

منظمة  
الاتحادية والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food and Agriculture  
Organization of the  
United Nations



Organisation des  
Nations Unies pour  
l'alimentation et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных Наций

Organización de las  
Naciones Unidas para la  
Alimentación y la  
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PO Number (if available): 333392

Your Ref.:

## LETTER OF AGREEMENT

Between

the Food and Agriculture Organization of the United Nations ("FAO")

and

National Federation of Agricultural Producers from Moldova AGROinform ("AGROinform")  
Chisinau, Moldova

for the provision of

Improving high value trade opportunities in horticulture in Georgia, Moldova, Tajikistan and  
Uzbekistan

### 1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO") and the National Federation of Agricultural Producers from Moldova AGROinform (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 EBRD/FAO regional project "Improving high value trade opportunities in horticulture in Georgia, Moldova, Tajikistan and Uzbekistan" to: (i) develop a database of commercial growers, exporters, importers and wholesalers, (ii) carry out value chain analyses of specific sub-sectors with identification of profitable investment opportunities along the value chains in Moldova and Uzbekistan, (iii) carry out technological audit for specific sub-sectors in Moldova and Tajikistan, and (iv) organize seminars/trainings and business conferences in Georgia and Moldova. In order to enable the Service Provider to provide the Services, FAO will pay the Service Provider a total amount not exceeding USD 197 770 (*one hundred ninety-seven thousand seven hundred seventy US Dollars*), which represents FAO's maximum financial liability, into the Service Provider's account specified in paragraph 2 below.

### 2. Detailed Banking Instructions

Bank name: BC Victoriabank SA

Bank country and city: Chisinau, Moldova

Bank branch address: str. 31 August 1989, nr. 141, Chişinău, Moldova

SWIFT CODE: VICBMD2X

Account: MD10VI022240300000169USD

Exact bank account holder's name: National Federation of Agricultural Producers AGROinform

Account currency: USD

Bank branch code or sort code: 416

IBAN number: MD10VI022240300000169USD

### 3. Designation of the FAO Responsible Officer

Andriy Yarnak, Economist, TCIC, Food and Agriculture Organization of the United Nations (FAO), Viale delle Terme di Caracalla, 00153 Rome, Italy, Room D 624, E-mail: Andriy.Yarnak@fao.org 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 30 May 2018 whichever of the three dates is the latest and will terminate on 30 April 2019.

### 5. Purpose

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

- (i) **Objective.** The service provider will contribute to capacity development of the horticulture sector in Moldova, Georgia, Tajikistan and Uzbekistan along the value chain and improve efficiency of the horticulture sector via seminars/trainings, business conferences, market analysis and technological audits. (FAO Strategic Objective 4: Enable inclusive and efficient agricultural and food systems).
- (ii) **Outputs.** The Service Provider will produce, achieve or deliver the following outputs:
  - a database of commercial growers, exporters, importers and wholesalers of walnuts, apples, pears, table grapes, soft fruits, greenhouse tomatoes, cucumbers and peppers;
  - weekly market monitoring for key products year around inclusive and trend of price information;
  - exclusive daily market news, interviews, technology articles, success stories and other relevant information in Russian language;
  - at least two retail monitoring results;
  - technological audit of (i) the table grapes sub-sector in Tajikistan, Moldova; (ii) and the apple and pear sub-sector in Georgia;
  - value chain analyses of specific sub-sectors with identification of profitable investment opportunities along the value chains in Moldova and Uzbekistan in Russian. Sub-sectors to be analysed include: (i) table grapes; (ii) early crops and greenhouse produce; (iii) nuts; (iv) apples and pears and (v) soft fruits;
  - five seminars/trainings covering all aspects of production and handling technologies with practical demonstrations wherever possible/applicable organized in Moldova for the following subsectors: (i) table grapes; (ii) apples and pears; (iii) soft fruits; (iv) greenhouse produce and (v) nuts (walnuts and hazelnuts);
  - three business conferences organized in Moldova to communicate findings of the studies, demonstrate new modern technologies and opportunities for all relevant stakeholders for the following subsectors: (i) fruits (inclusive of soft fruits); (ii) greenhouse produce and (iii) table grapes;
  - three seminars/trainings covering all aspects of production and handling technologies with practical demonstrations wherever possible/applicable organized in Georgia for the following subsectors: (i) table grapes; (ii) apples and pears; (iii) soft fruits;
  - two business conferences organized in Georgia to communicate findings of the studies, demonstrate new modern technologies and opportunities for all relevant

stakeholders for the following subsectors: (i) fruits (inclusive of soft fruits) and (ii) table grapes.

(iii) **Activities.** The Service Provider will undertake the following activities:

- develop a database of commercial growers, exporters, importers and wholesalers of walnuts, apples, pears, table grapes, soft fruits, greenhouse tomatoes, cucumbers and peppers inclusive of the detailed contact information, area and volume of production by each type of product, leading variety, type of storage if any and other relevant information;
- provide weekly market monitoring for key products year around and at least two retail monitoring results;
- provide exclusive daily market news, interviews, technology articles, success stories and other relevant information in Russian language;
- carry out a technological audit of (i) the table grapes sub-sector in Tajikistan, Moldova; (ii) and the apple and pear sub-sector in Georgia. The audit will comprise the following information:
  - description of technologies used vs best global technological practices;
  - estimated investments needed to upgrade technologies;
  - estimated costs and returns at the current technologies compared to costs and returns at upgraded technologies;
  - estimated returns on investments to upgrade the technologies based on new market opportunities and/or lower costs.
- carry out value chain analyses of specific sub-sectors with identification of profitable investment opportunities along the value chains in Moldova and Uzbekistan in Russian. Sub-sectors to be analysed include: (i) table grapes; (ii) early crops and greenhouse produce; (iii) nuts; (iv) apples and pears and (v) soft fruits. The analyses will comprise the following information:
  - global and regional market trends;
  - opportunities for exports with description of specific markets, costs of logistics and marketing efforts;
  - local retail trade opportunities;
  - domestic value chain for each of the key marketing channels (e.g. exports, retail trade, green market);
  - estimated impact of investments on local production, prices, consumption and trade;
  - estimated value and description of investments on each element of the value chain required to upgrade the sector;
  - brief description of possible investment projects and estimated returns on these investments.
- organize five seminars/trainings covering all aspects of production and handling technologies with practical demonstrations wherever possible/applicable organized in Moldova covering the following crops:
  - table grapes;
  - apples and pears;
  - soft Fruits;
  - greenhouse produce;
  - nuts (walnuts and hazelnuts).

- organize three business conferences to be held in Moldova to communicate findings of the studies, demonstrate new modern technologies and opportunities for all relevant stakeholders for:
  - fruits (inclusive of soft fruits);
  - greenhouse produce and;
  - table grapes.
- organize three seminars/trainings covering all aspects of production and handling technologies with practical demonstrations wherever possible/applicable organized in Georgia covering the following crops:
  - table grapes;
  - apples and pears;
  - soft fruits;
- organize two business conferences to be held in Georgia to communicate findings of the studies, demonstrate new modern technologies and opportunities for all relevant stakeholders for:
  - fruits (inclusive of soft fruits);
  - table grapes;
- organize venues and logistics for the seminars/trainings and the business conferences;
- provide training participants with all necessary training materials.

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 2010.
- 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.
- 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 [http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf).
- 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](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/codcodeconduitethique/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 8c) 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) An advance payment should not to exceed *USD 59 331* upon signature of the present Agreement;
  - (ii) 1<sup>nd</sup> payment not to exceed *USD 98 885* upon successful completion of the technological audits indicated under paragraph 2.2 d) in the Annex in accordance with the Work plan/Timeframe;
  - (iii) Final payment not to exceed *USD 39 554* 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:

Andriy Yarmak  
Economist, TCIC  
Food and Agriculture Organization of the United Nations (FAO)  
Viale delle Terme di Caracalla, 00153 Rome, Italy  
Room D 624  
E-mail: [Andriy.Yarmak@fao.org](mailto:Andriy.Yarmak@fao.org)

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: 25/05/2018

*Mr Mohamed Manssouri, Director, Investment Centre Division, Technical Cooperation Department (TCI)*

Signed on behalf of the National Federation of Agricultural Producers from Moldova AGROinform ("AGROinform")

Signature: 

Date: 25.05.2018

*Mr Iurie Hurmuzachi, Chairman of National Federation of Agricultural Producers from Moldova AGROinform ("AGROinform")*

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