

AGREEMENT OF COOPERATION

BETWEEN

UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

AND

[INSERT NAME OF PARTNER]

THIS AGREEMENT OF COOPERATION (hereinafter referred to as the “**Agreement**”) is entered into by the **United Nations Human Settlements Programme**, originally established as the United Nations Center for Human Settlements (Habitat) by resolution of the General Assembly of the United Nations 32/162 of 19 December 1977, and thereafter transformed into a subsidiary organ of the General Assembly of the United Nations by its resolution 56/206 of 21 December 2001, with Headquarters in Nairobi, Kenya (hereinafter referred to as “**UN-Habitat**”); and **[Insert name of the partner]**, established in **[insert location]** and registered on **[insert dd/mm/yyyy]** in **[insert city and country]**, as a **[insert type of organization]**, with Headquarters in **[insert city and country]** (hereinafter referred to as “**[insert acronym of partner]**”).

PREAMBLE:

WHEREAS, UN-Habitat is the coordinating agency within the United Nations System for human settlement activities and in collaboration with governments is responsible for promoting and consolidating collaboration with all partners, including local authorities, private and non-governmental organizations in the implementation of the Sustainable Development Goals (SDGs), in particular, Goal 11 of “*Making cities and human settlements inclusive, safe, resilient and sustainable*”, as well as the task manager of the human settlements chapter of Agenda 21 and focal point for the monitoring, evaluation and implementation of the New Urban Agenda adopted during the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), in Quito, Ecuador 2016;

WHEREAS, **[Insert name of the partner]** is **[Insert status and mandate of Partner]**;

NOW, THEREFORE, on the basis of mutual trust and in the spirit of friendly cooperation, UN-Habitat and **[Insert acronym of partner]** (hereinafter collectively referred to as the “**Parties**” and individually as the “**Party**”) have entered into this Agreement and hereby agree to as follows:

ARTICLE I

Documents

1. This Agreement consists of this document and the following Annexes that form integral part of it:

- (a) Annex A (“**General Terms and Conditions**”) **[Insert acronym of partner]** is named “Cooperating Entity/Contractor” in this Annex;

- (b) Annex B (“**Project Document and Work Plan**”, including Implementation Schedule); and
 - (c) Annex C (“**Budget**”, including Payment Schedule);
2. The Parties agree that in the event and to the extent of any conflict between the terms and conditions set out in this Agreement and the Annexes, or between any of the Annexes, this Agreement shall prevail, followed by the Annexes in the order enumerated above.

ARTICLE II **Objective and Scope**

1. The purpose of this Agreement is to establish the general terms and conditions under which the Parties shall collaborate to achieve the objectives set out below for both UN-Habitat and [Insert acronym of partner] through collaborative work. The technical expertise from both organizations, which shall be used in this collaboration, would allow a more effective and efficient utilization of resources made available to both UN-Habitat and [Insert acronym of partner].
2. Subject to their respective regulations, rules, policies, practice, procedures and availability of funds, the Parties shall collaborate to implementing the [insert title of project] (hereinafter referred to as the “**Project**”), within the Programme [insert title of Programme].
3. The Programme [insert brief description of Programme].
4. The Project, which is described in a more detailed manner in Annex B hereto, aims at [insert brief description of Project].

ARTICLE III **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 to maintain close working relationships in order to achieve the objectives of the Project.
2. The Parties shall keep each other informed of all relevant activities pertaining to the Project, and its implementation, and shall hold consultations every [insert number in words] (insert number in figures) months, or at any time as any Party considers it appropriate, on the status of this cooperation, including any circumstance that may affect the achievement of its objectives.
3. The Parties shall refrain from any action that may adversely affect the interests of the other party and shall fulfill their commitments with fullest regard for the terms and conditions of this Agreement and the principles of the United Nations and UN-Habitat. The Parties shall keep the United Nations Resident Coordinator [or] the United Nations Development Programme Resident Coordinator [as appropriate] in [insert country] and the UN-Habitat Programme Manager [if applicable] fully informed of all actions undertaken by them in carrying out this Agreement.

ARTICLE IV

UN-Habitat's Responsibilities

1. Under this Agreement, UN-Habitat, through its [insert office/unit], shall be responsible for the overall supervision and backstopping of the Project execution, including:

- (a) Providing funds to [Insert acronym of partner] up to a maximum amount of US\$[insert amount in figures] (United States Dollars insert amount in words) in accordance with the procedures set forth under Article VI (“Financial Arrangements”) herein below and Annex C (the “Payment Schedule”) attached hereto;
- (b) [Insert the other responsibilities of UN-Habitat].

ARTICLE V

[Insert acronym of partner] Responsibilities

1. Under this Agreement, [Insert acronym of partner] shall be responsible for the implementation of the Project as described in Annex B, including:

- (a) Providing in-kind contribution in the form of [if monetary, insert the following: US\$[insert amount in figure] (United States Dollars insert amount in words)] or in the form of [if not monetary, insert the following: insert description of the nature of the contribution and its estimated value (based on the fair market value at the date of commitment)];
- (b) [Insert the other responsibilities of [insert acronym of partner]].

ARTICLE VI

Financial Arrangements

1. As part of the UN-Habitat cooperation under this Agreement, and in accordance with Annexes B and C, UN-Habitat shall provide [Insert acronym of partner] with funds up to a maximum amount of US\$[insert amount in figures] (United States Dollars insert amount in words) in accordance with the following schedule:

Amount up to US\$100,000

- (a) The first installment of US\$[insert amount in figures] (United States Dollars insert amount in words), not exceeding 30% of the total maximum amount set out in this Article, shall be made available upon signature of this Agreement by the Parties and receipt by UN-Habitat of a payment request from [Insert acronym of partner];
- (b) A second installment of US\$[insert amount in figures] (United States Dollars insert amount in words), equivalent to [insert percentage]% of the total maximum amount set out in this Article, shall be made available, provided that UN-Habitat is satisfied that [Insert acronym of partner] is in compliance with this Agreement (*outputs indicated in Annex C of the Payment Schedule have been provided*), showing the use of funds in USD so

far provided, as certified by the competent financial authority of [Insert acronym of partner], and a payment request;

- (c) A final installment of US\$ **insert amount in figures (United States Dollars insert amount in words)**, not less than 10% of the total value of the Agreement of Cooperation, shall be made available upon satisfactory provision of the required outputs (*outputs indicated in Annex C of the Payment Schedule have been provided*), [Insert acronym of partner], and a payment request

Amounts above US\$100,001 and up to US\$500,000 (item (a), (b) and (d) are applicable) and one (1) audit required

- (d) A final installment of US\$ **insert amount in figures (United States Dollars insert amount in words)**, not less than 10% of the total maximum amount set out in this Article, shall be made available upon satisfactory provision of the required outputs (*outputs indicated in Annex C of the Payment Schedule have been provided*), , financial statements of the Project audited by an independent audit firm showing the use of funds in USD so far provided to [Insert acronym of partner] and a payment request.

[Note: An audit required once 80% of the total maximum amount set out in this Article has been **provided** and **utilized**. The final installment of 10% is conditional upon submission of the audited financial statements]

Amount above US\$500,001 (item (a), (b), (e) and (f) are applicable)) and two (2) audits required

- (e) A [insert number of installment] of US\$ **insert amount in figures (United States Dollars insert amount in words)**, equivalent to [10% of the total maximum amount set out in this Article, shall be made available upon satisfactory provision of the required outputs (*outputs indicated in the Payment Schedule have been provided*), [Insert acronym of partner], financial statements of the Project audited by an independent audit firm showing the use of funds so far provided to [Insert acronym of partner], and a payment request.

[Note: The first audit is required once 80% of the total maximum amount set out in this Article has been **provided** and **utilized**. Installments totalling of 20% (at a minimum) should be conditional upon submission of the audited financial statements]

- (f) A final installment of US\$ **insert amount in figures (United States Dollars insert amount in words)**, not less than 10% of the total maximum amount set out in this Article , shall be made available upon satisfactory provision of the final outputs (*outputs indicated in Annex C of the Payment Schedule have been provided*), financial statements of the Project audited by an independent audit firm showing the use of funds so far provided [Insert acronym of partner], and a payment request).

[Note: The second audit required once 80% of the total maximum amount set out in this Article has been **provided** and **utilized**. The final installment of 10% is conditional upon submission of the audited financial statements]

2. UN-Habitat shall make the above payments within [insert number in words] [insert number in figures] days following the receipt of the appropriate payment request. The statements referred to above shall be itemized as per the budget in Annex C. Supporting documents shall be available to UN-Habitat upon request, together with payment request.

3. The Parties acknowledge that the disbursement of funds from UN-Habitat to [Insert acronym of partner] under this Agreement are subject, in all respect, to the receipt of funds from Donor under the respective terms and conditions between UN-Habitat and the Donor. [Insert acronym of partner] cannot derive any rights from the terms and conditions between UN-Habitat and the donor or have any claim to the funds provided by the Donor to UN-Habitat.

4. Payments shall be made by UN-Habitat in United States Dollars (USD) to the following bank account which shall be used exclusively for this project:

- (a) **Bank Name** :
- (b) **Bank Address** :
- (c) **Account Title** :
- (d) **Account Number** :
- (e) **Wire Instructions** :
- (f) **Signatories (2)** :

5. UN-Habitat shall not make any payment for costs in excess of the maximum amount indicated in paragraph 1 above, or in any duly signed amendment thereof, or which are otherwise not in accordance with this Agreement.

6. [Insert acronym of partner] is authorized to make variations not exceeding 10% on any one budget line item as set out in Annex C hereto, provided that the maximum amount set out in paragraph 1 above is not exceeded. Any variation exceeding that percentage must be previously approved in writing by UN-Habitat.

7. Within thirty (30) days, [Insert acronym of partner] shall refund to UN-Habitat, upon its written request, any funds provided in excess of the maximum amount set out in paragraph 1 above, or any duly signed amendment thereof. Likewise, [Insert acronym of partner] shall refund to UN-Habitat any non-duly authorized disbursements. UN-Habitat may deduct such refunds from future payments due to [Insert acronym of partner] under this Agreement, or otherwise, or recover them by any other means, as UN-Habitat may consider appropriate and necessary.

8. Upon termination of this Agreement, [Insert acronym of partner] shall refund to UN-Habitat, within thirty (30) days of the date of termination, any accrued interest and unspent funds, which may have not been disbursed or legally committed to that date.

9. [Insert acronym of partner] shall report to UN-Habitat on any interest earned from funds above. Such interests shall be used by [Insert acronym of partner] in agreement with UN-Habitat for the purposes of the Project.

10. Any refund received by [Insert acronym of partner] from a supplier should be reflected on the financial statements of the Project as a reduction of disbursements on the budget component to which it relates.

Remunerations or Benefits: If applicable, insert the following clauses:

11. No remuneration or benefits shall be paid to government employees seconded to work on the activities outlined in this Agreement, unless with prior written authorization from UN-Habitat of the terms and conditions of such payments.

12. If allocations are paid to officials of the beneficiary country seconded to the project or programme, they must be reasonable in proportion to their salary and/or to the scales existing on the national employment market. The amount of these allocations must not exceed 30% of their salary.

ARTICLE VII

Reporting Requirements, Maintenance of Records and Audit

1. [Insert acronym of partner] shall prepare and submit to UN-Habitat, progress narrative and financial report quarterly on 31st March, 30th June 30th September and 31st December.

2. [Insert acronym of partner] shall adhere to the all the reporting requirements as set forth under **Article VI** herein above, and with the understanding that UN-Habitat shall not release any installment payments under this Agreement:

- (a) Prior to the satisfactory review by UN-Habitat of the financial and implementation progress reports submitted by [Insert acronym of partner];
- (b) If [Insert acronym of partner] substantially deviates from the agreed plans and budgets as set forth in Annexes B and C respectively; and
- (c) If UN-Habitat finds any evidence of financial mismanagement of the Project funds occasioned by [Insert acronym of partner] in implementing the Project.

3. UN-Habitat shall claim repayment in full or in part any funds provided for the Project from [Insert acronym of partner] if the funds are found to be misused or not satisfactorily accounted for. Such repayment shall be in accordance with the United Nations Financial Regulations and Rules. Before withholding disbursement or reclaiming UN-Habitat and [Insert acronym of partner] shall consult with a view to resolving promptly the matter.

4. Within sixty (60) days of the completion of the Project, [Insert acronym of partner] *[in consultation with and inputs by UN-Habitat, only if necessary]*, shall prepare and submit to UN-Habitat a final comprehensive and detailed narrative and financial statements *[unaudited but certified by an authorized financial authority of [Insert acronym of partner]]* on the outcome of the Project

5. Notwithstanding the above, UN-Habitat has the right, at its own expense, to have the records of [Insert acronym of partner] pertaining to the implementation of the Project reviewed and audited including:

- (a) [Insert acronym of partner] facilitating inspection and audit of the Project by the United Nations Office of the Internal Oversight Services, or any other person duly authorized by UN-Habitat. Should they at any time wish to do so, the United Nations Board of Auditors may also carry out an audit of the Project; and

- (b) [Insert acronym of partner] facilitating visits by the duly authorized persons to the Project site(s) to evaluate the progress and achievements of the Project during its period of implementation or thereafter.
6. UN-Habitat shall be entitled to a refund from [Insert acronym of partner] for any amounts shown by such audits to have been paid other than in accordance with the terms and conditions of this Agreement.
7. [Insert acronym of partner] shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available by UN-Habitat to ensure that all expenditures are in conformity with the provisions of the Project Document and Work Plan and Project Budgets. For each disbursement, proper supporting documentation shall be maintained, including original invoices, bills, receipts pertinent to the transaction and all documents relating to procurement activities.
8. Also, upon completion of the Project, [Insert acronym of partner] shall maintain the records relating to the Project for a period of at least **six (6)** years, unless otherwise agreed upon between the Parties.

ARTICLE VIII
Notices

1. Any notice required to be given by either Party under this Agreement shall be given in writing and shall be deemed given when actually received by the other Party, to the following addresses:

<u>To UN-Habitat</u>	<u>To [Insert acronym of partner]</u>
<p>For Operational Matters: Names: Title: Address: UN-Habitat, P.O. Box 30030 Nairobi 00100, Kenya Telephone Number: Email Address:</p> <p>For Financial and Policy Matters: Names: Title: Address: UN-Habitat, P.O. Box 30030 Nairobi 00100, Kenya Telephone Number: Email Address:</p>	<p>For Operational Matters: Names: Title: Address: Telephone Number: Email Address:</p> <p>For Financial and Policy Matters: Names: Title: Address: Telephone Number: Email Address:</p>

ARTICLE IX
Anti-Corruption

1. [Insert acronym of partner] declares and guarantees that no offer, gift payment, consideration or benefit of any kind which constitutes illegal or corrupt practice, has been or will be made to anyone by [Insert acronym of partner], either directly or indirectly to any UN-

Habitat official or agent, as an inducement or reward for the award or execution of this Agreement. Any such practice is grounds for terminating this Agreement or the taking of any other corrective action as required.

2. [Insert acronym of partner] shall inform UN-Habitat of any illegal or corrupt practice or any other misuse of funds in any activity financed under this Agreement that [Insert acronym of partner] is aware of, or that has been brought to its attention, whether or not under the [Insert acronym of partner]'s responsibility. [Insert acronym of partner] shall provide UN-Habitat with information on the findings and any actions or measures taken by [Insert acronym of partner]. Upon receipt of such notification, the Parties shall promptly consult with each other to determine further actions to be taken. [Insert acronym of partner] shall keep UN-Habitat informed of the progress of any formal investigation concerning the matter and provide UN-Habitat with a final report on the finding of such investigation upon its conclusion.

ARTICLE X **Anti-Terrorism**

1. Consistent with numerous United Nations Security Council resolutions, including **S/RES/1269 (1999/S/RES/1368 (2001))**, and **S/RES/1373 (2001)**, the parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of [donor] to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the recipient undertakes to use reasonable efforts to ensure that none of the [donor's] funds provided under the award are used to provide support to individual or entities associated with terrorism.

ARTICLE XI **Title to Equipment**

1. Title to any equipment and supplies that may be furnished by UN-Habitat or procured through UN-Habitat funds shall rest with UN-Habitat until such time as ownership thereof is transferred. Except for equipment whose title has been transferred, all other equipment shall be returned to UN-Habitat at the conclusion of the project. Such equipment, when returned to UN-Habitat, shall be in the same condition as when delivered to [Insert acronym of partner], subject to normal wear and tear. [Insert acronym of partner] shall be liable to compensate UN-Habitat for equipment determined to be damaged or degraded beyond normal wear and tear.

ARTICLE XII **Visibility**

1. In accordance with the procedure set forth under Section 10.0 (“*Publicity, Use of Name, Emblem or Official Seal of the United Nations and UN-Habitat*”) of Annex A, General Terms and Condition, [Insert acronym of partner] shall take all necessary steps to publicise the fact that UN-Habitat has financed the Project. In so doing, [Insert acronym of partner] shall prominently visibly display the logo of UN-Habitat and state “*This project is funded by [insert name of donor] and UN-Habitat*” in the project site, publications and reports to stakeholders.

ARTICLE XIII
Termination

1. This Agreement may be terminated by either Party giving the other party a written notice of thirty (30) days prior to its intention to terminate in accordance with the procedures set forth under section 13.0 of Annex A, General Terms and Conditions.

ARTICLE XIV
Amendments

1. This Agreement may be modified by written agreement between the Parties hereto in accordance with the procedure set forth under section 26.0 of Annex A, General Terms and Conditions.

2. Should it become evident to either Party during the implementation of the Project that an extension beyond the expiration date set out in Article XIII clause (1) below, will be necessary to achieve the Objectives of the Project, that Party shall, without delay, inform the other Party, with a view to entering into consultations to agree on a new completion date. Upon agreement on a completion date, the Parties shall conclude an amendment to this effect, in accordance with clause 1 of this Article.

ARTICLE XV
Entry into Force

1. This Agreement shall enter into force upon signature by the Parties, being effective from the date of the latest signature, and shall remain valid for a period of **[insert number in words] (number in figures)** months, or unless earlier terminated by either Party in accordance with **Article XII** (“*Termination*”) clause (1) above.

IN WITNESS WHEREOF the undersigned duly authorized representatives of UN-Habitat and **[Insert acronym of partner]**, have signed this Agreement in two (2) originals at the place (s) and on the date (s) below written.

For UN-Habitat	For [Insert Acronym of Partner]
_____ [insert name] [insert title]	_____ [insert name] [insert title]
Place: _____	Place: _____
Date: _____	Date: _____

ANNEX A
General Terms and Conditions

1.0 LEGAL STATUS OF THE PARTIES

The Cooperating Entity/Contractor shall be considered as having the legal status of an independent Cooperating Entity/Contractor *vis-à-vis* UN-Habitat. The Cooperating Entity's/Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UN-Habitat.

2.0 COOPERATING ENTITY/CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES

The Cooperating Entity/Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Agreement/Contract, reliable individuals who will perform effectively in the implementation of this Agreement/Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

3.0 ASSIGNMENT

The Cooperating Entity/Contractor shall not assign, transfer, pledge or make other disposition of this Agreement/Contract or any part thereof, or any of The Cooperating Entity's/Contractor's rights, claims or obligations under this Agreement/Contract except with the prior written consent of UN-Habitat.

4.0 SUB-CONTRACTING

In the event the Cooperating Entity/Contractor requires the services of sub-contractors, the Cooperating Entity/Contractor shall obtain the prior written approval and clearance of UN-Habitat for all sub-contractors. The approval of UN-Habitat of a sub-contractor shall not relieve The Cooperating Entity/Contractor of any of its obligations under this Agreement/Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Agreement/Contract.

5.0 INDEMNIFICATION

The Cooperating Entity/Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UN-Habitat, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Cooperating Entity/Contractor, or the Cooperating Entity/Contractor's employees, officers, agents or sub-contractors, in the performance of this Agreement/Contract. This provision shall extend, *inter alia*, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Cooperating Entity/Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Agreement/Contract.

6.0 INSURANCE AND LIABILITIES

6.1 The Cooperating Entity/Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Agreement/Contract.

6.2 The Cooperating Entity/Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Agreement/Contract.

6.3 The Cooperating Entity/Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Agreement/Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Cooperating Entity/Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Agreement/Contract.

6.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

6.4.1 Name UN-Habitat as additional insured;

6.4.2 Include a waiver of subrogation of the Cooperating Entity/Contractor's rights to the insurance carrier against UN-Habitat; and

6.4.3 Provide that UN-Habitat shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

6.5 The Cooperating Entity/Contractor shall, upon request, provide UN-Habitat with satisfactory evidence of the insurance required under this Article 6.

7.0 ENCUMBRANCES AND LIENS

The Cooperating Entity/Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the United Nations and UN-Habitat against any monies due or to become due for any work done or materials furnished under this Agreement/Contract, or by reason of any other claim or demand against the Cooperating Entity/Contractor or the United Nations.

8.0 TITLE TO EQUIPMENT FURNISHED BY UN-HABITAT TO THE COOPERATING ENTITY/CONTRACTOR

Title to any equipment and supplies that may be furnished by UN-Habitat to the Cooperating Entity/Contractor for the performance of any obligations under this Agreement/Contract shall rest with UN-Habitat, and any such equipment shall be returned to UN-Habitat at the conclusion of this Agreement/Contract or when no longer needed by the Cooperating Entity/Contractor. Such equipment, when returned to UN-Habitat, shall be in the same condition as when delivered to the Cooperating Entity/Contractor, subject to normal wear and tear, and the Cooperating Entity/Contractor shall be liable to compensate UN-Habitat for the actual loss of, damage to, or degradation of equipment that is beyond normal wear and tear.

9.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

9.1 Except as is otherwise expressly provided in writing in the Agreement/Contract, UN-Habitat shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Cooperating Entity/Contractor has developed for UN-Habitat under the Agreement/Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Agreement/Contract, and the Cooperating Entity/Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for UN-Habitat.

9.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Cooperating Entity/Contractor: (i) that pre-existed the performance by the Cooperating Entity/ Contractor of its obligation under this Agreement/Contract, or (ii) that the Cooperating Entity/Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under this Agreement/Contract, UN-Habitat does not and shall not claim any ownership interest thereto, and the Cooperating Entity/Contractor grants to UN-Habitat a perpetual licence to use such intellectual property or other proprietary right solely for the purpose of and in accordance with the requirements of this Agreement/Contract.

9.3 At the request of UN-Habitat, the Cooperating Entity/Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to UN-Habitat in compliance with the requirements of the applicable law and of this Agreement/Contract.

9.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Cooperating Entity/Contractor under the Agreement/Contract shall be the property of UN-Habitat, shall be made available for use or inspection by UN-Habitat at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UN-Habitat authorized officials on completion of work under the Agreement/Contract.

10.0 PUBLICITY, USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE UNITED NATIONS AND UN-Habitat

The Cooperating Entity/Contractor shall not advertise or otherwise make public for the purpose of commercial advantage or goodwill that it has a contractual relationship with the United Nations or UN-Habitat, nor shall the Cooperating Entity/Contractor, in any manner whatsoever use the name, emblem or official seal of UN-Habitat or the United Nations, or any abbreviation of the name of UN-Habitat in connection with its business or otherwise without prior written permission of UN-Habitat.

11.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

Information and data that is considered proprietary by either Party or that is delivered or disclosed by one Party (“Discloser”) to the other Party (“Recipient”) during the course of performance of this Agreement/Contract, and that is designated as confidential (“Information”), shall be held in confidence by that Party and shall be handled as follows:

11.1 The Recipient shall:

11.1.1 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*

11.1.2 Use the Discloser’s Information solely for the purpose for which it was disclosed.

11.2 Provided that the Recipient has a written Agreement/Contract with the following persons or entities requiring them to treat the Information confidential in accordance with this Agreement/Contract and this Article 13, the Recipient may disclose Information to:

11.2.1 Any other party with the Discloser’s prior written consent; *and*

11.2.2 The Recipient’s employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Agreement/Contract, and employees, officials, representatives and agents of any legal entity that it controls, 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 Agreement/Contract, *provided that*, for these purposes a controlled legal entity means:

11.2.2.1 A corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; *or*

11.2.2.2 Any entity over which the Party exercises effective managerial control; *or*

11.2.2.3 For UN-Habitat, a governing organ or subsidiary organ of UN-Habitat established in accordance with the Charter of UN-Habitat.

11.3 The Cooperating Entity/Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of UN-Habitat, the Cooperating Entity/Contractor will give UN-Habitat sufficient prior notice of a request for the disclosure of Information in order to allow UN-Habitat to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

11.4 UN-Habitat may disclose Information to the extent as required pursuant to the Charter of United Nations, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

11.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient 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.

11.6 These obligations and restrictions of confidentiality shall be effective during the term of the Agreement/Contract, including any extension thereof, and, unless otherwise provided in the Agreement/Contract, shall remain effective following any termination of the Agreement/Contract.

12.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

12.1 In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the affected Party shall give notice and full particulars in writing to the other Party, of such occurrence or change if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Agreement/Contract. The affected Party shall also notify the other Party of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Agreement/Contract. Not more than fifteen (15) days following the provision of such notice of *force majeure* or other changes in condition or occurrence, the affected Party shall also submit a statement to the other Party of the estimated expenditures that will likely be incurred for the duration of the change in condition or the event of *force majeure*. On receipt of the notice or notices required under hereunder, the Party not affected by the occurrence of a cause constituting *force majeure* shall take such action as it reasonably considers to be appropriate or necessary in the circumstances, including the granting to the affected Party of a reasonable extension of time in which to perform its obligations under this Agreement/Contract.

12.2 If the Cooperating Entity/Contractor is rendered unable, wholly, or in part, by reason of *force majeure* to perform its obligations and meet its responsibilities under this Agreement/Contract, UN-Habitat shall have the right to suspend or terminate this Agreement/Contract on the same terms and conditions as are provided for in Article 13, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days. In any case, UN-Habitat shall be entitled to consider the Cooperating Entity/Contractor permanently unable to perform its obligations under this Agreement/Contract in case the Cooperating Entity/Contractor is unable to perform its obligations, wholly, or in part, by reason of *force majeure* for any period in excess of ninety (90) days.

12.3 *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force *provided that* such acts arise from causes beyond the control and without the fault or negligence of the Cooperating Entity/Contractor. The Cooperating Entity acknowledges and agrees that, with respect to any obligations under this Agreement/Contract that the Cooperating Entity/Contractor must perform in areas in which the UN-Habitat is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas, or to any incidents of civil unrest occurring in such areas, shall not, in and of itself, constitute *force majeure* under this Agreement/Contract.

13.0 TERMINATION

13.1 Either party may terminate this Agreement/Contract for cause, in whole or in part, upon thirty (30) days' notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 15.2 ("Arbitration"), below, shall not be deemed a termination of this Agreement/Contract.

13.2 UN-Habitat may terminate forthwith this Agreement/Contract at any time should the mandate or the funding of the Project be curtailed or terminated, in which case the Cooperating Entity/Contractor shall be reimbursed by UN-Habitat for all reasonable costs incurred by the Cooperating Entity/Contractor prior to receipt of the notice of termination.

13.3 In the event of any termination by UN-Habitat under this Article, no payment shall be due from UN-Habitat to the Cooperating Entity/Contractor except for work and services satisfactorily performed in conformity with the express terms of this Agreement/Contract.

13.4 Should the Cooperating Entity/Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Cooperating Entity/Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Cooperating Entity/Contractor, UN-Habitat may, without prejudice to any other right or remedy it may have

under the terms of these conditions, terminate this Agreement/Contract forthwith. The Cooperating Entity/Contractor shall immediately inform UN-Habitat of the occurrence of any of the above events.

13.5 The provisions of this Article 13 are without prejudice to any other rights or remedies of the United Nations or UN-Habitat under this Agreement/Contract or otherwise.

14.0 NON-WAIVER OF RIGHTS

The failure by either Party to exercise any rights available to it, whether under this Agreement/Contract or otherwise, shall not be deemed for any purpose to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any obligations under this Agreement/Contract.

15.0 SETTLEMENT OF DISPUTES

15.1 Amicable Settlement: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement/Contract 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 Conciliation Rules then obtaining of the United Nations Commission on International Trade Law (UNCITRAL), or according to such other procedure as may be agreed between the parties in writing.

15.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Agreement/Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 15.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. 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 the Agreement/Contract, order the termination of the Agreement/Contract, 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 the Agreement/Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 34 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in this Agreement/Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

16.0 PRIVILEGES AND IMMUNITIES

Nothing in or relating to this Agreement/Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UN-Habitat.

17.0 TAX EXEMPTION

17.1 Article II, Section 7, of the Convention on the Privileges and Immunities of the United Nations provides, *inter-alia*, that United Nations, including UN-Habitat, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs restrictions, duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the exemption of UN-Habitat from such taxes, restriction, duties or charges, the Cooperating Entity/Contractor shall immediately consult with UN-Habitat to determine a mutually acceptable procedure.

17.2 The Cooperating Entity/Contractor authorizes UN-Habitat to deduct from the Cooperating Entity/Contractor's invoice any amount representing such taxes, duties or charges, unless the Cooperating Entity/Contractor has consulted with UN-Habitat before the payment thereof and UN-Habitat has, in each instance, specifically authorized the Cooperating Entity/Contractor to pay such taxes, duties or charges under protest. In that event, the Cooperating Entity/Contractor shall provide UN-Habitat with written evidence that payment of such taxes, duties or charges has been

made and appropriately authorized, UN-Habitat shall reimburse the Cooperating Entity/Contractor for any such taxes, duties or charges so authorized by UN-Habitat and paid by the Cooperating Entity/Contractor under written request

18.0 AUDITS AND INVESTIGATIONS

18.1 Each invoice paid by UN-Habitat shall be subject to a post-payment audit by auditors, whether internal or external, of UN-Habitat or by other authorized and qualified agents of UN-Habitat at any time during the term of this Agreement/Contract and for a period of three (3) years following the expiration or prior termination of this Agreement/Contract. UN-Habitat shall be entitled to a refund from the Cooperating Entity for any amounts shown by such audits to have been paid by UN-Habitat other than in accordance with the terms and conditions of this Agreement/Contract.

18.2 UN-Habitat may conduct investigations relating to any aspect of this Agreement/Contract or award thereof, the obligations performed under this Agreement/Contract, and the operations of the Cooperating Entity/Contractor generally relating to performance of this Agreement/Contract at any time during the term of this Agreement/Contract for a period of three (3) years following the expiration or prior termination of this Agreement/Contract.

18.3 The Cooperating Entity/Contractor shall provide its fully and timely cooperation with any such inspections, post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the Cooperating Entity/Contractor's obligation to make available its personnel and any such relevant documentation for such purposes at reasonable times and on reasonable conditions and to grant to UN-Habitat access to the Cooperating Entity/Contractor's premises at reasonable times and on reasonable conditions in connection with such access to the Contractor's personnel and relevant documentation. The Cooperating Entity shall require its agents, including, but not limited to, the Cooperating Entity/Contractor's attorneys, accountants, or other advisers, to reasonably cooperate with any inspections, post-payment audits or investigations carried out by UN-Habitat hereunder.

19.0 LIMITATION ON ACTIONS

Except with respect to any indemnification obligations in Article 5, above, or as are otherwise set forth in this Agreement/Contract, any arbitral proceedings in accordance with Article 15.2, above, arising out of this Agreement/Contract must be commenced within three (3) years after the cause of action has accrued.

20.0 ESSENTIAL TERMS

The Cooperating Entity/Contractor acknowledges and agrees that each of the provisions in **Article 21 to 26** hereof constitutes an essential term of this Agreement/Contract and that any breach of any of these provisions shall entitle UN-Habitat to terminate this Agreement/Contract or any other contract with UN-Habitat immediately upon notice to the Cooperating Entity/Contractor, without any liability for termination charges or any other liability of any kind.

21.0 SOURCE OF INSTRUCTIONS

The Cooperating Entity/Contractor shall neither seek nor accept instructions from any authority external to UN-Habitat in connection with the performance of its services under this Agreement/Contract. Should any authority external to UN-Habitat seek to impose any instructions concerning or restrictions on the Cooperating Entity/Contractor's performance under this Agreement/Contract, the Cooperating Entity/Contractor shall promptly notify UN-Habitat and provide all reasonable assistance required by UN-Habitat. The Cooperating Entity/Contractor shall not take any action in respect of the performance of its obligations under this Agreement/Contract that may adversely affect the United Nations or UN-Habitat and the Cooperating Entity/Contractor shall perform its obligations under this Agreement/Contract with the fullest regard to the interests of UN-Habitat.

22.0 OFFICIALS NOT TO BENEFIT

The Cooperating Entity/Contractor warrants that it has not and shall not offer to any representative, official or employee, or other agent of the United Nations or UN-Habitat any direct or indirect benefit arising from or related to the performance of this Agreement/Contract or of any other Agreement/Contract with UN-Habitat or the award thereof, or for any other purpose intended to gain an advantage for the Cooperating Entity/Contractor.

23.0 OBSERVANCE OF THE LAW

The Cooperating Entity/Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Agreement/Contract

24.0 CHILD LABOUR

The Cooperating Entity/Contractor represents and warrants that neither it, its parent entities (if any), nor any of the Cooperating Entity/Contractor's subsidiary or affiliated entities (if any) is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, *inter alia*, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the Child's health or physical, mental, spiritual, moral, or social development.

25.0 SEXUAL EXPLOITATION

25.1 The Cooperating Entity/Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Cooperating Entity/Contractor to perform any services under this Agreement/Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Cooperating Entity/Contractor shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, offers of employment or other things of value, for sexual favours or activities, or from engaging in any sexual activities that are exploitive or degrading to any person.

25.2 UN-Habitat shall not apply the foregoing standard relating to age in any case in which the Cooperating Entity/Contractor's personnel or any other person who may be engaged by the Cooperating Entity/Contractor to perform any services under the Agreement/Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Cooperating Entity/Contractor's personnel or such other person who may be engaged by the Cooperating Entity/Contractor to perform any services under this Agreement/Contract.

26.0 AUTHORITY TO MODIFY

No modification or change in this Agreement/Contract shall be valid and enforceable against UN-Habitat unless provided by an amendment to this Agreement/Contract signed by the Cooperating Entity/Contractor and a duly authorized official of UN-Habitat.

ANNEX B

The Project Document and Implementation Schedule/Work Plan

GUIDANCE NOTES ONLY:

- The Project Document should be a detailed analysis of the Project to be implemented. It brings together all the key information required for the successful implementation of the Project.
- The Implementation Schedule/Work Plan should contain timelines for the different activities relating to the Project and their due dates.
- Annex B is the main tool check of whether a partner is satisfactorily performing the related activities or tasks with regards to the Project.
- This schedule links back to section B of the request form and paragraph 1 of Article VIII of this Agreement.

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ANNEX C

The Budget including the Payment Schedule

GUIDANCE NOTE ONLY:

- The budget is an itemized description of the financial plan. It outlines how much activities under the Project will cost.
- The budget is broken down to budget lines that incorporate the cost of each activity/output under the Project.
- The payment schedule sets out the amount and percentage for each instalment, the conditions pegged to disbursements and the expected time of the disbursement.
- This schedule links back to paragraph 1 of Article VI of this Agreement.
- The in-kind contribution described in **Article V clause 1(a)** of the Agreement must be:
 - (i) necessary and reasonable for accomplishing the project objectives under this Agreement;
 - (ii) verifiable and supported by documentary evidence;
 - (iii) recorded in the accounting system (i.e. entered into the general ledger), reported in the financial statements of the project and auditable (if necessary); and
 - (iv) valued at the fair market value. The basis for determining the value of the in-kind contribution should be documented and must be independently assessed. Evidence of all valuations should be kept for audit purposes.
- The monetary contribution described **Article V clause 1(a)** of the Agreement must be:
 - (i) verifiable and supported by documentary evidence; and
 - (ii) recorded in the accounting system (i.e. entered into the general ledger), reported in the financial statements of the project and auditable (if necessary).

Please delete this note and any footnotes after completing this document.