# AGREEMENT

**between**

**THE GOVERNMENT OF [name of country]**

**and**

**UNICEF, THE UNITED NATIONS CHILDREN'S FUND FOR THE PROCUREMENT OF SUPPLIES**

**AND THE PROVIDING OF CERTAIN SERVICES**

THIS AGREEMENT (together with all Annexes hereto, this “Agreement”) is entered into between THE GOVERNMENT OF [name of country] by and through its Ministry of [ ], having its address at [ ] (the “Government”) and the UNITED NATIONS CHILDREN's FUND (“UNICEF”, together with the Government the “Parties” and each a “Party”), an international inter-governmental organization established by the General Assembly of the United Nations by resolution No. 57 (I) of 11 December 1946 as a subsidiary organ of the United Nations, having its office in [name of country] at [address]).

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# WHEREAS

1. UNICEF works with governments, civil society organizations and other partners worldwide to advance children’s rights to survival, protection, development, and participation, and is guided by the Convention on the Rights of the Child. UNICEF and the Government collaborate together to better the lives of children and women in [name of country], in accordance with the Basic Co-operation Agreement between UNICEF and the Government entered into on [date of BCA] (the “BCA”).
2. UNICEF’s Supply Division is mandated to establish a Global Centre for Children’s Supplies and pursues its mandate by, among other things, providing the services of purchasing and/or stocking, set packing and dispatching supplies, equipment, and other materials in support of UNICEF’s programme activities.
3. UNICEF is permitted under UNICEF Financial Regulation 5.2 and Financial Rules 105.5 to 105.8, to enter into arrangements with Governments, other organizations in the United Nations system, and governmental and non-governmental organizations, to undertake activities on their behalf for the purchase of supplies, equipment and services where such materials and services are required for purposes related to UNICEF activities and consistent with the aims and policies of UNICEF.
4. The Government, working with its development partners including UNICEF and the Islamic Development Bank (the “IsDB”), has designed and is implementing a project [brief statement of project name and outcomes] (the “Project”), and has asked UNICEF to procure the supplies listed in Annex I to this Agreement (the “Supplies” and each

category of Supplies a “Supply Item”) on behalf of the Government for use in connection with the Project, and to provide services if any listed in Annex VIII to this Agreement (the “Services”), in connection with the procurement of Supplies and UNICEF has agreed to procure the Supplies and provide the Services if any in accordance with this Agreement.

1. The Government has received a [credit/loan/grant number] (the “Development Credit”) from the IsDB pursuant to an agreement dated [date of the Development Credit Agreement] (the “Development Credit Agreement”) towards the cost of the Supplies, and the Services if any.

NOW THEREFORE, the Parties agree as follows:

**ARTICLE I**

**AGREEMENT DOCUMENTS; DEFINITIONS**

1. The agreement documents for this Agreement are the following:

Annex I The Supplies, including technical requirements for the Supplies and projected quantities and timetable for use in the Project

Annex II Schedule of UNICEF Standard Handling Fees for Procurement of Supplies

Annex III Elements to be included in Procurement Requests Annex IV Elements to be included in Cost Estimates

Annex V Template for Payment Request Annex VI Template for Acceptance Document

Annex VII Template for Financial Utilisation Reports

Annex VIII The Services, including terms of reference, timing and deliverables, and estimated cost for the Services (including all relevant fees and other charges).

1. In this Agreement, the following terms shall have the following meanings:
   1. Contingency means a separately identified amount equal to six percent (6%) of the estimated cost of procuring the Supplies and providing the Services if any, as set out in the Cost Estimate to which it relates, to be used by UNICEF as a contingency against changes in the cost of the Supplies (including by reason of currency fluctuations) and the cost of Services if any, between the date of that Cost Estimate and the date on which payment for the Supplies or Services referred to in that Cost Estimate is due.
   2. Cost Estimate means the document referred to in Article IV, paragraph 5 setting out the information listed in Annex IV, provided by UNICEF to the Government in response to a Procurement Request delivered by the Government.
   3. Delivery Schedule means the preliminary delivery schedule for each Supply Item and Services if any as set out in the relevant Cost Estimate.
   4. Final Accounts means the accounts prepared pursuant to Article VI, paragraph 4 of this Agreement.
   5. Freight and Insurance Cost means the cost of shipping the Supplies from their place of dispatch to the Port of Entry (packing and terminal services inclusive) and insurance, and the cost of insuring the Supplies in transit in accordance with this Agreement.
   6. Handling Fee means the UNICEF charge for undertaking the requested procurement of Supplies calculated in accordance with the schedule of UNICEF’s standard Handling Fees set out in Annex II.
   7. Non-Warehouse Items means goods and equipment that are neither Warehouse Items nor vaccines.
   8. Payment Request means the document referred to in Article IV, paragraph 7.
   9. Port of Entry means the delivery facility, specified in a Cost Estimate following consultation between UNICEF and the Government, at which the Supplies officially enter the country, such as but not limited to an international airport, major seaport, or train or truck terminal.
   10. Procurement Request means the document referred to in Article IV, paragraph 3.
   11. Release Certificate means the document referred to in Article V, paragraph 8 (c) (iii), issued by the national regulatory authorities of the place where the vaccine to which it relates is manufactured confirming that the national regulatory authority has completed its quality control tests on the vaccines in question and authorising the release of those vaccines for use.
   12. Services means the services referred to in Annex VIII.
   13. Supplies means the supplies listed in Annex I.
   14. Supply Item means an individual product type or category which the Government requests, by way of a Procurement Request, UNICEF to procure for it.
   15. Warehouse Items means goods and equipment held in inventory in the UNICEF Supply Division Warehouse(s).

**ARTICLE II**

**SCOPE AND GENERAL TERMS OF AGREEMENT**

1. UNICEF agrees:
   1. to procure the Supplies set out in Cost Estimates accepted by the Government, in conformity with the applicable technical specifications (including warranty periods to be remaining upon dispatch from the Supplier or from the UNICEF warehouse to the freight forwarder) and in the quantities set out in each such Cost Estimate, and
   2. to arrange for delivery of the Supplies referred to in Article II, paragraph 1(a) in accordance with the delivery information specified in the applicable Cost Estimate agreed between UNICEF and the Government, and
   3. to provide the Services, if any, in accordance with this Agreement.
2. The Government agrees, in consideration of the procurement of the Supplies and the provision of the Services if any:
   1. to make timely and complete payment to UNICEF of all amounts owing under this Agreement, and
   2. to provide such support in connection with the procurement of the Supplies and the providing of the Services as UNICEF and the Government may agree.

**ARTICLE III**

**PAYMENT OF AMOUNTS OWING UNDER**

**THIS AGREEMENT; TOTAL FUNDING CEILING; CONTINGENCY**

1. The Government will be responsible for payment of all amounts owing under this Agreement.
2. The Government intends to apply a portion of the proceeds of the Development Credit, up to an amount of [amount in words] ([amount in figures]) (the “Total Funding Ceiling”), to eligible payments under this Agreement. The Total Funding Ceiling is UNICEF’s good faith best estimate as of the date of that estimate of (a) the likely total cost of procuring the entire quantity of Supplies contemplated under this Agreement at the same time and reasonably close to the date of the estimate; (b) the likely freight and insurance costs and handling fee calculated based on that estimate; (c) the likely total cost of providing the Services if any; and (d) an additional amount of six percent (6%) of the amounts referred to in (a) and (c) as a contingency against price and foreign exchange fluctuations.
3. It is understood that (a) disbursements up to the Total Funding Ceiling will be made by the IsDB on behalf of the Government; (b) disbursement by the IsDB will be made only at the request of the Government and upon approval by the IsDB; (c) such disbursement will be subject, in all respects, to the terms and conditions of the Financing Agreement; and (d) no party other than the Government shall derive any rights from the Financing Agreement or have any claim to the Financing proceeds. The terms and conditions of the Financing Agreement do not form part of this Agreement or otherwise govern the relationship between the Parties.

1. The Government’s decision to use all or part of the Financing to make payment of amounts owning under this Agreement in no way affects the Government’s obligation to make timely and complete payment of all amounts owing under this Agreement.

**ARTICLE IV**

**FINANCIAL MATTERS PRIOR TO COMMENCEMENT OF PROCUREMENT**

Step 1: Government Files Blanket Withdrawal Application equal to the Total Funding Ceiling

1. As soon as both the Government and UNICEF have signed this Agreement the Government will send to the IsDB, with a copy to UNICEF, a blanket withdrawal application for an amount equal to the Total Funding Ceiling. The blanket withdrawal application will instruct the IsDB to make direct payment to UNICEF of all amounts requested by UNICEF in accordance with this Agreement up to the Total Funding Ceiling and to do so (a) by wire transfer of United States dollars in immediately available funds;
2. within two (2) weeks (in Jeddah) of receiving a request for payment; and (c) to such account as UNICEF may nominate.
   1. The Government will further instruct the IsDB that when making such transfers it is to notify UNICEF, Division of Financial and Administrative Management, Finance-NY (for the Attention Treasury Operations), by fax (212- 326-7425) or by e-mail ([tnyhq-dfam@unicef.org](mailto:tnyhq-dfam@unicef.org)) and Supply Division, Chief of Financial Management and Accounts by fax (+45-35-269-421) or by e-mail (psid@unicef.org), of the following: (a) the amount transferred; (b) the value date of the transfer; (c) that the transfer is from the IsDB for posting to the DC [name of country] [name of project] Account referred to below; and (d) the date of the Payment Request and the control number shown on the relevant Cost Estimate.
3. The Government will notify UNICEF as soon as it receives notice from the IsDB that this blanket withdrawal application has been received by the IsDB in good order and accepted by the IsDB.

Step 2: Government Issues Procurement Requests; Delivery Schedules

1. From time to time thereafter, the Government will send to UNICEF, with a copy to the IsDB, a written request (a “Procurement Request”) to undertake the procurement and delivery of Supplies under this Agreement. A Procurement Request may refer to more than one Supply Item. Elements to be included in a Procurement Request are set out in Annex III to this Agreement.
2. The Government will make reasonable efforts to align the timing of Procurement Requests with the timetable set out in Annex I.

Step 3: UNICEF Issues Cost Estimates

1. UNICEF will review each Procurement Request received from the Government and will send to the Government in response, with a copy to the IsDB, a written estimate of the cost of procuring the Supplies referred to in that Procurement Request (a “Cost Estimate”) including the relevant Delivery Schedule(s). UNICEF will use best efforts to provide a Cost Estimate within five (5) working days (in Copenhagen) of receiving a Procurement Request. Elements to be included in a Cost Estimate are set out in Annex IV to this Agreement.
   1. The estimated cost of procuring the Supplies set out in the Cost Estimate will be calculated based on the specifications set forth in Annex I, the quantities and consignee details set forth in the Procurement Request to which the Cost Estimate relates, the method of delivery as determined by UNICEF, and the Port of Entry agreed between the Government and UNICEF.
   2. The estimated cost of procuring the Supplies will include: (i) the estimated freight and insurance; and (ii) the estimated applicable Handling Fee for procuring the Supplies listed in the relevant Procurement Request, calculated in accordance with UNICEF’s standard schedule of handling fees, a copy of which is set out in Annex II to this Agreement.
   3. The Cost Estimate will set out the actual Contingency applicable to the relevant Procurement Request.
   4. Each Cost Estimate will specify the period of time for which it is valid and may be accepted by the Government.
   5. The Cost Estimate will set out the Delivery Schedule for the Supplies to which it relates.
   6. If, because a Procurement Request relates to more than one Supply Item the corresponding Cost Estimate relates to more than one Supply Item, then: (i) the estimated applicable Handling Fee set out in the Cost Estimate will be the aggregate of the estimated Handling Fees that would be payable in respect of each individual Supply Item; (ii) the Contingency set out in that Cost Estimate will be the aggregate of the Contingencies that will be payable in respect of each individual Supply Item; (iii) the Delivery Schedule will include all the delivery schedules of Supply Items included in such Cost Estimate; and (iv) the Cost Estimate will specify the period of time for which the estimated cost of procuring each individual Supply Item set out in the Cost Estimate is valid and may be accepted by the Government.
   7. Shall there be any difference among the quantities stated in the cost estimate and the quantities stated in the Annex I of this agreement, it shall be understood that the Cost Estimate presents a more accurate estimate of the costs related to supplies, freight and handling fees.

Step 4: Government Reviews and Accepts the Cost Estimate

1. Within the validity period specified for in a Cost Estimate the Government will advise UNICEF in writing whether it accepts that Cost Estimate or not. If, because a Procurement Request relates to more than one Supply Item the corresponding Cost Estimate relates to more than one Supply Item, then the Government will advise UNICEF in writing whether it accepts all or only part of such Cost Estimate.

Step 5: UNICEF Delivers Payment Request

1. As soon as the Government has accepted a Cost Estimate UNICEF will send to the IsDB on behalf of the Government, with a copy to the Government, a payment request (each a “Payment Request”) covering the full amount set out in the Cost Estimate. The template for a Payment Request is set out in Annex V to this Agreement.
2. If, because a Procurement Request relates to more than one Supply Item the corresponding Cost Estimate relates to more than one Supply Item, the Payment Request will cover the amount relating to the Supply Items referred to in such Cost Estimate that the Government wishes UNICEF to procure (including the applicable Handling Fee and Contingency).

Step 6: The ISDB Disburses Funds to UNICEF

1. UNICEF will maintain a separate ledger account, through which all UNICEF's receipts and disbursements for the purposes of procuring the Supplies and, if relevant, providing the Services, will be channeled (the “DC [name of country] [name of project] Account”)
2. In accordance with the instructions in the blanket withdrawal application referred to in Article IV, paragraph 1 above, the IsDB will pay to UNICEF the full amount set out in each Payment Request, by wire transfer of United States dollars in immediately available funds, within two (2) weeks (in Jeddah) of receiving it and will do so to the UNICEF account designated in the Payment Request.

Step 7: UNICEF Initiates Procurement Action

1. Upon receipt of the full amount set out in a Payment Request, UNICEF will initiate the procurement action necessary to procure the Supplies covered by the Payment Request.
2. The Parties recall that under its financial regulations and rules UNICEF may only enter into a binding financial obligation if it has the full amount of funds required to satisfy that obligation and that this requirement will be relevant in calculating the amounts set out in each Payment Request. UNICEF will not be required to initiate or continue procurement actions for the Supplies and, as applicable, initiate or continue providing the Services while any amounts specified in the corresponding Payment Request delivered to the IsDB are unpaid.

**ARTICLE V**

**PROCUREMENT AND DELIVERY OF SUPPLIES**

# Procurement of Supplies

1. The Supplies will be procured, shipped and delivered in accordance with the terms of this Agreement and UNICEF’s regulations, rules, procedures, and administrative instructions for procurement (including its financial regulations and rules that include, inter alia, the requirement that any interest derived by UNICEF from placement of funds, including funds disbursed to UNICEF in accordance with this Agreement, shall be credited to UNICEF’s miscellaneous income).
2. In order to offset (a) any increase in the price of the Supplies as set out in the Cost Estimate resulting from price changes by the supplier(s) or service providers, currency exchange fluctuations or other incidental costs related to the Supply and Services financed under this Agreement, and (b) any increase in the amount owed for the delivery of the Supplies UNICEF will follow the provisions of Article III 2(d) of this agreement. The Parties recognize that cost overruns may nevertheless occur and that this provision shall therefore be without prejudice to the Government’s principal obligation to bear the costs of the transaction in accordance with the terms of this Agreement.

# Consignee

1. Each Cost Estimate will specify the consignee of the Supplies referred to in that Cost Estimate, following agreement between UNICEF and the Government. UNICEF will not act as consignee of the Supplies. The Government or its nominated representative will be the consignee of the Supplies.

# UNICEF or its designated freight forwarder to Provide Relevant Shipping Documents and Product Quality Assurance Documents

1. Upon shipment of the Supplies UNICEF or UNICEF’s designated freight forwarder will send copies of the relevant shipping documents and required product quality assurance documents (such as Certificate of Analysis), as determined by UNICEF in consultation with the Government, to the specified consignee. UNICEF or its designated freight forwarder will make reasonable efforts to provide these documents at least seven (7) calendar days prior to the arrival of the Supplies; provided however that in the case of non-vaccine Supplies shipped via air UNICEF or its designated freight forwarder will make reasonable efforts to provide these documents reasonably in advance of arrival. The relevant shipping documents will normally include the following:
   1. Copies of suppliers’ invoices which include Supplies description, quantity, unit price, and total amount.
   2. Copies of the bill of lading, or copies of railway consignment note, road consignment note, truck or air waybill, or multimodal transport document.
   3. Copies of the packing list identifying contents of each package.

# Insurance

1. Supplies will be delivered Carriage and Insurance Paid (CIP), per INCOTERMS 2020, to the Port of Entry, unless otherwise agreed in writing. The Government may choose to be responsible for the insurance of the Supplies in transit, in which case the Government shall, prior to the date on which UNICEF enters into a binding contract for the Supplies with the supplier, provide proof satisfactory to UNICEF that the Supplies will be adequately insured while in transit.

# Port of Entry; Delivery

1. UNICEF will arrange for the Supplies referred to in each Cost Estimate to be shipped to the Port of Entry specified in that Cost Estimate, using UNICEF’s global freight forwarding arrangements. The Port of Entry will be determined through consultation between UNICEF and the Government.
2. UNICEF will inform the Government of any potential or actual delivery delay, including its likely duration and its cause(s), as soon as UNICEF obtains information on such delay. UNICEF will make good faith efforts to ensure that any actual delivery delays are minimised.

Special Provisions relating to Delivery of Vaccines

1. The following additional provisions apply if the Supplies include vaccines:
   1. Purchase orders for vaccines procured in accordance with this Agreement shall, pursuant to UNICEF’s standard contracting practices, specify that upon dispatch by the supplier such vaccines shall have a minimum shelf life of not less than the standard established by the World Health Organization (WHO), or as otherwise set out in the relevant Cost Estimate following agreement with the Government.
   2. Vaccines will be shipped by air.
   3. In addition to documents listed in Article V, paragraph 4 above, UNICEF will provide the following documents and information to the specified consignee by email or fax prior to the arrival of each lot of vaccines at the Port of Entry: (i) flight details; (ii) copy of the supplier’s certificate of origin; and (iii) Release Certificate(s) issued by the relevant National Regulatory Authority for the vaccine lot supplied.
   4. Unless specified otherwise in the packing list because of particular packing needs, one (1) set of the documents listed hereafter will be attached to the consignment and another set of these documents will be placed inside shipping carton no. 1: (i) Air Way Bill; (ii) all supplier’s invoices for that shipment; (iii) packing list(s); (iv) Release Certificate(s) issued by the relevant National Regulatory Authority for the vaccine lot supplied; and (v) a blank Vaccine Arrival Report (the “VAR”) form for completion by the specified consignee and returning to UNICEF Supply Division, in care of the local UNICEF country office, within three (3) days of delivery.
      1. The VAR form is intended to facilitate documentation of the arrival status of the vaccines including remaining shelf life, as assessed by the Government, and to assist UNICEF with monitoring such information on a wider basis. A completed VAR form may be interpreted as neither (a) an indication, express or implied, on the part of UNICEF of agreement to or acceptance of any form of liability, claims or other form of obligation related to the data entered in the form, nor (b) as prima facie evidence related to the technical conformity or quality shipped vaccines.

Special Provisions relating to Delivery of Pharmaceuticals

1. The following additional provisions apply if the Supplies include pharmaceuticals:
   1. Purchase orders for pharmaceuticals procured in accordance with this Agreement shall, pursuant to UNICEF’s standard contracting practices, specify that upon dispatch by the supplier such pharmaceuticals shall have a minimum shelf life of not less than the standard established by WHO or as otherwise set out in the relevant Cost Estimate following agreement between UNICEF and the Government.
   2. UNICEF will provide the designated consignee with the relevant shipping documents in line with Article V paragraph 4 above.
   3. Pharmaceuticals shipped directly from the supplier will be accompanied by a Certificate of Origin where feasible.
2. UNICEF affirms that its Supply Division Copenhagen Warehouse has been issued a Good Distribution Practice (GDP) certification to handle pharmaceuticals by the Danish authorities. UNICEF Supply Division Copenhagen Warehouse is compliant with the European Union's GDP guidelines and is subject to regular inspections by the Danish Medicines Agency. UNICEF will immediately notify the Government if its GDP certification is revoked.

# Acceptance document

1. Upon arrival of the Supplies at the Port of Entry, the Government will promptly prepare an acceptance document and will retain it in the Government file relating to this Agreement. A template for this acceptance document is set out in Annex VI to this Agreement. The Government will make a copy of such document available to UNICEF and the IsDB upon request.

# Customs Clearance

1. The Government will be fully responsible for reception, customs clearance and distribution of all purchases shipped to their final destination unless agreed otherwise in this Agreement.

**ARTICLE VI**

**REPORTING; FINANCIAL MATTERS**

**FOLLOWING PROCUREMENT AND DELIVERY**

# Reporting

1. UNICEF will furnish a financial utilisation report (a “Financial Utilisation Report”) to the Government, with a copy to the IsDB, for each six months of the term of this Agreement, relating to the periods: (a) 1 January to 30 June, and (b) 1 July to 31 December. Each Financial Utilisation Report will be due within forty-five (45) days of the end of the reporting period to which it relates. The Final Statement of Account will serve as the Financial Utilisation Report for the final period of the term of this Agreement. Each Financial Utilisation Report will be expressed in U.S. dollars. The exchange rate used for converting expenditures in other currencies will be the UN Operational Rate of Exchange.
2. The template for a Financial Utilisation Report is set out in Annex VII to this Agreement. Each Financial Utilisation Report will set out (a) the total amount of funds received in the DC [name of country] [name of project] Account; (b) expenditures in connection with Supplies (including Freight and Insurance and associated charges), during the reporting period and, if applicable, expenditures in connection with the Services (including associated fees and other charges); and (c) the balance in the DC [name of country] [name of project] Account at the end of the reporting period.
3. Upon request from the Government following consultations between UNICEF and the Government, UNICEF may furnish to the Government, with a copy to the IsDB, a supplement to any particular Financial Utilisation Report (a “Supplemental Status Report”), setting out the purchase orders and warehouse deliveries placed by UNICEF during the reporting period in respect of this Agreement, including (a) the respective order numbers; (b) quantity ordered; (c) the selected supplier; and (d) the accumulated quantities of the Supplies delivered.

# Financial Matters after Procurement and Delivery

1. Final Accounts will be delivered in accordance with the following paragraphs:
   1. UNICEF will prepare a statement of account to be forwarded to the Government, covering the total cost under this Agreement, and will include any variation in the cost of the Supplies and Services, including penalties and credits due to decrease in price or quantities or scope of Services. This statement will be provided within three (3) months after the final delivery of Supplies and completion of the Services if any under this Agreement and the final disbursement/actual charge by UNICEF under this Agreement.
   2. The statement of account will be expressed in U.S. dollars. The UN Operational Rate of Exchange will apply to all currency conversions under this Agreement.
   3. In the event that the statement of account indicates a balance of funds in favor of the Government, the Government shall consult with the IsDB and provide payment instruction to UNICEF with respect to such balance. Payments will be made within thirty (30) days of UNICEF receiving the relevant payment instructions with necessary bank account details from the Government.
   4. In the event that the statement of account indicates a balance remaining in favor of UNICEF and notwithstanding any agreed specific payment arrangement such as payment by a third party, the Government will be responsible for ensuring payment of such amounts within thirty (30) days of receipt of the statement of account.
   5. UNICEF shall retain until at least four (4) years after the delivery of particular Supplies or providing of particular Services funded by funds provided in response to any individual Payment Request, all records (contracts, orders, invoices, bills, receipts and other documents) relating to such particular Supplies or Services.
2. In this Article VI, “expenditures” includes both disbursements/actual charges and commitments.

**ARTICLE VII**

**SERVICES TO BE PROVIDED BY UNICEF**

1. UNICEF will provide the Services referred to in Annex VIII of this Agreement, for the fees and charges set forth in Annex VIII and in accordance with the terms and conditions set out in Annex VIII.
2. In the event that UNICEF is providing Services under this Agreement, the following provisions shall apply:
   1. the request for particular Services will be set out in a Procurement Request, which will include a description of the scope of the Services and the completion date;
   2. the cost of Services will be reflected in the Cost Estimate provided in response to such Procurement Request and will be calculated based on the nature of Services, the personnel requirements (including staff time and any additional expertise that may need to be secured) for providing the Services. The Cost Estimate will reflect (i) the cost of procuring the Services; (ii) the estimated handling fee to be applied; and (iii) a contingency buffer of six percent (6%) of the estimated cost of the Services;
   3. the relevant Payment Request will include amounts in connection with the Services and payment will be made in accordance with Article IV above; and
   4. where the Services require that the Government obtains or assists with obtaining permits, licenses and other official approvals or that the Government furnishes powers of attorney or other authorizations to UNICEF, the Government will cooperate in a timely and expeditious manner.

**ARTICLE VIII TRANSPARENCY**

1. The DC [name of country] [name of project] Account shall be subject exclusively to internal and external audit in accordance with UNICEF’s Financial Regulations and Rules. The Parties recall that UNICEF’s financial books and records are routinely audited in accordance with the internal and external auditing procedures laid down in UNICEF’s financial regulations and rules, and that the external auditors of UNICEF, the United Nations Board of Auditors, are appointed by and report to the United Nations General Assembly, of which the Government is member. Throughout the term of this Agreement UNICEF will provide a copy of the financial report and audited financial statements of UNICEF within ten (10) days of these becoming public documents by reason of being presented to the United Nations General Assembly.
2. (a) In the event that the Government, UNICEF, or the IsDB becomes aware of information that indicates the need for further scrutiny of the procurement or delivery of the Supplies or providing of the Services (including non-frivolous allegations that reasonably indicate the possibility that corrupt, fraudulent, coercive, collusive, or obstructive practices may have occurred), the entity that has become aware of such information will promptly notify the other two.
   1. This information will be brought promptly to the attention of the appropriate official or officials at the Government, UNICEF, and the IsDB (which in the case of UNICEF is the Comptroller and the Director of the Office of Internal Audit).
   2. Following consultation with the Government and the IsDB, UNICEF will, to the extent the information relates to actions within the authority or accountability of UNICEF, take timely and appropriate action in accordance with its applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter the Parties agree and acknowledge that UNICEF shall have no authority to investigate information relating to possible corrupt, fraudulent, coercive or collusive practices by Government officials or by officials or consultants of the IsDB.
   3. To the extent such investigation confirms that corrupt, fraudulent, collusive, coercive, or obstructive practices have occurred and to the extent that remedial action is within the authority of UNICEF, UNICEF will take timely and appropriate action in response to the findings of such investigation, in accordance with its accountability and oversight framework and established procedures, including its Financial Regulations and Rules, where applicable.
   4. To the extent consistent with UNICEF’s accountability and oversight framework and established procedures, it will keep the Government and the IsDB regularly informed by agreed means of actions taken pursuant to this Article VIII, paragraph 2, and the results of the implementation of such actions, including where relevant, details of any recovered amounts. Such recovered amounts, if any, shall be applied in the calculation of the Final Accounts referred to in Article VI, paragraph 4 above, or if such amounts are recovered after the date of the Final Account, the Government will consult with the IsDB and provide payment instructions to UNICEF with respect to such amounts.
   5. For the purposes of this Agreement, the following definitions shall apply:
      1. “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
      2. “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
      3. “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;
      4. “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.
      5. “obstructive practice” means (i) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, and (ii) acts intended to materially impede the exercise of inspection and audit rights.
3. In the event that the Government or the IsDB reasonably believes that UNICEF has not complied with the requirements of Article VIII, paragraph 2 above, the Government or the IsDB may request direct consultations at a senior level between the IsDB, the Government and UNICEF in order to obtain assurances, in a manner consistent with UNICEF’s oversight and accountability framework and respecting appropriate confidentiality, that UNICEF’s oversight and accountability mechanisms have been or will be fully applied. Such direct consultations may result in an understanding between the Government, the IsDB, and UNICEF, on any further actions to be taken and the timeframe for such actions. The Parties take note of Article XII of the United Nations Financial Regulations (“External Audit”), incorporated into the Financial Regulations and Rules of UNICEF pursuant to Article XIV thereof.
4. The Government confirms that no official of UNICEF has received or will be offered by the Government any benefit arising from this Agreement. UNICEF 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.
5. The Parties agree and acknowledge that nothing in this Article VIII shall be deemed to waive or otherwise limit any right or authority of IsDB or any other entity of the Islamic Development Bank Group, and incorporated by reference into the Credit/Loan/Grant Agreement, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, collusive or obstructive practices by any third party, or to sanction or take remedial action against any such party which the Islamic Development Bank Group has determined to have engaged in such practices; provided however that in this Article VIII, “third party” does not include UNICEF. To the extent consistent with UNICEF’s oversight framework and established procedures, and if requested by IsDB, UNICEF shall cooperate with IsDB or such other entity in the conduct of such investigations.
6. (a) UNICEF requires any party with which it has a long-term arrangement or to which it intends to issue a purchase order to disclose to UNICEF whether it is subject to any sanction or temporary suspension imposed by any organisation within the Islamic Development Bank Group. UNICEF will give due regard to such sanctions and temporary suspensions, as disclosed to it in accordance with this Article VIII, paragraph 6(a), when issuing contracts in connection with the procurement or delivery of Supplies or the delivery of Services if any under this Agreement.
7. If UNICEF proposes to issue a contract in connection with the procurement or delivery or Supplies or the delivery of Services if any under this Agreement with a party which has disclosed to UNICEF that it is under sanction or temporary suspension by the Islamic Development Bank Group, the following procedure will apply: (i) UNICEF will so inform the Government, with a copy to IsDB, before signing such contract; (ii) the Government and the IsDB then may request direct consultations at a senior level between the IsDB, the Government and UNICEF to discuss UNICEF’s decision; and (iii) the IsDB may thereafter inform UNICEF by notice, with a copy to the Government, that funds disbursed to it under Article IV, paragraph 10 of this Agreement may not be used to fund such contract.
8. Any funds received by UNICEF from the IsDB under Article IV, paragraph 10 of this Agreement that were to be used to fund a contract in respect of which the IsDB has exercised its rights under Article VIII, paragraph 6(b)(iii) above, shall be used to defray the amounts requested by UNICEF in any subsequent Payment Request, if any, or will be treated as a balance in favour of the Government in the calculation of the Final Accounts and treated in accordance with Article VI, paragraph 4(c) of this Agreement.

**ARTICLE IX WARRANTIES; LIABILITY AND CLAIMS**

# Warranties

1. UNICEF will pass on any warranty offered by the manufacturer or supplier used by UNICEF (or any other relevant service provider used by UNICEF in connection with this Agreement) to the Government.
2. UNICEF will procure the Supplies under terms which will include all warranties that are appropriate in the circumstances and that expressly enable the Government to benefit directly from such warranties. UNICEF will inform the Government of the relevant terms and conditions of such warranties and require the suppliers to provide copies of the relevant warranties as part of the shipment documentation accompanying the Supplies.

# Liability and Claims

1. Claims against UNICEF arising out of or related to the procurement of the Supplies shall be dealt with in accordance with the provisions of the BCA; provided however that claims related to commercial contracts asserted by parties with which UNICEF has a signed contract will be handled in accordance with the terms of such contract.
2. UNICEF does not assume liability with regard to any claims arising out of or relating to or connected with this Agreement, including but not limited to those arising out of or relating to any defect in the quality or quantity of Supplies, the delivery of the Supplies, the use of the Supplies, the providing of the Services, or otherwise, unless caused by UNICEF’s failure to execute the procurement or provide the Services if any with reasonable diligence. UNICEF will under no circumstances be liable for any incidental, indirect or consequential damages or for lost revenues or profits arising as a result of UNICEF’s procuring the Supplies, providing the Services, or performance of its obligations or exercise of its rights under this Agreement. UNICEF's total liability in any event will not exceed the value of the procurement of Supplies and Services with respect to which a claim is made.
3. UNICEF accepts no liability for any third party claims arising out of or related to this Agreement, including but not limited to those arising out of or relating to any defect in the quality or quantity of Supplies, the delivery of the Supplies, the use of the Supplies, the providing of the Services, or otherwise, unless caused by UNICEF’s failure to execute the procurement or provide the Services. The Government indemnifies and will deal with, defend and hold UNICEF harmless in connection with any third party claim or other cause of action arising out of or relating to this Agreement. In case of dispute on the technical conformity or quality of the World Health Organization (“WHO”) approved vaccines and pharmaceuticals, the Parties accept final assessment by WHO.
4. The Government will be responsible for asserting all claims available to it either

(a) automatically, pursuant to purchase contracts entered into by UNICEF; or (b) as a result of the terms under which UNICEF has procured the Supplies. UNICEF will provide all reasonable assistance to the Government in connection with such claims; provided however that UNICEF and the Government shall first reach agreement as to any costs to be incurred in that respect (including but not limited to counsel’s fees or court costs).

1. Any compensation received by UNICEF from manufacturers, suppliers or shippers arising out of or related to contractual or other liability of such manufacturers, suppliers or shippers in connection with the procurement and delivery of the Supplies, in settlement of manufacturer or supplier liability in connection with the sale or shipment of the Supplies shall be for the Government’s account and shall be dealt with by UNICEF in accordance with the Government’s instructions.

# 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 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; ionising radiation or contaminations by radio-activity; other acts of a similar nature or force.

**ARTICLE X** **INTERPRETATION; PRIVILEGES AND IMMUNITIES;** **SETTLEMENT OF DISPUTES BETWEEN THE PARTIES**

1. This Agreement shall be interpreted in a manner that ensures it is consistent with the Convention on the Privileges and Immunities of the United Nations, 1946 (the “General Convention”), and the BCA.
2. Nothing contained in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNICEF, under the General Convention, the BCA, or otherwise.
3. Any dispute, controversy or claim between the Parties arising out of or relating to this Agreement, including third party claims but excluding claims by the Government against a supplier pursuant to suppliers’ warranties, shall be dealt with in accordance with the BCA.

**ARTICLE XI TERM AND TERMINATION**

1. This Agreement will become effective on the date it is signed by both Parties, and will remain effective until [date of termination] unless otherwise extended by written agreement between the Parties or terminated sooner in accordance with this Agreement. This Agreement may be terminated by either Party upon sixty (60) days’ written notice to the other.
2. Upon receipt by one Party of the other Party’s written notice of termination of this Agreement, the Parties will take all reasonable and necessary measures to conclude the implementation of this Agreement and wind up their activities (including through the preparation of Final Accounts) in an orderly manner and so as not to disrupt implementation of the Project. Without limiting the generality of the foregoing,
   1. UNICEF shall return to the Government unanswered all Procurement Requests which have been received but not responded to;
   2. UNICEF shall not be required to initiate a Payment Request in relation to any Cost Estimate which has been accepted but for which a Payment Request has not been issued;
   3. UNICEF shall not be required to issue purchase orders or otherwise enter into binding purchase agreements in connection with any Cost Estimate for which a Payment Request has been delivered and in relation to which payment has been received by UNICEF; and
   4. UNICEF shall prepare Final Accounts in accordance with Article VI, paragraph 4 of this Agreement as promptly as possible (taking into account, among other things, the timing of invoices relating to freight and insurance charges).
3. The provisions of this Agreement will survive expiration or termination to the extent necessary to permit pending deliveries, orderly settlement of accounts and final reporting between the Parties.

# Article XII

**AMENDMENTS AND MODIFICATIONS; NOTICES; CONFIDENTIALITY AND**

**PUBLIC RELATIONS**

# Amendments and Modifications

1. This Agreement may be altered, modified or amended only by written instrument duly executed by both Parties.
2. Amendments to, or cancellation of, or reduction in quantities of Supplies or changes to scope of Services if any, in connection with binding agreements already entered into by UNICEF at the time such amendment, cancellation, reduction or change is proposed, may only be undertaken with the consent of UNICEF. The Government will be responsible for payment in advance of any resulting costs (including but not limited to any penalties imposed by suppliers or service providers).

# Notices

1. Any notice or request required or permitted to be given under this Agreement shall be given in writing and delivered by email or by facsimile transmission. The following addresses are specified for purposes of this Agreement:

[ ]

A notice will be deemed “received” twenty-four (24) hours after it is given.

# Public Relations and Confidentiality

1. The Parties shall coordinate public relations measures, if any, in regard to their cooperation.
2. The Parties shall keep confidential any documents, data or other information furnished to each other. The Parties may, however, disclose such information to their subcontractors or partners, as may reasonably be required to execute this Agreement, and provided that the subcontractors or partners shall be bound by similar confidentiality requirements.

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

|  |  |
| --- | --- |
| **The Government of [name of country]**  **By:**  **Name:** [ ]  **Title:** [ ]  **Date :** [ ] | **UNICEF, the United Nations Children’s Fund**  **By:**  **Name:** [ ]  **Title:** [ ]  **Date :** [ ] |

# ANNEX I THE SUPPLIES

[ ]

# ANNEX II

**SCHEDULE OF UNICEF STANDARD HANDLING FEES FOR PROCUREMENT OF SUPPLIES**

|  |  |
| --- | --- |
| **Product** | **Handling Fee** |
| New Vaccines (DTP-HepB, DTP-HepB-Hib, IPV, DTP-  Hib, HPV, Pneumococcal, Rotavirus); Bednets. | 3% |
| EPI Vaccines (BCG, DT/Td, TT, measles, MR, MMR, OPV); Antimalarial medicines; Antiretroviral medicines; Diagnostics  Test Kits. | 4% |
| COVID-related response items | 5% |
| All other Products | 8% |

NOTE:

An additional 0.5% is added to Non-Least Developed Countries (as defined by the United Nations, at [www.un.org/special-rep/ohrlls/ldc/list.htm](http://www.un.org/special-rep/ohrlls/ldc/list.htm_)).

5% handling fee ceiling is exceptional approval for a COVID-related response items. All goods, which naturally attract a lower handling fee, will continue to do so, but any goods that would normally be higher, will then be reduced to 5%.

The handling fee is calculated by applying the relevant fee to the unit product cost. The fee is not applied to the cost of insurance, inspection or freight.

# ANNEX III

**ELEMENTS TO BE INCLUDED IN PROCUREMENT REQUESTS**

The following elements should be included in a Procurement Request:

# Supplies:

* Description of the requested Supply Item, including technical information, such as minimum shelf life and relevant warranties
* Estimated Supply Item quantity
* Requested Delivery Schedule, the preferred mode of transport, Port of Entry, Consignee and other related delivery information

# Services:

* Description of Services
* Requested Commencement date and Completion date

# ANNEX IV

**ELEMENTS TO BE INCLUDED IN COST ESTIMATES**

The following elements will be included in a Cost Estimate:

# Supplies:

Description of each Supply Item, including technical information, such as minimum shelf life and relevant warranties.

* + - 1. Estimated Supply Item quantity, unit cost, sub-total cost.
      2. Delivery Schedule, terms of Delivery (CIP), mode of transport, Port of Entry, Consignee and other related delivery information.
      3. Designation of the Supply Item as Warehouse or Non-Warehouse.
      4. Validity period of the Cost Estimate for each Supply Item.

# Services:

* + - 1. Description of Services.
      2. Estimated cost.
      3. Commencement date.
      4. Completion date.
      5. Validity period of the Cost Estimate for the Services.

# Elements Common to Supplies and Services

* + - 1. Control Number.
      2. Contingency.
      3. Freight and Insurance Cost.
      4. Handling Fee.
      5. Total cost estimate.

# ANNEX V

**TEMPLATE FOR PAYMENT REQUEST**

**Name of Project: [ xxx ]**

**Credit/Loan: [ ### ]**

|  |  |
| --- | --- |
|  | Amount to be paid, in US dollars, expressed in figures |
| 1. Total amount of funds received from the Government of [name of country] |  |
| 1. Total amount committed by UNICEF for supplies provided to the Government of [name of country]    1. Purchase of supplies    2. UNICEF standard handling fee    3. Freight and Insurance    4. Any other agreed-upon charges (e.g. Services)    5. Total |  |
| 3. Balance available in the account |  |
| 1. A. Estimated amount to be expended by UNICEF for supplies to be provided to the Government of [name of country]    1. Purchase of supplies    2. UNICEF standard handling fee    3. Freight and Insurance    4. Any other agreed-upon charges (e.g. Services) 2. Contingency 3. Total |  |
| 5. Present requirement of funds from the Government of [name of country]  PLEASE PAY |  |

Signature: Name:

Title:

Date:

Bank/Clearing Code: 2191

Account No.: 5005848856

IBAN No.: DK4220005005848856

**Beneficiary details:**

Account holder: United Nations Children’s

By bank wire transfer:

Nordea Bank Danmark A/S Vesterbrogade 8

Fund Postboks 850

DK 0900 Copenhagen C Denmark

SWIFT: NDEADKKK

By fedwire transfer (from or via USA):

Account Holder: UNICEF

Bank of America Merrill Lynch, New York SWIFT: BOFAUS3N

For the account of: Nordea Bank Danmark A/S

For further credit to: United Nations Children’s Fund Account: 5005848856

# ANNEX VI

**TEMPLATE FOR ACCEPTANCE DOCUMENT**

Date: [ ]

Attention: UNICEF

Cc: Islamic Development Bank

This Notice confirms receipt of the following Supplies:

Airway Bill No. [ ] Purchase Order Number/WH Identifier: [ ]

We find these Supplies to be in apparent good order and in accordance with the conditions of the related procurement request.

Signature

Title

# ANNEX VII

**TEMPLATE FOR FINANCIAL UTILISATION REPORTS**

***(UNICEF letterhead)***

|  |
| --- |
| Template |
| **References : Customer No. : Date :** |

**References:**

Funds Received/ Transferred Amount in USD

**Total Funds Received/ Transferred**

**Disbursements**

Material Description Quantity Amount in USD

Total Disbursed Supplies and Services

Handling Fee

Freight and Insurance Foreign exchange gains / loss

**Total Disbursements/charges**

**Unexpended/cash balance in your favour**

**Commitments**

Material Description Quantity Amount in USD

Total (Estimated) Committed Supplies and Services Committed (Estimated) Freight and Insurance **Total (Estimated) Commitments\***

**Balance**

|  |  |
| --- | --- |
| Prepared by: | Certified by: |

\* Commitments represent estimated amounts which are subject to change as additional Purchase Orders are placed. Final actual expenditures may also vary due to foreign exchange rate fluctuations.

# ANNEX VIII THE SERVICES

[ ]