

Public disclosure is authorized after the signing

**AGREEMENT
FOR DELIVERY OF OUTPUTS**

Project Name: P173911 - Georgia Emergency COVID-19 Response Project

Loan/Credit/Grant No. 9113-GE

Reference No.

UNICEF Reference No. 48000878

Project Closing Date: 30/04/2022

Financing Agreement Closing Date: 30/04/2022

between

**Ministry of Internally Displaced Persons from the Occupied Territories,
Labour, Health and Social Affairs of Georgia**

and the

UNITED NATIONS CHILDREN'S FUND (UNICEF)



Insert Borrower's logo

FORM OF AGREEMENT

THIS AGREEMENT (together with all Annexes hereto, this "Agreement") is entered into between the **Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia** (the "Government"), and the **UNITED NATIONS CHILDREN'S FUND**, an international inter-governmental organization established by the General Assembly of the United Nations by resolution No.57 (I) of 11 December 1946 as a subsidiary organ of the United Nations, having its headquarters at Three United Nations Plaza, New York, NY 10017, USA ("UNICEF" or the "UN Partner"), together with the Government, the "Parties" and each a "Party").

WHEREAS

- A. UNICEF works with governments, civil society organizations and other partners worldwide to advance children's rights to survival, protection, development, and participation, and is guided by the Convention on the Rights of the Child. UNICEF and the Government collaborate together to better the lives of children and women, in accordance with the Basic Cooperation Agreement concluded between the Government and UNICEF (the "Basic Agreement").
- B. The Government, working with its development partners, including UNICEF and the World Bank (the "Bank"), has developed and is implementing P173911 - Georgia Emergency COVID-19 Response Project (the "Project"). The Government will receive funds from the Bank (the "Financing") towards the cost of the Project pursuant to a legal agreement between the Government and the Bank for the Project (the "Financing Agreement").
- C. As part of Project implementation, the Government has asked UNICEF, and UNICEF has agreed, to deliver the outputs as set forth in **Annex I** to this Agreement (the "Outputs").

NOW, THEREFORE, the Parties agree as follows:

- 1. The Government intends to apply a portion of the proceeds of the Financing up to a total amount of **US\$ four hundred seventy eight thousand two hundred forty US dollars and forty US cents (US\$ 478,240.40)** (the "Total Funding Ceiling"), to eligible payments under this Agreement. The Total Funding Ceiling is the Parties' best estimate (as of the date of the signing of this Agreement) calculated in **Annex II** on the basis of the Outputs and the timeline agreed by the Parties in **Annex I**.
- 2. This Agreement is signed and executed in the English language, and all communications, notices, modifications and amendments related to this Agreement shall be made in writing and in the same language.
- 3. This Agreement becomes effective on the date of its last signature (the "Effective Date").

4. All activities under this Agreement shall be fully completed and all expenses incurred by **31 December 2021** (the “Completion Date”) ¹. The Completion Date can’t exceed the Project Closing Date. UNICEF shall issue the final financial statement not later than three (3) months after the Completion Date.
5. The Government designates Giorgi Tsotskolauri, Deputy Minister, Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia and the UNICEF designates Dr. Ghassan Khalil, Representative UNICEF Georgia as their respective authorized representatives for the purpose of coordination of activities under this Agreement. The contact information for the authorized representatives is as follows:
 - a. Government representative:

Giorgi Tsotskolauri
Deputy Minister
Ministry of Internally Displaced Persons
from the Occupied Territories, Labour,
Health and Social Affairs of Georgia
Address: 144, Ak. Tsereteli Ave. Tbilisi 0119
E-mail: gtsotskolauri@moh.gov.ge
 - b. UNICEF representative:

Dr. Ghassan Khalil
Representative
Email: gkhalil@unicef.org
Tel: +995 591 22 52 81
6. For the Project coordination purposes, the Bank’s staff contact information is as follows:
 - a. Bank Task Team Leader:

Volkan Cetinkaya
Email: vcetinkaya@worldbank.org
Maddalena Honorati
Email: mhonorati@worldbank.org
7. This Agreement shall be interpreted in a manner that ensures it is consistent with the provisions of the Basic Agreement and the provisions of the 1946 Convention on the Privileges and Immunities of the United Nations (the “General Convention”).

¹ [Note to UNICEF User: UNICEF’s internal “grant expiry date” is set up 6 months prior to the Completion Date to ensure that UNICEF has sufficient time for the financial closure.]

8. Nothing contained in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNICEF under the General Convention, the Basic Agreement, or otherwise.
9. The Government confirms that no official of the UNICEF has received or will be offered by the Government any benefit arising from this Agreement. UNICEF confirms the same to the Government. The Parties agree that any breach of this provision is a breach of an essential term of this Agreement.
10. The following documents form an integral part of this Agreement:
 - (a) General Conditions of Agreement;
 - (b) Annexes:
 - Annex I: Outputs and Work Plan
 - Annex II: Total Funding Ceiling and Payment Schedule
 - Annex III: Reporting Requirements
 - Annex IV: Counterpart Staff, Services, Facilities and Property to Be Provided by the Government
 - Annex V: UNICEF Full Cost Recovery
11. UNICEF's payment details are provided in the Payment Schedule in **Annex II**.

The text of the clauses in these General Conditions of Agreement shall not be modified.

GENERAL CONDITIONS OF AGREEMENT

DEFINITIONS

1. Unless expressly indicated otherwise, the following terms whenever used in this Agreement have the following meaning:
 - (a) “Staff” means an individual who holds a letter of appointment with the UN Partner or is on loan to the UN Partner by another UN organization or specialized agency under the terms of the *Inter-organization Agreement Concerning Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries and Allowances*, it being understood that Staff have the status of “officials” under the General Convention;
 - (b) “Consultant” means an individual other than a Staff who has signed an individual service or consultant agreement with the UN Partner, it being understood that Consultants have the status of “experts on mission” under the General Convention;
 - (c) “Contractor” means a legal entity which has concluded a commercial or corporate contract with the UN Partner. When applicable, the term includes “implementing partners” or “partner organizations” as defined and used in the UN Partner’s regulations, rules, policies and procedures;
 - (d) “Day” means business day, unless otherwise stated;
 - (e) “Delivery of Outputs” or “Deliver the Outputs” refers to the UN Partner’s obligation to use a range of inputs, such as goods (including equipment, materials, and supplies), works, consulting and non-consulting services, and training in order to deliver the Outputs that contribute to the Project’s development objectives as set out in **Annex I**;
 - (f) “Direct Costs” means the actual cost of the UN Partner that can be directly traced to the deliverables set forth in **Annex I**; and
 - (g) “Indirect Costs” means costs incurred by the UN Partner as a function of and in support of this Agreement, which cannot be traced unequivocally to the activities and deliverables as described in **Annex I**. The rate applicable to this Agreement is stated in **Annex V**.

SCOPE AND GENERAL OBLIGATIONS OF THE PARTIES

2. The UN Partner agrees to:
 - (a) deliver the Outputs within the scope and in accordance with the timetable and such level of required inputs (the "Work Plan") as detailed in **Annex I**; and
 - (b) keep the Government informed on the progress of the activities towards the Delivery of the Outputs by timely submission of the progress reports in accordance with the reporting requirements and with frequency set out in **Annex III** (the "Progress Reports").
3. The Government agrees to:
 - (a) make timely and complete payments to the UN Partner of all amounts (either directly or by authorizing the Bank to pay on the Government's behalf) due under this Agreement and within the Total Funding Ceiling and in accordance with the payment schedule set out in **Annex II** (the "Payment Schedule"); and
 - (b) provide all required support in connection with the UN Partner's obligations under this Agreement, including: obtaining or assisting with obtaining all permits, licenses, import approvals, and other official approvals related to any goods (including equipment, materials and supplies); taking all necessary actions to ensure and facilitate that Work Plan activities may at all times be conducted freely, expeditiously and without limitations or restrictions; providing access to the site of work and all necessary rights of way; and generally cooperating as provided under the terms of the Basic Agreement, in a timely and expeditious manner.
4. The Parties acknowledge the Government's commitment to the successful implementation of this Agreement and to that end the Government will provide qualified staff and other required inputs as agreed by the Parties in **Annex IV**.
5. The Parties acknowledge that the level of required inputs and the Work Plan may need to be adjusted, with the agreement of both Parties, during the course of the implementation of this Agreement to achieve the agreed Outputs.

TOTAL FUNDING CEILING AND PAYMENTS

6. Calculations of the Total Funding Ceiling are provided in **Annex II**. The Total Funding Ceiling includes both Direct Costs and Indirect Costs of the UN Partner explained in **Annex V**.
7. Cumulative disbursements under this Agreement shall not exceed the Total Funding Ceiling unless it is revised through a written amendment approved by the Bank in response to the Government's request. The Government confirms to the UN Partner that the Government's disbursements under this Agreement are, in all respect,

consistent with the terms and conditions of the Financing Agreement, and no party other than the Government shall derive any rights from the Financing Agreement or have any claim to the Financing proceeds.

8. The payments to the UN Partner under this Agreement shall be made in accordance with the Payment Schedule.
9. The Government will make the payments (either directly or by authorizing the Bank to pay on the Government's behalf) to the UN Partner account, by wire transfer against the documents set out in the Payment Schedule. All payments will be made in United States dollars.
10. The UN Partner will receive and administer the funds received under this Agreement in accordance with the UN Partner's regulations, rules, policies and procedures. Any interest derived by the UN Partner from the funds received under this Agreement will be dealt with in accordance with the UN Partner's regulations, rules, policies and procedures.
11. The UN Partner will maintain a separate identifiable fund code (ledger account or "Account") to which all UN Partner's receipts and disbursements for the purposes of this Agreement will be recorded. The ledger account shall be subject exclusively to the UN Partner's internal and external audit in accordance with the UN Partner's financial regulations and rules. The Parties acknowledge that the UN Partner's financial books and records are routinely audited in accordance with the internal and external auditing procedures laid down in the UN Partner's financial regulations and rules, and that the external auditors of the UN Partner are appointed by and report to the UN Partner's policymaking organ. Throughout the term of this Agreement, the UN Partner will ensure that its audited accounts and the External Auditors' Report are posted on its website within ten (10) Days of their becoming public documents by reason of being presented to the UN Partner's policymaking organ.
12. In the event that the final financial statement to be provided under **Annex III** (the "Final Financial Statement") indicates a balance of funds in favor of the Government, the Government will consult with the Bank and provide relevant payment instructions to the UN Partner to process the refund. The UN Partner shall transfer the refund within thirty (30) calendar days of its receipt of the payment instructions.
13. The UN Partner shall not be required to commence or continue any activities until the UN Partner has received the payments due in accordance with the Payment Schedule.

TERMS OF DELIVERY OF OUTPUTS

14. ***Standard of performance.*** The UN Partner will carry out its obligations under this Agreement with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices.

15. **Procurement of inputs.** All inputs required for the Delivery of Outputs will be undertaken in accordance with the terms of this Agreement and the UN Partner's regulations, rules, policies and procedures. Any delegation or assignment of such procurement to another UN organization shall be disclosed in **Annex II**. The UN Partner is responsible for the importation, including customs clearance, of any inputs required for the Delivery of Outputs under this Agreement, unless otherwise agreed by both Parties in writing. (In this connection, the Parties recall that in accordance with the relevant provisions of the General Convention and the Basic Agreement, such imports shall be, *inter alia*, exempt from any customs duties and subject to prompt release from customs).
16. **Pharmaceuticals and other health commodities required as inputs:**
- (a) Vaccines, pharmaceuticals and other health supplies purchased under this Agreement shall be procured pursuant to the UN Partner's standard contracting and quality assurance policies and procedures. Where applicable, such contracts shall specify that the vaccines, pharmaceuticals and other health supplies are manufactured in accordance with Good Manufacturing Practice as established by the World Health Organization ("WHO"), and that upon dispatch by the UN Partner's supplier, such vaccines, pharmaceuticals and other health supplies shall have a shelf life as agreed by the Parties; and
 - (b) Vaccines, pharmaceuticals and other health supplies procured under this Agreement will be accompanied by the required documentation in accordance with the purchase order (e.g. Certificate of analysis, Certificate of Origin, Official Batch Release Certificate, as the case might be).
 - (c) The waste disposal of vaccines, pharmaceuticals and other health supplies shall be guided by the WHO document "*Safe management of wastes from health-care activities*."
17. **Environmental Management:** The UN Partner shall, while delivering the Outputs, act in accordance with the UN Partner's regulations, rules, policies and procedures to ensure that all activities under this Agreement are, to the extent possible, implemented in an environmentally responsible and sustainable manner.
18. **Transfers to Cash Recipients:** insofar as the scope of work set out in **Annex I** includes cash transfer activities or cash payments to individuals (other than payment of remuneration, per diem, compensation or fees for services rendered), the following shall be detailed in **Annex I**:
- (a) Requirements for the cash transfer activities and how these are carried out, including fiduciary oversight and risk prevention, mitigation and management, including as applicable with regard to the selection, supervision and audit of paying agents or implementing partners;

(b) The information and data requirements to be provided to the Government in regard to the cash recipients to facilitate verification of payments.

19. **Use of inputs.** The UN Partner shall use procured inputs only for the purpose of Delivering the Outputs set out in **Annex I**.
20. The UN Partner is responsible for engaging qualified Staff, Consultants and Contractors as, in the UN Partner's judgment, are required to successfully Deliver the Outputs.
21. The UN Partner shall remain fully responsible for the Delivery of Outputs. The hiring and contracting of any Staff, Consultants or Contractors by the UN Partner in connection with this Agreement shall be done according to the UN Partner's established regulations, rules, policies and procedures, and bearing in mind the considerations and requirements of the Bank that are listed below:
 - (a) Prohibition of Conflicting Activities. The Staff, Consultants or Contractors shall not engage, either directly or indirectly, in any business or professional activities which could conflict with the activities performed under their respective contract with the UN Partner.
 - (b) Hiring Government Institutions or Government Officials. The UN Partner shall not engage or hire any official or civil servant of the Government's country as a Consultant or a Government institution or any Government-owned enterprise as a Contractor under this Agreement, unless it has been established by the Government to the Bank's satisfaction that such hiring or contracting meets the Bank's eligibility requirements under the procurement rules set forth in the Financing Agreement.
 - (c) Disqualification from Related Contracts under the Scope of this Agreement. The Parties note that during the term of this Agreement and after its Early Termination or Completion, the Government will disqualify Staff, Consultants or Contractors, and any party affiliated with any of them, from providing goods, works or services resulting from or directly related to their activities under this Agreement, if providing such goods, works or services would give rise to a conflict of interest situation as determined by the Bank in accordance with the Bank's applicable procurement rules.
22. If the Government becomes aware of information that any of the UN Partner's Staff or Consultants has engaged in a corrupt, fraudulent, collusive or coercive practice or reasonably concludes that the performance of any of the UN Partner's Staff or Consultants is unsatisfactory, then the Government shall promptly share the sufficiently detailed information with the UN Partner specifying the grounds therefore. If, after receiving the Government's written request, the UN Partner investigates the alleged corrupt, fraudulent, collusive or coercive practice or reviews the alleged unsatisfactory performance and concludes that the corrupt, fraudulent, collusive or

coercive practice and/or the dissatisfaction with the performance of the UN Partner's Staff or Consultant justifies his/her replacement, the UN Partner will proceed with a replacement within the timeframe that is in line with the implementation schedule of this Agreement, subject to the UN Partner's regulations, rules, policies and procedures.

23. **Transfer of ownership; Warranties.** When relevant, the Parties shall agree on the timing and modality of the ownership transfer of any goods (including equipment, materials and supplies) and any manufactures' warranties as applicable. Any equipment made available to the UN Partner by the Government during this Agreement shall remain the property of the Government.

INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

24. Each Party shall retain full and sole ownership of its preexisting copyright, patent rights and other proprietary rights. All copyright, patent rights and other proprietary rights in plans, drawings, specifications, designs, reports, other documents and discoveries developed or prepared by the UN Partner under this Agreement shall belong to the UN Partner. The UN Partner herewith grants to the Government a perpetual, non-revocable, royalty-free, transferable (including the right to sub-license), fully paid-up, non-exclusive license to copy, distribute and use any such copyright, patent rights and other proprietary rights.

INSURANCE

25. Throughout the term of this Agreement, the UN Partner will, unless self-insured against the following risks, ensure that insurance is maintained against: third-party liability and third-party motor vehicle liability; workmen's compensation or equivalent; and all-risk insurance against loss of or damage to equipment and materials purchased in whole or in part with funds provided under this Agreement until transferred to the Government.
26. In addition,
- (a) with regard to Staff, the UN Partner will ensure that Staff is enrolled in an appropriate health insurance plan, whether offered by the UN Partner or otherwise; is covered by compensation in the event of injury, sickness or death attributable to performance of official duties for the UN Partner; and is covered by insurance against death or disability caused by malicious acts;
 - (b) with regard to Consultants, the UN Partner will ensure that the Consultant is enrolled in an appropriate health insurance plan or requires in its contract with the Consultant that the Consultant maintain appropriate health insurance; maintain an insurance arrangement against injury, sickness or death attributable to the performance of official duties for the UN Partner; and maintain an insurance against death or disability caused by malicious acts.
27. The cost of such insurance is deemed included in the Total Funding Ceiling.

REPORTING

28. The UN Partner will keep accurate accounts and records in respect of the funds made available under this Agreement, in accordance with the UN Partner's financial regulations and rules and in such form and detail as will clearly identify all relevant charges and costs for corresponding deliverables.
29. The UN Partner will provide written Progress Reports to assist the Government in monitoring implementation progress of activities and deliverables towards the Delivery of Outputs, and the remaining balance under the Total Funding Ceiling. Reporting requirements, including frequency, are set out in **Annex III**.
30. Upon reasonable request from the Government and following consultations between the UN Partner and the Government, the UN Partner may furnish supplemental information or documentation, within the limits of the UN Partner's regulations, rules, policies and procedures.

FORCE MAJEURE

31. Either Party prevented by force majeure from fulfilling its obligations shall not be deemed in breach of such obligations. The said Party shall use all reasonable efforts to mitigate the consequences of force majeure. At the same time, the Parties shall consult with each other on modalities of further execution of the Agreement. Force majeure as used in this Agreement is defined as natural catastrophes such as but not limited to earthquakes, floods, cyclonic or volcanic activity; war (whether declared or not), invasion, act of foreign enemies, rebellion, terrorism, revolution, insurrection, military or usurped power, civil war, riot, commotion, disorder; ionizing radiation or contaminations by radioactivity; and other acts of a similar nature or force.

FRAUD AND CORRUPTION PREVENTION

32. In the event that the Government, the UN Partner or the Bank becomes aware of information that indicates the need for further scrutiny of the implementation of this Agreement or use of the funds provided by the Government pursuant to this Agreement (including non-frivolous allegations that indicate the possibility that corrupt, fraudulent, coercive or collusive practices may have occurred), the entity that has become aware of such information will promptly notify the other two.
33. In such case, this information will be brought promptly to the attention of the appropriate official or officials at the Government, the UN Partner and the Bank.
34. After consultation with the Government and the Bank, the UN Partner will, to the extent the information relates to actions within the authority or accountability of the UN Partner, take timely and appropriate action in accordance with its regulations, rules, policies and procedures, to investigate this information. The Parties agree and acknowledge that the UN Partner shall have no authority to investigate information

relating to possible corrupt, fraudulent, coercive or collusive practices by Government officials or by officials or consultants of the Bank.

35. To the extent that such an investigation confirms corrupt, fraudulent, collusive or coercive practices have occurred and to the extent that remedial action is within the authority of the UN Partner, the UN Partner will take timely and appropriate action in response to the findings of such an investigation, in accordance with its accountability and oversight framework and established procedures, including its regulations, rules, policies and procedures.
36. To the extent consistent with the UN Partner's accountability and oversight framework, including its regulations, rules, policies and procedures, the UN Partner will keep the Government and the Bank regularly informed by agreed means of actions taken, and the results of the implementation of such actions, including where relevant, details of any recovered amounts. Such recovered amounts, if any, shall be applied in the calculation of the final balances in the budget code (Account), or if such amounts are recovered after the date of the calculation and transfer of such final balances, the government will consult with the Bank and provide payment instructions to the UN Partner with respect to such amounts.
37. For the purposes of this Agreement, the following definitions shall apply:
 - (i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
 - (iii) "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;
 - (iv) "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.
38. In the event that the Government or the Bank reasonably believes that the UN Partner has not complied with the requirements of this section, the Government or the Bank may request direct consultations at a senior level between the Bank, the Government and the UN Partner in order to obtain assurances, in a manner consistent with the UN Partner's oversight and accountability framework and respecting appropriate confidentiality, that the UN Partner's oversight and accountability mechanisms have been or will be fully applied. Such direct consultations may result in an understanding between the Government, the Bank, and the UN Partner, on any further actions to be

taken and the timeframe for such actions. The Parties take note of the relevant provisions in the regulations, rules, policies and procedures of the UN Partner.

39. The Parties agree and acknowledge that nothing in this section shall be deemed to waive or otherwise limit any right or authority of the Bank or any other entity of the World Bank Group under the Financing Agreement or otherwise, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, collusive or obstructive practices by any third party, or to sanction or take remedial action against any such party which the World Bank Group has determined to have engaged in such practices; provided however that in this section, "third party" does not include the UN Partner. To the extent consistent with the UN Partner's oversight framework, including regulations, rules, policies and procedures, and if requested by the Bank, the UN Partner shall cooperate with the Bank or such other entity in the conduct of such investigations.
40. (a) The UN Partner requires any party with which it has a long-term arrangement or to which it intends to issue a purchase order or a contract in connection with this Agreement to disclose to the UN Partner whether it is subject to any sanction² or temporary suspension imposed by any organization within the World Bank Group. The UN Partner will give due regard to such sanctions and temporary suspensions, as disclosed to it when issuing contracts in connection with the Delivery of Outputs under this Agreement.
- (b) If the UN Partner intends to issue a contract in connection with the provision of any of the activities under this Agreement with a party which has disclosed to the UN Partner that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) the UN Partner will so inform the Government, with a copy to the Bank, before signing such contract; (ii) the Government and the Bank then may request direct consultations at a senior level, if required, between the Bank, the Government and the UN Partner to discuss the UN Partner's decision; and (iii) if after such consultation, the UN Partner elects to proceed with the issuance of the contract, the Bank may inform the UN Partner by notice, with a copy to the Government, that the proceeds of the Financing may not be used to fund such contract.
- (c) Any funds received by the UN Partner under this Agreement that were to be used to fund a contract in respect of which the Bank has exercised its rights under this paragraph 40(b)(iii) shall be used to defray the amounts requested by the UN Partner in any subsequent Payment Request, if any, or will be treated as a balance in favor of the Government in the calculation of the final balances upon Completion or Early Termination of this Agreement.

SETTLEMENT OF DISPUTES BETWEEN THE PARTIES

41. This Agreement shall be governed by general principles of international law, which shall be deemed to include the UNIDROIT General Principles of International

² www.worldbank.org/debar

Commercial Contracts (2010). Any dispute, controversy or claim arising out of or relating to this Agreement shall be resolved in accordance with the relevant provisions of the Basic Agreement or, failing such provision, if not settled by negotiation or other agreed mode of settlement, shall be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the chairman. If within thirty days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

EARLY TERMINATION

42. This Agreement may be terminated prior to the Completion Date ("Early Termination") by either Party upon thirty (30) calendar days' written notice to the other in the following circumstances:
- (a) The UN Partner is unable to perform a material portion of the Agreement for a period of sixty (60) calendar days as the result of force majeure; or if the UN Partner determines that under the prevailing circumstances related to the worsened security situation in the country it can no longer implement the activities under the Agreement;
 - (b) The UN Partner does not receive payment of the full amount set forth in the payment request submitted in accordance with **Annex II** and that is not disputed by the Government, within thirty (30) calendar days of the date of such payment request;
 - (c) Either Party is in breach of any of its material obligations under this Agreement and has not remedied the same within sixty (60) calendar days (or such longer period as the other Party may have subsequently agreed to in writing) following the receipt of the notice specifying such breach.
43. Upon receipt by one Party of the other Party's written notice of Early Termination of this Agreement, the Parties shall agree on the exit strategy to minimize any negative impact that can arise from an Early Termination of this Agreement and take all reasonable and necessary measures to complete as much of the activities as possible. In the case of Early Termination, the Parties shall agree on the deadline for the UN Partner to submit the last Progress Report and the Final Financial Statement and to refund any monies received by the UN Partner that have not been spent or committed by the Early Termination or Completion Date.

MISCELLANEOUS

44. **Records keeping.** The UN Partner shall retain all records (contracts, reports, invoices, bills, receipts and other documentation) relating to this Agreement in accordance with the UN Partner's documents retention policy.
45. **Relationship between the Parties.** Nothing contained in this Agreement will be construed as establishing a relation of principal and agent between the Government and the UN Partner. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.
46. **Headings.** The headings contained in this Agreement are for reference purposes only, and will not limit, alter or affect the meaning or interpretation of this Agreement.
47. **Notices.** Notices will be deemed "received" as follows:
- (a) in the case of personal delivery, on delivery as per date of the written acknowledgement;
 - (b) in the case of registered mail, fourteen (14) days after being sent;
 - (c) in the case of facsimiles or other electronic communications, forty-eight (48) hours following confirmed transmission.
48. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the Form of Agreement.
49. **Modifications.** Modifications to this Agreement may be done for immaterial revisions or clarifications through a written exchange of correspondence between the Parties.
50. **Amendments.** Substantive revisions regarding (a) the key activities and Delivery of Outputs as set forth in **Annex I**, (b) extension of the Completion Date or Early Termination or (c) the Total Funding Ceiling may be done only by a signed written amendment by the Parties. Such amendment will become effective only upon notification by the Government to the UN Partner that the Bank, as the case may be, has approved the amendment.

ANNEX I
OUTPUTS AND WORK PLAN

See attached Cost Estimate

Items description and quantities (per attached UNICEF Cost Estimate # 10022109 Rev1)

Material#	Description	Quantity	Unit
U321495	Xpert Xpress SARS-CoV-2 kit/10 tests	2,000	each

ANNEX II

TOTAL FUNDING CEILING AND PAYMENT SCHEDULE

I. Total Funding Ceiling (in US\$)

Outputs/Activities	Total for Y1 (US\$)	Total for Y2 (US\$)	Notes
I. Output I			
1.1 Estimated Cost of supplies	396,880.00		6% Contingency buffer applied to defray price increases and/or exchange rate fluctuations
1.2 Estimated Freight, insurance and inspection	39,688.00		
1.3 Estimated Contingency buffer	23,812.80		
Sub-Total	460,380.80		
Indirect Cost (4,5%)	17,859.60		Estimated handling fee
Total Funding Ceiling	478,240.40		

Notes:

- (a) All lump sum amounts and totals in this table are based on the detailed estimates, including quantities and units of measurement, that are discussed and agreed with the Government and the Bank prior to the signing of the Agreement.
- (b) Under this Agreement, there can be no transfers to Government organizations.
- (c) Please indicate if any part of this Agreement is delegated to another UN organization, third party or an implementing partner(s): No.

II. Payment Schedule

The payment will be made in a full amount within 10 working days upon submission of the Payment Request to the Government, copy to the Bank.

ANNEX III

REPORTING REQUIREMENTS

UNICEF shall submit the following reports with a copy to the Bank:

1. **Progress Reports:**

Not later than within 3 months upon completion of CIP Tbilisi delivery, UNICEF will submit the Financial Utilization Report to the Government, copy to the Bank. The format of the report is provided below.

2. **Final Financial Statement**

Upon Completion or Early Termination, UNICEF will also provide the Final Financial Statement issued by the UNICEF Supply Division Financial Management Centre in the form of a Statement of Account and Final Financial Utilization Report. The Final Financial Statement will be issued within three (3) months of the Completion Date. The Parties shall plan accordingly in the Work Plan (**Annex I**).

All financial reports shall be expressed in United States dollars. The UN Operational Rate of Exchange shall be used for converting expenditures made by UNICEF in other currencies to implement activities under this Agreement.

TEMPLATE FOR FINANCIAL UTILISATION REPORTS

(UNICEF letterhead)

World Bank Template	
References	:
Customer No.	:
Date	:

WBS References:

Funds Received/ Transferred	Amount in USD
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Total Funds Received/ Transferred
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Disbursements

Material	Description	Quantity	Amount in USD
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Total Disbursed Supplies and Services

Handling Fee

Freight and Insurance

Total Disbursements/charges

Unexpended/cash balance in your favour

Commitments

Material	Description	Quantity	Amount in USD
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Total (Estimated) Committed Supplies and Services

Committed (Estimated) Freight and Insurance

Total (Estimated) Commitments*

Balance

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

ANNEX IV

COUNTERPART STAFF, SERVICES, FACILITIES AND PROPERTY TO BE PROVIDED BY THE GOVERNMENT

The Parties recall the provisions of the Basic Agreement, including those relating to the facilities to be provided by the Government for the execution of UNICEF assistance, and the Parties reconfirm that the Government shall provide the facilities, exemptions, privileges and immunities provided for in the Basic Agreement.

Without prejudice to the foregoing, the Parties agree that the Government commits to provide, at its own expense and at no cost to UNICEF, the following inputs to facilitate successful implementation of this Agreement:

- (a) Government Staff (qualified experts to work with UNICEF's team); *NA*
- (b) Surveys and Technical Inputs *NA*
- (c) Services *NA*
- (d) Facilities *NA*
- (e) Property *NA*
- (f) Other *NA*

The extent and timing of provision of counterpart staff and of facilities should be agreed upon and included in this Annex.

ANNEX V

UNICEF FULL COST RECOVERY

1. Full cost comprises of Direct Costs (DC) and Indirect Costs (IC).

Direct Costs:

2. DC are UNICEF costs incurred for the benefit of a particular project and can be clearly identifiable and documented as directly attributable to project activities. DC calculations are shown as line items in the Total Funding Ceiling in **Annex II**.

Indirect Costs:

3. IC are UNICEF's costs incurred as a function and in support of the activities implemented under this Agreement which cannot be traced unequivocally to the deliverables and technical outputs set forth in Annex I. The rate is set up in accordance with the relevant decisions of UNICEF's Executive Board. For the current agreement, Indirect Cost shall be understood to mean UNICEF's handling fee for delivering the Output(s) at a rate set up in accordance with UNICEF's Executive Directive on Procurement Services. The handling fee rate applicable under this Agreement is provided according to the reduced fee approved by UNICEF Deputy Executive Director for Covid-19 related procurements, which is max 5 % of the total cost of supplies.

4.

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

NOTE:

An additional 0.5% is added to Non-Least Developed Countries (as defined by the United Nations, at www.un.org/special-rep/ohrfls/lde/list.htm).

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

19 June 2020

Mr. Amiran Gamkrelidze
General Director
National Centre for Disease
Control & Public Health
9 M. Asatiani St
0177 Tbilisi
GEORGIA

UNICEF Partner Code: G16004

UNICEF Reference: Cost Estimate 10022109 Revision 1 (Please quote on all correspondence)

Dear Mr. Amiran Gamkrelidze,

We are pleased to share with you our revised Cost Estimate for Xpert (R) Xpress SARS-CoV-2 diagnostic test kits totalling USD **478,240.40** valid until **15 July 2020**, as per your original request received through UNICEF Georgia office on 27 March 2020 and subsequent communications.

As per your request received on 17 June 2020, this Cost Estimate has been revised in order to reflect the following changes:

- Paragraph 1. **Delivery** has been updated.
- Due to the change in the governing MoU from standard PS MoU to World Bank Agreement template, Paragraphs 3. **Agreement and Order Confirmation/Payment**, have been updated.
- **Terms on Liability and Claims** Paragraph has been included.
- Validity of the Cost Estimate has been extended.

All other terms and conditions remain unchanged.

This revision cancels and replaces all previous versions of this document.

Please be advised that your request for Cost Estimate has been split due to the different commodities requested and the remaining CE is being processed and will be issued separately.

Please be advised that this Cost Estimate is issued for Xpert (R) Xpress SARS-CoV-2 diagnostic test kit quantities that are anticipated to be available from September 2020 onwards. It should be noted that the production capacity, though improving, is expected to remain very limited. Therefore, it is likely that the deliveries will have to be staggered in multiple shipments.

In addition to the information on costs, we would like to bring the following to your kind attention:

1. Delivery

UNICEF's ability to deliver by the anticipated project closing date is dependent upon prompt finalization of the Agreement and subsequent payment by the World Bank (including all processes required to facilitate such). It is the responsibility of the partner to secure permission from the World Bank for any delivery of products and services which would go beyond the termination date of the Financing Agreement. UNICEF will not be responsible for objections or any ineligible costs to be claimed by the World Bank, including due to delays from the partner in completing its respective responsibilities.

The estimated prices are in accordance with Incoterms 2020 CIP (Carriage and Insurance Paid To) Tbilisi, Georgia, with shipment by

for every child

air.

Given the high demand for this product, each and every order shall be confirmed with the supplier in terms of availability and lead times.

As soon as the funds have been received (see para. 4. **Order Confirmation/Payment**) UNICEF will confirm the allocation of the requested quantities with the supplier and will present this information to the partner for their acceptance prior to initiation of procurement and placement of the purchase order with the supplier. An additional 2-3 weeks should be allowed for preparing and expediting the shipment.

Please be advised that, as known, COVID-19 outbreak has had a significant impact on the international freight. We are closely monitoring the situation and we will do our utmost to deliver as requested. However, our ability to comply with the desired delivery timeline depends heavily on the availability of international freight options.

Please note that until handover to the Government at agreed delivery points per Incoterms 2020 CIP (Carriage and Insurance Paid To) Tbilisi, Georgia, UNICEF (through its supplier(s) and freight forwarder(s)) will be the Government's custodian to the Outputs. UNICEF delivery of supplies is complete upon delivery at Tbilisi, Georgia and handover of the necessary documentation for the Government to receive supplies. UNICEF's responsibility therefore ends, and responsibility is transferred to the Government and shall be effective upon delivery at Tbilisi, Georgia. UNICEF will not be responsible for distribution of the supplies to their final destination in country.

The Government or its representative is the consignee. The Government or its representative is therefore responsible for customs clearance, paying taxes, tolls and duties etc as well as onward transport beyond Tbilisi, Georgia.

2. Commodities/Services

Kindly note that the items will be delivered with the following documents:

- AWB
- Invoice
- Packing list
- Certificate of Analysis

Any request for further documentation must be stated at time of order confirmation and will not be accepted after the purchase order has been placed.

3. Agreement

Prior to any procurement activity, a signed Agreement for the provision of Procurement Services between both parties is required. The purpose of the Agreement is to set out the framework of processes, rights and obligations related to procurement services as well as to outline areas of understanding between the parties. According to our records, the Agreement which is to be applied to this Cost Estimate has yet to be signed and is therefore not in force. We understand that the anticipated Agreement will be in connection with the P173911 - Georgia Emergency COVID-19 Response Project and credit/grant 9113-GE account. Once signed and received, the procurement activity shall be initiated and performed by UNICEF in accordance with the terms and conditions of the forthcoming Agreement. Therefore, the terms and conditions herein are subject to change once the Agreement to be applied has been agreed upon.

Terms on Liability and Claims

Any Government claims against UNICEF arising out of or related to the procurement of the Supplies shall be dealt with in accordance with the provisions of the Basic Cooperation Agreement.

UNICEF does not assume liability with regard to any claims arising out of or relating to or connected with this Agreement, including but not limited to those arising out of or relating to any defect in the quality or quantity of Supplies, the delivery of the Supplies, the use of the Supplies, or otherwise, unless caused by UNICEF's failure to execute the procurement with reasonable diligence. UNICEF

will under no circumstances be liable for any incidental, indirect or consequential damages or for lost revenues or profits arising as a result of UNICEF's procuring the Supplies or performance of its obligations or exercise of its rights under this Agreement. UNICEF's total liability in any event will not exceed the value of the procurement of Supplies with respect to which a claim is made.

UNICEF accepts no liability for any third-party claims arising out of or related to the Agreement, including but not limited to those arising out of or relating to any defect in the quality or quantity of Supplies, the delivery of the Supplies, the use of the Supplies, or otherwise, unless caused by UNICEF's failure to execute the procurement. The Government indemnifies and will deal with, defend and hold UNICEF harmless in connection with any third-party claim or other cause of action arising out of or relating to this Agreement. In case of dispute on the technical conformity or quality of WHO-approved products, the Parties accept final assessment by WHO.

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

Any compensation received by UNICEF from manufacturers, suppliers or shippers arising out of or related to contractual or other liability of such manufacturers, suppliers or freight forwarders in connection with the procurement and delivery of the Supplies shall be for the Government's account and shall be dealt with by UNICEF in accordance with the Government's instructions.

4. Order Confirmation/Payment

Upon written acceptance of the Cost Estimate, UNICEF will issue the payment request to the World Bank as stipulated by the Agreement. Such payment request can only be submitted following finalisation of the Agreement, and related processes.

UNICEF will initiate the procurement upon receiving the funds from the World Bank.

5. Handling Fees

The handling fees are established at the minimum amount UNICEF reasonably concludes is required to meet all related transaction costs and to support the supply of quality assured goods and services. The handling fees appear beneath each line item of the Cost Estimate.

6. Contingency Buffer

A standard 6 per cent contingency buffer is added to the estimated cost of supplies and is used to cover against fluctuations in the commodity market and in currency exchange rates. Any charges made against the contingency buffer will be shown in the Statement of Account.

7. Inspection of Goods Received

Partner is requested to inspect all goods upon arrival, make remarks on the shipping documents and put the carrier on claims notice when appropriate.

UNICEF must be informed immediately after the inspection in order to assist with filing any insurance claims. In any event the above measures must be taken within the following time limits:

Air: 14 days upon arrival of goods shipment (Ref: Montreal Convention, 1999)

8. Statement of Account

After shipment of all supplies and recording of all expenses incurred, UNICEF will provide a Statement of Account. Any balance remaining will, upon your instructions, either be refunded or held for new requests. Any amount due to UNICEF should be paid as per agreed payment terms.

9. Cost Estimate

Item No.	WH/ NW	Material No.	Description	Quantity	Unit	Unit Price in USD	Amount in USD
10	NW	U321495	Xpert Xpress SARS-CoV-2 kit/10 tests				
			Handling fee 4.50% = 17,859.60	2,000	each	198.440	396,880.00

Item offered

MANUFACTURER REF. NO. XPRSARS-COV2-10

Regulatory version: CE-IVD

The kit contains sufficient reagents to process 10 specimens or quality control samples. The kit contains the following:

10 x Xpert® Xpress SARS-CoV-2 Cartridges with Integrated Reaction Tubes, also

- Bead 1, Bead 2, and Bead 3 (freeze-dried) 1 of each per cartridge

- Lysis Reagent 1.5 mL per cartridge

- Binding Reagent 1.5 mL per cartridge

- Elution Reagent 3.0 mL per cartridge

- Disposable Transfer Pipettes 12 per kit

- CD 1 per kit

- Assay Definition File (ADF)

- Instructions to import ADF into GeneXpert software

- Flyer 1 per kit

Instruction for use is available at <https://www.fda.gov/media/136314/download>

Cost of supplies	396,880.00
Freight, Insurance & Inspection	39,688.00
Handling fee	17,859.60
Total estimated costs	454,427.60
Contingency buffer	23,812.80
Total amount to be deposited	478,240.40

Estimated weight/volume : 1.600 KG / 5.380 M3

Consignee : Please provide the correct consignee details including contact person, email address and mailing address for this order when reverting with the acceptance of the Cost Estimate.

Delivery terms : CIP Tbilisi, Georgia

Mode of shipment : Air

* WH – warehouse item; NW – non warehouse item.

Kindly note, for computational purposes, item unit prices figure to three decimal places. Total amounts are quoted to two decimal places.

We appreciate the opportunity to provide a Cost Estimate and hope the information in it is satisfactory. For any further clarification please do not hesitate to contact your focal point Stine Kragh, skragh@unicef.org or psid@unicef.org.

Nani Zeinklishvili, Programme Associate, UNICEF Georgia
Tako Ugulava, Health & Nutrition Specialist, UNICEF Georgia