

# **AGREEMENT**

**between**

**Ministry of Health and Medical Industry  
Acting on Behalf of the Government of Turkmenistan**

**and**

**UNDP Country Office  
in Turkmenistan**

**Concerning the Carrying Out of  
Consultant's Services  
Financed by the**

**International Bank for Reconstruction  
and Development**

**March 2008**

**STANDARD FORM OF AGREEMENT  
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**between**

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## Preface

1. This Standard Form of Agreement for Consultant's Services has been prepared by The World Bank for use by its borrowers and their implementing agencies (referred to hereinafter as Clients) when they hire UN Agencies on a single source basis for the carrying out of consultant's services financed by The World Bank. Its use is mandatory under the circumstances described.

2. The Standard Form consists of four parts: the Agreement for Consultant's Services to be signed by the Client and the UN Agency, the General Conditions of Agreement, the Special Conditions of Agreement, and the Appendices. Parties using this Standard Form for services financed by The World Bank should note that the General Conditions must be retained unchanged. Clauses in the Special Conditions should be dealt with as specified in the notes to individual clauses.

## Agreement for Consultant's Services

This AGREEMENT (hereinafter called the "Agreement") is made the \_\_\_1\_\_\_ day of the month of \_April\_, 2008, between, on the one hand, the Ministry of Health and Medical Industry of Turkmenistan acting on behalf of the Government of Turkmenistan (hereinafter called the "Client") and, on the other hand, the UNDP Country Office in Turkmenistan (hereinafter called the "UN Agency").

### WHEREAS

(A) the Client has requested the UN Agency to provide certain consultant's services as defined in the General Conditions attached to this Agreement (hereinafter called the "Services");

(B) the UN Agency, having represented to the Client that it has the required professional skills, personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Agreement;

(C) the Client has received a grant from the International Bank for Reconstruction and Development (hereinafter called the "Bank") towards the cost of the Services and intends to apply a portion of the proceeds of this grant to eligible payments under this Agreement, it being understood (i) that payment by the Bank will be made only at the request of the Client and upon approval by the Bank, (ii) that such payment will be subject, in all respects, to the terms and conditions of the agreement providing for the grant, and (iii) that no party other than the Client shall derive any rights from the agreement providing for the grant or have any claim to the grant proceeds;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Agreement:

- (a) the General Conditions of Agreement;
- (b) the Special Conditions of Agreement; and
- (c) the following Appendices:

Appendix I:	Description of the Services
Appendix II:	Work Plan
Appendix III:	UN Agency's Subconsultants and Key Personnel
Appendix IV:	Reports and Documents to be submitted by the UN Agency
Appendix V:	Services, Facilities and Property of the Client
Appendix VI:	Counterpart Personnel
Appendix VII:	Estimate of Cost of Services
Appendix VIII:	Form of Withdrawal Application
Appendix IX:	Form of Payment Request
Appendix X:	Working Hours and Holidays for Subconsultants
Appendix XI:	UN Agency's Procedures for Disbursements for Fellowships and Training

2. The mutual rights and obligations of the Client and the UN Agency shall be as set forth in the Agreement; in particular:

- (a) the UN Agency shall carry out the Services in accordance with the terms and conditions of the Agreement; and
- (b) the Client shall cause payment to be made to the UN Agency in accordance with the terms and conditions of the Agreement.

3. Unless otherwise specified in the Special Conditions (as hereinafter defined), the Client shall apply (or if the Client is not the Government, as hereinafter defined, the Client shall use its best efforts to ensure that the Government shall apply) to the UN Agency, its property, officials and any person designated by the UN Agency to perform Services (as defined in the General Conditions of Agreement) under this Agreement the privileges and immunities of the Convention or Agreement listed in the Special Conditions.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF

Ministry of Health and Medical Industry,  
Turkmenistan

By 

Ata Serdarov

Minister of Health and Medical Industry,  
Turkmenistan

FOR AND ON BEHALF OF

UNDP Country Office in Turkmenistan

By 

Richard Young

UNDP Resident Representative





## General Conditions of Agreement

### 1. General Provisions

#### 1.1 Definitions

Unless expressly indicated otherwise, the following terms whenever used in this Agreement have the following meanings:

- (a) “Agreement” means the Agreement signed by the Parties, to which these General Conditions of Agreement are attached, together with all the documents listed in Clause 1 of such signed Agreement.
- (b) “Bank” means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A.
- (c) “Effective Date” means the date on which this Agreement enters into force and effect, as defined in Clause GC 2.1.
- (d) “GC” means these General Conditions of Agreement.
- (e) “Government” means the Government of the Client’s country.
- (f) “Key Personnel” means Personnel performing Key functions and identified as such in Appendix III.
- (g) “Party” means the Client or the UN Agency, as the case may be.
- (h) “Personnel” mean persons engaged by the UN Agency or any Subconsultant for the performance of the Services or any part thereof.
- (i) “SC” means the Special Conditions of Agreement by which the Agreement signed by the Parties are supplemented and these General Conditions of Agreement are modified or supplemented.
- (j) “Services” means the activities to be performed by the UN Agency pursuant to this Agreement, as described in Appendix I hereto.
- (k) “Subconsultant” means any person or entity to whom/which the UN Agency subcontracts any part of the Services in accordance with the provisions of Clause GC 4.3.
- (l) “Work Plan” means the detailed timetable for the performance of the Services, as set forth in Appendix II hereto.

## **1.2 Relation between the Parties**

Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the UN Agency. The UN Agency shall be fully responsible for the Personnel and Subconsultants, if any, performing the Services under the Agreement and for the Services they perform.

## **1.3 Language**

This Agreement has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Agreement.

## **1.4 Headings**

The headings shall not limit, alter or affect the meaning of this Agreement.

## **1.5 Notices**

**1.5.1** Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.

**1.5.2** Notice will be deemed to be effective as specified in the SC.

**1.5.3** A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SC with respect to Clause GC 1.5.2.

## **1.6 Location**

The Services shall be performed at such locations as are specified in Appendix I hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.

## **1.7 Authorized Representatives**

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement by the Client or the UN Agency may be taken or executed by the authorized representatives specified in the SC.

## **2. Commencement, Completion, Modification and Termination of Agreement**

### **2.1 Effectiveness of Agreement**

This Agreement shall come into force and effect on the date (the "Effective Date") of the UN Agency's notice to the Client confirming that the payment referred to in Clause GC 6.4(c) has been received by the UN Agency.

### **2.2 Termination of Agreement for Failure to Become Effective**

If this Agreement has not become effective within such time period after the date of the Agreement signed by the Parties as shall be specified in the SC, either Party may, by written notice to the other Party, declare this Agreement to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

### **2.3 Commencement of Services**

- (a) The UN Agency shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.
- (b) The UN Agency shall not be required to commence or to continue the provision of the Services until the respective payments required under Clause GC 6.4 have been received.

### **2.4 Expiration of Agreement**

Unless terminated earlier pursuant to Clause GC 2.8, this Agreement shall terminate at the end of such time period after the Effective Date as shall be specified in the SC.

### **2.5 Entire Agreement**

This Agreement contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

### **2.6 Modification**

Modification of the terms and conditions of this Agreement, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Association, as the case may be, has been obtained by the Client.

## 2.7 Fraud and Corruption

It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as consultants and their sub-consultants under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts. . In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
  - (i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
  - (ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
  - (iii) "collusive practices" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - (iv) "coercive practices" 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;
  - (v) "obstructive practice" is
    - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
    - (bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.7.1 below.
- (b) will reject a proposal for award if it determines that the consultant recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- (c) will cancel the portion of the Loan/ grant allocated to a contract if it determines at any time that representatives of the Borrower or of a

beneficiary of the Loan were engaged in corrupt, fraudulent, collusive, or coercive practices during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;

- (d) will sanction a consultant, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a Bank-financed contract; and

2.7.1 The Consultant shall permit the Bank to inspect their accounts and records and other documents relating to the submission of proposals and contract performance and to have them audited by auditors appointed by the Bank.

## **2.8 Suspension**

The Client may, after consultation with the UN Agency and the Bank, by written notice of suspension to the UN Agency, suspend all payments to the UN Agency hereunder if the UN Agency fails materially to perform any of its obligations under this Agreement, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the UN Agency to remedy such failure within a period not exceeding forty-five (45) days after receipt by the UN Agency of such notice of suspension.

## **2.9 Termination**

### **2.9.1 - By the Client**

The Client may, after consultation with the UN Agency and the Bank, by not less than thirty (30) days' written notice of termination to the UN Agency (except in the event listed in paragraph (d) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.1, terminate this Agreement:

- (a) if the UN Agency fails to remedy a material failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8, within forty-five (45) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;
- (b) if the UN Agency fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 7 hereof;
- (c) if, as the result of force majeure, the UN Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or

- (d) if the Client, in the public interest, decides to terminate this Agreement.

### **2.9.2 - By the UN Agency**

The UN Agency may, after consultation with the Client and the Bank, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this Clause GC 2.9.2, terminate this Agreement:

- (a) if the Client fails to pay any money due to the UN Agency pursuant to this Agreement and not subject to dispute pursuant to Clause 7 hereof within forty-five (45) days after receiving written notice from the UN Agency that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Agreement and has not remedied the same within forty-five (45) days (or such longer period as the UN Agency may have subsequently approved in writing) following the receipt by the Client of the UN Agency's notice specifying such breach;
- (c) if, as the result of force majeure, the UN Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- (d) if the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 7.2; or
- (e) if the Client terminates the blanket payment arrangement pursuant to Clause 6.4(d) hereof.

### **2.9.3 Cessation of Rights and Obligations**

Upon termination of this Agreement pursuant to Clauses GC 2.2 or GC 2.9, or upon expiration of this Agreement pursuant to Clause GC 2.4, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, and (ii) the UN Agency's obligation regarding the auditing of its accounts and records set forth in Clause GC 3.4.

### **2.9.4 Cessation of Services**

Upon termination of this Agreement by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2, the UN Agency shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the UN Agency and

equipment and materials furnished by the Client, the UN Agency shall proceed as provided, respectively, by Clauses GC 3.7 or GC 3.8.

### **2.9.5 Payment upon Termination**

Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2, the Client shall cause the following payments to be made to the UN Agency:

- (a) payments pursuant to Clause 6 hereof for Services performed in accordance with the terms and conditions of this Agreement prior to the effective date of termination; and
- (b) except in the case of termination pursuant to paragraph (a) of Clause GC 2.9.1, reimbursement of any reasonable cost incurred and incidental to the prompt and orderly termination of the Agreement including the cost of the return travel of the Personnel and their eligible dependents.

## **3. Obligations of the UN Agency**

### **3.1 General**

#### **3.1.1 Standard of Performance**

The UN Agency (a) shall perform the Services and carry out its obligations hereunder in accordance with Appendices I and II hereto, with all due diligence, efficiency and economy, and in accordance with generally accepted professional techniques and practices, (b) shall observe sound management practices, and (c) where applicable, shall employ appropriate technology and safe and effective equipment, machinery, materials and methods. The UN Agency shall always act, in respect of any matter relating to this Agreement or to the Services, in the best interest of the Client, and shall at all times use its best efforts to support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

#### **3.1.2 Observance of Local Laws and Regulations**

The UN Agency shall take all practicable steps to ensure that the Services are performed in accordance with, and that its Personnel and any Subconsultants observe, the laws, regulations and other instruments having the force of law in the Government's country which regulate the sector in respect of which Services are provided under this Agreement.



### 3.2 Terms and Conditions Applicable to Subconsultants

The UN Agency shall ensure that its contracts with Subconsultants include the following terms and conditions:

(a) Commissions and Discounts

The Subconsultant shall credit or otherwise pass on to the benefit of the Client any trade commission, discount or similar payment which directly results from Services performed by the Subconsultant under its contract with the UN Agency.

(b) Prohibition of Conflicting Activities

The Subconsultant and its Personnel shall not engage, either directly or indirectly, in any of the following activities:

- (i) during the term of the Subconsultant's contract with the UN Agency, any business or professional activities in the Government's country which could conflict with the activities performed by them under the Subconsultant's contract with the UN Agency; and
- (ii) after the termination of said contract, such other activities as may be specified in the SC.

(c) Confidentiality

The Subconsultant and its Personnel shall treat with the utmost discretion any information acquired in the performance of the Subconsultant's contract with the UN Agency.

(d) Disqualification from Related Contracts

During the term of its contract with the UN Agency and within two years after its termination, the Subconsultant and any entity affiliated with the Subconsultant shall be disqualified from providing goods, works or services (other than services under its contract with the UN Agency or any continuation thereof) for any project resulting from, or closely related to, the services under its contract with the UN Agency.

### 3.3 Insurance to be taken out by the UN Agency

- (a) The UN Agency shall continue to maintain, and shall cause any Subconsultants to continue to maintain, at its (or the Subconsultants', as the case may be) own cost, its existing insurance arrangements against the risks, and for the coverages, as described in the SC.

- (b) In addition, at the Client's request and cost, the UN Agency shall take out and maintain, and shall cause any Subconsultants to take out and maintain, insurance against such risks, and for such coverages, as may be specified in the SC.
- (c) At the Client's request, the UN Agency shall provide evidence to the Client showing that the insurance referred to in paragraph (b) above has been taken out and maintained, and that the current premiums therefor have been paid.

#### **3.4 Accounting and Auditing**

- (a) The UN Agency shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with its Financial Regulations and Rules and in such form and detail as will clearly identify all relevant charges and cost.
- (b) The UN Agency shall submit to the Client, with a copy to the Bank or the Association, as the case may be, an annual financial statement of account showing the use of funds expended for the Services during the previous calendar year, as specified in more detail in the SC. This statement of account shall be in US Dollars, and the exchange rate used for converting expenditures in other currencies shall be the UN Accounting Rate of Exchange in effect on the date the expenditure was made.
- (c) The accounts, records and annual statements referred to in paragraphs (a) and (b) above shall be audited as specified in the SC.

#### **3.5 UN Agency's Actions requiring Client's prior Clearance**

The UN Agency shall obtain the Client's prior clearance in writing before taking any action that may be specified in the SC.

#### **3.6 Reporting Obligations**

The UN Agency shall submit to the Client the reports and documents specified in Appendix IV hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.

#### **3.7 Documents prepared by the UN Agency to be the Property of the Client**

All plans, drawings, specifications, designs, reports, other documents and software prepared by the UN Agency for the Client under this Agreement shall belong to the Client, and the UN Agency shall, not later than upon termination or expiration of this Agreement, deliver all such documents to the Client, together with a detailed inventory thereof. The UN Agency may retain a copy of such documents. Restrictions about the future use of these documents, if any, including the allocation of any intellectual property rights, shall be specified in the SC.

### **3.8 Equipment and Materials furnished by the Client or purchased by the UN Agency**

Equipment and materials made available to the UN Agency by the Client, or purchased by the UN Agency with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. The purchase by the UN Agency of any equipment and materials with funds provided by the Client under this Agreement shall be limited to equipment and material which is required for the carrying out of the Services and which is listed in the SC. In making such purchases, the UN Agency shall follow its own procurement rules. Upon termination or expiration of this Contract, the UN Agency shall make available to the Client a list of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of such equipment and materials, the UN Agency, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

## **4. The UN Agency's Personnel and Subconsultants**

### **4.1 General**

The UN Agency shall employ and provide such qualified and experienced Personnel and Subconsultants as are required to carry out the Services.

### **4.2 Description of Key Personnel**

- (a) The titles, agreed job descriptions, minimum qualifications and estimated periods of engagement in the carrying out of the Services of each of the UN Agency's Key Personnel are described in Appendix III.
- (b) If required to ensure proper performance of the Services, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix III may be made by the UN Agency by written notice to the Client, provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Agreement to exceed the ceiling set forth in Clause GC 6.1(b). Any other such adjustments shall only be made with the Client's written approval.
- (c) If additional work is required beyond the scope of the Services specified in Appendix I, the estimated periods of engagement of Key Personnel set forth in Appendix III may be increased by agreement in writing between the Client and the UN Agency, provided that any such increase shall not, except as otherwise agreed in writing, cause payments under this Agreement to exceed the ceiling set forth in Clause 6.1(b) hereof.

### **4.3 Clearance of Key Personnel and Subconsultants**

#### **4.3.1 As Listed in Appendix III**

The Key Personnel and Subconsultants listed by title as well as by name in Appendix III are hereby cleared by the Client.

#### **4.3.2 Other Key Personnel**

In respect of other Key Personnel which the UN Agency proposes to use in the performance of the Services, including the replacement of any Key Personnel, the UN Agency shall submit to the Client for review and clearance a copy of their biographical data. If the Client does not object in writing (stating the reasons for the objection) within 21 calendar days from the date of receipt of such biographical data, the Key Personnel in question shall be deemed to have been cleared by the Client.

#### **4.3.3 Other Subconsultants**

The UN Agency shall obtain the Client's prior clearance in writing before entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Subconsultants and the terms and conditions of the subcontract shall have been approved by the Client prior to the execution of the subcontract, and (ii) that the UN Agency shall remain fully responsible for the performance of the Services by the Subconsultant and its Personnel pursuant to this Agreement.

### **4.4 Working Hours, Overtime, Leave, etc.**

Working hours and holidays of Personnel, Subconsultants and counterpart personnel shall be as specified in the SC.

### **4.5 Removal and/or Replacement of Personnel or Subconsultants**

- (a) Except as the Client may otherwise agree, no changes shall be made in the Personnel or Subconsultants. If, for any reason beyond the reasonable control of the UN Agency, it becomes necessary to replace any of the Personnel or Subconsultants, the UN Agency shall promptly provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client (i) finds that any of the Personnel or Subconsultants has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel or Subconsultants, then the UN Agency shall, at the Client's written request specifying the grounds therefor, promptly provide as a replacement a person with equivalent or better qualifications.

- (c) Any of the Personnel or Subconsultants provided as a replacement under Clauses (a) and (b) above and the rate of billing applicable to such person shall be subject to the prior written clearance by the Client. Except as the Client may otherwise agree, the payment to be made by the Client for any of the Personnel or Subconsultants provided as a replacement shall not exceed the payment which would have been made in respect of the Personnel or Subconsultant replaced.

## **5. Obligations of the Client**

### **5.1 Access to Land**

The Client warrants that the UN Agency shall have, free of charge, unimpeded access to all land in the Government's country in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to such land or any property thereon resulting from such access and will indemnify the UN Agency and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the willful default or gross negligence of the UN Agency or any Subconsultant or the Personnel of either of them.

### **5.2 Services, Facilities and Property of the Client**

The Client shall make available to the UN Agency and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix V at the times and in the manner specified in said Appendix V, provided that if such services, facilities and property shall not be made available to the UN Agency as and when so specified, the Parties shall agree in writing on (i) any time extension that it may be appropriate to grant to the UN Agency for the performance of the Services, (ii) the manner in which the UN Agency shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the UN Agency as a result thereof pursuant to Clause GC 6.1(c).

### **5.3 Payment**

In order to cover the cost of providing the Services performed by the UN Agency under this Agreement, the Client shall make, or cause to be made, to the UN Agency such payments and in such manner as is provided by Clause 6 of this Agreement.

### **5.4 Counterpart Personnel**

- (a) If so provided in Appendix VI hereto, the Client shall make available to the UN Agency, as and when provided in Such Appendix VI, and free of charge, such national counterpart personnel to be selected by the Client, with the UN Agency's advice, as shall be specified in such Appendix VI.

If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the UN Agency which is consistent with the position occupied by such member, the UN Agency may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.

- (b) If counterpart personnel are not provided by the Client to the UN Agency as and when specified in Appendix VI, the Client and the UN Agency shall agree in writing on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the UN Agency as a result thereof pursuant to Clause 6.1(c) hereof.

## **6. Payments to the UN Agency**

### **6.1 Cost Estimates; Ceiling Amount**

- (a) An estimate of the cost of the Services, including an amount for UN Agency program support as specified in the SC, is set forth in Appendix VII hereto. Should there be an increase or decrease in the cost of the Services, as compared to the estimate set forth in Appendix VII hereto, the amount for program support shall be correspondingly adjusted by written agreement between the Client and the UN Agency.
- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Agreement shall not exceed the ceiling specified in the SC. The UN Agency shall notify the Client as soon as cumulative expenditures, charges and commitments incurred for the Services have reached 80% of this ceiling.
- (c) Notwithstanding Clause GC 6.1(b), if pursuant to either of the Clauses GC 5.2 or GC 5.4(b), the Parties shall agree in writing that additional payments shall be made to the UN Agency in order to cover any necessary additional expenditures not envisaged in the cost estimate referred to in Clause GC 6.1(a), the ceiling set forth in Clause GC 6.1(b) shall be increased by the amount of any such additional payments.
- (d) If, due to unforeseen circumstances, the funds received by the UN Agency under this Agreement prove to be insufficient to cover the total cost of the provision of the Services, the UN Agency shall inform the Client accordingly. The parties shall then hold consultations with a view to agreeing upon appropriate modifications to the Services so as to ensure that the funds provided by the Client shall be sufficient to cover all expenses for the Services.

## 6.2 Currency of Payment

All payments shall be made in United States Dollars.

## 6.3 Expenditures Eligible for Payment

Subject to the ceiling specified in Clause GC 6.1(b), the Client shall pay the UN Agency, or cause the UN Agency to be paid, for the following expenditures incurred by the UN Agency in carrying out the Services:

- (a) Expenditures in respect of Personnel, as specified in the SC.
- (b) Expenditures for Subconsultants, limited to the payments actually made by the UN Agency to any Subconsultant, in accordance with the provisions of the subcontract between the UN Agency and the respective Subconsultant.
- (c) Expenditures for fellowships and training, in accordance with the UN Agency's applicable procedures as specified in the SC, and limited to payments actually made by the UN Agency for such fellowships and training.
- (d) Expenditures for equipment and materials required for the carrying out of the Services, as may be specified in Clause SC 3.8, and limited to payments actually made by the UN Agency for any such equipment and materials.
- (e) Cost for UN Agency program support, calculated as a percentage of all eligible expenditures as and when they are paid, such percentage to be specified in the SC.
- (f) Any other expenditure not stipulated in paragraphs (a) through (e) above and necessary for the implementation of the Services, as agreed to by the parties, with the written consent of the Bank.

## 6.4 Mode of Billing and Payment

- (a) The UN Agency shall open and maintain a separate ledger account as specified in the SC, through which all the UN Agency's receipts and disbursements for the purposes of the Services shall be channeled.
- (b) As soon as possible after the signing of this Agreement by the Parties, the Client shall submit to the Bank or the Association, as the case may be, a withdrawal application covering the total estimated cost of the Services in the form set forth in Appendix VII hereto, such application to be copied to the UN Agency.
- (c) Upon receipt by the UN Agency of a notice from the Bank or the Association, as the case may be, that the withdrawal application referred to in the preceding paragraph has been received in good order and accepted,

the UN Agency shall request the Bank or the Association, as the case may be, to make a direct payment to the UN Agency's bank account specified in the SC of such amount as shall be specified in the SC..

- (d) Thereafter, the UN Agency shall submit quarterly payment requests to the Bank or the Association, as the case may be, with copy to the Client in the form specified in Appendix IX, reflecting expenditures during the previous three months and estimated expenditures for the ensuing six months, less any payments previously received (including in such payments any interest earned on payments previously received) or in transit in respect of that period. Payments by the Bank or the Association, as the case may be, to the UN Agency shall not prejudice the Client's right to dispute any amount claimed by the UN Agency and to instruct the Bank or the Association, as the case may be, to adjust any future payment by the amount in dispute and inform the UN Agency accordingly. The Client also retains the right to terminate this payment arrangement by notice in writing to the UN Agency and the Bank or the Association, as the case may be, and to advise the Bank or the Association, as the case may be, of agreed changes to the cost estimates as specified in Appendix VII to this Agreement.
- (e) Any balance of funds (including any interest earned on payments previously received) remaining undisbursed and uncommitted in the UN Agency's account referred to in Clause GC 6.4(a) at the time this Agreement is terminated shall be promptly returned by the UN Agency to the Bank or the Association, as the case may be, to be credited to the loan or credit account, as the case may be, from which disbursements to the UN Agency for the Services had been made.

## **7. Settlement of Disputes**

### **7.1 Amicable Settlement**

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of or in connection with this Agreement or the interpretation thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules as in force on the date of this Agreement or according to such other procedure as may be agreed between the parties.

### **7.2 Arbitration**

Any dispute, controversy or claim between the Parties arising out of or in connection with this Agreement or the interpretation thereof which cannot be settled amicably within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the Rules of Procedure for Arbitration of the United



Nations Commission on International Trade Law (UNCITRAL) as in force on the date of this Agreement. Except as otherwise provided in the SC, the American Arbitration Association shall be the Appointing Authority under said Rules.

## Special Conditions of Agreement

### I. Special Conditions with respect to the signed Agreement

The privileges and immunities granted under the Agreement or Convention listed above shall be restricted as follows as per Standard Basic Assistance Agreement signed by the UNDP and the Government of Turkmenistan on 5 October, 1993.

### II. Special Conditions with respect to the General Conditions

**GC 1.3**            The language is: English

**GC 1.5.1**        The addresses are:

**For the Client:** Ministry of Health and Medical Industry of Turkmenistan

20 Archabil Avenue, 744036

Ashgabat, Turkmenistan

Attention:            Ata Serdarov, Minister

Facsimile:            (993 12) 480608

**For the UN Agency:** UN House

40 Galkynysh Street

Ashgabat, Turkmenistan

Attention:            Richard Young, UNDP Resident Representative

Facsimile:            (993-12) 425317/ 425388

**GC 1.5.2**        Notice will be deemed to be effective as follows:

- (a)    in the case of personal delivery or registered mail, on delivery;
- (b)    in the case of telexes, twenty four (24) hours following confirmed transmission;
- (c)    in the case of telegrams, twenty four (24) hours following

confirmed transmission;

(d) in the case of facsimiles, twenty four (24) hours following confirmed transmission.

**GC 1.7**

The Authorized Representatives are:

For the Client: Ata Serdarov, Minister of Health and Medical Industry of Turkmenistan

Gurbangul Ovliyakułova, Deputy Head of Department of Severe Infectious Diseases

Svetlana Milchenkova, Chief Accountant of the experimental training center of the State Sanitary Epidemiological Service

For the UN Agency: Richard Young, UNDP Resident Representative

Inita Paulovica, UNDP Deputy Resident Representative

**GC 2.2**

The time period shall be four months or such other time period as the Parties may agree in writing.

**GC 2.3**

The time period shall be one month or such other time period as the Parties may agree in writing.

**GC 2.4**

The time period shall be 20 months or such other time period as the Parties may agree in writing.

**GC 3.2. (b)(ii)**

“The UN Agency shall ensure that its contracts with Subconsultants include a provision stating that Subconsultants and their Personnel, for a period of two years after the expiration of this Agreement, are prohibited from engaging in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Agreement or in the activity of an adviser (directly or indirectly) of potential purchasers of such assets.”

**GC 3.3(a)**

The UN Agency’s existing insurance arrangements are for the following risks and coverages:

- (a) employer’s liability and workers’ compensation insurance in respect of the Personnel of the UN Agency and of any Subconsultant, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and
- (b) insurance against loss of or damage to (i) equipment purchased in

whole or in part with funds provided under this Agreement, (ii) the UN Agency's property used in the performance of the Services, and (iii) any documents prepared by the UN Agency in the performance of the Services.

- GC 3.4(b)** The annual financial statements shall be submitted to the Client, with a copy to the Bank or the Association, as the case may be, within five months after the close of the calendar year, and they shall show the following:
- (i) payments received by the UN Agency from the Client;
  - (ii) any interest earned by the UN Agency on any payments so received but not yet used or disbursed for the Services;
  - (iii) expenditures and accrued commitments for the Services, broken down into the following categories of expenditures:
    - (A) Goods
    - (B) Works
    - (C) Consulting Services (including training and audits)
  - (iv) cumulative status of funds; and
  - (v) the following financial information required by the Client, or the Bank, or the Association, as the case may be : financial reports on all project activities including annual financial statements. Furthermore, a copy of the auditor's report, interim un-audited financial reports and Statement of Expenditures.

- GC 3.4(c)** The accounts, records and annual statements referred to in Clauses GC 3.4(a) and 3.4(b) shall be audited as follows:
- (i) they shall be subject to the internal and external auditing procedures laid down in the UN Agency's Financial Rules and Regulations; and
  - (ii) at the Client's request, the UN Agency shall request its external auditors to carry out a special audit of these accounts, records and annual statements, of such scope as the Client shall specify, it being understood that the cost of any such special audit, after approval by the Bank or Association, as the case may be, shall be considered to be an eligible expenditure under Clause GC 6.3(f).

**[GC 3.7** Neither Party shall use these documents for purposes unrelated to this

agreement without prior written approval of the Party

- GC 4.4**
- (a) Working hours and holidays shall be governed by the following rules:
    - (i) for the UN Agency's Personnel, by the UN Agency's Staff Rules;
    - (ii) for Subconsultants, by the provisions of Appendix X hereto; and
    - (iii) for counterpart personnel, by the relevant rules of the Client.
  - (b) Personnel and Subconsultants shall not be entitled to be paid for overtime nor to take leave except as specified in the rules referred to in the preceding paragraph (a), and the Client's payments to the UN Agency shall be deemed to cover these items. Any taking of leave by Personnel or Subconsultants shall be subject to the prior approval of the UN Agency which shall ensure that the absence for leave purposes will not delay the progress and adequate supervision of the Services.
- GC 6.1(a)** The total amount for UN Agency program support shall be US\$98,500
- GC 6.1(b)** The ceiling is US\$98,500.
- GC 6.3(a)** Expenditures in respect of Personnel shall be limited to salaries, allowances and other entitlements, travel cost on appointment and repatriation cost, all as payable under the UN Agency's Staff Rules. Payment shall be made on the basis of actual cost, as calculated on the basis of the UN Agency's applicable procedures.
- GC 6.3(c)** The UN Agency's applicable procedures for disbursements for fellowships and training are not used.
- GC 6.3(e)** The percentage shall be 5 percent (5%) of the eligible expenditures referred to in Clause GC 6.3
- GC 6.4(c)** The UN Agency's bank account is
- |                 |  |
|-----------------|--|
| Bank:           | Bank of America  |
| Address:        | 730 15th Street N.W. 7th Floor<br>Washington DC<br>United States |
| Account:        | UNDP Representative in Turkmenistan<br>(USD) Account             |
| Account Number: | 3752174566   |
| SWIFT Code:     | BOFAUS3N   |

ABA Number: 111000012  
Fed Wire Number: 026009593  
The amount shall be US\$98,500.