

6. Terms of Payment

- a) In full consideration of the services provided by the Service Provider, FAO will pay and/or reimburse the Service Provider up to a total amount which represents FAO's maximum financial liability not to exceed:

(.....)  
 [currency and amount to be specified].

- b) The payments will be made after certification by the Responsible Officer of the request(s) for payment as follows:
  - (i) [amount] upon signature of the present Agreement;
  - (ii) [amount] upon acceptance by FAO of the deliverable(s) or on the date indicated in the Workplan/Timeframe in the Annex. ;
  - (iii) [repeat for each partial payment].
  - (iv) [amount] upon acceptance by FAO of the Final Report mentioned under paragraph 4a) above.
- c) The amount set forth in 6a) will be paid in the currency stated above, in accordance with the detailed banking instructions provided by the Service Provider in 6d).
- d) **Detailed Banking Instructions** [including: the name of the account holder, account number, bank's name and its full address].

- e) The Service Provider shall submit each request for payment to the address indicated below:

.....  
 .....  
 (Title of Officer and address)

- f) FAO enjoys certain privileges and immunities which include exemption from payment of Value Added Tax ("VAT" or "IVA"), customs duties and importation restrictions.
- g) If the Service Provider fails to submit the Final Report mentioned in 4a) above no later than 30 days following completion, expiry or termination of this Agreement, FAO may, after provision of due notice of the default, terminate this Agreement without making the final payment.

7. Settlement of Disputes

- a) Any dispute between the parties arising out of the interpretation or execution of this Agreement, if not settled by negotiation between the parties or by another agreed mode of settlement, shall be submitted at the request of either party, to one conciliator. Should the parties fail to reach agreement on the name of a sole conciliator, each party shall appoint one conciliator. The conciliation shall be carried out in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law, as at present in force.
- b) Any dispute not resolved by conciliation shall, at the request of either party, be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as at present in force. The arbitral tribunal shall have no authority to award punitive damages. FAO and the Service Provider agree to be bound by any arbitration award rendered in accordance with this article, as the final adjudication of any such dispute.
- c) The parties may request conciliation during the execution of this Agreement and in the period not to exceed twelve months after the completion, expiry or termination of this Agreement. The parties may request arbitration not later than ninety days after the termination of the conciliation proceedings. All dispute resolution proceedings shall be conducted in the language in which the agreement is drafted provided that it is one of the six official languages of FAO (Arabic, Chinese, English, French, Russian and Spanish). In cases where the language of the agreement is not an official language of FAO, the conciliation or the arbitration proceedings shall be conducted in English.

8. Amendments. Any changes or amendments to this Agreement shall be made in writing and on the basis of mutual consent of the signatories to this Agreement.
9. Designation of the FAO Responsible Officer. Mr./Ms. ...., title, ..... address, phone, email (as appropriate) is designated the officer responsible for the management of this Agreement ("Responsible Officer") on behalf of FAO
10. Entry into force and period of validity. The Agreement will enter into force upon the date of signature by the Service Provider, by FAO or on (date.....), whichever of the three dates is the latest] and will terminate on .....

Signed on behalf of the Food and Agriculture Organization of the United Nations:

Signature: \_\_\_\_\_

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

*[name and title of the FAO Officer]*

**Signed on behalf of the [full name of the Service Provider]:**

Signature: \_\_\_\_\_

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

*[name and title of the Officer of the Service Provider]*

The Service Provider will sign two copies of this Agreement and return one to the Responsible Officer.