

**INVITATION TO SUBMIT A
PROPOSAL**

for the provision of:

**Analytical framework on Policy Coherence to halt deforestation:
Aligning public expenditure and cross-sectoral strategies to meet
climate change commitments in the AFOLU Sector**

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FAO Office: *FAO Forestry Division, Halting Deforestation, Degradation,
Emissions Team, FAO Headquarter, Viale delle Terme di Caracalla,
Rome, Italy*

The Food and Agriculture Organization of the United Nations (“FAO” or “Organization”) is an intergovernmental organization with more than 196 member nations. Since its inception, FAO has worked to alleviate poverty and hunger by promoting agricultural development, improved nutrition and the pursuit of food security – defined as the access of all people at all times to the food they need for an active and healthy life.

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I. Background Information

I.1 Background

1) *Forests in Achieving Global Targets*

Climate change is increasingly impacting agrifood systems, including forests and other natural resources, intensifying hunger and poverty (IPCC. 2021). Between 2010 and 2019, the Agriculture, Forestry, and other land uses (AFOLU) sector accounted for an average of 13-21% of global anthropogenic GHG emissions. Despite significant efforts, deforestation continues at an alarming rate, threatening global climate objectives, food security, and biodiversity. Agricultural expansion drives almost 90 % of global deforestation, with cropland expansion responsible for nearly 50% of global deforestation, followed by livestock grazing by 38.5 % ([FAO FRA RSS, 2022](#)). In continuous efforts to promote enhanced synergies between agriculture and forestry, managing trade-offs, enhancing synergies and decoupling commodities from deforestation, FAO is actively promoting a transformation of agrifood systems towards simultaneous achievement of food security, climate, biodiversity and economy goals.

Effective forest policy and its implementation are vital in achieving SDGs and the Paris Agreement objectives. Forests play a key role in enhancing biodiversity and climate mitigation efforts while enhancing climate resilience, and providing livelihoods as outlined in the 2021 Glasgow Leaders’ Declaration on Forests and Land Use (UN Climate Change, 2021). Forests are fundamental in achieving Nationally Determined Contribution (NDC). It is estimated that between 2020 and 2050, mitigation measures in forests and other natural ecosystems could provide the most substantial share of the AFOLU mitigation potential, followed by agriculture (IPCC, 2022).

FAO’s State of the World’s Forests Report 2022 (SOFO 2022) highlights three forest pathways: (1) halting deforestation and maintaining forests; (2) restoring degraded lands and expanding agroforestry; and (3) sustainably using forests and building green value chains. Executing these strategies concurrently can solve global crises and yield sustainable economic benefits. However, in order to reach international targets, financing for these three forest pathways needs to at least triple to over USD 200 billion annually by 2030.

2) *Domestic/International Climate Finance and Policy Coherence*

Forest-related climate finance has almost doubled from 2015 to 2019. Yet, financing into nature, especially in the contexts of forests, remain inadequate and underreported (FAO, 2022). Current

financing for forest emission reductions and forest carbon sequestration are only 5% of what's required (NYDF, 2021). Gaps in financial data continue to hinder understanding of the global climate finance distribution among sectors and topics (UNFCCC, 2021a). Moreover, governmental public expenditure reports on climate finance remains relatively underreported.

Policy coherence, strategic use of public investments and financial innovation are critical levers to address deforestation and forest degradation. Enhancing policy coherence and minimizing contradictory incentives such as harmful subsidies and tax breaks can create enabling environment conducive to climate change adaptation and mitigation (Ranabhat et al, 2018; Carter et al, 2018). Several innovative domestic finance methods, such as carbon taxes and payments for ecosystem services, are already in place. Enhanced budget tracking mechanisms, such as Public Expenditure Review (PER) and budget coding, can ascertain how public expenditure aligns with climate objectives (Kissinger et al, 2019).

Conducting a **Forestry Public Expenditure Review (PER) is a requisite** compass for navigating the financial frontier of forest conservation. A systematic assessment framework on the coherence and performance of country's policies – including the level, composition, and coherence of public expenditure affecting forests – is essential to closing the financing gap, thereby supporting the governments to construct evidence informed decisions. Confronting this global challenge, FAO, through the – [Halting deforestation, degradation and emissions](#) Team of the Forestry Division (NFO) and its role in the [UN-REDD Programme, jointly with](#) the Agrifood Economics Division (ESA)'s [Monitoring and Analyzing Food and Agricultural Policies programme \(MAFAP\)](#) team, is architecting an analytical framework of public expenditure on forest conservation, restoration, and sustainable use. Further, the importance of supporting the development of methodologies for analysing public and private forest-related domestic resource flows was highlighted as one of the outcomes of FAO's [Latin American and Caribbean Forestry Commission \(June 2023\)](#).

In 2023, the above mentioned actors collaborated with the Government of Uganda for a pilot of the Forestry PER , performing a preliminary Forestry PER and jointly undertaking a Validation workshop. The initial findings uncovered the gaps between climate commitments targeting the AFOLU sector and actual forestry expenditures. The government has shared their experience at the [Africa Climate Week side event](#), garnering increasing global interest.

To effectively halt deforestation and conduct impactful climate actions ensuring sustainability of emission reduction results as well as simultaneous achievement of broader goals, we must ensure policy coherence and deploy strategic financial investments across the three forest pathways and broader AFOLU sector. The Forestry PER methodology requires deeper integration to facilitate a comprehensive assessment of policy coherence and the alignment of public expenditures with cross-sectoral policies and climate commitments. Consequently, **this study aims to further develop analytical methods to analyze and promote policy coherence**, ultimately leading to improved budget allocations dedicated to the protection, restoration, and sustainable management of forests and enhanced cross sectoral synergies, especially between agriculture and forests.

I.2 Study aim

The focus of this study is to conduct analytical work to enhance policy coherence, which in turn, facilitates improved budget allocation to halt deforestation and meet climate change commitments in the AFOLU sector. The expected work will cover two areas:

- I. Policy Coherence among sectoral policies and consistency of policy instruments for forests, agriculture, and related trade policies and NDC goals.** This area aims to improve understanding of cross-sectoral interactions and targets to strengthen policy coherence. Also, it aims to identify potential gaps or inconsistencies in a government's NDC commitments, and existing laws, regulations, and regulatory capacity.

Outputs:

- i) Literature review report on analytical frameworks on policy coherence, including the identification of appropriate indicators to assess coherence among the policies (which indicators and data sources can be used and over what timeframe?);
- ii) Analytical framework to analyze coherence across land use related policies and consistency among country's NDC in the AFOLU sectors and land use related policies, including appropriate indicators to assess coherence among the policies ; and
- iii) Report featuring two case studies that apply the analytical framework.

- II. **Public Expenditure and National Priorities Consistency:** This area explores the use of PERs as an input for policy coherence analysis to compare in a systematic manner how the level and composition of the public expenditures responds to policies objectives on promoting sustainable forest management and halting deforestation and forest degradation.

Outputs:

- i) Report summarizing the literature on existing analytical frameworks for forest PERs and how expenditure level and composition affect forest policy outcomes, including efforts to halt deforestation and fulfill climate change commitments in the AFOLU sector;
- ii) Literature review report on socio-economic impact of specific public policies and types of investments around forest conservation, restoration, and sustainable use ;
- iii) Report that evaluates how public expenditure analysis can inform the analytical framework for policy coherence. This involves assessing if levels and compositions of public expenditure align with policy objectives; and
- iv) Two case studies¹ that apply output iii) outcomes, complementing the policy coherence analysis (output # iii of I) with the forest PER developed by ²[[COE](#)] to inform policy coherence from various dimensions including whether budget allocations align with other cross-sectoral land-use policies and international policy objectives.

I.3 Policies to be analyzed

In this study, we aim to analyze cross-sectoral policies related to land use, with a special emphasis on the forestry, agriculture, and related trade policies. This focus is due to the global recognition that the agricultural expansion of forest risk commodities (livestock, cocoa, coffee, palm oil, soy, and rubber, and derived products) is a primary driver of deforestation and that increasing efforts should be made in order to decouple agriculture from deforestation and promote a transformation of agrifood systems towards an enhanced environmental, ecosystem sustainability. At a minimum, this study will include the following policies, though additional ones may also be beneficial to consider:

- NDCs
- National REDD+ strategies
- National forest related policies
- National finance related policies and strategies
- National agriculture/food systems/energy related policies
- National trade and market policies on forest risk commodities

¹ Decision making on the two case studies will be made jointly with FAO and identifying governments counterparts for such exercise.

² The draft "Methodology Working Paper: Analysis of Public Expenditure on Forest Conservation, Restoration, and Sustainable Use" development is ongoing.

- UN Food System Summit National Pathways

I.4 Objective

The primary objective of the study is to develop an analytical framework to assess policy coherence, including the use of Forestry PER as inputs, exploring strategic use of public investment and financial innovation, highlighting the crucial role forests plays in enhancing biodiversity, climate change, food security and livelihoods. The study will include a review of methods to assess policy coherence, development of the analytical frameworks, and application the framework in two countries.

The key objectives are:

- To develop a literature review on analytical framework on policy coherence and forest PERs.
- To develop and pilot an analytical framework to identify policy coherence among sectoral policies and consistency of policy instruments for maintaining forest cover and analyze policy coherence of existing land use policies regarding NDC goals.
- To analyze and identify the role of Public Expenditure Reviews (PERs) in policy coherence analysis to inform policies and investments around sustainable forest management and halting deforestation and forest degradation.

II. Services required:

II.1 Definition of Output(s) and/or Outcome(s)

The outputs of the present agreement are presented in the table below.

Desired outputs		Key performance indicators per output	Means of verification
Output	Expected content		
# 1 Inception report	<p>This report should include:</p> <p>Methodological approach: Detailed description of the scope, bibliographic review, methodologies, and tools to be used, including definition of policy coherence and data sources.</p> <p>Workplan. Timetable for the development of the study products.</p>	Inception report (around 5 pages) submitted for consideration and review from FAO team. Inputs from FAO to be provided within 2 weeks of inception report. Submission of Inception report finalized 2 weeks after receipt of FAO inputs.	Inception report

<p>#2 Literature review report on policy coherence</p>	<p>Literature review including existing tools and conceptual frameworks to analyze policy coherence among forests, agriculture, and related trade sectors to promote sustainable forest management, halt deforestation and fulfill NDC commitments in the AFOLU sector. The report will include the identification of appropriate indicators to assess coherence among the policies</p> <ul style="list-style-type: none"> • List of literature reviewed • Summary report 	<p>Literature review report (10-15 pages) submitted for consideration and review from FAO team.</p>	<p>Summary report</p>
<p>#3 Analytical framework to analyze coherence across land use policies, consistency of policy instruments for maintaining forest cover and coherence between a country's NDC and the land use related policies.</p>	<ul style="list-style-type: none"> • Propose a methodology to identify synergies and trade-offs among development objectives in specific contexts, identify the relevant policies and assess their coherence. • Prepare key questions to support policy makers for selecting key policies and policy instruments to analyze policy coherence. • Clarify key concepts, such as 'policy coherence', 'effectiveness' and 'consistency'. Include a comparison of timeframes, scope, actions, synergies, and tradeoffs among policies. 	<p>Draft of the Analytical Framework submitted to FAO for review and feedback and presented in an expert meeting.</p> <p>Draft analytical Framework submitted incorporating expert's recommendations.</p> <p>Final analytical framework fine-tuned with the case studies.</p>	<p>Analytical framework</p>
<p>#4 Report on two case studies testing the analytical framework.</p>	<ul style="list-style-type: none"> • Propose a report structure for the use of the analytical framework • Identify challenges and limitations when implementing the analytical framework • Include a section on recommendations to improve the analytical framework 	<p>A report on the pilot testing of the Analytical framework tested in two countries</p>	<p>Two case studies report</p>
<p>#5 Literature Review report of existing forest PERs</p>	<ul style="list-style-type: none"> • List of literature reviewed • Summary report of main lessons learned from the review, identifying 	<p>Literature review report submitted for consideration and review from FAO team.</p>	<p>Report on main lessons learned and use of existing forest PERs</p>

	improvement opportunities.		
#6 Literature review report on socio-economic impact of forest public policies and investments for two specific county cases.	<ul style="list-style-type: none"> • Set of key polices for the literature review. • List of literature reviewed • Summary report of main lessons learned from the review, identifying improvement opportunities. • The literature review will aim to identify the linkages between which forestry public expenditures correlates with economic and social impacts for the pilot countries. 	Literature review report submitted for consideration and review from FAO team.	Literature review report
#7 Report that evaluates how public expenditure analysis can inform the analytical framework for policy coherence. This involves assessing if levels and compositions of public expenditure align with policy objectives	<ul style="list-style-type: none"> • Elements that should include a PER report to be used as an input to analyze the public expenditure coherence with the NDC LULUCF goal • Include global examples of countries that used PER to analyze policy coherence 	Draft report submitted for consideration and review from FAO team. Inputs from FAO to be provided within 2 weeks. Submission of final report finalized 2 weeks after receipt of FAO inputs.	Report on the how PERs can be used as an input for analyzing policy coherence
#8 Two case studies complementing the policy coherence framework (as outlined in output #3) with the forest PER developed by FAO. These studies will assess whether budget allocations align with the land-use policies.	<p>The two case studies should include country cases, which includes to:</p> <ul style="list-style-type: none"> • Propose a report structure for the use of Forestry PER as inputs for the analytical framework for policy coherence • Compile the results of applying the Forestry PER in to the policy coherence analytical framework • Identify challenges and limitations when using PER for the analytical framework • Include a section on recommendations to 	A report on the pilot testing of the Analytical framework tested in two countries	Case studies report

	improve the analytical framework		
#9 Presentation and discussion of results	Formulate a 30–45-minute PowerPoint presentation for a FAO internal event, organized by FAO, to summarize results of the study and recommendations for further developments. Discussion with FAO experts to share further insights and respond to questions/comments.	Presentation	Presentation, recording of the event.
#10 Final administrative documents	Narrative and financial report on the completion of the collaboration with FAO	Short (maximum 4 pages) narrative and financial report (templates/ information to be shared at contract signing)	Narrative and financial reports

II.2 Description of Services

To deliver the outputs presented in section II .1, the Service Provider (SP) will develop the activities described below (A1-A5).

A1. Refine study objectives, methods, work plan and expected outcomes

The SP will refine the objectives of the study, the scope of study, the methods proposed, a work plan elaborated by the SP and expected outcomes (i.e., issues and recommendations) through the development of the inception report. The SP will communicate the result of this exercise with FAO for discussion and agreement. FAO will provide timely feedback (within 2 weeks of draft submission), which will be considered and incorporated as appropriate by the SP into the finalized inception report.

A2. Develop a policy coherence literature review

Objective: Prepare a literature review report on methods for assessing policy coherence.

Rationale: Policy coherence is defined as “the systematic promotion of mutually reinforcing policy actions across government departments” (OECD, 2016). Methods for assessing policy coherence are limited and often require a broad evidence base that is not always available (Sari et al, 2021). However, some conceptual frameworks have been developed to measure the degree of policy coherence (Harahap et al, 2017). The OECD developed the OECD’s Policy Coherence for Sustainable Development (PCSD), a methodological framework to assess and help improve cross-sectoral policy coherence.

Task Description: The scope of this review will include methods, tools and guidance developed to measure policy coherence and studies on relevant policies influencing the land use and forestry sector. The review is expected to identify the methods used, data sources and discuss the key advantages and limitations of the methods and data used in the literature. A table listing the reviewed literature and their characteristics will be included in the literature review report (output 2).

Activities

1. Conduct a literature review. The review should consider but not be limited to references included in Table 1
2. Identify common features in existing instruments highlighted by the literature review, as well as original aspects in some of these that seem particularly relevant for a more precise application to the land use and forest sectors.

3. Based on the literature review, prepare a summary report highlighting: i) definitions and methods used in the assessments; ii) advantages, disadvantages and limitations of various methods used; iii) applicability of these methods to policies related to land use and forestry; ii) examples of policy coherence can that be taken as initial models, recommendations, etc.

Table 1. Example of tools, approaches, and guidance to facilitate horizontal and vertical policy coherence analysis.

Name	What it does	Reference
Policy coherence screening tool (OECD)	Framework that includes an integrated checklist of key elements to be considered by governments and project developers in policy coherence for sustainable development	OECD, 2016. <i>Better Policies for Sustainable Development 2016</i> . OECD Publishing, Paris. Chapter 2. https://read.oecd-ilibrary.org/development/better-policies-for-sustainable-development-2016/a-new-framework-for-policy-coherence-for-sustainable-development_9789264256996-6-en#page1
Development Finance Assessment Guidebook (UNDP)	Assessment process for governments, supporting more integrated approaches to financing that are more aligned with longer-term sustainable development objectives, more coherent and collaborative across public and private financing.	UNDP, 2021. <i>Development Finance Assessment Guidebook</i> . United Nations Development Programme. Annex A
Rapid Integrated Assessment (UNDP)	Toolkit for evaluating vertical and horizontal policy coherence in national and local plans by assessing the level of alignment between plans or strategies (national or subnational levels), sectoral plans, and SDG targets.	UNDP, 2017. <i>Rapid Integrated Assessment</i> . United Nations Development Programme. https://www.undp.org/publications/rapid-integrated-assessment
Assessment of tools for policy coherence (GIZ)	Assessment of tools for policymakers to link climate, environment, and sustainable development agendas	GIZ, 2020. <i>Towards Policy Coherence</i> . German Corporation for International Cooperation, Berlin https://sdghelpdesk.unescap.org/sites/default/files/2020-03/Towards%20policy%20coherence_270220_Web_2.pdf
Integrated policies and policy coherence for SDGs (United Nations)	Learning package and toolkit to enable government officials and United Nations country teams to deliver training for government officials on integrated policies, systemic approaches, and policy coherence for SDGs.	Integrated policies and policy coherence for SDGs". United Nations Institute for Training and Research, United Nations Department of Economic and Social Affairs, United Nations Economic Commission for Latin America and the Caribbean. https://www.unsdglearn.org/courses/integrated-approaches-to-mainstreaming-acceleration-and-policy-support-for-the-sdgs/
SDG indicator 17.14.1 (UNEP)	Mechanisms for countries to assess and report progress towards policy coherence for sustainable development and to identify areas for improvement to further enhance their policy coherence for sustainable development	UNEP, 2020. "Methodology for SDG-indicator 17.14.1: Mechanisms in place to enhance policy coherence for sustainable development". United Nations Environment Programme.

Source: Modified from GEF 2022

A3. Prepare and pilot an analytical framework to identify coherence among sectoral policies and consistency of policy instruments for maintaining forest cover and analyze policy coherence of existing land use policies regarding NDC goals.

Objective: The framework prepared under this activity will aim to identify policy coherence issues and improve understanding of the interactions among sectoral policies and targets and their implications in sustainable land use management. The framework could point out national policies and instruments that have higher risks to drive land use incoherencies. Also, it should analyze policy coherence between a country's NDC and land use related policies. The framework should be aimed at identifying instances of internal and external forest- climate related policy coherence.

Rational: Identifying policy interactions, trade-offs and synergies across economic, social, and environmental areas could support governments to enhance policy and institutional coherence in a transparent and equitable manner. Methods for assessing policy coherence are limited and often require a broad evidence base that is not always available (Sari et al, 2021). Although, some scholars have established and applied different analytical and methodological approaches for policy design studies, limited studies have been carried out focusing on the combination of consistent policy instrument settings and the sectoral integration of policy goals (Alons, 2017; Bazzan et al., 2022; Rayner and Howlett, 2009a, 2009b). **There is a need for a deeper understanding of the coherence of policies and consistency of policy instruments to maintain forest cover.**

Task Description

Based on the literature review, the SP should prepare a framework to analyze coherence across land use policies and consistency of policy instruments for maintaining forest cover. This must include a comparison of timeframes, scope, actions, synergies, and tradeoffs among cross sectoral policies. The proposed framework should provide options to map and select the relevant policy goals and instruments to be included in the analysis.

The SP will clarify key concepts, such as 'policy coherence' and 'consistency'.

Activities:

- 1 Prepare a draft of the analytical framework to analyze land use and forest policy coherence, including
 - 1.1 Methods for the identification and mapping of policies and policy instruments in the forest and land-use key sectors, such as agriculture, mining, infrastructure. Consider Pillar 1 components of *FAO/PROFOR's Framework for assessing and monitoring Forest Governance (2011)*
 - 1.2 Prepare key questions to support policy makers for selecting key policies and policy instruments to analyze policy coherence.
 - 1.3 Prepare checklist of potential issues to be addressed when analyzing policy coherence.
 - 1.4 Identify synergies and trade-offs among those objectives in specific contexts, identify the relevant policies and assess their coherence.
 - 1.5 Prepare a draft framework and presented and discussed in an expert meeting.
- 2 Present and discuss the draft framework in an expert meeting
 - 2.1 Define with FAO the expert meeting list
 - 2.2 Propose an agenda and methodology for the meeting.
 - 2.3 Prepare a matrix with the recommendations and feedback received including a column stating how this will be included.
- 3 Prepare an analytical framework adjusted with the recommendations received from the expert meeting
- 4 Test the analytical framework in two countries
 - 4.1 Report on the findings of the test and recommendations for the framework
- 5 Find tune the analytical framework with main lessons learned from case studies. The case studies will provide inputs to the framework.

Pilot Country selection:

The two pilot countries will be discussed with the Service Provider and government officials. Potential countries include Ghana, Uganda, Colombia, and Argentina. Target countries will be finalized jointly through discussions with the government.

A4. Prepare a report analyzing the role of Public Expenditure Reviews (PERs) in the policy coherence analysis as a transformational planning and programming tool within countries to protect, restore and sustainably manage forests.

Objective: This report aims to explore the use of PERs as an input for policy coherence analysis to compare in a systematic manner how the level and composition of the public expenditures responds to climate policies objectives on promoting sustainable forest management and halting deforestation and forest degradation.

Rationale: According to SOFO's 2022 edition, national public expenditure on forests far exceeds that obtained via ODA. Thus, policymakers should have a better understanding of the composition of domestic finance in the forestry sector (FAO, 2022). Forest public expenditure reviews aim to improve the efficiency, effectiveness, and equity of public spending in the forest sector toward aligning future expenditure with national development policy priorities (Fowler et al, 2011). Also, a forest PER could support dialogue between government and development partners on sector policy to define, when suitable, more effective approaches to funds allocation. Forest public expenditure varies across countries depending on several factors including government policies and funding/budgeting capacity, objectives and priorities, and type of forest activities (e.g., production, protection, others). In the land sector, coherent policies may help improve resource allocation, promote optimal land utilization, inter-sectoral integration, and synergies with other sectors (Harahap et al, 2017). Also, they are expected to reduce conflicts, leading to better efficiency and reducing budget competition (Ranabhat et al, 2018).

Task Description: The SP should prepare a report on main lessons learned and use of existing forest PERs, a report analyzing the use of PERs as an input for policy coherence analysis to compare in a systematic manner how the level and composition of the public expenditures responds to climate policies objectives on promoting sustainable forest management and halting deforestation and forest degradation, and prepare two case studies analyzing ways of linking the policy coherence framework (output # 3) to the forest PER developed by FAO to analyze if budget allocation is aligned to promoting the three pathways.

Activities

1. Review of existing forest PERs, as carried out by the World Bank and other agencies, and identify issues and opportunities for refinement for their application to the forest and land use sectors.
2. Prepare a summary of main lessons learned from the review. Describe the main use of the PER analyzed. The report should include the lessons learned from the Public Expenditure Review (PER) guidance note prepared by the World Bank's Forest program (PROFOR), and update these with the PERs prepared in the last ten years. The report should identify opportunities for improvement.
3. Conduct a literature review focusing on the socio-economic impact of forest public policies and investments. The literature review will aim to better understand the estimation of public policy and investment impacts on the economy and society and on natural capital and ecosystem service. Specifically, to identify the linkages between which types of forestry expenditures (potentially aligned to MAFAP categories) correlates with economic and social outcomes and potential indicators/sources. The review will:
 - Examine the relationship between forestry expenditures (MAFAP categories) and economic/social outcomes, identifying potential indicators and data sources.
 - Investigate how forestry public expenditure (PE) reviews can inform and complement the Natural Capital Accounting System, using case studies like Uganda's approach.
 - Explore the use of Forestry PE data in studies on subsidies reform and the interplay between the two.
 - Summarize existing studies that assess the impact of public policy and investments on natural capital, linking this with spatial land use land cover (LULC) changes and ecosystem services modelling.
4. Prepare a report analyzing the use of PERs as an input for policy coherence analysis to compare in a systematic manner how the level and composition of the public expenditures responds to climate policies objectives on promoting sustainable forest management and halting deforestation and forest degradation. This analysis will be conducted jointly with the government counterparts and suggested stakeholders. The report should aim to respond, but not limit to the following questions:
 - Can an analytical framework be designed to systematically compare forest-climate policy objectives and public expenditure?
 - Could PERs provide an overview of the sector's level and composition of planned spending to the achievement of long-term sectoral goals and objectives?
 - How could a country use PERs as an input to analyze the efficiency and effectiveness of public expenditure when budgets are not linked to specific outputs or outcomes?
 - How could benchmarks be defined?

- Can PERs provide information on how investments are directed towards the activities needed to reduce deforestation, conserve and sustainably manage forests?
 - How and if forest public expenditure reviews could improve the efficiency, effectiveness, and equity of public spending in the forest sector toward aligning future expenditure with national development policy priorities?
 - Should forest PERs be used to inform Climate Public Expenditure and Institutional Review (CPEIR)?
 - Does PERs provide an added value to decision makers, or should a country conduct a CPEIR directly?
5. Prepare two case studies analyzing ways of linking the policy coherence framework (output # 3) to the forest PER developed by FAO so fund allocation is aligned to promoting the three pathways: (1) halting deforestation and maintaining forests, (2) restoring degraded lands and expanding agroforestry; (3) sustainably using forests and building green value chains, as well as related land-use policies.

A5. Prepare presentation of results

The Service Provider will prepare and present the results of the different analytical steps of the work, all the documents needed to realize a specific FAO internal event to share the outcomes of the study. The presentation will be done in a workshop organized by FAO.

A6. Documentation of outputs and activities

SP will prepare a narrative and financial report on the completion of the collaboration with FAO. The report will document the project objectives, outputs, and activities, and identify potential ways forward.

II.3 Workplan and Timeframe (Duration)

Activity (A) / Output (O)	Due Date
A1. Refine study objectives, methods, work plan and expected outcomes	
O1. Inception report	<i>3 weeks from the signature of the LoA</i>
A2. Develop a policy coherence literature review	
O2. Literature review report on policy coherence	<i>April 2024</i>
A3. Prepare and pilot an analytical framework to identify coherence among sectoral policies (forest and agriculture) and consistency of policy instruments for maintaining forest cover and analyze policy coherence of existing land use policies regarding NDC goals.	
O3. Analytical framework to analyze coherence across land use policies, consistency of policy instruments for maintaining forest cover and coherence between a country's NDC and the land use related policies.	<i>May 2024</i>
O4. Report on two case studies testing the analytical framework.	<i>July 2024</i>
A4. Prepare a report analyzing the role of Public Expenditure Reviews (PERs) in the policy coherence analysis as a transformational planning and programming tool within countries to protect, restore and sustainably manage forests.	
O5. Literature Review report of existing forest PERs	<i>April 2024</i>
O6. Literature Review report on socio-economic impact of forest public policies and investments for two specific country cases	<i>May 2024</i>
O7. Report that evaluates how public expenditure analysis can inform the analytical framework for policy coherence.	<i>July 2024</i>
O8. Case studies analyzing ways of linking the policy coherence framework (output # 3) to the forest PER developed by FAO to analyze if budget allocation is aligned to promoting land-use policies	<i>October 2024</i>

A5. Prepare presentation of results	
O8. Presentation and discussion of results	November 2024
A6. Documentation of outputs and activities	
O9. Final administrative documents	November 2024

II.4 Monitoring Mechanisms and Reporting Requirements

The Service Provider will submit the reports on the specified deadlines. These reports must be sent to the Responsible Officer. The final outputs must be delivered by November 2024 at the latest, notably the final narrative and financial reports (certified as to their correctness by duly-designated representative(s) of the SP) specifying actual utilization of funds.

All the reports must be written in English and shared in a format compatible with Office tools, including Word, Excel, Power Point, and pdf (or equivalent). Only numeric versions will be requested.

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III. Procedures and Conditions:

FAO hereby invites you to submit a Proposal in connection with the above described services. Your Proposal should be based on the requirements included herewith; it is subject to the following procedures and conditions which you deemed to have accepted by submitting a Proposal.

In submitting your Proposal you are supposed to have considered all aspects relevant to the performance of the proposed Agreement and to have obtained all necessary information and data as to risks, contingencies and other circumstances which may influence or affect your Proposal;

It is understood that all documents, calculations, etc. which may form part of your Proposal will become the property of FAO, who will not be required to return them to your organisation;

FAO may decide to make a partial award or no award at all should it consider that the results of this invitation for Proposal and/or any other related circumstance so require;

FAO shall have no obligation to purchase any minimum quantities of goods or services from your organisation, and shall have no limitation on its right to obtain goods or services of the same kind, quality and quantity as described in this Proposal from any other source at any time;

All costs incurred to prepare your Proposal have to be borne by you; FAO will not be liable to reimburse any or all of such cost;

FAO reserves the right to publish the details of awards, including the Service Provider's name and country, total value of the Agreement and a brief description of the services.

FAO has a zero tolerance approach to fraud, and it prohibits any entities from engaging in corrupt, fraudulent, collusive, coercive, unethical and obstructive practices when participating in procurement activities. As provided by the Vendor Sanctions Procedures (http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy_-_Procedures.pdf), if the Organization determines that an entity has engaged in such conduct, it will impose sanctions and may share information on sanctioned entities with other Intergovernmental or UN Organizations;

An entity and its affiliates, agents and subcontractors should not be suspended, debarred, or otherwise identified as ineligible by any Intergovernmental or UN Organization, including any

organization within the World Bank Group or any multi-lateral development bank, or by the institutions and bodies of economic integration organizations (e.g., the European Union). You are therefore required to disclose to the Organization whether your organization, or any of your affiliates, agents or subcontractors, is subject to any sanction or temporary suspension imposed by any such organization or National Authority at any time during the three years prior to the Agreement or at any time throughout the execution of the Agreement. You acknowledge that a breach of this provision will entitle FAO to terminate its Agreement with your organization, without any liability for termination charges or any other liability of any kind of FAO, and that material misrepresentations on your status constitute a fraudulent practice;

Bidders must certify that their organisation is not associated, directly or indirectly, with entities or individuals (i) that are associated with terrorism, as in the list maintained by the Security Council Committee established pursuant to its Resolutions 1267 (1999) and 1989 (2011), or (ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council. Selected bidders also agree to undertake all reasonable efforts to ensure that none of the funds received from FAO under the awarded Agreement are used to provide support to individuals or entities associated with terrorism or that are the subject of Security Council sanctions. This provision must be included in any subcontracts, sub-agreements or assignments entered into under the awarded Agreement. The Bidder acknowledges and agrees that this provision is an essential term of the awarded Agreement and any breach of these obligations and warranties shall entitle FAO to terminate the Agreement immediately upon notice to the Service Provider, without any liability for termination charges or any liability of any kind of FAO;

Bidders must certify that their organization and/or subcontractors are not associated, directly or indirectly, with the consultant or any other entity who prepared the terms of reference or other bidding documents for this tender;

Please note that Bidders who use an independent consultant to assist in the preparation of Proposals may risk engaging in unacceptable practices if the same consultant assists another Bidder to prepare a Proposal for the same tender. Bidders are reminded that they are fully responsible for the conduct of any consultant who may be used to prepare Proposals for FAO tenders and they should take all measures to ensure that any independent consultant engaged to assist in the preparation of a Proposal for an FAO tender has not and will not be involved in the preparation of a Proposal for another Bidder for the same tender process.

Bidders are kindly requested to disclose to the best of their knowledge whether their organization has any personal or professional relationships with FAO. The disclosure shall include all relevant details and should include, but not be limited to:

- ANY current or past employment relationship with FAO of your organization's representatives and employees;

- ANY current or past relationship with any FAO staff member (family members, spouses, etc.) of your organization's representatives and employees.

Closing Date

Your Proposal should reach the FAO office not later than the date and time indicated in the first page of this notice.

We would appreciate your acknowledging receipt of this invitation and indicating your intention as to whether or not you will submit a Proposal by email to FAO-Reddplus-Info@fao.org

Communications Concerning this Proposal

All communications concerning this Proposal should be submitted uniquely through the following channel of communication: FAO-Reddplus-Info@fao.org

If your Proposal is submitted by email it should be in pdf format.

The Proposal should consist of two parts: a Technical Part and Financial Part which should be prepared as follows:

The Technical Part should include:

- a. The description and number of years of experience in the field of the required services and the area of intervention as applicable;
- b. The proposed methods and processes suitable and feasible to achieve the outputs mentioned above within the required timeline (to be described in Appendix A "Workplan") and in conformity with the performance indicators;
- c. The description of the reports, documents and other outputs to be provided during and after implementation of the required services;
- d. The full name, address, fax and/or email address and telephone numbers of your organization (association, institute, etc.) and contact persons;
- e. The banking details (name and location of bank, account number).

Please note that FAO will make the relevant LoA payments to the bank account indicated by the selected Service Provider. The bank account holder name must be the name of Service Provider.

Financial Part

A detailed cost estimate (i.e. a budget in accordance with Appendix B) based on a workplan including all the costs for the delivery of the required services / implementation of the Agreement.

The budget should be broken down by the inputs that are required to carry out the activities avoiding the use of activity-based lumpsums. Budget items and the corresponding objective units of measurement should be well defined, and should be calculated by multiplying the quantity (i.e. the number of units) by the unit cost (i.e. the estimated cost per unit) .

All assumptions should be documented. The financial part should specify clearly the currency used (the local currency in which the majority of the expenses will be incurred, or the United States Dollar for multi-country operations).

Proposals will only be considered if they contain all of the above information and documents and observe the provisions of the enclosed agreement (see Annex I).

IV. Evaluation

The Proposals received will be evaluated by applying the mandatory requirements and the qualitative evaluation criteria indicated below. The Pass/Fail methodology will be used for the mandatory requirements, whilst the qualitative evaluation criteria will be rated.

FAO reserves the right to consider and disqualify organizations based on documented prior poor performance, including but not limited to poor quality of services provided, late delivery and unsatisfactory performance. FAO also reserves the right to have further discussions/negotiations with the Bidder prior to issuance of an Agreement.

Mandatory Minimum Requirements

Your Proposal will only be considered if the Proposal and your organization meet the following minimum requirements:

1. You should provide an explicit written acceptance of the terms and conditions applicable to FAO Letters of Agreement as laid out in the LoA template in the Annex I.
2. You should provide evidence of the legal status of your organization to demonstrate the eligibility to sign Letters of Agreement with FAO, including the registration certificate with the relevant country authorities.
3. You should provide all requested elements of the technical and financial proposals.
4. You should provide relevant years of experiences in the required services, particularly in the field of policy coherence analysis and related public expenditure review.
5. You should demonstrate that the capacities of the proposed team cover at least the following fields of expertise: policy coherence analysis, repurposing public budgets and spending, national level financing frameworks including forestry and/or agricultural finance architecture, private and public investments, land use changes and deforestation.

Weighted Evaluation Criteria

Your Proposal will be further evaluated based on the following criteria and relevant weights listed in the table below:

Criteria	Weights/points
Number of initiatives or publications supported by the members of the proposed team (1 point/publication or initiative up to 10 points)	10
Technical quality of the proposed methodology	30
Conformity and feasibility of proposed schedule	5
Qualifications of the key personnel proposed	25
Adequacy of resources (notably quantity of human resources proposed for the study), financial and operational capacity of the organization	10
Total Technical criteria	80
Financial Proposal*	20
Total score (technical + financial)	100

Technical Proposals will be evaluated first and ranked accordingly to the above criteria. Please note that the Technical Proposal will comprise 80 percentage weights/points of the overall evaluation.

* Points for the financial offers will be calculated according to the following formula:

$$\text{Points} = (A/B) * 20$$

Example: Bidder A's price is the lowest at [\$10.00]. Bidder A receives [20] points

Bidder B's price is [\$20.00]. Offer B receives [(\$10.00/\$20.00) * 20= 10 points]

Bidder C's price is [\$25.00]. Offer C receives [(\$10.00/\$25.00) * 20= 8 points]

Please note that for the financial offer, Bidders must stay within the range below 80,000 USD.

Total score calculation: Technical Score* + Financial Score**

*e.g. maximum 80 points

** e.g. maximum 20 points

I take this opportunity of expressing my appreciation of your interest in assisting FAO in its implementation of this undertaking.

Yours sincerely,

FAO Budget Holder : Serena Fortuna, Senior Forestry Officer – Halting deforestation, degradation and emissions Team Leader, Forestry Division, FAO

APPENDIX B: Budget

SPECIFY CURRENCY:					
Cat. No.	Items Description (ITEMISE IN DETAIL)	Unit of measurement	Qty (no. of units)	Unit Cost	Total Cost
1	HUMAN RESOURCE INPUTS (Staff time and consultants...)				
1.1					
1.2					
1.3					
...					
2	EXPENDABLE EQUIPMENT ANCILARY TO SERVICES				
2.1					
2.2					
2.3					
...					
3	TRAVEL (Flights, inland travel...)				
3.1					
3.2					
...					
4	ACCOMMODATION (board and lodging costs...)				
4.1					
4.2					
4.3					
5	GENERAL OPERATING AND MAINTENANCE EXPENSES				
5.1					
5.2					
5.3					

LoA Part I - Main Agreement

6	-----OTHER CATEGORY (Specify)-----				
6.1					
6.2					
6.3					
...					
	TOTAL COSTS				

APPENDIX C: Description of competencies and CVs of key personnel

(please include the CVs of the relevant key staff as an appendix to your proposal)

ANNEX I: LoA Template

LETTER OF AGREEMENT
between
the Food and Agriculture Organization of the United Nations
and
[Complete legal name of the institution]
[Full official address]
for provision of
[Brief title of services]

TABLE OF CONTENTS

Letter of Agreement..... Page 1
General Terms and Conditions for Letters of Agreement..... Annex A
Terms of Reference and Payment Provisions..... Annex B
Special Conditions and Derogations; Additional Provisions..... Annex C

This Letter of Agreement (hereinafter the “LoA” or the “Agreement”) is made between the Food and Agriculture Organization of the United Nations (hereinafter referred to as “FAO”) and *[complete legal name of the Service Provider]* hereinafter referred to as the “Service Provider”).

FAO and the Service Provider (hereinafter collectively referred to as the “Parties”), in consideration of the mutual covenants and agreements contained herein, hereby agree as follows:

1. Scope of Services

The Service Provider will provide certain services (the “Services”) described in detail in Annex B in support of the *[name of project or programme of work and brief description]*.

2. Definitions

For the purposes of this Agreement, if not otherwise defined herein, the definitions listed in Annex A shall apply.

3. Compensation

To enable the Service Provider to provide the Services, FAO will pay the Service Provider a total amount not exceeding *[specify currency and amount in numbers (write out amount and currency type in words)]*, which represents FAO’s maximum financial liability under this Agreement (“Maximum Financial Liability”). Payments shall be made in accordance with the payment provisions set forth in Annex B.

4. Designation of the FAO LoA Manager

Mr./Ms. *[....., title, address, phone, email]* is designated the officer responsible for the management of this Agreement (“LoA Manager”) on behalf of FAO.

5. Entry into Force and Term

The Agreement will enter into force upon the later of *[enter date and year]* and the date both Parties have signed the agreement (the “Effective Date”). Services shall be provided until *[enter date and year]* (the “Services End Date”), unless terminated earlier in accordance with the provisions below, or extended by mutual, written agreement (the period between the Effective Date and the Services End Date, is hereinafter referred to as the “Operational Period”). Following the Operational Period there will be an additional period of 30 calendar days during which the Service Provider shall complete and submit to FAO the Final Report (the “Closure Period”). The Agreement shall terminate at the end of the Closure Period.

6. Purpose of the LoA

a. The purpose for which the funds provided by FAO under this Agreement shall be used is the following: *[describe briefly the purpose]*.

b. The Service Provider will produce, achieve or deliver the following outputs: *[provide summary list of the outputs expected]*.

A detailed description of the Services, including technical and operational requirements, budget, work plan and timeframe, performance indicators and means of verification, as well as inputs to be provided free-of-charge by the Parties, if any, are set out in detail in Annex B.

7. Notices and Communications

All notices and other binding communications shall be in English, Spanish or French and shall be deemed to have been validly given (a) when delivered in person, (b) upon receipt after dispatch by registered or certified mail or international courier service, (c) upon confirmation of receipt by facsimile transmission or by email, in each case addressed as follows:

if to FAO:

[insert name and title from paragraph 4 above] _____

[address] _____

[fax/email] _____

if to the Service Provider:

[name/title] _____

[address] _____

[fax/email] _____

or to such other address as either Party may from time to time specify in writing to the other Party.

8. Terms and Conditions; Interpretation of the Contract

This Agreement is subject to the General Terms and Conditions for Letters of Agreement attached hereto as Annex A. The provisions of such Annex shall control the interpretation of this Agreement and in no way shall be deemed to have been derogated by the contents of this LoA or any other Annexes, unless otherwise expressly stated under Annex C of this LoA, entitled “Special Conditions and Derogations.”

9. Annexes, Appendices, Schedules; Integration

The Annexes, Appendices and Schedules to this Agreement constitute an integral part of this Agreement and together constitute a single binding contractual instrument.

10. Entire Agreement; No Prior Agreement

This Agreement constitutes the entire agreement between the Parties and terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the Parties with respect to the subject matter of this Agreement.

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

Name and title of FAO Officer: _____

Signature: _____

Date: _____

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

Name and title of the authorized signatory for Service Provider: _____

Signature: _____

Date: _____

The Service Provider will sign two copies of this Agreement and initial each page of this Agreement and its Annexes and return one complete executed set to the LoA Manager.

**ANNEX A TO LETTER OF AGREEMENT:
GENERAL TERMS AND CONDITIONS FOR LETTERS OF AGREEMENT**

Article I. DEFINITIONS

Section 1.01 Agreement: As defined in the preamble to the LoA, the agreement between the Parties hereto.

Section 1.02 Closure Period: As defined in the LoA in paragraph 5, the additional period of time granted to the Service Provider to prepare and submit to FAO the Final Report.

Section 1.03 Confidential Information: As defined in this Annex A, Section 13.01, below.

Section 1.04 Credit Event: Any sudden and tangible (negative) change in the Service Provider's credit standing or decline in credit rating or other event that brings into question the Service Provider's ability to repay its debt.

Section 1.05 Effective Date: As defined in the LoA in paragraph 5, the date this Agreement enters into force.

Section 1.06 Executing Institution: An Executing Institution can be any of the following institutions selected to provide Services to, or on behalf of, FAO under the provisions of Manual Section 507: i) a United Nations or other Intergovernmental organization; ii) a national or local government body; iii) an Eligible Entity with whom FAO has established by means of a Memorandum of Understanding an official partnership agreement with a partnership objective relevant to the purpose and the activities of this Agreement. For purposes of this Agreement, (i) the Executing Institution shall be the entity named in the preamble to the LoA and (ii) the terms Service Provider and Executing Institution are used interchangeably.

Section 1.07 FAO: Food and Agriculture Organization of the United Nations.

Section 1.08 Final Report: As defined in this Annex A, Section 9.01, below.

Section 1.09 Financial Period: , The period from the Effective Date at the outset of the Operational Period to the end of the Closure Period[referred to in the LoA in paragraph 5].

Section 1.10 Force Majeure: As defined in this Annex A, Section 17.03, below.

Section 1.11 Intergovernmental: An organization established by a treaty or charter, and which is made up of sovereign nations.

Section 1.12 Key Personnel: Any persons whose names are set forth on Annex B, Appendix 2, if any.

Section 1.13 LoA: Specifically, this Letter of Agreement. Generally, a contractual instrument used to obtain Services from a Service Provider in accordance with FAO's policies, regulations and procedures described in detail in Section 507 of the Administrative Manual.

Section 1.14 LoA Manager: The person named in paragraph 4 of the LoA, or such other person as has duly been appointed by FAO to replace such person.

Section 1.15 Manual Section 507: FAO's Administrative Manual for letters of agreement

Section 1.16 Maximum Financial Liability: As defined in the LoA in paragraph 3, the amount representing FAO's maximum financial liability under this Agreement.

Section 1.17 Miscellaneous Income: As defined in this Annex A, Section 8.02, below.

Section 1.18 Operational Period: As defined in the LoA in paragraph 5, the period between the Effective Date and the Services End Date.

Section 1.19 Party or Parties: As defined in the preamble to the LoA, each of FAO and the Service Provider shall be a Party under this Agreement and collectively shall be referred to as the Parties.

Section 1.20 Returnable Items: As defined in this Annex A, Section 8.01, below.

Section 1.21 Service Provider: The entity named in the preamble to the LoA, selected to provide Services to, or on behalf of, FAO under the provisions of FAO Manual Section 507. In specific circumstances the Service Provider may be referred to in the LoA as the Executing Institution. For the purpose of this Agreement, the terms Service Provider and Executing Institution are used interchangeably.

Section 1.22 Services: Those services defined in the LoA in paragraph 1 and more fully described in Annex B of this Agreement. For purposes of any LoA with an Executing Institution the terms Services and Activities are used interchangeably.

Section 1.23 Services End Date: As defined in the LoA in paragraph 5, the date the Operational Period ends.

Section 1.24 Termination Event: As defined in this Annex A, Section 18.01.

Section 1.25 VAT: Value Added Tax.

Article II. LEGAL STATUS OF THE PARTIES

Section 2.01 Pursuant, inter alia, to the FAO Constitution and the Convention on the Privileges and Immunities of the Specialized Agencies, FAO has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfilment of its purposes.

Section 2.02 Nothing contained in this Agreement or in any document or arrangement relating thereto shall be construed as conferring any privileges or immunities of FAO on the Service Provider, its personnel or any other persons providing the Services on its behalf.

Section 2.03 The Service Provider shall be registered as a governmental, Intergovernmental (e.g. other United Nations organization), non-governmental or other not-for-profit entity. It shall have independent legal status vis-à-vis FAO, and it shall be fully responsible, in particular, for the acts and omissions of its personnel, agents and other representatives.

Section 2.04 None of the officials, representatives, employees, or subcontractors of either of the Parties shall, by virtue of this Agreement, be considered in any respect as being an employee or agent of the other Party and nothing contained in this Agreement or in any document or arrangement relating thereto shall be construed as establishing or creating between the Parties the relationship of employer and employee or of principal and agent. The personnel assigned by the Service Provider to provide the Services shall not be considered in any respect as being employees or agents of FAO.

Article III. RESPONSIBILITY FOR EMPLOYEES; KEY PERSONNEL

Section 3.01 The Service Provider will be responsible for all activities related to the provision of the Services and the acts or omissions of all employees, agents (including subcontractors) and other representatives providing the Services on its behalf.

Section 3.02 FAO will not be held responsible for any accident, illness, loss or damage that may occur during the provision of the Services or any claims, demands, suits or judgements arising therefrom, including for any injury to the Service Provider's employees, agents (including subcontractors) or other representatives or to third parties, or any loss of, damage to, or destruction of property of third parties, arising out of or connected to the Service Provider's work or performance under this Agreement. Consequently, FAO will not entertain any request or accept any claim for indemnities resulting from such occurrence.

Section 3.03 Upon FAO's request, the names of the persons selected by the Service Provider to provide Services hereunder shall be set forth on Appendix 2 to Annex B (such persons shall be deemed "Key Personnel"). FAO may also require that detailed personal history statements for Key Personnel be furnished to FAO. During the Operational Period, the Service Provider shall not substitute any Key Personnel without FAO's prior authorization. In the event a substitution becomes necessary, the Service Provider shall offer for FAO's consideration only persons having equal or comparable experience and skills to the Key Personnel being substituted. After a substitution has been approved by FAO, Appendix 2 shall be revised to reflect the substitution and the new individual shall be considered Key Personnel.

Section 3.04 The Service Provider shall be responsible for the professional and technical competence of the Key Personnel under this Agreement and will select reliable and competent individuals who will be able to effectively perform the obligations under this Agreement and who, while doing so, will respect the local laws and customs and conform to a high standard of moral and ethical conduct.

Section 3.05 FAO may request that the Service Provider replace any personnel, including Key Personnel, who, in the opinion of FAO, have not met appropriate standards of conduct or who are not performing as required under this Agreement.

Article IV. INSURANCE

Section 4.01 The Service Provider shall make and thereafter maintain, in compliance with national legislation, or as otherwise required by FAO, provision for adequate insurance to cover such risks as damage to property and injuries to persons affected by the performance of this Agreement, as well as third party liability claims.

Section 4.02 The Service Provider acknowledges and agrees that FAO accepts no responsibility for providing life, health, accident, travel or any other insurance coverage which may be necessary or

desirable in respect of any personnel performing Services for the Service Provider in connection with this Agreement.

Section 4.03 Unless otherwise provided in this Agreement, prior to commencement of performance of any other obligations hereunder, and subject to any limits set forth hereunder, the Service Provider shall take out and shall maintain for the entire Financial Period:

- a) insurance reasonably adequate to deal with losses against travel related risks for all travelers whose travel costs are funded under this Agreement, or ensure that travelers have undertaken such insurance themselves at own initiative and cost;
- b) to the extent required by national legislation and local law where Services are being performed, all risks insurance to cover damage to property as a result of the performance of this Agreement, including any equipment or vehicles, or other transportation means, whether or not owned by the Service Provider, used during or in connection with the performance of this Agreement;
- c) to the extent required by national legislation and local law where Services are being performed, workers' compensation insurance, or its equivalent, or employer's liability insurance, or its equivalent, with respect to the Service Provider's personnel sufficient to cover all claims for injury, death and disability, or any other benefits required to be paid by law, in connection with the performance of the Agreement and particularly in view of the limitation of liability provisions of Section 3.02; and
- d) such other insurance as may be agreed upon in writing between FAO and the Service Provider.

Article V. FAO RIGHTS OF ACCESS

Section 5.01 FAO's LoA Manager or authorized agents shall be granted access to all documentation and sites related to the Services, including during implementation of field activities and after the Operational Period, for review and audit purposes. The Service Provider agrees to comply without delay with any request by FAO that it submit evidence of expenses.

Article VI. SUBCONTRACTING; ASSIGNMENT

Section 6.01 In the event the Service Provider requires the services of subcontractors to perform any obligations under this Agreement, except as may be provided in this Agreement, the Service Provider shall obtain the prior written authorization of FAO. FAO shall be entitled, in its sole discretion, to review the qualifications of subcontractors and to reject any proposed subcontractor that FAO reasonably considers is not qualified to perform obligations under the Agreement.

Section 6.02 The Service Provider shall have the sole and full responsibility for the performance of its obligations under this Agreement. Any subcontracting arrangement shall in no way relieve the Service Provider of its responsibility to deliver the Services in accordance with this Agreement.

Section 6.03 Subcontracts of the Services or procurement of the items set forth in the Annex shall be carried out in conformity with the Service Provider's own procurement rules and procedures. The Service Provider confirms that its procurement rules and procedures, and their implementation, ensure that the procurement process is transparent and consistent with generally-accepted principles governing public sector procurement to obtain best value for money.

Section 6.04 The Service Provider will ensure that any agreement with any subcontractor requires such subcontractor (i) to maintain appropriate records to satisfy the requirements of Section 9.02 for a period of five years after the Financial Period, or such longer period as has been notified to the Service Provider, and (ii) to provide FAO access to all documentation and sites related to the Services, including during implementation of field activities and after the Financial Period, for review and audit purposes.

Section 6.05 The terms of any subcontract shall be subject to, and shall be construed in a manner that is fully in accordance with, all of the terms and conditions of this Agreement.

Article VII. REIMBURSEABLE AMOUNTS: PERMITTED AND INELIGIBLE EXPENDITURES

Section 7.01 FAO will cover or reimburse eligible direct costs incurred in connection with implementation of the Services that:

- a) are specifically agreed and recorded in the Budget;
- b) are necessary for carrying out the Services, directly attributable to such activities, and have been charged in proportion to their actual use;

- c) are incurred during the Operational Period, with the exception of costs related to any audit of the Final Report;
- d) are actually incurred by the Service Provider, i.e. they represent real expenditure definitively and genuinely borne by the Service Provider;
- e) are recorded using historical cost;
- f) are reasonable, justified, identifiable and backed by supporting documents; and
- g) have not been claimed, reimbursed or budgeted for funding from any other source other than FAO pursuant to this Agreement.

Section 7.02 FAO will not cover or reimburse costs outside the scope of this Agreement, including but not limited to, the following costs:

- a) bonuses or other exceptional remuneration other than ordinary salary;
- b) purchase cost of equipment and assets unless such asset or equipment is specifically purchased for the execution of activities under the Agreement and ownership is transferred to a beneficiary designated by FAO or, in the absence of such designation, remains with the Service Provider;
- c) duties, taxes and charges, including VAT, that are recoverable or deductible by the Service Provider;
- d) debts and debt service charges;
- e) provision for losses, debts or potential future liabilities;
- f) banking charges incurred in connection with the transfer of funds from FAO;
- g) costs incurred after the Operational Period, other than those permitted pursuant to Section 7.01(b), or after notification by FAO to the Service Provider to suspend activities under the Agreement or that the Agreement is being terminated, with the exception of such costs as are expressly agreed to by FAO;
- h) the purchase of land or buildings;
- i) interest owed by the Service Provider to any third party; and
- j) currency exchange losses.

Section 7.03 FAO shall not pay interest or other charges to the Service Provider for late payment by FAO.

Article VIII. RETURN OF UNEXPENDED FUNDS AND ASSETS; FAO'S RIGHT TO WITHHOLD, OFFSET OR RECOVER CERTAIN FUNDS AND ASSETS

Section 8.01 Upon termination of the LoA, the Service Provider shall return to FAO any unexpended funds budgeted and paid by FAO under this Agreement, any non-expendable assets that were procured by FAO and used by the Service Provider in executing the Services under this Agreement (other than those that were explicitly transferred to the Service Provider pursuant to transfer of ownership form), or the value thereof if the return of such assets is impracticable, as well as any inputs which have not, at the time of such termination, been distributed to the Beneficiaries (collectively, the "Returnable Items"). Returnable Items shall also include any Miscellaneous Income (as defined below) which was not authorized to be used, if any.

Section 8.02 "Miscellaneous Income" shall consist of, inter alia, proceeds or receivables from the sale of any item or other asset provided under this Agreement, as well as any bank interest earned or accrued on funds remitted by FAO and which have been deposited or temporarily placed in an interest-bearing account. For LoAs with a Maximum Financial Liability of \$200,000 or greater, the Service Provider shall record all Miscellaneous Income as credit against funds receivable from FAO. The Service Provider shall not use Miscellaneous Income during the Operational Period except in the event FAO has granted express authorization to use Miscellaneous Income for the Services. Upon termination of the LoA, the Service Provider shall, in accordance with Section 8.01 credit such unused Miscellaneous Income to FAO in its Final Report.

Section 8.03 FAO reserves the right to withhold, offset or recover from the Service Provider an amount equal to the value of:

- a) any expenditure found ineligible under criteria provided in this Agreement, including expenditures that are not included or properly reflected in any financial report or supported by appropriate documentation, as required by this Agreement;
- b) any Returnable Items; and

- c) any expenditure made by the Service Provider (or payment made by FAO) as a result of any irregularity or corrupt, fraudulent, collusive, coercive, unethical and/or obstructive practice, as defined in this Agreement, by the Service Provider, any successors or assigns, employees, agents or representatives, or such other amount as is determined by FAO to be equitable under the circumstances.

Section 8.04 FAO shall formally notify the Service Provider of its intention to withhold, offset or recover any such sums, specifying the amount and the reasons therefor and inviting the Service Provider to provide additional documentation in connection with the disqualified expenditure or Returnable Items within 30 days from the date of receipt of the notice. After examination of any additional documentation submitted by the Service Provider or if the Service Provider does not submit any additional documentation by the stated deadline, FAO will formally notify the Service Provider of its decision to withhold or offset other amounts payable to the Service Provider under this or any other agreement, and/or to proceed with a recovery of the disqualified expenditure or Returnable Items. Where FAO selects to proceed with a recovery, it shall also provide the Service Provider with a final deadline for repayment to FAO.

Article IX. REPORTING AND RECORD MAINTENANCE REQUIREMENTS

Section 9.01 The Service Provider shall submit to the LoA Manager the Reports listed in Annex B on the dates set forth therein, including a final report consisting of a narrative report and a financial report within 30 days following the Services End Date (the “Final Report”). The Final Report must be sufficiently detailed to allow certification of deliverables and of expenditures, including spot checks on representative or risk-based transactions. The Final Report shall be signed and certified as to its correctness by a duly designated representative of the Service Provider (e.g. executive officer, chief financial officer, chief accountant or similar).

Section 9.02 The Service Provider shall keep accurate financial records and maintain supporting documentation showing the utilization of inputs and funds under this Agreement and any other documentation related to the Services for a period of five years following the Financial Period, or such longer period as has been notified by FAO, during which period FAO, or a person designated by FAO, or the relevant auditing authority (e.g. national audit office) shall have the right, at any time, to conduct reviews and/or audits relating to any aspect of this Agreement. The Service Provider shall provide its full and timely cooperation with any such review or audit. Full and timely cooperation shall include, but not be limited to, making available to respond to questions employees or agents with knowledge of the Agreement and granting to FAO or other designated persons or relevant authority, access at reasonable times and conditions to the Service Provider’s premises or other sites where documentation related to this Agreement is kept or activities related to this Agreement are carried out. This obligation will survive the expiration or termination of this Agreement.

Section 9.03 In addition to the requirements set forth in Section 9.01, the Final Report for LoAs having a Maximum Financial Liability of \$200,000 or greater shall also be signed by an independent third party auditor. Such auditor’s fees may be included in the LoA budget and reimbursed to the Service Provider.

Section 9.04 If the Service Provider fails to submit the Final Report specified in Section 9.01 above within 30 calendar days following the Services End Date, FAO shall, after notice to the Service Provider, be under no further obligation to make payment to the Service Provider under this Agreement.

Article X. MAXIMUM FINANCIAL LIABILITY

Section 10.01 This Agreement is a cost reimbursable contract, and FAO shall pay only costs actually incurred pursuant to the budget set forth in Annex B. Funds provided by FAO under this Agreement are to be used by the Service Provider exclusively for the provision of the Services in accordance with the terms of this Agreement. Neither the Service Provider nor its personnel nor any other persons providing the Services on its behalf, will incur on behalf of FAO any additional commitment or expense exceeding the Maximum Financial Liability.

Article XI. USE OF NAME, EMBLEM OR OFFICIAL SEAL

Section 11.01 FAO does not, through this Agreement, endorse or recommend any commercial products, processes or services. The Service Provider may, in any information disseminated to the press, internal stakeholders or beneficiaries of the Services, including in any related publicity material, official notices,

external communications, reports or publications about the Services, acknowledge the contributions of FAO. Any such acknowledgment should also provide a disclaimer that FAO's contributions should not be considered as an endorsement of the Service Provider's products, processes or services, or, in connection with a report or publication, its views, unless FAO has explicitly authorized the relevant text. The Service Provider may also refer to this Agreement and to FAO's funding thereof in any financial or other report that the Service Provider is required to issue in order to comply with reporting requirements set by national law or its own internal statutes and regulations. No further use of the FAO name shall be permitted unless expressly authorized by FAO in writing.

Section 11.02 FAO may, in certain cases, direct the Service Provider to use the FAO logo in connection with outputs described in this Agreement. Other than when directly required by FAO, FAO's logo may not be used by the Service Provider without the prior approval of FAO. Any requests for approval shall be directed to the LoA Manager named in this Agreement copying the email address "logo@fao.org". All use of the FAO logo shall be carried out in accordance with FAO logo policy, which, together with the appropriate FAO logo electronic files, will be provided upon request by the LoA Manager.

Section 11.03 FAO reserves the right to request that the Service Provider limit use of its name and logo at any time, including when publicity under this provision could put the staff of the Parties at risk.

Article XII. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

Section 12.01 Any intellectual property rights including copyright, of material such as publications, software and designs, made available by the Parties to be used in implementing activities under this Agreement will remain with the originating Party. All intellectual property rights, including copyright, in the outputs produced under this Agreement are vested in FAO, including, without any limitations, the right to use, publish, translate, sell or distribute, privately or publicly, any item or part thereof. FAO hereby grants to the Service Provider a non-exclusive royalty-free license to use, publish and distribute the outputs delivered under this Agreement for non-commercial purposes, provided that FAO is acknowledged as the source and copyright owner.

Article XIII. CONFIDENTIALITY

Section 13.01 Neither the Service Provider nor its personnel will communicate to any other person or entity any "Confidential Information" disclosed to it by FAO nor will they use this information for private or corporate advantage. For purposes of this provision, Confidential Information is information (a) that has been provided by FAO and marked or flagged as confidential or (b) that is not available to the general public at the time of such disclosure (and which does not otherwise become available to the public through any dissemination or breach by the Service Provider).

Section 13.02 The Service Provider may disclose Confidential Information to the extent required by law, subject to and without any waiver of the privileges and immunities of FAO, provided that the Service Provider gives FAO sufficient prior notice of a request for the disclosure in order to allow FAO a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

Section 13.03 To comply with disclosure requirements and enhance transparency, FAO reserves the right to release and/or publish the following information about this Agreement: (i) the name and nationality of the Service Provider; (ii) a brief description and location of the Services provided; and (iii) the amount of this Agreement. FAO may also disclose information about this Agreement or the Service Provider to the extent required by the FAO Constitution or consistent with or pursuant to resolutions or regulations of the Conference of FAO. The Service Provider specifically consents to the release and/or publication of the foregoing information. FAO will not release or publish information that has been marked or flagged as confidential.

Section 13.04 This Article will survive the expiration or termination of this Agreement.

Article XIV. REQUIRED DISCLOSURE

Section 14.01 The Service Provider agrees that it will notify FAO immediately of any of the following events:

- a) events or circumstances which are likely to affect significantly or delay the implementation of the LoA activities or the Service Provider's ability to deliver the Services;

- b) bankruptcy, insolvency, receivership or winding up or other Credit Event by or affecting the Service Provider or its controlling entity;
- c) use of FAO's name other than as expressly permitted pursuant to Section 11.01;
- d) changes in Key Personnel, as per Section 3.03;
- e) any conflict or problem arising in relation to national authorities, as per Section 23.02; and
- f) any other circumstances which could reasonably affect FAO's decision to award the LoA or the Service Provider's ability to comply with the requirements of this Agreement.

Section 14.02 The Service Provider agrees that it will notify FAO immediately of any knowledge of any plans to change its name, legal status or direct or indirect controlling entity, which in any event shall be no less than five (5) days prior to any such change.

Article XV. TAX EXEMPTION

Section 15.01 FAO enjoys certain privileges and immunities which include exemption from payment of sales taxes such as VAT, customs duties and importation restrictions. The Service Provider may not charge any tax to FAO for the provision of its Services but may request the reimbursement of the full value, including tax of items procured for the provision of the Services, if FAO agrees the recovery of such tax from the relevant fiscal authorities is exceptionally onerous or impossible.

Article XVI. ESSENTIAL TERMS

Section 16.01 The Service Provider acknowledges and agrees that each of the provisions of this Article constitutes an essential term of this Agreement and that any breach of any of these provisions shall entitle FAO to terminate this Agreement immediately upon notice to the Service Provider, without any liability for termination charges or any other liability of any kind.

Section 16.02 SOURCE OF INSTRUCTIONS. The Service Provider shall neither seek nor accept instructions from any authority external to FAO in connection with the performance of the Services. Should any authority external to FAO seek to issue any instructions concerning or impose any restrictions on the Service Provider's performance under the Agreement, the Service Provider shall promptly notify FAO and provide all reasonable assistance required by FAO in order to help resolve the matter. The Service Provider shall not take any action in respect of the performance of its obligations under the Agreement that may adversely affect the interests of FAO, and the Service Provider shall perform the Services with the fullest regard to the interests of the FAO.

Section 16.03 CODE OF CONDUCT, CONFLICT OF INTEREST AND VENDOR SANCTIONS. The Service Provider shall observe the highest standard of ethics in providing the Services and agrees to adhere to the United Nations Supplier Code of Conduct, which can be viewed at <https://www.un.org/Depts/ptd/about-us/un-supplier-code-conduct> .

The Service Provider shall take all reasonable precautions to avoid any conflict of interest in the implementation of the Services. The Service Provider agrees that it shall inform FAO without delay of any situation constituting or likely to entail a conflict of interest, including any FAO personnel or first degree relatives of FAO personnel having a financial interest or employment relationship of any kind in the Service Provider's activities. The Service Provider warrants that no official, staff member or representative of FAO, or any family member of any such person, derives any benefit from this Agreement.

The Service Provider confirms that it has not engaged in, nor will engage in, any corrupt, fraudulent, collusive, coercive, unethical or obstructive practices in entering into or implementing this Agreement. If FAO determines that the Service Provider has engaged in such practices, it may impose sanctions, including termination of the Agreement, as provided by FAO's Sanctions Procedures (http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy_-_Procedures.pdf). In addition, information on sanctioned Service Providers and other third parties may be shared with other Intergovernmental or United Nations organizations. This provision must be included in all subcontracts, sub-agreements or assignments entered into by the Service Provider under this Agreement.

For the purpose of this Agreement, the following terms shall have the following meanings:

- a) "*Fraudulent practice*" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain, financial and/or other benefit and/or to avoid an obligation;

- b) “*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;
- c) “*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;
- d) “*Corrupt practice*” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value whether tangible or intangible to improperly influence the actions of another party;
- e) “*Unethical practice*” is an act or omission contrary to the conflict of interest, gifts and hospitality or post-employment FAO policy: (<http://www.fao.org/unfao/procurement/codeconduitethique/en/>), as well as any provisions or other published requirements of doing business with FAO, including the United Nations Supplier Code of Conduct; and
- f) “*Obstructive practice*” is an act or omission by the Service Provider or its affiliates, successors or assigns that may prevent or hinder the work of the Investigation Unit of the FAO Office of the Inspector General.

In order to enter into an agreement with FAO, the Service Provider represents that neither it, nor any of its agents or authorized subcontractors, has been suspended, debarred or otherwise identified as ineligible by any other United Nations Organization or Organization within the World Bank Group, nor is it listed on the United Nations Security Council Consolidated List and that neither it, nor any of its agents or authorized subcontractors is subject to any sanction or temporary suspension imposed by any such organization. The Service Provider is therefore required to disclose to FAO whether itself, or any of its affiliates or agents, is, has been or becomes subject to any such sanction or measure at any time during the three years prior to this Agreement and at any time throughout the execution of this Agreement. The Service Provider recognizes that a misrepresentation under this provision will entitle FAO to terminate its Agreement with the Service Provider immediately upon notice to the Service Provider, without any liability for termination charges or any other liability of any kind of FAO and that material misrepresentations on its status constitute a fraudulent practice.

In accordance with the United Nations Supplier Code of Conduct, Service Providers are expected to refrain from offering employment to any FAO staff for a period of one year following their separation from FAO.

Section 16.04 LABOR. The Service Provider shall:

- a) respect the prohibition of forced or compulsory labor in all its forms;
- b) respect the freely exercised right of workers, without distinction, to organize, to further and defend their interest as well as the protection of those workers who exercise their right to organize;
- c) ensure equality of opportunity and treatment in respect of employment and occupation; and
- d) ensure fair and reasonable conditions of safety, health and welfare.

The Service Provider represents and warrants that neither it, its parent entities (if any), nor any of the Service Provider’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, <http://www.unhcr.org/protection/children/50f941fe9/united-nations-convention-rights-child-crc.html> 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.

Section 16.05 TERRORISM. The Service Provider agrees to undertake all reasonable efforts to ensure that none of the funds received from FAO under this Agreement are used to provide support to individuals or entities i) associated with terrorism, as included in the list maintained by the Security Council Committee established pursuant to its Resolutions 1267 (1999) and 1989 (2011) or ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council. This provision must be included in all subcontracts, sub-agreements or assignments entered into under this Agreement.

Section 16.06 SEXUAL EXPLOITATION. The Service Provider shall take all appropriate measures to prevent sexual exploitation or abuse of any beneficiary of the Services provided under this Agreement, or to any persons related to such beneficiaries, by its employees or any other persons engaged and controlled by the Service Provider to perform any Services under this Agreement. For

these purposes, sexual activity with any person less than eighteen years of age shall constitute the sexual exploitation and abuse of such person. In addition, the Service Provider shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favours or activities, or from engaging in any sexual activities that are exploitive or degrading to any direct beneficiary of the Services provided under this Agreement or to any persons related to such beneficiaries.

Article XVII. FORCE MAJEURE

Section 17.01 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 cause if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Agreement. The affected Party shall also notify the other Party of any other changes in condition or the occurrence of any event which interferes or threatens to interfere with its performance of this Agreement. If the affected party is the Service Provider, not more than fifteen (15) days following the provision of such notice of Force Majeure or other changes in condition or occurrence, the Service Provider shall also submit a financial statement to FAO detailing the use of funds up to the date of notice as well as the estimated expenditures that will likely be incurred for the duration of the change in condition or the event of Force Majeure. FAO shall not be liable for any excess costs incurred as a result of lack of prompt notice by the Service Provider of the Force Majeure event.

Section 17.02 On receipt of the notice(s) required hereunder, FAO shall have the right to suspend or terminate the Agreement in accordance with Article XVIII or take such other 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 any obligations under this Agreement. In any case, FAO shall be entitled to consider the Service Provider permanently unable to perform its obligations under this Agreement in case the Service Provider is unable to perform its obligations, wholly or in part, by reason of Force Majeure for any period in excess of ninety (90) days.

Section 17.03 "Force Majeure" as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any 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 Service Provider (or on the part of its personnel, agents, other representatives, or authorized subcontractors), and proves insurmountable in spite of all due diligence. Defects in equipment, material or supplies, or delays in their availability (unless due to Force Majeure), labor disputes, strikes or financial difficulties shall not constitute an event of Force Majeure. Notwithstanding anything to the contrary herein in this Agreement, the Service Provider recognizes that the provision of Services may from time to time be performed under harsh or hostile conditions, including civil unrest, in areas in which FAO is engaged, preparing to engage in, or disengaging from any humanitarian or similar operations. Consequently, delays or failure to perform caused by foreseeable events arising out of, or in connection with, such difficult conditions, shall not, in and of themselves, constitute Force Majeure under this Agreement.

Article XVIII. SUSPENSION; TERMINATION; REMEDIES

Section 18.01 Any of the following shall be considered a "Termination Event" under this Agreement:

- a) transfer by the Service Provider to third parties, either directly or indirectly through an intermediary, of all or part of the rights and obligations pertaining to the Services under this Agreement, except for subcontracts duly authorized by FAO;
- b) changes in the Service Provider's name, legal status or control, except those which, following prior disclosure to FAO under Article XIV, have been expressly permitted in writing;
- c) the Service Provider's bankruptcy, insolvency, receivership or winding up;
- d) willful misconduct by the Service Provider;
- e) unjustified delay in the execution of the Services, so as to substantially prejudice the achievement of FAO's objectives under this Agreement;
- f) serious contractual breaches by the Service Provider that have not been remedied notwithstanding notice by FAO and an opportunity to cure;

- g) breach by the Service Provider of any of the Essential Terms; and
- h) non-compliance with the disclosure requirements of Article XIV.

Section 18.02 FAO shall have the right to suspend performance of all or part of the Services under this Agreement upon written notice to the Service Provider if (a) it suspects that a Termination Event has occurred or is occurring and needs additional time to determine how to proceed or (b) in the event of Force Majeure.

Section 18.03 Following suspension of the Agreement, FAO may:

- a) revoke the suspension and require the Service Provider to proceed with the performance of the Services. In this case, if the period of suspension has exceeded more than thirty (30) days, FAO may, in its sole discretion based on the circumstances of the suspension, compensate the Service Provider for expenses incurred as a result of the suspension and resumption of its Services, and the Services End Date shall be extended for a period equal to the time during which the performance of the Services had been suspended;
- b) revoke the suspension subject to certain conditions which, if not met by the Service Provider, will give rise to a new Termination Event; or
- c) terminate the Agreement by written notice to the Service Provider, which termination shall be effective upon notification.

Section 18.04 FAO shall have the right to terminate the Agreement for unforeseen causes beyond the control of FAO or an event of Force Majeure affecting FAO. In the event of termination pursuant to this paragraph, FAO shall provide notice to the Service Provider of such termination and shall complete all payments for expenses that have been incurred by the Service Provider up to the date of receipt of notice by the Service Provider of such termination. After the notice date, additional expenses involved in winding down the Services may be approved by FAO on a case by case basis and must be in writing.

Section 18.05 Either Party shall have the right to terminate this Agreement at any time upon sixty (60) day's advance written notice to the other Party.

Section 18.06 In the event of termination of this Agreement:

- a) The Service Provider shall (i) refrain from undertaking any further or additional commitments under the Agreement as of and following the date of receipt of such notice; except as may be approved in writing by FAO, (ii) terminate all subcontracts, (iii) take all reasonable measures to avoid any loss or deterioration of goods, equipment, materials or supplies, or any other damage and (iv) shall be responsible for refunding to FAO any payment already received in respect of Services that have not been performed to a standard considered acceptable to FAO.
- b) FAO shall complete all payments which may be due and payable up to the effective date of termination, less any amounts subject to adjustment based on claims arising from or connected with the performance of this LoA, as well as the pertinent provisions of this Agreement, and in particular those of Article VIII of this Agreement. In the event of termination on the basis of Force Majeure affecting the Service Provider, the Service Provider shall also refund to FAO any funds already received in respect of Services that have not been performed.

Section 18.07 FAO shall have the right to terminate this Agreement without any liability whatsoever to the Service Provider, following written notice to the Service Provider, for breach of the obligations and warranties set forth in Article XVI, Essential Terms, as more fully described therein. In addition to the rights set forth in Sections 9.04; and 8.04 to withhold, offset or recover certain amounts, FAO shall take other action as it deems appropriate. Failure to comply with such repayment and/or other remedial action requested by FAO may result in further proceedings and/or sanctions against the Service Provider in accordance with FAO's Vendor Sanctions Procedures.

Article XIX. AMENDMENTS

Section 19.01 No amendment shall be permitted:

- a) which would have the effect of significantly altering the scope and/or purpose of this Agreement; or
- b) which increases the Maximum Financial Liability by more than one hundred percent of the original Maximum Financial Liability, except in such cases where a provision has explicitly been made that the Agreement is subject to officially agreed periodic revisions of the work plan and budget.

Section 19.02 The following changes or amendments to this Agreement shall be permitted only if evidenced by a writing signed by both Parties:

- a) budget reallocations or variations of more than 25% between the major headings of the Agreement budget;
- b) budget reallocations of any amount that indicate a serious deterioration of the Service Provider's cost efficiency, whereby costs of salaries, fees, travel and accommodation and/or per-diems for the Service Provider staff or subcontractors increase significantly from the original or previously amended budget, without commensurate changes to the quality or quantity of deliverables;
- c) cost increases;
- d) extensions of the Operational Period of the Agreement, but only if made prior to the Services End Date. Any such extension shall be requested by the Service Provider by notice to FAO no later than one calendar month prior to the Services End Date and provide a documented justification and an interim financial report; or
- e) changes to the payment instructions.

Section 19.03 Any deviations in performance under, or amendments to the terms of, this Agreement, other than those expressly prohibited in Section 19.01 or permitted by a signed writing in Section 19.02 shall be permitted if agreed via email exchange or other writing by both Parties.

Section 19.04 During the Closure Period, if Services are continuing to be provided as if the Agreement is in full force and effect, an amendment may be permitted, if in writing and signed by both Parties, with a view to extending the Operational Period of the Agreement to permit completion and delivery of stated outputs and deliverables and winding down of the Services.

Article XX. NON-WAIVER OF PRIVILEGES AND IMMUNITIES

Section 20.01 Nothing in this Agreement or in any document relating hereto, shall be construed as constituting a waiver of privileges or immunities of FAO, its personnel or any other persons providing the Services on its behalf or as its acceptance of the jurisdiction of the courts of any country over disputes arising out of this Agreement.

Article XXI. NON-WAIVER OF RIGHTS

Section 21.01 The failure by one Party to require performance of any provision shall not affect that Party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself and shall not relieve the Parties of any of their obligations under the Agreement.

Article XXII. LANGUAGE OF THE AGREEMENT

Section 22.01 The LoA shall be in one of English, Spanish or French. Any LoA-related documentation, reporting and monitoring and any other official correspondence between the Parties shall be the same language as that of the LoA. Translations of the LoA or LoA-related documentation into other languages shall be for convenience only and shall not be binding on the Parties.

Article XXIII. APPLICABLE LAW

Section 23.01 The present Agreement shall be governed by general principles of law, to the exclusion of any single national system of law. General principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts of 2016.

Section 23.02 In providing the Services, the Service Provider shall conform to all national laws applicable to its activities and its relations to third parties, including employees. The Service Provider shall promptly correct any violations thereof and shall keep FAO informed of any conflict or problem arising in relation to national authorities.

Article XXIV. INTERPRETATION OF THE AGREEMENT

Section 24.01 In the event of a conflict or inconsistency between the provisions of this Annex and of Annex C, Annex C shall prevail.

Article XXV. COMPUTATION OF DEADLINES

Section 25.01 Unless stated otherwise, “days” as used herein means calendar days.

Article XXVI. SETTLEMENT OF DISPUTES

Section 26.01 Any dispute between the parties arising out of the interpretation or execution of this Agreement, if not settled by negotiation between the parties or by another agreed mode of settlement, shall be submitted at the request of either party, to one conciliator. Should the parties fail to reach agreement on the name of a sole conciliator, each party shall appoint one conciliator. The conciliation shall be carried out in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law, as at present in force.

Section 26.02 Any dispute not resolved by conciliation shall, at the request of either party, be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as at present in force. The arbitral tribunal shall have no authority to award punitive damages. FAO and the Service Provider agree to be bound by any arbitration award rendered in accordance with this article, as the final adjudication of any such dispute.

Section 26.03 The parties may request conciliation during the execution of this Agreement and in the period not to exceed twelve months after the completion, expiry or termination of this Agreement. The parties may request arbitration not later than ninety (90) calendar days after the termination of the conciliation proceedings. All dispute resolution proceedings shall be conducted in the language in which the Agreement is drafted, which shall be either English, Spanish or French.

Section 26.04 The provisions of this Article XXVI shall survive the termination of this Agreement.

**ANNEX B TO LETTER OF AGREEMENT:
TERMS OF REFERENCE AND PAYMENT PROVISIONS**

1. Context

2. Scope

a. Purpose:

The Parties acknowledge that no amendments may be made to the LoA to permit activities that fall outside the purpose of the LoA.

b. Outputs:

c. Activities:

d. Key Performance Indicators and Means of Verification:

e. Workplan/Calendar of Activities:

3. Reports that Must be Submitted to FAO

The Final Report, consisting of narrative and financial report, shall be signed and certified as to correctness in accordance with this LoA.

4. Detailed Budget

5. Description of Inputs to be Provided In Kind by FAO and Schedule of Provision

6. Inputs to be Provided by Service Provider without Charge to FAO and Schedule of Provision

7. Payment Terms

a. Any requests for payment shall be made using the payment form provided in Appendix 1 hereto or such other form as has been specifically authorized by FAO or agreed in advance by the Parties.

b. The Service Provider shall submit each request for payment to the LoA Manager at the address for notices and other communications under paragraph 7 of the LoA.

c. Payments will be made in the currency stated in paragraph 3 of the LoA and according to the banking instructions provided by the Service Provider in paragraph 8, below.

d. Payments under this Agreement will be made only after certification by the LoA Manager that proper request has been made by the Service Provider and of the satisfaction by the Service Provider of the requisite conditions set forth for the payment. The proposed schedule of payments and related conditions is as follows:

- i. **first payment** not to exceed *[amount and currency]* upon *[insert conditions for payment]*;
- ii. following review and approval of the relevant interim financial report submitted by the Service Provider in accordance with paragraph 3 above, **one or more interim payments**, the sum of which shall not exceed *[amount and currency]*, as follows:

payment number *[insert number]* for *[amount and currency]* upon *[insert conditions for payment, with references to the workplan milestones and outputs]*

payment number *[insert number]* for *[amount and currency]* upon *[insert conditions for payment, with references to the workplan milestones and outputs]*

payment number [insert number] for [amount and currency] upon [insert conditions for payment, with references to the workplan milestones and outputs]; and

iii. following review and approval of the narrative and financial Final Report submitted by the Service Provider in accordance with Section 9.01 of Annex A, **final payment** not to exceed [amount and currency].

8. Banking Instructions

Payments shall be made to the Service Provider using the following banking information:

Bank Name		Bank Routing Sort Code and/or Branch Code	
Exact Bank Account Holder Name (account must be held in the name of the Service Provider, FAO cannot make payments to third parties)		Account Number	
Swift/BIC Code	IBAN		Account Currency
Bank Address (physical address, no PO boxes)			
Bank City		Bank Country	
Intermediary Bank Details (if applicable)			

9. Identification Data Relating to the Service Provider

The Service Provider warrants that the following information is true and correct and acknowledges its notification obligations pursuant to Section 14.02 of Annex A.

Full Name of Service Provider (as Legally Registered)		FAO Supplier Number (if known)	
Other Trading Name(s) of Service Provider (if applicable)			
Address Line 1			
Address Line 2			
Address Line 3			
City		Postal Code	
State		Country	

LoA Part IV – Annex C Special Terms

Email Address [REDACTED]	Website [REDACTED]
Telephone Number (incl. country and area code) [REDACTED]	Fax Number (incl. country and area code) [REDACTED]

Appendix 1: Request for Payment Template

For the attention of the Service Provider: Please note that by the time of the end of the LoA and the submission of the Final Report, the copies of the following supporting documentation should reach FAO together with the payment requests:

- a) For the procurement of any goods or services copies of the relevant invoices issued by its suppliers as well as copies of evidence of their payment in full.
- b) For the salaries and other Human Resource related payments, copies of payroll reports detailing the payments of the salaries of employees that are dedicating their time to the LoA activities together with any explanations regarding any secondment charges.
- c) For the travel, hospitality and accommodation expenses copies of evidence of the appropriate use of the budgeted resources including: i) evidence of payment for travel tickets exhibiting the name of the traveler and the dates and destinations of travel ii) signed evidence of receipt of daily subsistence allowance payments by the travelers; or in the case of travel of staff of the Service Provider the relevant payroll or other internal reports evidencing the payment of monies for the daily subsistence allowances.

Appendix 2: Key Personnel

As set forth in Section 3.03 of Annex A, the following individuals are considered for the purposes of this Agreement to be Key Personnel:

**ANNEX C TO LETTER OF AGREEMENT:
SPECIAL CONDITIONS AND DEROGATIONS; ADDITIONAL PROVISIONS**

In the event of a conflict or inconsistency between the provisions of the LoA and its Annexes (including the General Terms and Conditions set forth in Annex A), any derogations or special conditions set forth in this Annex C shall prevail.

Derogations and Special Conditions

Instruction to FAO LoA Manager: here you should say either:

[None]

OR if there are any derogations from or special conditions to the standard terms of the LoA that have been approved by CSLP and LEG, list them below:

[Insert approved derogations here, if any, and remove brackets.]

Instruction to FAO LoA Manager: be sure to have made only one choice. If you list items above, then delete the word “None”. If you have left the word “None” then it should be the only thing listed in this section.

Instruction to FAO LoA Manager: if Services under the LoA are funded by the EC, then the following section must be included as drafted without changes. If no EC funding is involved, delete this paragraph and all text that follows:

[Special Conditions for EC Funded Projects]

The text of Section 3.02 of Annex A shall be superseded in its entirety by the following:

FAO will not be held responsible for any accident, illness, loss or damage that may occur during the provision of the Services or any claims, demands, suits or judgements arising therefrom, including for any injury to the Service Provider’s employees or to third parties, or any loss of, damage to, or destruction of property of third parties, arising out of or connected to the Service Provider’s work or performance under this Agreement. Consequently, FAO and the European Commission, collectively or separately, will not entertain any request or accept any claim for indemnities resulting from such occurrence.

The text of Section 6.04 of Annex A shall be superseded in its entirety by the following:

The Service Provider will ensure that any agreement with any subcontractor requires such subcontractor (i) to maintain appropriate records to satisfy the requirements of Section 9.02 for a period of seven years after termination of the Agreement, or such longer period as has been notified to the Service Provider, and (ii) to provide FAO access to all documentation and sites related to the Services, including during implementation of field activities and after the Operational Period, for review and audit purposes.

The text of Section 9.02 of Annex A shall be superseded in its entirety by the following:

The Service Provider shall keep accurate financial records and maintain supporting documentation showing the utilization of inputs and funds under this Agreement and any other documentation related to the Services for a period of seven years following the Services End Date, or such longer period as has been notified by FAO, during which period FAO or the European Commission, or a person designated by them, or the relevant auditing authority (e.g. national audit office) shall have the right, at any time, to conduct reviews and/or audits relating to any aspect of this Agreement. The Service Provider shall provide its full and timely cooperation with any such review or audit. Full and timely cooperation shall include, but not be limited to, making available employees or agents with knowledge of the project to respond to questions and granting to FAO, the European Commission, or other designated person or relevant authority, access at reasonable times and conditions to the Service

Provider's premises or other sites where documentation related to this Agreement is kept or activities related to this Agreement are carried out.

The following sections shall be added at the end of Article XI, USE OF NAME, EMBLEM OR OFFICIAL SEAL, following Section 11.03:

Section 11.04 The Service Provider shall take all appropriate measures to publicize the fact that the Services have received funding from the European Union, including the display of the European Logo (twelve yellow stars on a blue background). Information given to the press, the beneficiaries of the Services, all related publicity materials, official notices and reports shall acknowledge that the Services were carried out "with funding from the European Union". Such measures shall be carried out in accordance with the Communication and Visibility Manual for EU External Actions laid down and published by the European Commission. This provision shall not apply in the event that publicity under this provision could put the staff of the Service Provider at risk.

Section 11.05 All publications by the Service Provider pertaining to the Services, in whatever form and whatever medium, including the internet, shall carry the following or a similar disclaimer: "This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."

Section 11.06 If equipment, vehicles or major supplies are purchased in connection with the Services under this Agreement using funding received from the European Union, the Service Provider shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the European Logo (twelve yellow stars on a blue background). These visibility requirements shall continue to apply until the successful completion of the Services as determined by FAO. Alternative visibility arrangements should be proposed and implemented where display of the European Logo or acknowledgment of the funding could jeopardize FAO or the Service Provider's privileges and immunities or the safety of staff or beneficiaries of the Services.

The following sections shall be added at the end of Article XVI, Essential Terms, following Section 16.06:

Section 16.07 ADDITIONAL EU STANDARDS. The Service Provider shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Service Provider shall ensure an appropriate protection of personal data in accordance with its applicable rules and regulations.

The following sentence shall be added to the second paragraph of Section 16.03:

"A conflict of interest exists if the impartial and objective exercise of the functions of a person implementing the Services is compromised."

so that the second paragraph of that Section reads in its entirety as follows:

The Service Provider shall take all reasonable precautions to avoid any conflict of interest in the implementation of the Services. A conflict of interest exists if the impartial and objective exercise of the functions of a person implementing the Services is compromised. The Service Provider agrees that it shall inform FAO without delay of any situation constituting or likely to entail a conflict of interest, including any FAO personnel or first degree relatives of FAO personnel having an interest of any kind in the Service Provider's activities. The Service Provider warrants that no official, staff member or representative of FAO, or any family member of any such person, has any interest in, or derives any benefit from, this Agreement.

Additional Provisions

Instruction to FAO LoA Manager: here you should write either:

[None]

OR

LoA Part IV – Annex C Special Terms

[You should list here any additional relevant provisions, such as: special clauses negotiated between the donor and PSR; additional safeguards that you want to impose on the handing over of FAO's assets or non-expendables etc. that are not already covered in the Agreement itself]