

Annex II
STANDARD TERMS AND CONDITIONS

Article I
General Responsibilities of the Parties

1. The Parties agree to carry out their respective responsibilities in accordance with the provisions of this Agreement. The Parties agree to join efforts and maintain close working relationships, and consult each other on a regular basis in order to achieve the objectives of the Project activities described in the TOR.
2. The Partner Institution shall not be considered, for any purposes, as having a legal status connected with or dependant upon the United Nations or ESCAP.
3. The Partner Institution shall keep ESCAP informed of all activities undertaken pursuant to this Agreement and shall consult with ESCAP if any circumstances arise which may interfere or threaten to interfere with the successful completion of the Project activities or the Project or the achievement of the objectives of the Project activities described in the TOR. 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 Partner Institution, where such circumstances are attributable to it or within its responsibility or control. ESCAP shall determine whether such circumstances will require an amendment, suspension or termination of this Agreement, under Articles X and XVI below.
4. The Partner Institution shall not take any action which may adversely affect the United Nations, ESCAP or their interests. The Partner Institution shall fulfil its commitments with fullest regard for the interests of the United Nations and ESCAP. The Partner Institution shall not use the emblem, name or official seal of ESCAP or of the United Nations, or any abbreviation of the names thereof, in connection with its Project activities described in the TOR or otherwise, without the prior written approval of the United Nations.
5. The Parties shall cooperate and consult each other in any public relations or publicity exercises, where ESCAP deems these to be appropriate or useful.
6. ESCAP shall act as the principal channel for communicating, as necessary, with the relevant national and local coordinating authorities regarding the Project activities under this Agreement, unless otherwise agreed to by the Parties and the authorities.
7. ESCAP shall facilitate access to information, advisory services and technical and professional support available and assist the Partner Institution in availing itself of the advisory services of other United Nations organizations, whenever possible.

Article II
Personnel Requirements and Obligations

1. The Partner Institution shall be fully responsible for all work and services performed by its personnel, agents, employees, contractors or subcontractors (hereinafter referred to as "Personnel") for the implementation of the Project activities described in the TOR.
2. The Personnel shall not be considered in any respect as being officials, staff members, personnel, agents, contractors or subcontractors of the United Nations or ESCAP. The Partner

* Article I, paras 2, 4-7 do not apply to UN agencies.

Institution shall ensure that all relevant national labour laws are observed. The Partner Institution shall provide and maintain all salaries and other compensation for its Personnel.

3. ESCAP shall not be liable for any claims arising out of the activities performed under this Agreement, or any claims for death, bodily injury, disability, damage to property or other hazards which may be suffered by the Personnel as a result of their employment or work pertaining to the activities described in the TOR. The Partner Institution is responsible to obtain and maintain adequate medical and life insurance for its Personnel, as well as insurance coverage for service-incurred illness, injury, disability or death. The Partner Institution shall also obtain and maintain adequate liability insurance coverage for its Personnel.
4. The Partner Institution shall ensure that its Personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the Project activities described in the TOR and that decisions on employment related to the implementation of the Project activities described in the TOR shall be free from discrimination on the basis of race, religion or creed, ethnicity or national origin, gender, disability status or other similar factors. The Partner Institution shall ensure that all Personnel are free from any conflicts of interest relating to the Project activities described in TOR.
5. The Partner Institution undertakes to be bound by the terms and obligations specified below, and shall accordingly ensure that the Personnel performing Project activities under the present Agreement comply with these obligations:
 - (a) The Personnel shall be under the direct charge of the Partner Institution, which functions under the general guidance of the United Nations or ESCAP;
 - (b) Further to subparagraph (a) above, they shall not seek nor accept instructions regarding the Project activities under the present Agreement from any Government or other authority external to the United Nations or ESCAP;
 - (c) They shall refrain from any conduct that would adversely reflect on the United Nations or ESCAP and shall not engage in any activity which is incompatible with the aims and objectives of the United Nations or ESCAP;
 - (d) Subject to the requirements outlined in the public information disclosure policy applicable to ESCAP, information that is considered confidential shall not be used without the authorization of ESCAP. In any event, such information shall not be used for personal benefit or profit. This obligation shall not lapse upon expiration or termination of this Agreement.

Article III

Supplies and Procurement

1. Each Party shall contribute to the Project the resources indicated in the detailed Project budget in the TOR (Annex I).
2. Equipment, non-expendable materials, supplies, vehicles and other property provided or financed by ESCAP shall remain the property of ESCAP and shall be returned to ESCAP in the same condition as when delivered to the Partner Institution, normal wear and tear excepted, within one month upon completion of the Project activities described under the TOR or upon termination of the Agreement, unless otherwise agreed between the Parties in

* Article II, paras 2,4 and 5 do not apply to UN agencies.

writing. Prior to such return, the Partner Institution shall be responsible for the proper custody, maintenance and care of all equipment and it shall, for the protection of such equipment, materials and supplies, during the implementation of the Project activities under the TOR, obtain appropriate insurance in such amounts as may be agreed between the Parties and incorporated in the Project budget in the TOR.

3. ESCAP may place on the supplies, equipment and other materials it provides or finances such markings as will be necessary to identify them as being provided by ESCAP.
4. In case of damage, theft or other loss of property made available to the Partner Institution by ESCAP, the Partner Institution shall provide ESCAP with a comprehensive report, including a police report where appropriate, and any other evidence giving full details of the event leading to the damage, theft or other loss of such property.
5. In its procedures for the procurement of goods, services or other requirements with the Funds, the Partner Institution shall ensure that, when placing orders or awarding contracts, it will safeguard the principles of highest quality, economy and efficiency and that the placing of such orders will be based on an assessment of competitive quotations, bids or proposals, unless otherwise agreed to in writing by ESCAP.
6. The Partner Institution shall maintain complete and accurate records of supplies, equipment and other property purchased with the Funds or provided by ESCAP and shall take periodic physical inventory of such supplies, equipment and other property and non-expendable materials and supplies. The Partner Institution shall provide ESCAP with such records promptly upon request.

Article IV Title Right

1. Unless otherwise agreed in writing, ESCAP shall be entitled to all intellectual property and other proprietary rights, including but not limited to patents, copyrights and trademarks, with regard to maps, drawings, photographs, plans, reports, documents, products and all other materials which have a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of the Project activities described in the TOR. At ESCAP's request, the Partner Institution shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to ESCAP.

Article V Financial and Operational Arrangements

1. The Partner Institution shall issue a written receipt upon each receipt of an instalment of the Funds.
2. The Partner Institution shall utilize the Funds and any supplies and equipment provided by ESCAP in strict accordance with TOR. The Partner Institution shall be authorized to make variations not exceeding ten per cent (10%) on any one line item of the budget described in the TOR, provided that the total overall budget allocated by ESCAP is not exceeded. The Partner Institution shall notify ESCAP of any expected variations on the occasion of the periodic consultations set forth in Article I, paragraph above. Any variations exceeding ten per cent (10%) on any one line item that may be necessary for the proper and successful implementation of the Project activities described in the TOR shall be subject to prior consultations with and written approval of ESCAP.

3. The Partner Institution shall make available the Personnel, supplies and other services as provided for in the budget of the TOR.
4. Any unspent or uncommitted funds upon completion of the Project activities under this Agreement or the termination of this Agreement shall be returned to ESCAP in the same currency in which they were provided as soon as practicable, but in any case within one month of the submission of the final report. In the event of a delay of such return, the Partner Institution shall be financially responsible for any adverse movement resulting from currency exchanges.
5. ESCAP shall not be liable for the payment of any expenses, fees, tolls or any other cost not outlined in the budget as detailed in the TOR, unless ESCAP has explicitly agreed otherwise in writing prior to such expenditure or expense being made by the Partner Institution. It is understood that ESCAP contributions to the budget do not cover overhead costs incurred by the Partner Institution unless agreed in writing in the detailed budget of the TOR.

Article VI Representations and Warranties

1. The Partner Institution represents and warrants that:
 - (a) it has the power and authority to enter into this Agreement and to perform its respective obligations hereunder;
 - (b) the entry into and performance by it of, and the transactions contemplated by, this Agreement, do not and will not conflict with any law or regulation applicable to it;
 - (c) all authorizations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Agreement, and for it to carry on its activities, have been obtained or effected and are in full force and effect; and
 - (d) the person who signed this Agreement is its authorized signatory.
2. In the case that the Partner Institution is not a Government or UN agency, it represents and warrants that it is duly organized and is in good standing under the laws of its jurisdiction of organization.

Article VII Maintenance of Records

1. The Partner Institution shall keep accurate and up-to-date records and documents in respect of all expenditures and expenses incurred with the Funds made available by ESCAP, to ensure that any obligations entered into and all expenditures and expenses are in conformity with the provisions of the TOR. For each disbursement, the Partner Institution shall maintain proper supporting documentation, including original invoices, bills and receipts pertinent to the transaction. Any accrued interest on the Funds shall be accrued income to ESCAP and the Partner Institution shall promptly disclose all such relevant information to ESCAP. The Partner Institution shall record such income in a revised budget in the TOR as accrued income to ESCAP, unless otherwise agreed between the Parties.

2. The Partner Institution shall maintain the records for a period of at least five (5) years after the Expiration Date or the termination of this Agreement whichever is later, unless otherwise agreed between the Parties.

Article VIII Reporting Requirements and Audit

1. The Partner Institution shall submit to ESCAP progress reports as agreed between the Parties in the TOR. At a minimum, the Partner Institution shall prepare and provide to ESCAP an annual progress report.
2. Within one month of the completion of the Project activities described in the TOR or of the termination of the present Agreement whichever is sooner, the Partner Institution shall submit to ESCAP a final substantive report on the outcome of the Project activities described in the TOR and a final financial report, duly certified by an authorized official of the Partner Institution, on the use of the Funds, supplies, and other equipment provided or financed by ESCAP under this Agreement. Expenditures incurred shall be reported in the financial report by object of expenditure as per the budget detailed in the TOR. The Partner Institution shall provide copies of supporting documentation to ESCAP upon request.
3. ESCAP has the right, at its own expense, to have the records of the Partner Institution pertaining to the implementation of the Project activities under this Agreement audited, reviewed and/or copied by the audit service of ESCAP, the internal auditors of the United Nations and/or the United Nations Board of Auditors, and the Partner Institution hereby consents thereto.
4. ESCAP, through its authorized representatives, shall have the right, at all reasonable times, to make site visits to review the Project activities and management control systems. The Partner Institution shall provide and require any contractor or sub-contractor of the Partner Institution to provide all reasonable facilities and assistance for such site visits, which shall be performed in a manner that will not unduly delay the Project activities.

Article IX Responsibility for Claims

1. The Partner Institution shall indemnify, hold and save harmless and defend, at its own expense, ESCAP, its officials and persons performing services for ESCAP, from and against all suits, claims, demands and liability of any nature and kind, including their cost and expenses, arising out of acts or omissions of the Partner Institution or its Personnel.
2. The Partner Institution shall be responsible for, and deal with, all claims, brought against it by its Personnel.
3. In compliance with Article IX, paragraphs 1 and 2 above, the Partner Institution shall maintain adequate liability and property damage insurance in respect of any tort action or tort claim arising out of the Partner Institution's acts or omissions relating to this Agreement and the Project. The Partner Institution shall, upon request, provide ESCAP with proof of such insurance.

Article X Termination

1. This Agreement may be terminated by either Party upon thirty (30) days written notice to the other Party.
2. ESCAP may also terminate or suspend this Agreement (i) by giving seven (7) days written notice to the Partner Institution when ESCAP determines that such action is necessary and reasonable to protect the interests of ESCAP or the United Nations; or (ii) if the Partner Institution has materially breached the terms and conditions of this Agreement, which shall be determined by ESCAP, and such breach is not cured to ESCAP's satisfaction within seven (7) days of the receipt of notice of the breach.
3. Upon receipt of a notice of termination in accordance with Article X, paragraphs 1 and 2 above, the Parties shall take immediate steps to terminate their activities under this Agreement in a prompt and orderly manner so as to minimize losses and further expenditures. ESCAP shall not make any further disbursement of funds to the Partner Institution. The Partner Institution shall undertake no forward commitment and shall return to ESCAP, within one month from the date of receipt of notice of termination, all unspent and uncommitted funds, supplies, equipment and other property provided, financed and/or owned by ESCAP in the same condition as when delivered by ESCAP, normal wear and tear excepted, unless ESCAP agrees otherwise.
4. In the event of termination under Article X, paragraphs 1 and 2 above, ESCAP shall reimburse the Partner Institution only for the costs actually incurred to carry out the Project activities described in the TOR in conformity with the express terms of this Agreement. In addition, in the event of termination under Article X, paragraph 2, sub-paragraph (ii) above, ESCAP may request full or partial reimbursement of the sums paid to the Partner Institution and determine the manner and time for such full or partial reimbursement and the Partner Institution shall effect such reimbursement in accordance with the request.
5. Notwithstanding any other provision of this Agreement, its applicable provisions shall survive its early termination to the extent necessary in order to permit an orderly settlement of accounts between ESCAP and the Partner Institution, including any refunds to ESCAP by the Partner Institution under Article V, paragraph 4, and Article X, paragraphs 3 and 4 above.

Article XI Force Majeure

1. For the purpose of this Agreement, "force majeure" shall mean acts of nature, war (whether declared or not), invasion, revolution, insurrection or other acts of a similar nature or force.
2. In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the affected Party shall give the other Party notice and, if possible, full particulars in writing of such occurrence if the affected Party is rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under this Agreement. The Parties shall consult on the appropriate action to be taken, which may include suspension of the Project activities or termination of the Agreement, in accordance with Article X above, with the affected Party giving at least seven (7) days' written notice to the other Party.
3. In the event that this Agreement is terminated owing to causes constituting *force majeure*, the provisions of Article X, paragraph 2, above shall apply.

Article XII
Arbitration

1. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to, this Agreement or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.
2. In the case where the Donor is not a government, any dispute, controversy or claim between the Parties arising out of this Agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one party of the other party's written request for such amicable settlement, will be referred by either party to arbitration before a single arbitrator in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal will have no authority to award punitive damages. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Article XIII
Observance of the Law

1. The Partner Institution shall observe and comply with all laws, ordinances, rules and regulations bearing upon the performance of its obligations under the terms of this Agreement.

Article XIV
No Assignment

1. The Partner Institution shall not assign, transfer, pledge, subcontract or make disposition of the Agreement or any part thereof, or of any of its rights, claims or obligations under this Agreement except with the prior written consent of ESCAP.

Article XV
Privileges and Immunities

1. Nothing in or related to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and ESCAP.

Article XVI
Amendments

1. This Agreement may be modified or amended only by written agreement between the Parties.