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**INSTRUCTIONS FOR LETTER OF AGREEMENT (LOA)**

**BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND A GOVERNMENT OR IGO**

**TO CARRY OUT ACTIVITIES WHEN UNDP PROVIDES SUPPORT SERVICES TO A NON-DIM PROJECT/PORTFOLIO**

This instruction page, as well as any other instructions and footnotes in this template, are for the Business Unit’s guidance. Please delete them before the first draft of the LOA is sent to the Government or IGO for review and signature.

**How to use this template letter:**

**1. *Purpose:*** This LOA is to be used when (a) UNDP provides support services to the implementing partner; (b) those support services include the services to be provided hereunder; and (c) UNDP engages a Government ministry/institution or a non-UN Intergovernmental Organization (IGO) to carry out activities, for example, in undertaking those services. Please attach the Project/Portfolio Document as an annex.

***2. Documentation:*** The Business Unit prepares the LOA based on this template. In the title and in the opening paragraph of the LOA, you will need to input some information related to the Responsible Party and select between Project or Portfolio, providing the respective number and name accordingly. Furthermore, please ensure that accurate information is provided where applicable, including in Article 20, Article 31 (b), in the signature block, and in the Annexes to the LOA. Please attach the Project or the Portfolio Document, as the case may be, highlighting the relevant Work Plan to provide context to this LOA.

**3. *Deviations:***This LOA may be customised to accommodate specific agreements with different Governments or IGOs. UNDP’s Bureau for Management Services, Office of Legal Services (“BMS/OLS”) must clear any deviations from this template.

**4. *Donor-Specific Conditions:*** Please ensure that any donor-specific changes or additions required pursuant to such donor’s Financing Agreement with UNDP are correctly reflected through Special Conditions attached to this LOA as Appendix 1 (*Special Conditions*) that incorporate donor-specific changes or additions are not considered to be a deviation from this template and do not need to be reviewed or cleared by BMS/OLS.

**5. *Finalizing the Letter:*** Please ensure that the authorised signatories of each party sign two copies of the LOA. After signature, UNDP keeps one original, and the Government/IGO keeps the other original.

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**LETTER OF AGREEMENT (“LOA”)**

**BETWEEN**

**THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**AND**

**[GOVERNMENT MINISTRY/INSTITUTION OR IGO]**

**TO CARRY OUT ACTIVITIES**

**WHEN UNDP PROVIDES SUPPORT SERVICES TO THE [NAME OF UNDP PROJECT/PORTFOLIO]**

Dear [name of official of the Responsible Party],

1. Reference is made to the consultations between officials of the United Nations Development Programme (“UNDP”) in [the name of programme country] and officials of [name of the Government ministry/institution or IGO] (the “Responsible Party”) with respect to the implementation of the UNDP support services to the project [number and title of the project] (the “Project") OR Work Plan Number [insert] of Portfolio [number and title of the portfolio][[1]](#footnote-2)(the “Portfolio”). The Project/Portfolio Document is attached as Annex A and may be amended from time to time by the parties thereto (the “Project/Portfolio Document”).
2. In accordance with the Letter of Agreement signed between the Implementing Partner and UNDP for Support Services and the terms and conditions of this LOA, the Responsible Party shall undertake the activities specified in Annex B (*Description of Activities*) (the “Activities”).
3. The Responsible Party shall be fully responsible for carrying out the Activities with due diligence and efficiency, pursuant to the schedule set forth in Annex B (*Description of Activities*) and in accordance with the terms and conditions of this LOA. The Responsible Party shall undertake the Activities in accordance with its financial regulations, rules and other procedures, to the extent they are consistent with UNDP’s Financial Regulations and Rules. In the event that the former and the latter are not consistent, the Responsible Party shall follow UNDP’s Financial Regulations and Rules.
4. The Responsible Party acknowledges that it may be subject to a capacity assessment as required by UNDP’s regulations, rules and policies, including the UNDP’s Harmonized Approach to Cash Transfer (“HACT”) Policy, to ensure it has the necessary capacity to carry out the Activities and that it is able to manage and report on funds transferred by UNDP appropriately. The capacity assessment will be performed by a qualified third-party service provider selected by UNDP, and UNDP will use the results to determine how cash transfers will be made to the Responsible Party. UNDP will discuss the capacity assessment results with the Responsible Party and agree on measures to address any concerns raised. The Responsible Party shall provide its full and timely cooperation for the completion of the capacity assessment. Such cooperation shall include, but shall not be limited to, the Responsible Party’s obligation to make available its personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions and to grant to the service provider access to the Responsible Party’s and its agents’ premises at reasonable times and on reasonable conditions, for the purpose of completing the capacity assessment.
5. With respect to the Activities it will implement, and the Project or the Work Plan(s) of the Portfolio deliverables (as applicable) for which it is responsible, the Responsible Partyhereby acknowledges that it has read and agrees to be bound, *mutatis mutandis*, by the obligations and agreements set forth in the Project/Portfolio Document and annexes thereto as applicable to the Implementing Partner or any party contracted by the Implementing Partner. These obligations include those set forth in the section entitled “Risk Management”, which contains provisions regarding the application of UNDP policies relating to sexual exploitation and sexual abuse, and sexual harassment, as well as social and environmental standards, including grievance mechanisms, prohibition of misuse of funds, fraud and corruption, and anti-money laundering and countering the financing of terrorism.
6. Any information or data provided by the Responsible Party to UNDP for the purpose of entering into this LOA, as well as the quality of the Activities and reports foreseen under this LOA, will conform to the highest professional standards.
7. The Parties shall, on a regular basis, keep each other informed of and consult on matters pertaining to the implementation of the Activities.

**Financial Arrangements**

1. In accordance with the Project/Portfolio Document, UNDP has allocated and will make available to the Responsible Party funds not to exceed the budget for the Activities as set forth in Annex C (*Schedule of Activities, Facilities and Payments*). The first cash transfer in the amount set forth in Annex C (*Schedule of Activities, Facilities and Payments*) and any subsequent cash transfers shall be made quarterly upon satisfactory submission and acceptance by UNDP of the FACE Form and other agreed-upon documentation referenced in Article 20 (*Reporting Requirements*) below. Before approving the cash transfers, UNDP shall ensure that the amounts requested by the Responsible Party are in accordance with the Work Plan.
2. The maximum amount of the budget for the Activities as set forth in Annex C (*Schedule of Activities, Facilities and Payments*) shall not be subject to any adjustment or revision for any reason, including price or currency fluctuations or the actual costs incurred by the Responsible Party in the implementation of the Activities.
3. UNDP shall make all payments to the Responsible Party’s bank account indicated below:

Account Name:

Account Number:

Bank Name:

Bank Address:

Bank SWIFT Code:

Bank Code:

Routing instructions for disbursements:

1. Payments effected by UNDP to the Responsible Party shall not relieve the Responsible Party of its obligations under this LOA or be deemed as acceptance by UNDP of the Responsible Party’s performance of the Activities.
2. The Responsible Partyshall not make any financial commitments or incur any expenses exceeding the budget for the Activities as set forth in Annex C (*Schedule of Activities, Facilities and Payments*). The Responsible Partyshall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when the Responsible Party becomes aware that the budget to carry out the Activities as set out in Annex B (*Description of Activities*) is insufficient. UNDP shall have no obligation to provide the Responsible Partywith any funds or to make any reimbursement for expenses incurred by the Responsible Partyin excess of the total budget as set forth in Annex C (*Schedule of Activities, Facilities and Payments*).
3. UNDP shall not be liable for the payment of any expenses, fees, tolls, or any other costs not expressly provided for in the Project/Portfolio Document or exceeding the maximum amount of the budget for the Activities as set forth in Annex C (*Schedule of Activities, Facilities and Payments*).
4. **Audit:** (a) UNDP may require the Responsible Party to submit to the UNDP Resident Representative in [insert name of the country][[2]](#footnote-3) audited annual financial statements and any management letters issued by the auditors. The audit shall be carried out by the auditors of the Responsible Party or by a qualified audit firm engaged by the Responsible Party, which will produce an audit report of the financial statements.

(b) Notwithstanding the above, UNDP shall have the right, in accordance with its Financial Regulations and Rules, to perform an annual audit or a ‘once in the lifetime’ audit of the Project or the Portfolio (as applicable) or review of the Project/Portfolio-related books and records and to that effect, UNDP shall have full access to the books and records of the Responsible Party. Such audits will be reflected in the annual audit plan prepared by UNDP in consultation with the Responsible Party, and the cost of such audits and reviews shall be charged to the Project or the Portfolio (as applicable). The audits will be performed by auditors selected by UNDP and subject to such standards, scope and frequency as decided by UNDP. The scope of the audits will include the financial transactions and internal controls related to the Activities.

1. **Refund:** (a) The Responsible Partyshall disburse the funds made available to it by UNDP and incur Expenditures in connection with the Activities in accordance with the terms and conditions set forth in this LOA, including the work plan contained in Annex C (*Schedule of Activities, Facilities and Payments*). In the event that the Responsible Partydisburses the funds or incurs Expenditures in violation of this LOA, including the work plan, notwithstanding the availability or exercise of any other remedies under this LOA, the Responsible Partyshall refund the amounts to UNDP not later than thirty (30) days after the Responsible Party receives a written request for such refund from UNDP. Failing that, UNDP may set off the requested refund amount against any payments due to the Responsible Partyunder this LOA or otherwise. For the purposes of this LOA, “Expenditures” shall mean any disbursements made and valid outstanding obligations incurred in respect of goods and services rendered.

(b) Unless otherwise agreed in writing by UNDP, the Responsible Partyshall return all unspent funds and Income to UNDP within one (1) month of completion of the Activities or termination of this LOA, whichever is earlier.

**Personnel**

1. In carrying out the Activities, Responsible Party’s sub-recipients and other entities involved in the Project or the Work Plan(s) of the Portfolio as contractors or subcontractors and their personnel and any individuals performing services for them under this LOA (the “Personnel”) shall not be considered in any respect as being the employees or agents of UNDP.
2. UNDP does not accept any liability for claims arising out of acts or omissions of the Responsible Party or its Personnel in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that the Responsible Party and its Personnel may suffer as a result of their work pertaining to the Activities. The Responsible Party shall ensure that all its obligations under this LOA extend to all Personnel.
3. All Personnel shall work under the supervision of the designated official of the Responsible Party. The Personnel shall remain accountable to the Responsible Partyfor the manner in which assigned functions are discharged.
4. The Responsible Party shall be fully responsible for all activities conducted by each of its Personnel and shall ensure that all its obligations under this LOA extend to the Personnel.
5. **Reporting Requirements**
6. With respect to the implementation of the Activities under this LOA, the Responsible Party shall provide to UNDP such progress reports relating to the Activities as may reasonably be required by the Project or the Portfolio manager (as applicable) in the exercise of their duties.
7. The Responsible Partyshall submit a completed FACE Form, which can be accessed under the following link: [UNSDG | Funding Authorization and Certificate of Expenditures Form](https://unsdg.un.org/resources/funding-authorization-and-certificate-expenditures-form) (the “FACE form”), including an [Itemized Cost Estimate](https://popp.undp.org/document/undp-itemized-cost-estimate-ice-template) showing the detailed activity budget and actual expenditures to the UNDP Resident Representative no later than fifteen (15) days after the end of each quarter. All FACE Forms submitted by the Responsible Party shall be approved by the designated authorised official as specified in Annex D (*Specimen Signature Form*). Before approving the disbursement of funds, UNDP shall ensure that cash transfers requested by the Responsible Party are in accordance with the provisions of Annex C (*Schedule of Activities, Facilities and Payments*).
8. The Responsible Party shall furnish a final report within six (6) months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by the Responsible Partyand all relevant records related to the Activities, as appropriate, pursuant to its financial regulations and rules.
9. UNDP shall have the right, in accordance with its Financial Regulations, Rules and procedures, to perform assurance activities related to Project/Portfolio books and records, in accordance with the HACT Policy, to assess the utilisation of funds provided by UNDP and the completeness and accuracy of financial reports submitted by the Responsible Party. The HACT assurance activities will be reflected in the assurance plan prepared by UNDP in consultation with the Responsible Party and will be performed by third-party service providers or UNDP staff. The cost of HACT assurance activities shall be charged to the Project or the Portfolio (as applicable).
10. **Maintenance of Records**

(a) The Responsible Party shall keep accurate and up-to-date records and documents in respect of all transactions incurred with the funds made available by UNDP to ensure that all transactions conform with the provisions of Annex C (*Schedule of Activities, Facilities and Payments*). Proper supporting documentation shall be maintained for each disbursement, including original invoices, bills, and receipts pertinent to the transaction. The Responsible Party shall keep accurate and up-to-date records and documents of any Income generated with the funds made available by UNDP and shall promptly disclose them to UNDP. The Income shall be reflected in a revised work plan and budget set forth in Annex C (*Schedule of Activities, Facilities and Payments*) and recorded as accrued Income to UNDP. For the purposes of this LOA, “Income” shall mean the interest on the Project or Portfolio funds (as applicable) and all revenue derived from the use or sale of capital equipment and items purchased with funds provided by UNDP or from revenues generated from Project or Portfolio outputs or activities (as applicable).

(b) The Responsible Party shall maintain all records relevant to the entire duration of the Project or the Portfolio (as applicable) for at least seven (7) years following completion of the Project or the Work Plan(s) of the Portfolio (as applicable) or termination of this LOA.

1. **Equipment:** Equipment furnished by UNDP or procured through UNDP funds will be disposed of in accordance with the requirements of the agreement between UNDP and the Government concerned. In the event of termination of this LOA, any such Equipment will be returned to UNDP within thirty (30) days. For the purposes of this LOA, “Equipment” shall mean any non-consumable supplies, equipment, vehicles, and non-expendable materials financed by UNDP or furnished by UNDP to the Responsible Party under this LOA.
2. **Proprietary Rights:** Ownership of patent rights, copyrights, and other similar rights to any discoveries, inventions or works resulting from implementation of the Activities shall vest in UNDP.
3. **Confidentiality**

(a) Information and data, excluding UNDP Personal Data (as defined in Article 25 (a) below), that is delivered or disclosed by one Party (“Discloser”) to the other Party (“Recipient”) during the course of performance of the Activities, and that has been designated as confidential at the time of exchange or promptly identified as confidential in writing when furnished in intangible form or disclosed orally, as well as information that the Recipient knows or should have reasonably known from its inherent nature, quality or characteristics that is proprietary or confidential (“Information”), shall be held in confidence by the Recipient and shall be handled as follows:

(b) The Recipient shall:

(i) use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser’s Information as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; and

(ii) use the Discloser’s Information solely for the purpose for which it was disclosed.

(c) Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the terms of this LOA, the Recipient may disclose Information to:

(i) any other party with the Discloser’s prior written consent;

(ii) the Recipient’s employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under this LOA, and employees officials, representatives and agents of any legal entity that it controls, that controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under this LOA;

(iii) for the purposes of Article 24 (c) (ii) above, a controlled legal entity means:

(a) a legal entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty per cent (50%) of voting shares thereof; or

(b) a legal entity over which the Party exercises effective managerial control; and

(iv) for UNDP, a principal or subsidiary organ of the United Nations established in accordance with the Charter of the United Nations.

(d) UNDP may determine that any Information provided by UNDP to the Responsible Party forms part of the property and archives of UNDP within the meaning of the Convention on the Privileges and Immunities of the United Nations, 1 U.N.T.S. 15 (1946) (the “General Convention”), and Article II of the General Convention is applicable to all such Information.

(e) The Responsible Party may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Responsible Party will give UNDP sufficient prior notice of a request for the disclosure of Information in order to allow UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

(f) UNDP may disclose Information to the extent required pursuant to the Charter of the United Nations, pursuant to resolutions or regulations of the General Assembly or rules promulgated thereunder, or under UNDP’s regulations, rules, policies and procedures.

(g) The Recipient shall not be precluded from disclosing Information that the Recipient obtains from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

(h) These obligations and restrictions of confidentiality shall be effective during the term of this arrangement, including any extension thereof, and shall remain effective following termination or expiration of this LOA.

1. **Personal Data**

(a) For purposes of this LOA:

(i) “Personal Data” shall mean any information relating to an identified or identifiable individual.

(ii) “UNDP Personal Data” shall mean Personal Data obtained by the Responsible Party from UNDP or generated by the Responsible Party for UNDP in connection with, or related to, the performance of the Activities.

(b) With respect to Personal Data that it obtains from the Responsible Party in connection with this LOA, UNDP shall:

(i) apply its own legal framework, including the UNDP Personal Data Protection and Privacy Policy and the UN Personal Data Protection Principles;

(ii) use the same care and discretion to avoid disclosure, publication or dissemination of the Personal Data as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; and

(iii) use the Personal Data solely for the purpose for which it was disclosed.

(c) Unless otherwise provided for in this LOA, with respect to UNDP Personal Data, the Responsible Party shall comply with the following at a minimum:

(i) comply with all laws applicable to the Responsible Party;

(ii) apply the UNDP Personal Data Protection and Privacy Policy and the UN Personal Data Protection Principles;

(iii) use the same care and discretion to avoid disclosure, publication or dissemination of the UNDP Personal Data as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; and

(iv) use the UNDP Personal Data solely for the purpose for which it was disclosed.

(d) Without prejudice to the generality of Article 25 (c) above, and unless otherwise more specifically provided elsewhere in this LOA, the Responsible Party shall comply with the following at a minimum:

(i) process UNDP Personal Data solely and exclusively in accordance with the requirements of this LOA and shall not use UNDP Personal Data for the Responsible Party’s research, marketing, sales, promotional, or any other purposes;

(ii) implement appropriate technical and organizational measures, including appropriate access-control measures, with respect to UNDP Personal Data;

(iii) implement appropriate data security measures to preserve the integrity of UNDP Personal Data and prevent any corruption, tampering, loss, damage, unauthorised access and improper disclosure of UNDP Personal Data;

(iv) may disclose UNDP Personal Data only to those of its employees who have a need to know such UNDP Personal Data for purposes of performing obligations under this LOA;

(v) process UNDP Personal Data in a manner that is legitimate, transparent, adequate, accurate, relevant and limited to what is necessary for the performance of the Activities, and ensure that UNDP Personal Data is kept for no longer than is necessary to perform the Activities;

(vi) as and when requested by UNDP, provide access to, correct, delete, refrain from, or restrict processing of UNDP Personal Data;

(vii) upon becoming aware of any data or security breach (including any accidental or unauthorised destruction, loss, alteration, disclosure, access, or unplanned loss of availability) that affects, or may affect, UNDP Personal Data:

(a) immediately notify UNDP in writing;

(b) take immediate mitigating and/or remedial action, including mitigating and/or remedial action as directed by UNDP; and

(c) inform and update on a regular basis UNDP of any measures taken by the Responsible Party to address such data or security breach;

(viii) promptly notify UNDP if it believes the performance of the obligations under this LOA or compliance with any UNDP instruction breaches, or might reasonably be considered to breach, any applicable data protection laws or the UNDP Personal Data Protection and Privacy Policy;

(ix) if it receives any complaint, request (including a data subject access request), notice, or communication which relates directly or indirectly to UNDP Personal Data:

(a) immediately notify UNDP;

(b) consult with and follow the instructions of UNDP with respect to handling any such complaint, request, notice or communication; and

(c) provide full cooperation and assistance to UNDP if UNDP elects to respond to such complaint, request, notice, or communication;

(x) return, delete or destroy UNDP Personal Data if so instructed by UNDP in writing, and provide evidence of such action to UNDP upon written request;

(xi) destroy any and all UNDP Personal Data 10 years after the date on which this LOA expires or terminates, unless otherwise instructed by UNDP in writing.

(e) Except as provided in Article 25 (d) above, the Responsible Party shall not otherwise transfer, disclose, publish or disseminate UNDP Personal Data without UNDP’s prior written consent.

(f) The provisions of this Article 25 shall survive any termination or expiration of this LOA.

1. **Indemnity**
2. The Responsible Party shall indemnify, defend, hold and save harmless UNDP and its officials, agents and persons performing services for UNDP from and against all suits, proceedings, claims, demands, losses and liability of any kind, or nature brought by any third party against UNDP.
3. In addition to the indemnification obligations set forth in this Article 26, the Responsible Party shall be obligated, at its sole expense, to defend UNDP and its officials, agents and employees, pursuant to this Article 26, regardless of whether the suits, proceedings, claims and demands in question actually give rise to or otherwise result in any loss or liability.
4. UNDP shall advise the Responsible Party about any such suits, proceedings, claims, demands, losses or liability within a reasonable period of time after having received actual notice thereof. The Responsible Party shall have sole control of the defence of any such suit, proceeding, claim or demand and all negotiations in connection with the settlement or compromise thereof, except with respect to the assertion or defence of the privileges and immunities of UNDP or any matter relating thereto, for which only UNDP itself is authorized to assert and maintain. UNDP shall have the right, at its own expense, to be represented in any such suit, proceeding, claim or demand by independent counsel of its choosing.
5. **Force Majeure**
6. In the event of, and as soon as possible after the occurrence of any cause constituting force majeure, the Party affected by it shall give the other Party notice and full particulars in writing of such occurrence. If the affected Party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under this LOA, the Parties shall consult on the appropriate action to be taken, which may include suspension or termination pursuant to Article 31 (*Suspension and Termination*) below except that the period of notice shall be seven (7) days instead of thirty (30) days in the event of termination. Force majeure as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), act of government, invasion, revolution, insurrection, terrorism, or any other actions of a similar nature or force, including, among others, pandemics or epidemics affecting either Party’s ability to perform hereunder, provided that such acts arise from causes beyond the control and without the fault or negligence of the affected Party
7. **Use of the Name, Emblem and Official Seal of UNDP**
   1. The Responsible Party shall only use the name (including abbreviations), emblem or official seal of the United Nations or UNDP in direct connection with the Activities and with the prior written consent of UNDP. Under no circumstances shall such consent be provided in connection with the use of the name (including abbreviations), emblem or official seal of the United Nations or UNDP for commercial purposes or goodwill.
   2. The Parties shall cooperate in any public relations or publicity exercises when UNDP considers these to be appropriate or useful.
8. **Dispute Settlement**

(a) Any dispute, controversy, or claim between the Parties arising out of this LOA, or out of the breach, termination or invalidity thereof (“Dispute”) shall be finally settled in the manner set out in this Article 29, which shall be binding on the Parties and shall be the exclusive mode of settlement of the Dispute in accordance with Article VIII, Section 29, of the Convention on the Privileges and Immunities of the United Nations, 1 U.N.T.S. 15 (1946).

***Option 1: If the Party is a Government Ministry, use this Option 1 and delete Option 2 below:***

(b) Any dispute between the UNDP and the Responsible Party arising out of or relating to this LOA, which is 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 arbitrators shall fix the arbitration procedure, 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.

***Option 2: If the Party is an IGO, use this Option 2 and delete Option 1 above:***

(b) Amicable Settlement:

(i) The Parties shall use their best efforts to amicably settle any Dispute. For that purpose, the Party asserting a claim shall provide the other Party with a detailed description of the Dispute, specifying the relief or remedy sought, and a copy of this LOA and all relevant supporting documentation (“Notice of Dispute”).

(ii) Neither Party may refer the Dispute to arbitration, pursuant to Article 29 (c) below, prior to pursuing amicable settlement efforts and prior to the expiry of sixty (60) days from the date of the Notice of Dispute. However, the foregoing shall not preclude a Party to this LOA from referring a Dispute to arbitration if such Party seeks interim measures of protection under the Arbitration Rules of the United Nations Commission on International Trade Law (“UNCITRAL Arbitration Rules”).

(c) Arbitration:

(i) Either Party may refer a Dispute that has not been resolved amicably pursuant to Article 29 (b) above, to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, subject to the provisions of this Article 29 (c).

(ii) The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties agree that the periods for the intervention of the appointing authority stipulated in Article 8, paragraph 1, and Article 9, paragraphs 2 and 3, of the UNCITRAL Arbitration Rules shall be sixty (60) days.

(iii) Any agreement between the Parties or decision by the arbitral tribunal as to the place of arbitration or the venue of the proceedings shall mean only the physical location where the arbitral tribunal shall hold in-person meetings, including for its deliberations or hearings, pursuant to Article 18, paragraph 2, of the UNCITRAL Arbitration Rules. Such agreement or decision as to the place of arbitration shall not amount to the determination of a legal seat, shall not entail any submission to any country’s law and jurisdiction in connection with the arbitral proceedings and any resulting award(s), and shall not be construed as a waiver, express or implied, of the privileges and immunities of the United Nations, including UNDP.

(iv) In interpreting the rights and obligations of the Parties under this LOA, the arbitral tribunal shall first apply the terms of this LOA and then apply generally recognised principles of international law. Procedural matters shall be governed by the provisions of this Article 32 and the UNCITRAL Arbitration Rules. Where necessary, the Arbitral Tribunal may seek additional guidance from the generally accepted principles of procedure applied by international tribunals.

(v) The arbitral tribunal may exercise the powers envisaged in Article 27, paragraph 3, of the UNCITRAL Arbitration Rules in respect of documents, exhibits or other evidence that (i) the Parties agree that are to be produced or (ii) which the arbitral tribunal, in view of the statements of claim and defence and the evidentiary record, considers relevant to the Dispute and material to its outcome. When apportioning costs pursuant to Article 42, paragraph 1, of the UNCITRAL Arbitration Rules, the arbitral tribunal shall take into account the reasonableness of document production requests.

(vi) In accordance with the UNCITRAL Arbitration Rules, the arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under this LOA, order the termination of this LOA, or order that any other protective measures be taken with respect to the goods, services, or any other property, whether tangible or intangible or of any confidential information provided under this LOA, as appropriate.

(vii) Unless otherwise expressly provided in this LOA, the arbitral tribunal shall have no authority to award: (1) punitive damages or damages for indirect or consequential losses; (2) interest other than simple interest and only at the Federal Reserve Bank of New York’s Secured Overnight Financing Rate prevailing at the time of the award.

(viii) The arbitral tribunal shall have no authority to award any pre-award interest.

1. **Privileges and Immunities:** Nothing in or relating to this LOA shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.
2. **Suspension and Termination**
   1. The Parties hereto recognize that successful implementation and completion of the Activities are of paramount importance and that UNDP may find it necessary to suspend or terminate this LOA or to modify the Activities, should circumstances arise that jeopardise the successful completion of the Project or the Work Plan(s) of the Portfolio (as applicable). The provisions of this Article 31 shall apply to the suspension and termination of this LOA, and the provisions in Article 32 (*Modifications; Notices*) below shall apply to the modification of the Activities.
   2. UNDP shall consult with the Responsible Party if any circumstances arise that, in the judgment of UNDP, interfere or threaten to interfere with the successful implementation or completion of the Activities. For its part, the Responsible Party shall promptly inform UNDP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the Responsible Party, where such circumstances are attributable to it or within its responsibility or control. The Parties shall also cooperate in assessing the consequences of possible termination of this LOA on the beneficiaries of the Project or the Work Plan(s) of the Portfolio (as applicable).
   3. UNDP may, at any time after the occurrence of the circumstances in question, suspend this LOA by written notice to the Responsible Party without prejudice to the initiation or continuation of any of the measures envisaged in Article 31 (b) above. Notwithstanding Article 31 (a) above, during the period of suspension, no Expenditures may be incurred unless approved in advance by UNDP. UNDP may indicate to the Responsible Party the conditions under which it is prepared to authorize the Activities to resume.
   4. If the cause of suspension is not rectified or eliminated within fourteen (14) days after UNDP has given notice of suspension to the Responsible Party, UNDP may, by written notice at any time thereafter during the continuation of such cause, terminate this LOA. The effective date of termination under the provisions of this Article 31 (d) shall be specified by written notice from UNDP. Upon receipt of a notice of termination from UNDP under this Article 31, the Responsible Party shall take immediate steps to terminate the Activities under this LOA in a prompt and orderly manner, so as to minimise losses and further Expenditures. The Responsible Party shall undertake no forward commitments and shall return to UNDP, within thirty (30) days, all unspent funds made available to it by UNDP under this LOA, and the Equipment financed by UNDP or furnished to it by UNDP pursuant to Article 22 (*Equipment*) above.
   5. Following the termination, in the event UNDP decides to transfer the responsibilities of the Responsible Party for the Activities to another entity, the Responsible Party shall cooperate with UNDP and the other entity to ensure the orderly transfer of such responsibilities.
   6. Notwithstanding the foregoing, UNDP may terminate this LOA at any time without the need to provide cause upon sixty (60) days advance written notice to the Responsible Party.
   7. The Responsible Party may terminate this LOA in cases where a condition has arisen that impedes the Responsible Party from successfully fulfilling its responsibilities under this LOA by providing UNDP with written notice of its intention to terminate the present LOA (i) at least thirty (30) days prior to the effective date of termination if the Project or the Portfolio (as applicable) has a duration of six (6) months or less, or (ii) at least sixty (60) days prior to the effective date of termination if the Project or the Portfolio (as applicable) has a duration longer than six (6) months.
   8. With respect to Article 31 (g) above, the Responsible Party may give notice to terminate the present LOA only after consultations have been held between the Responsible Party and UNDP, with a view to eliminating the impediment, and shall give due consideration to proposals made by UNDP in this respect.
   9. In the event of termination by UNDP under this Article 31, UNDP shall only reimburse the Responsible Party for Expenditures incurred by the Responsible Party prior to receipt of the notice of termination. Reimbursements to the Responsible Party under this provision, when added to the amounts previously made available to the Responsible Party by UNDP in accordance with this LOA, shall not exceed the maximum amount of funds specified in the budget for the Activities as per Annex C (*Schedule of Activities, Facilities and Payments*).
3. **Modifications; Notices**
   1. No modification or change in this LOA shall be valid and enforceable against the Parties unless executed in writing and signed by both Parties.
   2. Any notice, request or consent required or permitted to be given or made pursuant to this LOA will be in writing and addressed to [name and address of Resident Representative, UNDP][[3]](#footnote-4).
   3. Any changes to the Letter of Agreement between the Implementing Partner and UNDP for Support Services which would affect the work being performed by the Responsible Party in accordance with Annex B (*Description of Activities*) shall be concluded through an amendment to the Project/Portfolio Document by the Parties to the Project/Portfolio Document following consultation between UNDP and the Responsible Party.

**Miscellaneous**

1. For any matters not specifically covered by this LOA, the Parties will ensure that those matters shall be resolved in accordance with the appropriate provisions of the Letter of Agreement for Support Services and any revisions thereof and the respective provisions of the financial regulations and rules of the Responsible Party and UNDP.
2. The arrangements described in this LOA will remain in effect until the end of the Project or the Portfolio (as applicable) or the completion of the Activities, or until terminated in accordance with Article 31 (*Suspension and Termination*) above.
3. At all times during the performance of the Activities, the schedule of payments specified in Annex C (*Schedule of Activities, Facilities and Payments*) shall remain in effect unless the Responsible Party receives an express written indication to the contrary from UNDP in accordance with Article 32 (*Modifications; Notices*) above.
4. If you are in agreement with the provisions set forth above, please sign and return two copies of this LOA to this office. Your acceptance shall thereby constitute the basis for participation in the implementation of the Project or the Work Plan(s) of the Portfolio (as applicable).

|  |  |  |
| --- | --- | --- |
| For and on behalf of UNDP  [Name]  [Title: Resident Representative]   1. [Date] |  | For and on behalf of the [Government/IGO]  [Name]  [Title]  [Date] |

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**[APPENDIX 1**

**UNDP SPECIAL CONDITIONS]**

Re: Letter of Agreement No. [Insert LOA Number]

**The following Sections of the LOA are hereby modified as follows[[4]](#footnote-5):**

1. **Section [number]** **([Title of the Section])** is **replaced** in its entirety with the following:

“ ”

1. **New Sections [number]** and **[number]** are **added** as follows:

“ ”

\*\*\* End of Special Conditions \*\*\*

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**ANNEX A**

**PROJECT/PORTFOLIO DOCUMENT**

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**ANNEX B**

**DESCRIPTION OF ACTIVITIES**

Project/Portfolio number: Project/Portfolio title:

[If the LOA relates to a Portfolio, include:] Work Plan number:

Results to be achieved by *[the Government ministry/institution/IGO*]

|  |
| --- |
| *Provide a summary of the results to be achieved by [the Government ministry/institution/IGO], particularly the outputs they are expected to produce.* |

Work to be performed by *[the Government ministry/institution/IGO*]

|  |
| --- |
| *Explain the activities to be carried out by [the Government ministry/institution/IGO].* |

Description of inputs:

|  |
| --- |
| *Provide a detailed description of the project/portfolio inputs by activity. This may include personnel, contracts, training, equipment, miscellaneous and micro-capital grants.* |

Annexes:

|  |
| --- |
| *Attach, as appropriate, job descriptions for consultants, terms of reference for contracts, technical specifications for equipment items, training nomination forms, etc.* |

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## ANNEX C

## SCHEDULE OF ACTIVITIES, FACILITIES AND PAYMENTS

(WORK PLAN AND BUDGET)

##### Year \_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EXPECTED OUTPUTS** and indicators, including annual targets | **PLANNED ACTIVITIES**  *List all activities to be undertaken during the year towards stated outputs* | **Timeframe** | | | | **Planned Budget** | | **Schedule of payments by UNDP** | | | |
| Q1 | Q2 | Q3 | Q4 | Budget Description | Amount | Q1 | Q2 | Q3 | Q4 |
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|  |  |  |  |  |  | Total |  |  |  |  |  |

Note:

* Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the Project or the Portfolio (as applicable), duty travel within the programme country or region and repatriation costs.
* UNDP shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation as may be required by *[the Government Ministry/institution/IGO*]] in carrying out their assignment.
* Adjustments within each of the sections may be made in consultation between UNDP and *[the Government ministry/institution/IGO*]. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document/Portfolio Document and if they are in the best interest of the Project or the Portfolio (as applicable).

**United Nations Development Programme**

**ANNEX D**

**SPECIMEN SIGNATURE FORM**

1. Please choose between “Project” and “Portfolio” as appropriate and delete the option that does not apply. [↑](#footnote-ref-2)
2. Please complete with the name of the country. [↑](#footnote-ref-3)
3. Please complete this section with the name, address, and any additional contact details pertaining to the Resident Representative. [↑](#footnote-ref-4)
4. Below are two formulations. The actual text to be used will depend on the changes to be made to the LOA, i.e., if you are changing an existing clause, use the formulation in paragraph 1, and if you are adding clauses, use formulation in paragraph 2. [↑](#footnote-ref-5)