

AGREEMENT

BETWEEN

THE MINISTRY FOR THE ENVIRONMENT, LAND AND SEA OF ITALY

AND

THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

for the implementation of activities focused on sustainable water resource management in Sudan

The Ministry of Environment, Land and Sea of Italy (hereinafter referred to as “IMELS”) and the Food and Agriculture Organization of the United Nations (hereinafter referred to as “FAO”), hereinafter jointly referred to as “the Parties” and individually as “the Party”,

Taking into account that the presidential decree No.42-2018 of the Sudanese Government has transformed the Ministry of Environment, Natural Resources and Physical Development (hereinafter referred to as “MENPRD”) in the “National Council for Environment”, that will be the national institution in charge of all environmental activities and affairs as well as multilateral, regional and international agreements;

Considering that in the framework of the bilateral cooperation between MENPRD and IMELS, the MENPRD has requested the involvement of FAO as the Implementing Agency for specific project activities during the third Joint Committee, held in Bonn on 7 May 2018;

Considering the fruitful cooperation undertaken between IMELS and FAO through the Agreement on climate smart agriculture that was extended until 31 December 2020;

Taking into account that IMELS has expressed its willingness to make a contribution for the implementation of activities focused on sustainable water resource management and early warning system in Sudan.

Whereas FAO and the Government of Italy concluded an agreement on 19 April 1982 (hereinafter referred to as “the Framework Agreement”) to strengthen their cooperation for the purpose of implementing mutually agreed programmes and projects and achieving FAO’s objectives;

Now therefore, the Parties have agreed as follows:

Article 1 - Purpose

The purpose of this Agreement between IMELS and FAO is to define general conditions whereby FAO will implement, upon receipt of funds in the amount of **EUR 1 115 147** (hereinafter referred to as the “Contribution”) from IMELS, the project’s activities as described in the Project Document (hereinafter referred to as “ProDoc”) (Annex A), which constitutes an integral part of this Agreement.

Article 2 - Responsibility and Contributions

2.1 IMELS and FAO will support the activities for a period of 12 month. At the beginning of the second year, a revised work programme will be prepared based on the actual situation and submitted to IMELS for further consideration. Possible extension of the activities will be considered as needed. The project coordination will be hosted at the FAO Representation office in Khartoum.

2.2 IMELS will provide support, as described in Article 1, to FAO in order to implement the activities.

2.3. The funds will be transferred, upon decision of the bilateral Joint Committee between IMELS and MENPRD to a specific Trust Fund project in three separate instalments:

- the first instalment, as an advance payment, of 60 percent of the total amount will be disbursed against a written request by FAO to IMELS, upon the entry into force of this Agreement;
- the second instalment of 20 percent of the total amount will be disbursed after having received from FAO a written request and disbursed upon approval of the progress technical and certified financial report on the use of the total amount of the previous payment; and
- the third instalment of 20 percent of the total amount will be disbursed after having received from FAO a written request and disbursed upon approval of the technical and certified financial report that justify the use of the 80 percent of the previous payment.

A final financial report on the use of the total contribution will be provided at the end of the activities.

2.4. The payment will be made to FAO into the following bank account:

Account Name: Food Agr Org – TF EUR
Bank Name: Citibank
33 Canada Square, London, United Kingdom, E14 5LB
Swift/BIC: CITIGB2L
IBAN: GB96CITI18500817853858

indicating that the deposit is for credit to Trust Fund No. GCP/SUD/087/ITA.

2.5. Any interest income attributable to the contribution will be credited to the project account and be utilized by the Project in accordance with FAO procedures.

2.6. The Contribution will be subject to the Organization's cost recovery policy. All direct costs linked to the implementation of the project will be borne by the Contribution. The Contribution will be subject to recovery of indirect costs equal to 7 percent of the direct costs.

2.7. The Contribution will be recorded based on the United States Dollar value at the United Nations rate of Exchange prevailing on the date of receipt of the Contribution. If a loss in the value of the Contribution is recorded, FAO shall inform IMELS with a view to determining whether any further financing could be provided by IMELS. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by FAO.

Article 3 – General Commitments

The Contribution will be subject to the following conditions:

- a) The obligations of FAO are contingent upon availability of the necessary funds from IMELS in accordance with this Agreement and as set forth in the ProDoc. FAO will not commence or be required to continue the provision of any of the activities referred to in this Agreement until the necessary funds are deposited by IMELS.
- b) IMELS will allocate the contribution to FAO through the fund for environmental cooperation established within the Italian joint-stock company Cassa Depositi e Prestiti S.p.A. (CDP).
- c) The Contribution will be used by FAO for the activities specified in the budget included in the attached ProDoc.

- d) The Contribution will be managed under a FAO Trust Fund in accordance with FAO Financial Rules and Regulations and other FAO applicable rules and procedures. FAO will keep separate records and accounts for the activities. All financial accounts and statements will be expressed in USD and will be subject exclusively to internal and external auditing procedures as laid down in Financial Regulations, Rules and directives of FAO.
- e) Salaries and other entitlements and insurance of the Project staff who will be directly recruited by FAO, as well as related institutional costs as specified in the ProDoc will be charged to the Trust Fund.
- f) All material, equipment and supplies procured by FAO will be used exclusively for the execution of the Project and shall be purchased, utilized and disposed of in accordance with FAO's rules and administrative practices.
- g) All staff for the activities will be directly recruited by FAO and will be subject to FAO's rules and regulations.
- h) The obligations of FAO under this Agreement are subject to the constitutional, financial and budgetary rules of FAO and to any decision of the FAO Conference.

Article 4 – Coordination Mechanism

4.1 The Project activities will be implemented under the guidance of the Project Management Unit (PMU) to be composed of representatives of FAO and IMELS. Technical supervision will be assigned to FAO.

4.2 The PMU will monitor and report the implementation of activities and will be in coordination with the Joint Committee between IMELS and MENPRD.

4.3 The Project Management Unit will meet on regularly basis.

Article 5 - Use of logos

The Parties agree not to use in any press release, memo, report or other published disclosure related to this Agreement any of the other Parties' name, emblem and logo without prior written agreement by the Party concerned.

Article 6 - Confidentiality

6.1 Neither of the Parties nor its personnel will communicate to any other person or entity any confidential information made known to it by the other Party in the course of the implementation of this Agreement nor will it use this information to private or company advantage. This provision will survive the expiration or termination of this Agreement.

6.2 Each Party will keep the negotiations and the contents of this Agreement confidential, unless the other Party has given its prior written permission for disclosure.

Article 7 - Intellectual property

Intellectual property rights, in particular copyright of material such as statistical information, software and maps, made available by FAO or IMELS to be used to carry out the activities under this Agreement, will remain with the originating Party.

Article 8 – Applicable Law

This Agreement and any Annex, document or arrangement relating hereto will be governed by the general principles of law to the exclusion of any single national system of law.

Article 9 – Privileges and Immunities

Nothing in this Agreement, or in any document or arrangement relating thereto, will be construed as constituting a waiver of the privileges and immunities of FAO.

Article 10 – Settlement of Disputes

Any dispute, controversy or claim arising out of this Agreement or any document or arrangement relating thereto shall be resolved amicably through consultations, or through such other means as agreed between the Parties.

Article 11 – Entry into Force, Extension, Modification and Termination

11.1 This Agreement shall enter into force on the date of its signature by the duly authorized representatives of the Parties, and shall be in force for the entire duration of the project activities funded by the Contribution.

11.2 This Agreement may be amended and extended by an exchange of letters between IMELS and FAO. The letters exchanged to this effect shall become an integral part of this Agreement. Such amendments will enter into force one (1) month following notifications of consent by both Parties.

11.3 This Agreement may be terminated by either Party upon 60-day written notice given to the other Party. In that event, the Parties will agree on measures required for the orderly conclusion of ongoing activities.

Article 12 - Audit

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of FAO. Should the annual Audit Report of the External Auditors to FAO governing bodies contain observations relevant to the Contribution, such information shall be made available to IMELS.

Article 13 - Prevention of Corruption and Fraud

13.1 Both IMELS and FAO are firmly committed to preventing and detecting fraudulent and corrupt practices. Consistent with the UN Charter, the Standards of Conduct for the International Civil Service, the United Nations Staff Rules and Regulations, and FAO Financial Rules and Regulations and procurement rules. FAO will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standard of ethical conduct and that every part of the Organization, as well as all individuals acting on behalf of FAO, observe the highest standard of ethics and integrity.

13.2 In accordance with FAO's regulations, rules and directives, any allegations of fraud and corruption in connection with the implementation of the Project are required to be reported to the Office of Inspector General (OIG) in a timely manner. Credible allegations will be investigated by OIG in accordance with its regulations, rules, policies and procedures. FAO will, in a timely manner and consistent with its regulations, rules, policies and procedures, provide details to IMELS of the outcome of substantiated allegations of fraud and corruption, along with details of action taken by FAO.

13.3 Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, FAO will:

- a. Use reasonable efforts to recover any part of the Contribution, which OIG has established as being diverted through fraud or corruption.
- b. As required by IMELS, and following consultations between the Parties, reimburse to IMELS any part of the Contribution which FAO has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.

13.4 Any information provided to IMELS in relation to any matters arising under the Article shall be treated by IMELS as strictly confidential.

13.5 Any action further to the above paragraphs shall be consistent with FAO regulations, rules and directives.

Article 14 - Force Majeure

14.1 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.

14.2 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.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two originals, one for IMELS and one for FAO.

On behalf of the Ministry for the
Environment, Land and Sea of Italy:

On behalf of the Food and Agriculture Organization
of the United Nations:

Francesco La Camera
Director General
Directorate General for
Sustainable Development,
Environmental Damage and
European and International Affairs

Roberto Ridolfi
Assistant Director-General
Programme Support and Technical
Cooperation Department

Rome, 7 March 2019

Rome, 7 March 2019

In the presence of:

His Excellency
Abdelwahab Mohamed Elhijazi Mohamed Khair
Ambassador
Permanent Representative of the Republic of
the Sudan to FAO
Permanent Representation of the Republic of
the Sudan to FAO



MINISTERO DELL'AMBIENTE
E DELLA TUTELA DEL TERRITORIO E DEL MARE



Rome, 7 March 2019