

**INVITATION TO SUBMIT A
PROPOSAL**

for the provision of:

***Global and regional analysis of
underlying drivers of deforestation***

ISSUED ON: 21 October 2021

CLOSING DATE AND TIME: 5 November 2021 – 23:59 (CET)

FAO Office: *FAO Forestry Division, REDD+ 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.

Further and more detailed information on FAO can be found on the internet site: <http://www.fao.org>.

This invitation is for the provision of non-commercial services under the FAO rules that govern Letters of Agreement (hereinafter referred to as “Agreement” or “LoA”). Under these rules only non-profit, intergovernmental, and governmental organisations are eligible to sign LoAs with FAO.

Background Information

Halting deforestation is an essential lever in the Decade of Action to achieve the Sustainable Development Goals (SDG) by 2030, and for confronting the “quadruple planetary emergency,” comprising a climate, biodiversity, health, and food security crisis. During the Climate Action Summit, in September 2019, the United Nations Secretary-General António Guterres has called for scaling up action on “turning the tide on deforestation”. He stated that “we must halt deforestation, restore degraded forests and change the way we farm”.

While progress has been made, and [deforestation rate](#) decreased comparing to the 1990s (10 million ha per year in the period 2015-2020, down from 16 million ha/year in the 1990s), the pace with which deforestation and forest degradation continues is still alarming, with rates increasing in Africa ([FRA, 2020](#)). Since 1990, an estimated 420 million hectares of forest has been lost through deforestation. Progress has been insufficient to meet SDG target 15.2 to sustainably manage all types of forests, and to halt and reverse deforestation by 2020.

Halting deforestation, boosting sustainable and legal value chains of forest and agriculture commodities, including by optimizing the nexus between agriculture and forests and removing trade-offs among them, require robust and comprehensive information on the dynamics that condition the use of forests and land.

With this objective in view, the FAO REDD+ Team is developing a set of different studies on underlying and direct drivers of land use change and forest loss, at global, regional and national level to facilitate informed and science-based decision making when addressing the challenge of producing more and better food without further encroachment on forests ecosystems. This specific calls aims at identifying the most appropriate partner for the development of the methodology, roadmap, as well as full implementation of a global and regional analysis of **underlying drivers** of deforestation.

In the framework of the recently endorsed [FAO new Strategic Framework](#), the results of this work will also feed into the [FAO “Better Environment” aspiration](#) - especially its Programme Priority Action on climate and agri-food systems.

Further information on FAO work on REDD+: [FAO REDD+ homepage](#); [Drivers of deforestation in Central Africa](#) ; [Approaches and tools for forest-positive commodity value chains - webinar series](#)

I. Services required:

I.1 Identification of needs

Despite progress and several commitments from governmental and non-governmental actors, deforestation continues at [an alarming rate](#) threatening the achievement of global and national objectives on climate, biodiversity, sustainable development and food security. Deforestation and forest degradation go beyond mere environmental issues, as dynamics and impacts are complex rooted in social, political, economic and cultural domains and there are no simple solutions.

A first step to propose relevant actions to halt deforestation is to understand the causes of this land use change. Numerous analyses on direct drivers of deforestation exist, however only a few (including some studies realized in the framework of national REDD+ processes) go beyond direct connections and analyze in depth socio-economic and other underlying factors. Detailed information on underlying drivers of deforestation and models to assess future trends are still scarce.

Agriculture is considered as the largest driver of deforestation, causing approximately 70% of all tropical deforestation between 2000 and 2010. There is an urgent need to go into more depth, identifying the root and underlying causes, clarifying the complex nexus between food systems and forests, fostering positive aspects while mitigating the negative impacts of agricultural production. Better understanding of these links will support deeper and systemic change towards ensuring productivity and food security while safeguarding forests and all the services they provide to societies and their economies.

There is a clear, yet nonlinear correlation between population growth and expansion of land for agriculture. Improvements in agricultural productivity (including better yields, access to agricultural inputs and subsidies, productive infrastructure, technical support and finance) have been able to partially decouple increases in production from additional land use requirements. Nevertheless, it has been insufficient to avoid continuous forest encroachment in some regions. Other factors influencing land use change at the expense of forests include commodity prices, trade patterns, governance, tenure issues, etc. A better understanding of the dynamics of such factors is key to support sound and solid policymaking and identification of practical actions to reduce deforestation.

In this framework – and within the mandate of FAO - the study to be developed will aim at identifying and analyzing key underlying drivers of deforestation, including their trends, and it will feed prospective work to identify future geographical areas or supply chains with high risk of deforestation.

I.2 Definitions

- According to FAO's definition, deforestation is defined as the [“conversion of forest to other land use independently whether human-induced or not”](#).
- The drivers of change are commonly described in two levels: the “direct” or “proximate” drivers, generally assimilated to the land use that replaced forest, and the “underlying” or “indirect” drivers that cover the strategic, institutional, economic, social and environmental conditions that lead to land use change.
- Numerous studies on drivers of deforestation address the “direct drivers”, often using land use change detection through remote sensing surveys. Studies on direct drivers can be found at different scales from local to global. ²⁻⁴
- Existing studies on underlying or indirect drivers of deforestation are generally developed at national or subnational scale. They combine data on land use with social, environmental and

economic data through statistical analysis. Data availability is challenging, especially if the methodology requests them to be spatially explicit.

- The most often cited sources ^{5,6} establish and qualify the link between international trade of agricultural commodities and deforestation. While trade may not be considered as an underlying driver as such, it connects some social, political and economic conditions to the direct drivers of deforestation (conversion of forests to produce agricultural commodities).

I.3 Scope of drivers to be analyzed

Indirect drivers of deforestation are numerous. The literature already establishes links between land use change and evolutions in demography, affluence, production and consumption patterns, prices of key commodities, and national policies and politics.

The study will begin by **selecting the drivers to be studied**, according to existing knowledge on land use change processes and availability of requested data. It will propose a set of criteria to analyze their possible correlation with trends in deforestation. The variables will be selected taking into account existing scientific literature and data availability and in consultation with FAO, also considering the Organization mandate and interest in understanding the nexus between forest and agriculture, thus prioritizing data on **agriculture commodity production and trade, including prices, technical index of production, investments in the agricultural sector, land tenure, rural land use governance**. The Service Provider will be asked to review scientific and technical publications relevant to analyzing drivers of change in land use, notably conversion of forests into agricultural land, as well as the development of methodologies to correlate spatial information to socio-economic data.

Finally, a policy perspective will be adopted to select variables that can be influenced by public policies and actions related to the agricultural, forestry and land use sectors, in order to facilitate a more concrete result of the study.

I.4 Geographical scope

The study will focus on the regions with the highest rates of deforestation (see for instance WWF's Deforestation Fronts report¹). Results will be presented at regional scale, with possible analysis at larger or smaller scale if the Service Provider considers it can be relevant and in consultation with FAO. The regional perimeter will be defined taking into account similarities in the patterns of deforestation and drivers of deforestation, to maximize the consistency of the results (e.g. taking into account the respective role of commercial vs subsistence agriculture, or the link between deforestation and specific commodities).

The list of countries to be included in the geographical scope will be approved by FAO upon proposal of the Service Provider, as one of the first steps of the study.

¹ Pacheco, P., Mo, K., Dudley, N., Shapiro, A., Aguilar-Amuchastegui, N., Ling, P.Y., Anderson, C. and Marx, A. 2021. Deforestation fronts: Drivers and responses in a changing world. WWF, Gland, Switzerland (also available at: <https://wwfint.awsassets.panda.org/downloads/deforestation-fronts-drivers-and-responses-in-a-changing-world-full-report-1.pdf>)

I.5 Period to be analyzed

The study should cover the longest period as possible, according to data availability. The minimum period to analyze would be 2010-2018, with a preference for results covering 2000-2018, or longer.

I.6 Overall study methodology

The Service Provider will have the responsibility to define and propose for agreement with FAO, the methodology to be used in the study, clearly assessing and describing its advantages and limitations. Such proposal and definition will have to be based on existing literature, to be identified and reviewed by the Service Provider, available data, objectives of the study and resources affected to it. For analyzing the drivers, the Service Provider can propose a range of statistical approaches and/or decomposition techniques or any other relevant methodology.

During the implementation of the study the Service Provider will be asked to engage with a number of teams in FAO that work on modelling agricultural production and trade and related land use changes so to define possible pathways for integration of deforestation issues.

Data sets to be considered in the analysis

For geo-spatialized deforestation data, the study will rely on the outputs of the recent FRA Global Remote sensing survey (still not publicly available but access will be granted to the FAO's partner in charge of the study). These data assess forest cover dynamics visually interpreted for over 430,000 sample plots worldwide by national experts and cover the period 2000-2018 (2000-2010 and 2010-2018)¹.

Other data needed for the study will come from publicly available databases, including UN COMTRADE², FAOSTAT³, results of national agricultural census, eventually the World Bank's Performance logistic index or any other source of information the Service Provider will consider appropriate.

The Service Provider will propose a methodology to adapt the available datasets to the scale of the study, notably ensuring that economic and social data can be related to spatially explicit information on deforestation.

I.7 Deliverables

The following table presents expected outputs and indicative timeline, both could be fine-tuned and adapted in the initial discussions between FAO and the selected provider. All outputs are expected to be presented in English.

Desired outputs		Key performance indicators per output	<u>Timeline for the delivery of the outputs:</u>
Output	Expected content		

¹ <http://www.fao.org/forest-resources-assessment/remote-sensing/fra-2020-remote-sensing-survey/en/>

² <https://comtrade.un.org/>

³ <http://www.fao.org/faostat/en/#home>

# 1 Inception report	<p>Bibliographic review: relevant references to determine the methodology of the study and demonstrate its added-value</p> <p>Methodological approach: Detailed description of methodologies and tools to be used, including choice of variables, definition of the geographical perimeter, data needs, assets and limitations</p> <p>Feasibility analysis: Availability of data, proposal of source databases. Implications for the geographical and temporal scale of analysis</p> <p>Adapted timetable for the development of the study</p>	Inception report including all expected content submitted for consideration and review of FAO team.	3 weeks from the signature of the LoA
#2 Consolidated database	Full database gathering information to be used for the study, including spatially explicit component of socio-economic data	Database in xls format	6 weeks from the signature of the LoA
#3 Analysis of underlying drivers – 1st version	Results at regional level. Texts, computational tables and graphics.	Draft report on past trends submitted to FAO for review and feedback.	12 weeks from the signature of the LoA
#4 Analysis of underlying drivers – Final version	Results at regional level. Texts, computational tables and graphics, taking into account comments made by reviewers	Final report submitted to FAO and agreed among both parties.	16 weeks from the signature of the LoA
#5 Possible pathways to integrate deforestation in FAO agriculture production and trade modelling work – 1st version	Results at regional level. Texts, computational tables and graphics	Draft report on prospective scenarios submitted to FAO for review and feedback.	18 weeks from the signature of the LoA
#6 Possible pathways to integrate deforestation	Results at regional level. Texts, computational tables and graphics, taking	Final report submitted to FAO	20 weeks from the

in FAO agriculture production and trade modelling work – Final version	into account comments made by reviewers	and agreed among both parties.	signature of the LoA
#7 Event for presentation of results	Concept and technical material for the organization – with FAO team - of a technical event to present the results of the study. Such event / session will tentatively take place in the framework of the upcoming World Forestry Congress (2-6 May 2022). Further details and exchanges will be undertaken in the inception period of the collaboration.	Technical content, presentations and webstory (800 – 1000 words) of / for event /session tentatively at the World Forestry Congress elaborated, agreed upon with FAO and finalized.	Mid /end of April 2022, with intermediate milestones to be identified and agreed upon in line with the WFC established deadlines.
#8 Final technical report	Full report on the final results of the analysis, including an executive summary and detailed annexes on methodology used for the study.	Publication fulfilling requirements of the FAO publication workflow system (PWS) prepared – supported by FAO team as appropriate.	End of June 2022 with intermediate milestones to be agreed upon in inception phase
#9 Final administrative documents	Narrative and financial report on the completion of the collaboration with FAO	Short (maximum 5-6 pages) narrative and financial report (templates/ information to be shared at inception phase)	Latest by the end of June 2022

II. 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 organisation, 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 organisation, 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 organisation 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 organisation 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 organisation's representatives and employees;
- ANY current or past relationship with any FAO staff member (family members, spouses, etc.) of your organisation'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 with the subject: "Study on underlying drivers of deforestation – Intention to submit a proposal"

Communications Concerning this Proposal

All communications concerning this Proposal should be submitted uniquely through the following channel of communication:

email to FAO-Reddplus-Info@fao.org

The title of any message should include the words "Study on underlying drivers of deforestation"

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 Component should include:

- a. The description and number of years of experience of the Service Provider in the field of the required services and the area of intervention as applicable (to be described through a table of relevant references – certifications may be requested by FAO later in the process and should not be included in the technical proposal);
- 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 (max. 8 pages);
- c. If applicable the suggested adjustments to deliverables (outcomes and calendar) presented in section I.7 of the present call for proposal, with rationale for the proposed changes;
- d. The description of the team proposed to develop the study, including information on the respective roles and a short biography (max. 250 words) for each member of the team
- e. Complete CV for each member of the proposed team
- f. A list of relevant scientific publications or public reports authored or coauthored by members of the proposed team
- g. The description of the reports, documents and other outputs to be provided during and after implementation of the required services;
- h. The full name, address, fax and/or email address and telephone numbers of your organisation (association, institute, etc.) and contact persons;
- i. 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. For the use of the proposal, the budget should be established in United States Dollars.

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).

III. 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 organisation 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 organisation 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 prove experience in the field of the required services, including in analyzing land use changes (in rural and forest landscapes) and linking socio-economic factors to deforestation or conversion of other natural ecosystems (at least three relevant references)
5. You should demonstrate that the capacities of the proposed team cover at least the following fields of expertise: economic and social data analysis, policy analysis, statistics and econometrics, spatial analysis and geographical information systems, agricultural production systems, land use change and dynamics of 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 scientific publications on the subject matter authored or coauthored by members of the proposed team (1 point/publication 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 organisation	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 80 % 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 of 50,000 to 65,000 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: Astrid Agostini, REDD+/NFM Cluster coordinator

APPENDIX A: Workplan

Activity sequence #	Activity description	Start date	End date

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					
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 (“FAO”)

and

[Complete legal name of the institution]

[Full official address]

For provision of

“.....”

(Brief title of services)

1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as “FAO”) and *[complete name of the Service Provider]* (hereinafter referred to as the “Service Provider”) (together hereinafter referred to as the “Parties”) have agreed that the Service Provider will provide certain services defined in **detail** in the attached Annex (the “Services”) which forms an integral part of this Letter of Agreement (hereinafter the “Agreement”) in support of the *[name and code of project or programme of work and brief description]*. To enable the Service Provider to provide the Services, FAO will pay the Service Provider a total amount not exceeding *[currency and amount to be specified]*, *[amount in numbers and in letters]*, which represents FAO’s maximum financial liability, into the Service Provider’s account specified in paragraph 2 below.

In performing the Services, the Service Provider will comply in full and without delay with all rules and regulations that are issued by national and local governments regarding quarantine, public health, and/or the holding of public events and gatherings. In case of failure to comply, FAO may cancel part of the Services, and suspend or terminate the Agreement in accordance with the provisions detailed in the section “Delays and Termination” of this Agreement. In addition, the Service Provider may not, as part of the Services described in this Agreement, arrange any international travel for individuals that are not under their employment, without the prior notification and written clearance from the FAO LoA Responsible Officer who is named below. Such notification should

clearly mention the name of the traveller, reason for travel, and the origin and destination of the journey.

2. Detailed Banking Instructions

Bank name:

Bank country and city:

Bank branch address:

SWIFT code:

Account number:

Exact bank account holder's name:

Account currency:

Bank branch code or sort code:

IBAN number:

3. Designation of the FAO Responsible Officer.

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

4. Entry into force and period of validity.

The Agreement will enter into force upon the date of signature by the Service Provider, by FAO or on [date.....], **whichever of the three dates is the latest** and will terminate on [.....].

5. Purpose

a. The purpose for which the funds provided by FAO under this Agreement shall be used are the following:

1. **Objective.** The Services will contribute to the following Organizational objective
[Summary statement of objective]
2. **Outputs.** The Service Provider will produce, achieve or deliver the following outputs: [list the outputs expected]

3. Activities. The Service Provider will undertake the following activities: *[list key activities that the Service Provider will undertake to achieve the outputs/outcomes. Keep description brief]*

b. 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 Service Provider and FAO, if any, are set out in detail in the Annex.

6. General Conditions

a. 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 budget set out in the Annex. Neither the Service Provider nor its personnel nor any other persons providing the Services on its behalf, will incur any additional commitment or expense on behalf of FAO.

b. 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 or other representatives, and authorized subcontractors providing the Services on its behalf. FAO will not be held responsible for any accident, illness, loss or damage which may occur during the provision of the Services or any claims, demands, suits, judgements, arising there from, 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.

c. The Service Provider shall not utilize funds received under this Agreement to subcontract services or procure items except as specifically provided for in the Annex or as specifically approved in writing by FAO. Any subcontracting arrangement shall in no way relieve the Service Provider of the responsibility for the provision/delivery of the Services required under this Agreement. Subcontracts or procurement of the items set forth in the Annex shall be procured 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. The Service Provider will ensure that its agreements with any subcontractor include the obligation to maintain appropriate records for a period of five years and FAO's right to review, audit and have access to all documentation and sites related to the activities carried out in connection with this Agreement.

- d. The Service Provider shall make and thereafter maintain, in compliance with national legislation, provision for adequate insurance to cover such risks as damage to property and injuries to persons, as well as third party liability claims.
- e. The personnel assigned by the Service Provider to provide the Services are not considered in any respect as being employees or agents of FAO. Nothing 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.
- f. Nothing in this Agreement or in any document relating thereto, shall be construed as constituting a waiver of privileges or immunities of FAO, or as its acceptance of the jurisdiction of the courts of any country over disputes arising out of this Agreement.
- g. 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.
- h. 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. In particular, in performing the Services, the Service Provider will comply in full and without delay with all rules and regulations that are issued by national and local governments regarding quarantine, public health, and/or the holding of public events and gatherings. In case of failure to comply, FAO may cancel part of the Services, and suspend or terminate the Agreement in accordance with the provisions detailed in the section “Delays and Termination” of this Agreement. In addition, the Service Provider may not, as part of the Services described in this Agreement, arrange any international travel for individuals that are not under their employment, without the prior notification and written clearance from the FAO LoA Responsible Officer who is named below. Such notification should clearly mention the name of the traveller, reason for travel, and the origin and destination of the journey
- i. The Service Provider shall observe the highest standard of ethics in providing the Services and agrees to adhere to the UN Supplier Code of Conduct, which can be viewed at <https://www.un.org/Depts/ptd/about-us/un-supplier-code-conduct>

j. 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 UN Organizations. This provision must be included in all subcontracts, sub-agreements or assignments entered into by the Service Provider under this Agreement.

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

(i) *“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.*

(ii) *“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.*

(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) *“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.*

(v) *“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/codedeconduitethique/en/>), as well as any provisions or other published requirements of doing business with FAO, including the UN Supplier Code of Conduct; and*

(vi) *“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.*

l. The Service Provider shall take all reasonable precautions to avoid any conflict of interest in the implementation of the Services and shall inform FAO without delay of any situation constituting or likely to entail a conflict of interest including any FAO personnel having an interest of any kind in the Service Provider's activities.

- m. In order to enter into an agreement with FAO, the Service Provider, and any of its agents or authorized 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). The Service Provider is required to disclose to FAO whether it, or any of its agents or authorized 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 this Agreement or at any time throughout the execution of this Agreement. The Service Provider recognizes that a breach of 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.

- n. Unless authorized in writing by FAO, the Service Provider shall not advertise or otherwise make public that it has a contractual relationship with FAO, nor shall the Service Provider, in any manner whatsoever use the name or emblem of FAO, or any abbreviation of the name of FAO.

- o. 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. Neither the Service Provider nor its personnel will communicate to any other person or entity any confidential information made known to it by FAO nor will they use this information for private or corporate advantage. This provision will survive the expiration or termination of this Agreement.

- p. To comply with disclosure requirements and enhance transparency, FAO may 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. The Service Provider specifically consents to the release and/or publication of such information. FAO will not release or publish information that could reasonably be considered confidential or proprietary.

- q. The Service Provider shall return to FAO any unexpended funds budgeted and paid by FAO under this Agreement.
- r. This Agreement is not subject to payment by FAO of any levies, taxes, registration duties or any other duties or charges whatsoever. The Service Provider shall duly pay taxes, duties and other charges in accordance with prevailing laws and regulations applicable to the Service Provider.
- s. 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. The Service Provider acknowledges and agrees that this provision constitutes an essential term of this Agreement and any breach of these obligations and warranties 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 of FAO.
- t. 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 beneficiary of the services provided under this Agreement or to any persons related to such beneficiaries. The Service Provider acknowledges and agrees that the provisions hereof constitute an essential term of this Agreement and that any breach of these provisions shall entitle the Organization to terminate this Agreement immediately upon notice to the Service Provider, without any liability for termination charges or any other liability of any kind.

7. Reporting and Record Maintenance Requirements

- a. The Service Provider shall submit to the Responsible Officer named in paragraph 3, the Reports listed in the Annex on the dates set forth therein, including a final report consisting of a narrative report and financial report (“Final Report”) within 30 days following the completion of the Services. The Final Report must be sufficiently detailed to allow certification of deliverables and of expenditures. The financial 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).
- b. 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 termination or expiry of the Agreement, 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 employees or agents and granting to FAO 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.

8. Delays and Termination

- a. The Agreement shall enter into force upon signature by both Parties and shall remain in force until the Services have been satisfactorily provided or until otherwise terminated in accordance with the provisions herein.
- b. The Service Provider will carry out the Services in accordance with the work plan and within the timeframe set forth in the Annex and shall notify FAO of any delays that will prevent delivery of the Services in accordance with the work plan and within the timeframe set forth in the Annex.
- c. FAO may suspend or cancel all or part of this Agreement, obtain the Services elsewhere and make corresponding adjustments to any payments that may be due to the Service Provider, if the Service Provider fails to make delivery, or perform to a standard considered acceptable to FAO. Subject to consultation with the Service Provider, the determination of FAO, relating to this provision, shall be binding.

- d. If at any time during the course of this Agreement it becomes impossible for the parties to perform any of their obligations for reasons of Force Majeure, that party shall promptly notify the other in writing of the existence of such Force Majeure. The party giving notice is thereby relieved from such obligations as long as Force Majeure persists. For the purpose of this Agreement, the term “Force Majeure” shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their personnel, agents, or other representatives, or authorized subcontractors), and proves insurmountable in spite of all due diligence.

- e. FAO shall have the right to terminate this Agreement, by written notice to this effect, if it considers that continued implementation of the Agreement is impossible or impractical:
 - (i) for unforeseen causes beyond the control of FAO;
 - (ii) in the event of a default or delay on the part of the Service Provider after written notice by FAO which provides a reasonable period to remedy the default or delay.

- f. In the event of termination as per 8e) above, the following shall apply:
 - (i) termination for unforeseen causes beyond its control, FAO shall complete all payments for expenses which have been incurred by the Service Provider up to the effective date of termination.
 - (ii) termination due to the Service Provider’s default or delay, the Service Provider shall refund to FAO any payment already received in respect of Services that have not been performed to a standard considered acceptable to FAO.

- g. FAO shall have the right to terminate this Agreement, by written notice to this effect, if FAO establishes in accordance with its administrative procedures:
 - (i) irregularities, including any corrupt, fraudulent, collusive, coercive, unethical or obstructive practices in paragraphs 6i)-p) on the part of the Service Provider in relation to this Agreement; or
 - (ii) a breach of the reporting requirements in paragraph 7 above.

- h. In the event of termination as per g) above, the Service Provider shall refund to FAO all payments that were made on the basis of the irregularity or corrupt, fraudulent,

collusive, coercive, unethical or obstructive practices, or as otherwise determined by FAO to be equitable and take other action as deemed appropriate by FAO.

9. Terms of Payment

a. The payments will be made after certification by the Responsible Officer of the request(s) for payment as follows:

- (i) 1st payment not to exceed [amount and currency] upon signature of the present Agreement;
- (ii) 2nd payment not to exceed [amount and currency] upon acceptance by FAO of the deliverable(s) or on the date indicated in the Work plan/Timeframe in the Annex;
- (iii) [repeat for each partial payment].
- (iv) Final payment not to exceed [amount and currency] upon acceptance by FAO of the Final Report mentioned under paragraph 7a) above.

b. The payments will be made in the currency stated in paragraph 1, in accordance with the detailed banking instructions provided by the Service Provider and defined in paragraph 2.

c. The Service Provider shall submit each request for payment to the address indicated below:

[Title of Officer and address]

.....

d. FAO enjoys certain privileges and immunities which include exemption from payment of Value Added Tax ("VAT" or "IVA"), customs duties and importation restrictions.

e. If the Service Provider fails to submit the Final Report mentioned in 7a) above no later than 30 days following completion, expiry or termination of this Agreement, FAO may, after provision of due notice of the default, terminate this Agreement without making the final payment.

10. Settlement of Disputes

- a. 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.
- b. 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.
- c. 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 days after the termination of the conciliation proceedings. All dispute resolution proceedings shall be conducted in the language in which the agreement is drafted provided that it is one of the six official languages of FAO (Arabic, Chinese, English, French, Russian and Spanish). In cases where the language of the agreement is not an official language of FAO, the conciliation or the arbitration proceedings shall be conducted in English.

11. Amendments.

Any changes or amendments to this Agreement shall be made in writing and on the basis of mutual consent of the signatories to this Agreement.

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

Signature: _____

Date: _____

[name and title of the FAO Officer]

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

Signature: _____

Date: _____

[name and title of the Officer of the Service Provider]

The Service Provider will sign two copies of this Agreement and return one to the Responsible Officer.

ANNOTATED OUTLINE FOR PREPARATION OF STANDARD ANNEX I OF

THE LETTER OF AGREEMENT

ANNEX 1

TERMS OF AGREEMENT

1. Background

Describe in general terms, the objective(s) of the Agreement, any additional objective(s) if relevant, and how the outputs and/or outcomes to be produced, achieved and/or delivered by the Service Provider (SP) will further the objective(s).

2. Terms of Reference

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

Specify and describe in detail the final output(s) and/or outcome(s) as applicable, and indicate how progress and achievement will be measured and verified (i.e. specify performance indicators and means of verification).

N.B.: It is essential to provide a detailed and precise definition of the final output(s) and/or product(s) e.g. survey, map, research report(s), data, workshop report(s), etc., thus avoiding possible disputes over quantity and quality of deliverables, their acceptance and approval of payment requests.

2. Description of Services

Provide detailed description of services to be rendered and activities to be performed by the Service Provider for the achievement of output(s) and/or outcomes(s) specified in para 2.1 including as appropriate the expertise required, methodology to be used, technical and operational standards and/or deadlines to be met, etc. (e.g. modalities of survey (define area/data, needed/means to be employed, etc.), organization of training course (define target group/curriculum, outline/training, materials/course duration, etc.), development of product (specification/facilities used, etc.).

3. Workplan and Timeframe (Duration)

Provide workplan and set appropriate timeframe (i.e. the period of time from inception to completion of all activities within which the services are to be delivered) including, as relevant, milestones to signal the completion of key deliverables. Indicate any factors influencing timeframe (e.g. seasonal considerations, imposed deadlines) and any possible action to be taken

by the Service Provider in the event of delays (e.g. formal written notification documenting reason(s) for delay(s), request for and justification to extend LoA duration, etc.)

N.B.: To support accurate cost estimates, facilitate monitoring implementation, avoid price or exchange rate fluctuations, and ensure proper use of funds expended, LoAs should preferably not be entered into for periods exceeding 18 months.

4. Monitoring Mechanisms and Reporting Requirements

Specify monitoring mechanism(s) including progress control procedures and reporting requirements which the SP must follow, including a schedule of reports, deadlines, format, language(s), number of copies required, recipient(s) and any other relevant information. The reporting schedule should specify the due date for submission of final narrative and financial reports (certified as to their correctness by duly-designated representative(s) of the SP) specifying actual utilization of funds.

3. Inputs to be provided free of charge by Service Provider *(to be completed only if significant to the execution of the Agreement).*

List and describe in detail all inputs (including quantities, if applicable) to be provided by the SP in addition to those included in the budget (see para. 5) without, however, costing such inputs. These inputs might include the following:

- a. use of premises and facilities/installations;
- b. provision of expertise and support personnel;
- c. use of equipment and provision of materials/supplies.

N.B.: This paragraph is particularly important in those cases where the SP receives only a partial contribution from FAO (e.g. expertise is provided free of charge but funds received from FAO are used to defray local travel, etc.). This also highlights the economic advantages of the use of the LoA.

Timing of Inputs : Establish timing of such inputs (if appropriate); outline negative repercussions in event SP does not comply, as well as any consequences this may have for SP (e.g. suspension of FAO payments or even recovery of payments already made).

4. Inputs to be provided in kind by FAO *(to be completed only if significant to the execution of the Agreement).*

List and describe in detail all inputs (including quantities, if applicable) to be provided by FAO without, however, costing such inputs. These inputs might include the following:

- a. FAO personnel expected to cooperate;
- b. equipment to be loaned and (imported) materials/supplies to be provided;
- c. logistics (transport, etc.);
- d. use of (project) premises and facilities/installations.

N.B.: List only those inputs that FAO is required to place (temporarily) at the disposal of, or provide to, SP, thus enabling it to carry out agreed upon activities. This also includes inputs purchased by project specifically for this purpose; such inputs, although possibly an important part of the Agreement, are not to be part of the financial arrangements. Ensure that all relevant clauses (e.g. input distribution clauses) are included in the Agreement as required).

Timing of Inputs: Establish timing of such inputs (if appropriate) and detail any related conditions.

5. Detailed budget (if appropriate)

Provide detailed budget, specifying items, unit costs and quantities, and showing the total amount which FAO agrees to finance (strictly on an actual cost basis).

Such items may include:

- a. SP's regular personnel used for agreed activity/service;
- b. hiring by SP of temporary staff or services;
- c. transport (tickets, fuel for vehicles);
- d. daily subsistence allowances;
- e. rental of existing SP facilities/equipment;

- f. hire of locally available (non-SP) facilities/equipment;
- g. purchase of essential supplies and materials;
- h. administrative and operational costs (i.e. indirect variable costs)

N.B.: (i) It may not be practical in all cases to itemize costs in the LoA budget, however, in those cases where only a “lump-sum” payment is indicated, the responsible FAO officer must maintain documentation on file which supports the calculation of the lump-sum payment.

(ii) If limited procurement (g) and/or subcontracting (b) is foreseen, ensure that all relevant clauses (i.e. (i) wherein the SP agrees to subcontract and/or procure in a transparent manner consistent with generally accepted principles governing public procurement, and (ii) obligations to maintain records available to inspection also apply to subcontractor) are included in the Agreement as required.

(iii) Follow guidance in particular as to eligible indirect variable costs (h).

6. Responsible Officer

The Responsible Officer named in the Agreement (e.g. in the field usually Field Project Manager or FAOR) and/or in FAO Headquarters usually a Technical or Operations Officer) has been designated by the Budget Holder responsibility to manage and monitor the proper implementation of the Agreement on behalf of FAO and to certify to the Budget Holder that the terms of the Agreement have been satisfactorily met and that appropriate payments can be made.

7. Reimbursements

Provide for reimbursement by the SP of any overpayments that may have been effected or excess funds, which may remain after completion of the services.

N.B.: Full payment by FAO of the total amount set forth in the Agreement prior to completion of the services should be avoided. However, if such a situation is unavoidable, the LoA should provide for reimbursement by the SP of any overpayments that may have been effected or excess funds, which may remain after completion of the services.

8. Any other relevant Information

To be included here.