



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

REGIONAL/FIELD OFFICE IN <BEIRUT, LEBANON>

ADDRESS: MINISTRY OF INDUSTRY BUILDING, SAMI EL SOLH STREET, BEIRUT, LEBANON

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REQUEST FOR QUOTATION (RFQ)

Reference: No.1100076664

Date: 12/4/2017

UNIDO Regional/Field Office Beirut, Lebanon

Project: Support for host communities in Lebanon affected by the high influx of Syrian Refugees. **UNIDO official dealing with this request:** Nada Barakat

Address: Ministry of Industry Building, Sami El Solh Street, Beirut, Lebanon

Telephone: +961-1-423644

e-mail: n.barakat@unido.org

1. The Regional/Field Office of UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO) in Beirut, Lebanon, hereby invites you to submit a written quotation for the items (services) listed in the enclosed Specification (Terms of Reference), Appendix 2, which are required for the project named above. Your quotation should reach us by 25 April 2017.

2. The terms set forth in this RFQ and its appendixes, including the Technical Specifications (Terms of Reference) and UNIDO General Conditions, will form a part of any contract should UNIDO accept your quotation.

3. Your Quotation must be clearly marked and addressed as follows:

Regional/Field Office in Beirut, Lebanon
United Nations Industrial Development Organization (UNIDO)
Ministry of Industry Building, Sami El Solh Street, Beirut, Lebanon
Attention of: Nada Barakat, National Project Coordinator
Request for Quotation (RFQ) No.1100076664

UNIDO Project 160024, Support for host communities in Lebanon affected by the high influx of Syrian Refugees

Submission Date: 25 April 2017

4. Any requests for clarifications, additional information, etc., relating to this REQUEST FOR QUOTATION must be addressed to the undersigned. If such requests are addressed to others or if additional information is obtained from others, it may lead to disqualification of the offer.

Yours truly,

Nada Barakat

UNIDO Regional/Field Office in Beirut, Lebanon

Enclosures

Appendix 1: Terms and Conditions to Quote

Appendix 2: Technical Specifications (Terms of Reference)

Appendix 3: Contract (Purchase Order) Form with UNIDO General Conditions

APPENDIX 1
INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION OF QUOTATIONS

1. Preparation and Contents of Quotation

Quotations shall be prepared and submitted in accordance with the instructions that follow under paragraphs 2-20 inclusive.

a) Language of Quotation

Your quotation and all correspondence and documents relating to it shall be written in the English language.

b) Signature of the Quotation

Your quotation must be signed by an official legally authorized to enter into contracts on behalf of your company/organization.

c) Statements

You must submit together with the Quotation the statements mentioned below.

i) **A statement** that you have carefully reviewed the Contract Form and UNIDO General Conditions (Appendix 2 to RFQ) and are in agreement with its terms and conditions.

ii) **A statement** that your quotation **is valid for a minimum period of 90 days** from the date of the quotation. Once your quotation is accepted during this period, the price quoted must remain unchanged for the entire period of the resulting contract unless otherwise specified in this RFQ.

d) Catalogues, technical leaflets, manuals etc.

You should include in your quotation catalogues, technical leaflets, manuals etc., pertinent to the goods subject to this RFQ and any other information you may consider appropriate. However, unnecessarily elaborated brochures and other presentations beyond that sufficient to present complete and effective quotation are not encouraged.

e) Information on your service and training facilities

Please provide in your quotation information on your service and training facilities, if any, in the country of the project, including spare parts depots, repair shops, training centers, etc.

f) Total Price and Unit Prices

i) You should quote **your best, firm and fixed total price and unit prices** in EURO for the requirement. Please note that prices for equipment, parts and supplies shall be normally quoted ***DDU, named place of destination (INCOTERMS 2000)***, unless otherwise indicated.

ii) Please indicate separately discounts, if any, which you may grant to UNIDO and the terms of such discounts.

iii) The quotations not expressed in EURO will be converted to this currency, using the United Nations Rate of exchange prevailing on the date of opening of your quotation and resulting EURO price will be used for price comparison and in the contract.

g) Warranty

You should provide information on the warranty applicable to the offered goods (services). Warranty must be for a minimum period of twelve months, starting from the date the commissioning of the goods.

The seller shall warrant that the goods supplied by him, his subcontractor(s) and/or sub-suppliers shall be new and free from defects in workmanship, materials and design. The seller shall commit that in case it has been selected, it will repair or replace at his own expense and as soon as practicable any of the goods which, within the warranty period, prove to be defective as mentioned above or as a result of any erroneous or inadequate engineering drawings, technical specifications and/or operating instructions of the seller. **These requirements will be incorporated in any purchase order contract resulting from this RFQ.**

h) Spare Parts

In case spare parts are normally delivered with the equipment but are not mentioned in the Specification, please include in your quotation the minimum quantity required for two years of operation.

i) Country of Origin

Please indicate in your quotation the country of origin or assembly of all items offered.

j) Key Personnel

The names, titles and assignments (functions) as well as the detailed curriculum vitae of the key staff assigned for this contract. The CVs of the key staff should be completed in the most precise detail possible, with particular reference to practical experience of each of the proposed staff.

3. Type of Contract

A firm, fixed price is contemplated for the purchase contract, covering all the inputs required as stated in the Technical Specifications (Terms of Reference), Appendix 2 and in the Contract (Purchase Order) Form, Appendix 3.

4. Evaluation Procedure. Acceptance of Quotations

Your quotation and the others which are submitted in response to this RFQ will be reviewed and evaluated by UNIDO in a fair and impartial way in accordance with the provisions of the UNIDO Financial Rules and Procurement Procedures applying. The best quotation submitted (**lowest, technically acceptable**), all factors considered, price alone being not determinative, will receive the award.

5. No commitment

This RFQ does not commit UNIDO to award a contract. UNIDO reserves the right to accept or reject any quotation(s), or annul this RFQ and reject all quotations, at any time prior to award of contract, without thereby incurring any liability to the affected invitee(s) or any obligation to inform the affected invitee(s) of the grounds for UNIDO's action. UNIDO also reserves the right to negotiate and award only a portion of the requirement; to negotiate and award separate or multiple contracts for the elements covered by this RFQ in any combination it may deem appropriate, in its sole discretion. This RFQ contains no contractual offer of any kind; any quotation submitted will be regarded as an offer by the invitee and not as an acceptance by the invitee of any offer by UNIDO. No contractual relationship will exist except pursuant to a written contract document signed by the authorized official of UNIDO and by the successful invitee(s) chosen by UNIDO.

6. Contract Basic Terms and Conditions

Except as otherwise required by the circumstances of the case, the contract for the goods/services subject to this RFQ will be based upon the terms and conditions of the following Contract (Purchase Order) Form and Annexes, attached to the RFQ as Appendix 3:

Contract (Purchase Order) Form

Annex A: UNIDO General Conditions

Annex B: Terms of Reference

7. Payment

The Financial Regulations and Rules of UNIDO preclude payment by Letters of Credit. Such provision in a quotation will be prejudicial to its evaluation by UNIDO. The normal terms of payment by UNIDO are 30 days upon satisfactory delivery of goods or performance of services and acceptance thereof by UNIDO, progress payments being allowed upon agreement of the Parties.

8. Proprietary Information

It is understood that this RFQ is confidential and proprietary to UNIDO, contains privileged information, part of which may be copyrighted, and is received by invitees on the condition that no part thereof, or any information concerning it may be copied, exhibited, or furnished to others without the prior written consent of UNIDO, except that the invitees may exhibit the specifications to prospective sub-contractors for the sole purpose of obtaining proposals from them. Notwithstanding the other provisions of this RFQ, invitees will be bound by the contents of this paragraph whether or not their company submits a quotation or responds in any other way to this RFQ.

9. Rejection of Quotations and Split Awards

UNIDO reserves the right to reject any and all quotations if they are, inter alia:

- received after the deadline stipulated in the RFQ;
- not properly marked or addressed as required in the RFQ;
- delivered to another UNIDO office than the one required in the RFQ;
- transmitted by e-mail unless specifically indicated in the RFQ;
- unsolicited;
- contain an alternate quotation;
- or not otherwise in compliance with this ITB.

UNIDO also reserves the right to split an award between any invitees in any combination, as it may deem appropriate. If the quotation is submitted on an "all or none" basis, it should clearly state as so in this RFQ.

10. Validity of Quotations

Quotations shall remain valid for no less than 90 days from closing date of this RFQ.

11. Costs of preparation of the Quotation

This RFQ does not commit UNIDO to pay any costs incurred in the preparation or submission of quotations, or costs incurred in making necessary studies for the preparation thereof, or to procure or contract for services or supplies. The invitees shall bear all the costs associated with the preparation and submission of the quotations, and UNIDO will not in any case be responsible or liable for those costs, regardless of the conduct or outcome of this competitive exercise.

APPENDIX 2 – TERMS OF REFERENCE

TERMS OF REFERENCE

“Support for host communities in Lebanon affected by the high influx of Syrian refugees”

Technical Assessment of the handicraft Sector in Lebanon

1. PROJECT CONTEXT

In January 2017, the Austrian Government approved a project under the thematic area of Poverty Reduction and Peace-Building, entitled “Support for host communities in Lebanon affected by the high influx of Syrian refugees” for which the United Nations industrial Development Organization (UNIDO) acts as the implementing agency in close coordination with the Ministry of Industry.

The objective of this eighteen months project is to contribute to achieving livelihood sustainability for the vulnerable groups in Lebanon by engaging host communities and the refugee population in productive and creative activities enhancing their livelihood, reviving the local economy. A strong focus will be put on food and nonfood light industries or handicrafts.

The project has three substantive components:

- a) Mobilization and organization of targeted communities: The project will adopt a participatory approach to all project activities so as to ensure the involvement of both the host community (Confidence Building) and the refugee population.
- b) Capacity building and skills development: The project will rely on its past experience working in Lebanon with the Ministry of Industry as its main partner; by making use of already well-established training facilities and workshops and UNIDO’s previously developed training programs/manuals in various sectors.
- c) Sustainable Livelihoods of host community: The project will also facilitate the establishment (or upgrading) of selected enterprises through the provision of training and technology. The creation of Producer Groups (PG) will be encouraged and individual entrepreneurs will be linked to business mentoring and other enterprise development and business service providers.

In light of the above, the two expected outputs can be summarized as follows:

- Number of products and rural value chains identified, improved and linked with target markets to promote economic recovery and employment creation in affected communities.
- Provision on trainings for at least 100-150 vulnerable people in identified sectors in food and nonfood light industries (crafts, furniture, copperware, etc.) designed to enable them to engage in diversified employment and income generating activities technical and market-based skills.

2. INTRODUCTION AND BACKGROUND TO THE SERVICE:

Handicrafts are generally defined as artisanal crafts that serve an economic or decorative purpose and are created by the hands or with simple tools. The majority of handicrafts are produced to preserve the elements of Lebanese cultural heritage by using traditional techniques, some serve for utilitarian purposes; and others are uniquely decorative, with strong potential appeal for the tourism and international export markets.

This sector has been underperformed due to Lebanon’s tourism decrease. Indeed, it has been reported that Lebanon’s tourist industry reduced by as much as 15 percent in 2012. This loss is mainly due to the war in Syria, which has entered its sixth year now. Thus, the project aims at looking at the different opportunities present in Lebanon to select and promote specific handicraft sectors, such as the copperware and furniture industry in the North, or the cutlery industry which Jezzine is famed for in the South of the Country or other promising handicrafts

industries in Lebanon. Technical assistance and appropriate creative tools will be employed along with the establishment of business networks and experience exchange between the Lebanese and Syrian handicrafts in the selected fields of intervention.

A lack of accurate information (technical, economic as well as financial) was identified during the inception phase. Hence, the service requires a mapping of the handicraft sector in Lebanon which will help in **formulating key project interventions** and identifying a number of growth opportunities in this sector. The assessment shall focus on the non-food sector only.

3. EXPECTED RESULTS:

The specific aim for the prospective service provider is to present accurate data and define key interventions for inclusive and sustainable development on the handicraft sector. To do so, the prospective service provider shall deliver on three key components:

Component 1: Map and assess the handicraft sector in Lebanon

(1) Definition

- Define Handicraft sector in Lebanon by reviewing the existing definition and suggesting a new one (if appropriate).

(2) Sector mapping

- Identify the number of handicraft sectors in Lebanon and establish a reliable database of Lebanese craft people, cluster, cooperative and enterprises.
- Classify handicraft distribution across Lebanon, with the identifications of the regions having the highest number of heritage craft works, the size of each sector and the workforce employed in these regions per sector.
- Provide a legal framework and licensing status of the sector.

(3) Demand for handicraft skills and knowledge

- Analyze the workforce employment on a sector level, by collecting the number of workshops per sector and the total employment workforce segregated by the nature of employment (self-employed, permanent basis, part time or full time basis).
- Add relevant characteristics to the survey such as gender composition, age band, nationality and employees qualifications.
- Forecast handicraft employment capacity for the next 3 years (2017-2020).

(4) Business performance & economic value of the sector

- Analyze the handicraft economic performance by calculating the total turnover across the sectors.
- Calculate the contribution of the handicraft sector to the GDP.
- Provide an overview of the marketing methods used by sectors and type of local and international retail outlets.
- Collect insights from each sector on the approach to driving the performance of their business through planning and setting financial targets and defining measures of success and quality.
- Identify export challenges and barriers to trade.
- List current national and international exhibitions as well as fairs for promoting the handicraft sector from Lebanon.
- List current national and international Lebanese handicrafts shops.

Component 2: formulate key project interventions

Following the mapping and technical assessment, the prospective service provider shall formulate a number of key interventions to be implemented by the project:

(1) Improve manufacturing capacities

- Classify a number of technologies which might help small producers in their operation processes through enhancing the quality of products, increasing the safety requirements and minimizing the cost of production. Introducing energy-saving models should be considered as well.
- Identify a number of capacity building development areas with a focus on, on-the-job training, activities specifically tailored for women and training in entrepreneurial skills/business development.

(2) Encourage cross sectoral activities

- Identify a number of strategic collaboration between the food and non-food handicraft sectors in Lebanon.
- Consider possible collaborations between the private sector (constituting Small and Medium Enterprises from the agro-food sector- SMEs) and the handicraft one.

(3) Promote experience exchange between Lebanese and Syrian communities

- Identify areas for skills and experience exchange between both communities on handicraft/ industrial manufacturing as well as on entrepreneurial catalyst.
- Identify areas for developing a functional concept and design based on experience exchange between both communities.
- Set a platform in order to implement business networks and experience exchange between both communities.

(4) New Product Development (NPD)/Innovation

- Determine the sector, cluster or workshop which would be able to develop a new product and would have the structure for NPD consistency and continuous improvement.

(5) Creativity

- Determine the sector, cluster or workshop which would be able to develop something original or unusual.

(6) Creation of new pilot centers

- Explore an eventual creation of a pilot center for product development or marketing purposes would serve as a model for replication in different region of Lebanon.

(7) Marketing

- Explore any potential partnership for helping small producers accessing local and international markets.
- Identify marketing tools for promoting this sector.

The key interventions shall be monitored and evaluated based on the following main verifiable indicators:

- **Employment generation:** Creating jobs is a keystone of this project. To this end, immediate short term opportunities with quick impact on job creation, as well as sustainability and long term impact should be duly considered. It is important to note that at least 75 new jobs are expected to be created (against baseline data) in the targeted communities within a year of the project start.
- **Number of woman enrolled in the project activities:** If possible, 30% of project beneficiaries should be women.
- **Number of products innovated:** At least 1 product should be developed. UNIDO will be using international designer for upgrading or designing a new product.
- **Number of Lebanese and Syrians participating in income-generating activities:** with a target of 100-150 vulnerable people from the host communities and 50-100 vulnerable people from the refugee population.
- **Investment multiplication effect (% of the cost share):** Conditions should be set, in terms of investments, by the beneficiaries themselves, and cost sharing mechanisms should be introduced.
- **Number of new national or international markets:** at least one market (national or international) access opportunity should result out of the project interventions.

- **Number of direct beneficiaries:** A focus should be put on the handicraft sectors in Bekaa Valley, Mount Lebanon and Northern Lebanon, areas in which there is a high concentration of Syrian refugees. At least 1 cluster or workshop should be selected in these areas for technical assistance.

Component 3: Recommendations

The prospective service provider should present several recommendations that would unleash growth potential for this sector with respect to the following principle:

- Promoting cultural heritage of the country.
- Increasing the net revenues of the producers.
- Creating strong linkages with local and international partners.
- Facilitating the access to new markets.

4. REPORTING

The service provider shall submit the following reports to UNIDO:

- **Inception report**, detailing the methodology to be used for the technical assessment of the handicraft sector and a detailed works plan identifying activities to be completed by the service provider for the whole period of the contract. The criteria to be used for the field survey/questionnaires should be included as well. This report shall be reviewed and cleared by UNIDO before the start of the field work.
- **Field work report**, detailing the preliminary findings of component 1.
- **Draft Final**, including in a concise manner the results of the technical assessment of the sector, project interventions opportunities and the key elements for the growth of this sector (component 2).
- **Final Report**, consisting of the report that is ready to be published and shared with the donors (component 3).

Each report should be sent to UNIDO for review and recommendations and for any relevant action that may need to be taken, before proceeding to next steps, as stated in the time schedule.

5. TIME SCHEDULE

Components	Weeks								
	1	2	3	4	5	6	7	8	9
Inception Phase									
Component 1: Field Survey									
Component 2: Draft Final									
Final Report									
Total timeframe:	8 weeks								

6. LANGUAGE

Fluency in both English and Arabic is required for this assignment.
The reporting language should be English.

7. PERSONNEL

The CVs of the national personnel to be provided by the bidder will be reviewed and approved by UNIDO. All changes of staff which might intervene during the project shall be first authorized by UNIDO.

8. CRITERIA OF EVALUATION FOR CONTRACTOR

- Understanding of- and conformity to the scope of services to be provided.
- Company's profile and references. Project team should have at least 5 years of experience in the area of economic and statistical research, employment and local community development and market analysis.
- Adequacy of the technical plan and adherence to requested time schedule for execution of the services as seen on the time schedule proposed by the bidder shall be respected.
- The average annual turnover for the past 3 years (or for whatever period of time the supplier has been in business if it has not reached 3 years) should normally be at least four times more than the anticipated value of the contract.
- Methodology use for the execution of the service.

9. REQUESTED DOCUMENTS

The bidder shall submit the following documents:

- A list pertaining a minimum of two (2) assessment projects successfully completed or substantially completed in the last three years that demonstrate the bidder's specialized experience in the technical assessment or value chain analysis of similar projects. Complete information should be provided by the bidder, including, a description of the project's scope and magnitude; location of the projects; details of the bidder's role and activities during the execution of the projects; and contact information (names, telephone numbers, email addresses, etc.) for the owners of the projects.
- Company's profile and references (such as references by UN agencies or other development agencies).
- CVs of the experts selected for the execution of the assessment work.
- Clear methodology prescribing the implementation arrangements of the service activities.
- Time schedule for the execution of the services.
- Any other information that would have a bearing on how well the bidder satisfies its customers, complies with contract requirements, or delivers a quality product in a timely manner.
- Copy of the company Commercial Register.
- The bidder should provide a certified copy of their certificate of incorporation or other documents setting forth the legal basis of the company.

10. ORGANIZATION, COORDINATION AND LOGISTICS

The bidder should specify resources available to fulfil the requirements of the Terms of Reference. The bidder should assign a project coordinator until the finalization of all the expected work. The bidder's bid documentation should provide a complete list of personnel deployed to undertake the studies, their qualifications and the functions they will assume. The qualifications of the bidder's proposed staff will be assessed by UNIDO as part of the technical proposal evaluation. Based on this assessment and below-listed requirements, UNIDO reserves the right to suggest changes in the bidder's pre-selected personnel.

The bidder is required to state clearly how he intends to complete the tasks including the number of national consultants with the timeframe.

The proposer's project coordinator will report to the UNIDO programme manager at UNIDO Headquarters in Vienna and project coordinator at the UNIDO Office in Lebanon, on the status of the activities undertaken.

The Technical Assessment report should be written in English and sent to UNIDO both in hard copy and in electronic format.

11. SUBCONTRACTING CONDITIONS

The price quoted in the bidder proposal shall cover all costs involved to perform the requirements specified in these Terms of Reference with the highest standard of quality and accuracy, including:

- Experts work/time.
- Travel to project implementation areas in Lebanon.
- Accommodation and subsistence allowances during field missions.
- Local travels and communication and security costs.
- Any costs associated with the analysis, translation, printing and presentation of project deliverables.

12. UNSOLICITED PROPOSAL

The bidder may suggest complementary activities and/or results pertaining to every component of this project, based on its own expertise and methodologies. However any additional services offer should be clearly identified as such and be presented as a separate project output.

APPENDIX 3 – MODEL CONTRACT

CONTRACT NO. (Model)

between the

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

UNIDO Regional/Field Office

Located at <Address>

Telephone: Telefax: E-mail:

and

<name of the contractor>

Located at <Address>

.....
Telephone:.... Fax:.....

for the provision of services relating to the

.....

Project No.: 160024

Support for host communities in Lebanon affected by the high influx of Syrian Refugees

Date:

1. Contractor's Responsibilities

In accordance with the terms and conditions stated herein and in the Annexes hereto the <contractor's name>, hereinafter referred to as "the Contractor", shall provide for the full and proper performance of its obligations under this Contract, all the services described in the Terms of Reference dated and in the Contractor's Offer dated A copy of the Terms of Reference is attached hereto as Annex B and made a part hereof. All work required under this Contract shall be completed no later than

It is understood that in the event of a conflict between the provisions in the Terms of Reference, in the Contractor's Offer and in the present Contract and its other Annexes, the provisions in the Contractor's Offer shall be subject to those in the Terms of Reference or in the Contract and its other Annexes, and the provisions in the Terms of Reference shall be subject to those in the Contract and its other Annexes.

2. Contract Price and Payment

UNIDO shall pay the Contractor for the full and proper performance of all obligations hereunder the sum of <currency amount in words> <amount in figure>. This sum shall cover all expenses incurred by the Contractor including, but not limited to, salaries, indemnities, social charges, overheads, travel, technical assistance and supervision costs. The Contractor shall not do any work which may result in any charges to UNIDO over and above the sum of <contract amount in figure> without prior written consent of UNIDO and a formal amendment to this Contract.

3. Entry into Effect of the Contract

This Contract shall be deemed to be effective from the date of its signature by both Parties.

4. Reports

The Contractor shall submit to UNIDO Regional/Field Office, <name of the city, country> the following reports, in the English language. (<this paragraph is completed depending on the reporting requirements of the contract>).

5. Progress Payments

Payments on account of the Contract price set forth in paragraph 2 hereinbefore shall be made, by electronic transfer, on the basis of the Contractor's invoices sent to UNIDO Regional/Field Office, as follows:

- a) upon UNIDO's receipt and acceptance of the Interim Report referred to in sub-paragraph 4 hereinbefore the sum of <currency> (*)
 - b) upon UNIDO's receipt and acceptance of the Final Reports referred to in sub-paragraph 4 hereinbefore the sum of
- Total:**

(*) number of progress payments may differ depending on reporting requirements.

UNIDO is exempt from all direct taxes, duties and charges except charges for public utility services (see also paragraph 23 of the UNIDO General Conditions of Contract, Annex A). Accordingly, the Contractor must not include in his invoice any amounts representing such taxes, duties and charges without prior consultation with UNIDO.

The making of any payment hereunder by UNIDO shall not be construed as an unconditional acceptance by UNIDO of the work accomplished by the Contractor up to the time of such payment.

6. Submission of Invoices

The Contractor shall submit to the UNIDO Regional/Field Office, <address> his invoice in one (1) original and two (2) copies reflecting banking instructions, i.e. name and address of the bank, Account No., Sort Code No., etc.

7. Contract Amendment

No modification or, or change in, this Contract, or waiver of any of its provisions, or additional contractual relationship with the Contractor shall be valid unless approved in the form of a written amendment to this Contract, signed by the authorized representatives of the Contractor and UNIDO.

8. Transmission of Reports, Invoices and Notices

All reports, invoices and notices submitted or given hereunder shall be addressed to the UNIDO Regional/Field Office, <address> (Attention: <name>).

9. Covenant against Contingent Fees

The Contractor warrants that:

- a) no person or selling agency has been employed or retained by him to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, contingent fee or retainer, except regular employees or bona fide and officially established commercial or selling agencies maintained by the Contractor for the purpose of securing business;
- b) no official or servant or retired employee of UNIDO, the United Nations, the UNDP and the Participating and Executing Agencies of the UNDP or the Government and/or its co-operating Agency(ies), who is not a bona fide employee of the Contractor, has been or shall be admitted by the Contractor to any direct or indirect benefit arising from this Contract or the award thereof.

For breach of these warranties, UNIDO shall have the right to deduct from the Contract price, or otherwise recover from the Contractor, the full amount of any such commission, percentage, brokerage, contingent fee or retainer so paid.

10. Default by the Contractor

In case the Contractor fails to fulfill his obligations and responsibilities under this Contract, and provided the Contractor has not remedied such failure(s) within thirty (30) days of having been given UNIDO's express written notification of the nature of the failure(s), UNIDO may, at its sole option and without prejudice to its right to withhold payment(s) as hereinbefore provided, hold the Contractor in default under this Contract. When the Contractor is thus in default, UNIDO may, by giving written notice to the Contractor, terminate the Contract as a whole or such part or parts thereof in respect of which the Contractor is in default. Upon such notice, UNIDO shall have the right to seek completion, at the Contractor's expense, of that part or those parts of the contract with respect to which the Contractor is in default. The Contractor shall, in this case, be solely responsible for any reasonable costs of completion, including such costs which are incurred by UNIDO over and above the originally agreed Contract price stipulated hereinbefore.

11. General Conditions

The Parties hereto agree to be bound by the UNIDO General Conditions of Contract, a copy of which is attached hereto as Annex A and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

**UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION**

By:

By:

<name> UNIDO Representative
UNIDO Regional/Field Office
<address>

Date:

Date:

Enclosures:

Annex A: UNIDO General Conditions of Contract

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Annex A

GENERAL CONDITIONS OF CONTRACT

Article 1 - Confidential Nature of Documents

All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNIDO, shall be treated as confidential and shall be delivered only to UNIDO's authorized officials on completion of the work under this Contract; their contents shall not be made known by the Contractor, without the written consent of UNIDO, to any person other than the personnel of the Contractor performing services under this Contract. The obligations of this paragraph do not lapse upon satisfactory completion of the work under this Contract or termination of this Contract, including termination by UNIDO.

Article 2 - Independent Contractor

The Contractor shall have the legal status of an independent contractor. Any person assigned by the Contractor to perform services under this Contract shall remain in the employment of the Contractor. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNIDO or the United Nations. Without restricting the generality of the foregoing, UNIDO shall not be liable for any claims and demands, loss, costs, damages, actions, suit or other proceedings, brought or prosecuted, in any manner based upon, occasioned by or attributable to the employment relationship between any person assigned by the Contractor to perform services under this Contract and the Contractor. Unless otherwise provided for in this Contract, UNIDO shall not be liable for claims of any kind in connection with the performance of such services. The Contractor and his employees shall conform to all applicable laws, regulations and ordinances promulgated by legally constituted authorities of the Government.

Article 3 - The Contractor's Responsibility for Employees

The Contractor shall supervise and be fully responsible for the work performed by and the professional and technical competence of his employees and shall select, for work under this Contract, reliable individuals who will perform effectively in the implementation of the Contract, comply with the laws of the Government, respect the local customs and conform to a high standard of moral and ethical conduct.

Article 4 - Assignment of Personnel

The Contractor shall not assign any personnel other than those referred to in this Contract for the performance of work in the field without the prior written approval of UNIDO. Prior to assigning any other personnel for the performance of work in the field, the Contractor shall submit to UNIDO for its consideration, the curriculum vitae of any person the Contractor proposes to assign for such service.

Article 5 - Removal of Personnel

Upon written request by UNIDO, the Contractor shall withdraw from the field any personnel provided under this Contract and shall replace such personnel by other acceptable to UNIDO, if UNIDO so requests. All costs and additional expenses resulting from the replacement, for whatever reason, of any of the Contractor's personnel shall be for the account of the Contractor. Such withdrawal shall not be considered as termination in part or in total of this Contract under the provisions of paragraph 12 "Termination" hereafter.

Article 6 – Assignment

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof or of any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNIDO.

Article 7 - Sub-Contracting

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNIDO for all sub-contractors. UNIDO's approval of a sub-contractor shall not relieve the Contractor of any of his obligations under this Contract, and the terms of any sub-contract shall be subject to and in conformity with the provisions of this Contract.

Article 8 - UNIDO Privileges and Immunities

Nothing in or relating to this Contract shall be deemed a waiver of any of the privileges and immunities of UNIDO.

Article 9 - Non-employment of UNIDO Staff Members

The Contractor shall not, while this Contract is in effect, employ or consider the employment of UNIDO staff members without the prior written approval of UNIDO.

Article 10 - Language, Weights and Measures

Unless otherwise specified in the Contract, the English language shall be used by the Contractor in all written communications to UNIDO with respect to the services to be rendered and all documents procured or prepared by the Contractor pertaining to the work.

The metric system of weights and measures shall be used by the Contractor and estimates of quantities involved shall be made and recorded in metric units, except when otherwise specified in the Contract.

Article 11 -Force Majeure

Force Majeure as used herein shall mean acts of God, laws or regulations, industrial disturbances, acts of the public enemy, civil disturbances, explosions and any other similar event of equivalent force not caused by nor within the control of either party and which neither party is able to overcome. As soon as possible after the occurrence of any event constituting Force Majeure, and if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract, the Contractor shall give notice and full particulars thereof in writing to UNIDO. In this event, the following provisions shall apply:

- (a) The obligations and responsibilities of the Contractor under this Contract shall be suspended to the extent of its inability to perform them and for as long as such inability continues. During such suspension and in respect of work suspended, the Contractor shall be entitled only to reimbursement by UNIDO, against appropriate vouchers, of the essential costs of maintenance of any of the Contractor's equipment and of per diem of the Contractor's personnel rendered idle by such suspension.
- (b) The Contractor shall, within fifteen (15) days of the occurrence of the Force Majeure, submit a statement to UNIDO of estimated expenditures for the duration of the period of suspension.
- (c) The term of this Contract shall be extended for a period equal to the period of suspension taking, however, into account any special conditions which may cause the time for completion of the work to be different from the period of suspension.
- (d) If the Contractor is rendered permanently unable, wholly or in part, by reason of Force Majeure, to perform its obligations and meet its responsibilities under this Contract, UNIDO shall have the right to terminate this Contract on the same terms and conditions as are provided for in paragraph 12, "Termination" except that the period of notice may be seven (7) days instead of thirty (30) days.
- (e) For the purpose of the preceding sub-paragraph (d), UNIDO may consider the Contractor permanently unable to perform in case of any period of suspension in excess of ninety (90) days. Any such period of ninety (90) days or less shall be deemed temporary inability to perform.

Article 12 –Termination

UNIDO may terminate this Contract in whole or in part and at any time, upon thirty (30) days' notice of termination to the Contractor. The initiation of arbitral proceedings in accordance with paragraph 16, "Arbitration", below shall not be deemed a termination of this Contract. In the event such termination is not caused by the Contractor's negligence or fault, UNIDO shall be liable to the Contractor for payment in respect of work already accomplished, for the cost of repatriation of the Contractor's personnel, for necessary terminal expenses of the Contractor, and for the cost of such urgent work as is essential and as the Contractor is asked by UNIDO to complete. The Contractor shall keep expenses at a minimum and shall not undertake any forward commitment from the date of receipt of UNIDO's notice of termination.

Article 13 – Bankruptcy

Should the Contractor be adjudged bankrupt or be liquidated or become insolvent, or should the Contractor make a general assignment for the benefit of its creditors, or should a receiver be appointed on account of the Contractor's insolvency, UNIDO may, without prejudice to any other right or remedy it may have under the terms of this Contract, terminate this Contract forthwith by giving the Contractor written notice of such termination. The Contractor shall immediately inform UNIDO of the occurrence of any of the above events.

Article 14 - Insurance and Liabilities to Third Parties

- (a) The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- (b) The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- (c) The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- (d) Except for the workmen's compensation insurance, the insurance policies under this Article shall:
 - (i) Name UNIDO as additional insured;
 - (ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNIDO;

(iii) Provide that UNIDO shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

(e) The Contractor shall, upon request, provide UNIDO with satisfactory evidence of the insurance required under this Article.

(f) Any amounts not insured or not recovered from the insurers shall be borne by the Contractor.

(g) If the Contractor fails to effect and keep in force any of the insurances required under the Contract, then and in any such case UNIDO may, at its option, hold the Contractor in default in accordance with the Contract, or effect and keep in force any such insurances and pay any premium as may be necessary for that purpose and from time to time deduct the amount so paid from any monies due to the Contractor, or recover the same as a debt due from the Contractor.

Article 15 – Indemnification

The Contractor shall indemnify, hold and save harmless and defend at its own expense UNIDO, its officers, agents, servants and employees from and against all suits, claims, demands and liability of any nature or kind, including costs and expenses, arising out of acts, omissions, negligence or misconduct of the Contractor or its officers, agents, servants, representatives, employees, or sub-contractors in the performance of this Contract. This requirement shall extend to claims or liabilities in the nature of workmen's compensation and to claims or liabilities arising out of the use of patented inventions or devices. The obligations under this paragraph do not lapse upon termination of this Contract.

Article 16 - Settlement of Disputes

(a) Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity 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 then obtaining, or according to such other procedure as may be agreed between the parties.

(b) Arbitration

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute. It is understood, however, that the provisions of this paragraph shall not constitute nor imply the waiver by UNIDO of its privileges and immunities.

Article 17 - Conflict of Interest

No employee of the Contractor assigned to perform work under this Contract shall engage, directly or indirectly, either in his own name or through the agency of another person, in any business, profession or occupation in the country of the Government; nor shall he make loans to or investments in any business, profession, or occupation in the said country.

Article 18 – Obligations

In connection with the performance of its services under this Contract, the Contractor shall neither seek nor accept instructions from any authority external to UNIDO. The Contractor shall refrain from any action which may adversely affect UNIDO and shall fulfill its commitments with full regard for the interests of UNIDO. Unless authorized in writing by UNIDO, the Contractor shall not advertise or otherwise make public the fact that it is performing or has performed services for UNIDO. Also, the Contractor shall not, in any manner whatsoever, use the name, emblem or official seal of the United Nations or of UNIDO or any abbreviation of the name of the United Nations in connection with its business or otherwise. The Contractor is required to exercise utmost discretion in all matters relating to this Contract. Unless required in connection with the performance of its work under this Contract or where specifically authorized by UNIDO, the Contractor shall not communicate at any time to any person, government or authority external to UNIDO any information which has not been made public and which is known to it by reason of its association with UNIDO. The Contractor shall not, at any time, use such information to private advantage. These obligations do not lapse upon satisfactory completion of the work under this Contract or termination of this Contract, including termination by UNIDO.

Article 19 - Title Rights

(a) The United Nations or UNIDO, as the case may be, shall be entitled to all property rights including but not limited to patents, copyrights and trademarks, with regard to material which bears a direct relation to, or results from the services provided to the United Nations or UNIDO by the Contractor under this Contract. At the request of UNIDO, the Contractor shall take all necessary steps, prepare and process all necessary documents and assist in securing such property rights and transferring them to the United Nations and UNIDO in compliance with the requirements of the applicable law.

(b) Title to any equipment and supplies which may be furnished by UNIDO shall rest with the United Nations or UNIDO as the case may be and any such equipment and supplies shall be returned to UNIDO at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment and supplies, when returned to UNIDO, shall be in the same condition as when delivered by UNIDO to the Contractor, subject to normal wear and tear.

Article 20 - Facilities, Privileges and Immunities of Contractor and Contractor's Personnel

UNIDO agrees to use its best efforts to obtain for the Contractor and his personnel (except Government nationals employed locally), to the extent granted by the Government to UNIDO staff members, such facilities, privileges and immunities as the Government has agreed to grant to contractors and to their personnel performing services for the United Nations Development Programme within the country. Such facilities, privileges and immunities shall include exemption from or reimbursement of the cost of any taxes, duties, fees or levies which may be imposed in the country on salaries or wages earned by the Contractor's foreign personnel in connection with the execution of the work under this Contract and on any equipment, materials and supplies which the Contractor may bring into the country in connection with the work under this Contract or which, after having been brought into the country, may be subsequently withdrawn there from. A copy of the relevant provisions concerning facilities, privileges and immunities which UNIDO shall seek to obtain, is attached to and made a part of this Contract (Annex B).

Article 21 - Waiver of Facilities, Privileges and Immunities

Any provision, whether in an Agreement, Plan of Operation or any other instrument, to which the recipient Government is a party and by which the recipient Government confers benefits upon the Contractor and his personnel in the form of facilities, privileges, immunities, or exemptions by reason of his performance of services for UNIDO under this Contract may be waived by the UNIDO where, in its opinion, the facility, privilege or immunity would impede the course of justice and can be waived without prejudice to the successful completion of the work under this Contract or to the interest of the United Nations Development Programme or UNIDO.

Article 22 - Encumbrances/liens

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with UNIDO against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

Article 23 - Tax Exemption

(a) In accordance with Section 7 of the Convention on the Privileges and Immunities of the United Nations and Section 9 of the Convention on the Privileges and Immunities of Specialized Agencies which are applicable to UNIDO by virtue of Article 21 of its Constitution, UNIDO is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize UNIDO's exemption from such taxes, duties or charges, the Contractor shall immediately consult with UNIDO to determine a mutually acceptable procedure.

(b) Accordingly, the Contractor authorizes UNIDO to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNIDO before the payment thereof and UNIDO has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide UNIDO with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

Article 24 - Child labor

(a) The Contractor represents and warrants that neither him, nor any of his suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

(b) Any breach of this representation and warranty shall entitle UNIDO to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNIDO.

Article 25 – Mines

(a) The Contractor represents and warrants that neither him, nor any of his suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

(b) Any breach of this representation and warranty shall entitle UNIDO to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNIDO.