



**REQUEST FOR PROPOSAL (RFP)**  
**For**  
**Procurement of consultancy service for the “Capacity Building of Cooperatives which receive wholesale loan from Rural Self Reliance Fund (RSRF)”**

NAME & ADDRESS OF FIRM:	DATE: April 12, 2018
	REFERENCE: UNDP /RFP/06/2018

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Consultancy service for the “Capacity Building of Cooperatives which receive wholesale loan from Rural Self Reliance Fund (RSRF)”**

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted **on or before Monday, April 23, 2018 via courier mail or hand delivery to the address below:**

**Ref: UNDP/RFP/06/2018**  
**The Registry,**  
**United Nations Development Programme**  
**UN House, Pulchowk, Lalitpur, Nepal**  
Email: registry.np@undp.org

Your Proposal must be expressed in English, and valid for a minimum period of 120 days

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty-five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link: <http://www.undp.org/procurement/protest.shtml>.

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link :[http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



**Deepak Shrestha**  
Procurement Analyst  
4/12/2018

## Description of Requirements

Context of the Requirement	<p>United Nations Capital Development Fund (UNDP) is the UN agency mandated to focus primarily on the world's Least Developed Countries (LDCs). It creates new opportunities for poor people and their communities by increasing A2F and investment capital. UNDP focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict and crisis. It provides seed capital – grants and loans – and technical support to help financial service providers reach more poor households, and small business through inclusive finance approach, and local governments finance the capital investments that would improve poor peoples' lives.</p> <p>UNDP has signed an agreement with Nepal Rastra Bank, under the broader UNNATI Inclusive Growth Program agreement signed between the Government of Denmark and the Government of Nepal, where NRB is implementing Access to Finance (A2F) component of UNNATI Growth Programme in the seven hilly districts of Mechi and Koshi corridor – Taplejung, Panchthar, Ilam, Dhankuta, Terhathum, Bhojpur, and Sankhuwasabha with the assistance of UNDP. This programme has been designed basically to enhance and improve agricultural sector financing in Nepal. The objective of UNNATI is "promotion of sustainable inclusive growth that reduces poverty and raises living standards".</p> <p>Rural Self Reliance Fund (RSRF) is one of the policy interventions of Government of Nepal that was established in 1990 with an aim to improve the financial frontiers toward the small business and low-income households living in rural and remote areas of Nepal. The fund provides concessional wholesale lending to the rural cooperatives, and conducts programs and activities to aid them in building self-capacity to disburse loans facilities to eligible groups. As per the latest progress report, the Fund has served more than a thousand institutions operating in 68 districts benefiting nearly 50 thousand households with the concessional loans of about Rs. 1.73 billion.</p> <p>In order to meet the requirement of RSRF to be qualified and eligible for borrowing, cooperatives must exceed two years of financial operations, and should operate in profitable level. They also require to fulfill some of the other requirements to be eligible for getting the RSRF loans. UNNATI- Access to finance recently completed a study on the capacity assessment of the RSRF partner cooperatives in UNNATI districts and their training needs.</p> <p>In order to improve the financial frontiers toward the small business and low-income households living in rural and remote areas of Nepal, UNNATI A2F intends to start the interventions with the first phase of 5 days training on "Cooperative Governance, Accounting, and Financial Management" to all the RSRF partner cooperatives in its working areas. The overall objective of this assignment is to enhance the capacity of the partner RSRF cooperatives to work as professional financial service providers to expand the frontier of financial services to unbanked or under-banked population.</p>
----------------------------	---

Implementing Partner of UNDP	NA
Brief Description of the Required Services <sup>1</sup>	<ul style="list-style-type: none"> <li>• Prepare the training calendar to implement capacity development training over the contract period.</li> <li>• Participate in the inception meeting with NRB, and Project team to agree on the roll-out of the capacity development program.</li> <li>• Finalize the number of participants to be trained under this consultancy.</li> <li>• Identify the venue of the training, and RSRF cooperatives to participate in the training program in the particular venue.</li> <li>• Prepare the training plan in consultation with NRB, and Project team.</li> <li>• Compile the training module in the form of training manual along with the work sheet to be delivered during the training sessions.</li> <li>• Mobilize 3 set of teams comprising of two members each except the external resource person to be invited.</li> <li>• Undertake pre-training and post training test of the participants of the training program,</li> <li>• Prepare the clear and concise training completion report.</li> <li>• Inform the project team a week in advance about the schedule of training compulsorily.</li> </ul>
List and Description of Expected Outputs to be Delivered	<p>The consulting firm or company is required to deliver as follows:</p> <p>The overall objective of this assignment is to enhance the capacity of the partner RSRF cooperatives to work as professional financial service providers to expand the frontier of financial services to unbanked or under-banked population. The specific objectives of the proposed assignment will be the following.</p> <ul style="list-style-type: none"> <li>• Prepare the 5 days training packages for conducting training on “Cooperative Governance, Accounting, and Financial Management” with training plan, pre-and post-test of the participation.</li> <li>• Prepare the training plan critical areas of the training need such as (i) governance, (ii) accounting, (iii) financial management, and (iv) RSRF Credit Mechanism and Credit Delivery Modality</li> <li>• Deliver Trainings to around 100 Organizations with around 300 Participants grouped within 10 trainings. Priorities must be given to women and people from disadvantaged group.</li> </ul>
Person to Supervise the Work/ Performance of the Service Provider	Meekha Tuladhar Expert-Value Chain Finance UNNATI-Access to Finance Project.
Frequency of Reporting	-
Progress Reporting Requirements	

<sup>1</sup>A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

Location of work	<input checked="" type="checkbox"/> <b>At Contractor's Location in Kathmandu, and respective UNNATI Districts.</b>				
Expected duration of work	120 days (Four Months). Number of estimated working days: 100 working days				
Target start date	Last week of May 2018				
Latest completion date	End of August 2018				
Travels Expected	<b>Destination/s</b>	<b>Estimated Duration</b>	<b>Brief Description of Purpose of the Travel</b>	<b>Target Date/s</b>	
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> <b>Others: Not required</b>				
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> <b>Others: None</b>				
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> <b>Required</b> <input type="checkbox"/> Not Required				
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> <b>Required</b> <input type="checkbox"/> Not Required				
Currency of Proposal	<input type="checkbox"/> <input type="checkbox"/> Euro <input checked="" type="checkbox"/> <b>Local Currency</b>				
Value Added Tax on Price Proposal <sup>2</sup>	<input checked="" type="checkbox"/> <b>must be inclusive of VAT and other applicable indirect taxes</b> <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes				
Validity Period of Proposals ( <i>Counting for the last day of submission of quotes</i> )	<input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input checked="" type="checkbox"/> <b>120 days</b>  In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The				

<sup>2</sup>VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

	Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.			
Partial Quotes	<input checked="" type="checkbox"/> <b>Not permitted</b> <input type="checkbox"/> Permitted [pls. provide conditions for partial quotes, and ensure that requirements are properly listed to allow partial quotes (e.g., in lots, etc.)]			
Payment Terms <sup>3</sup>	Outputs	Percentage	Timing	Condition for Payment Release
	First Payment - 40% amount will be paid after the submission of Inception report which includes the finalization of participation, training venue, training course, etc	40%	As per ToR	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	Second payment - 40% amount after completion of entire trainings and submission of Training completion report.	40 %	As per ToR	
	Third Payment - 20% upon completion of the assignment and submission of final report.	20%	As per ToR	
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Meekha Tuladhar Expert-Value Chain Finance UNNATI-Access to Finance Project.			
Type of Contract to be Signed	<input checked="" type="checkbox"/> <b>Purchase Order</b> <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> <b>Contract for Professional Services</b> <input type="checkbox"/> Long-Term Agreement <sup>4</sup> <input type="checkbox"/> Other Type of Contract			
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> <b>Highest Combined Score (based on the 70% technical offer and 30% price weight distribution)</b>			

<sup>3</sup>UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

<sup>4</sup> Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.

	<input checked="" type="checkbox"/> <b>Full acceptance of the UNDP Contract General Terms and Conditions (GTC).</b> This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non- acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p><b><u>Technical Proposal: Total Score 1000</u></b></p> <p><input checked="" type="checkbox"/> <b>Demonstrated evidence of reputation, capacity of the organization and professional experience related to the assignment. (400 Points)</b></p> <p><input checked="" type="checkbox"/> <b>Methodology, Its Appropriateness to the Condition and Timeliness of the assessment and recommendation of action plan (250 Points)</b></p> <p><b>Personal (350 points)</b></p> <p><input checked="" type="checkbox"/> <b>CVs of the Team Leader that will be working on the project and his/her expertise in this area and total number of days that will be spent by team leader</b></p> <p><input checked="" type="checkbox"/> <b>CVs of the team members that will be working on the project and their expertise in this area and total number of days that will be spent by team members</b></p> <p><b><u>Financial Proposal: Total Score 300</u></b></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> <b>One and only one Service Provider each package and</b>
Annexes to this RFP <sup>5</sup>	<p><input checked="" type="checkbox"/> <b>Form for Submission of Proposal (Annex 2)</b></p> <p><input checked="" type="checkbox"/> <b>General Terms and Conditions / Special Conditions (Annex 3)<sup>6</sup></b></p> <p><input checked="" type="checkbox"/> <b>Detailed TOR [optional if this form has been accomplished comprehensively]</b></p> <p><input type="checkbox"/> Others<sup>7</sup>[pls. specify]</p>

<sup>5</sup> Where the information is available in the web, a URL for the information may simply be provided.

<sup>6</sup>Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

<sup>7</sup>A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

<p>Contact Person for Inquiries (Written inquiries only)<sup>8</sup></p>	<p>Registry, UNDP Nepal UN House, Pulchowk, Lalitpur, Nepal Email: <a href="mailto:query.procurement.np@undp.org">query.procurement.np@undp.org</a> Written inquiries must be submitted mentioning RFP Ref: <b>UNDP/RFP/06/2018</b>, on or before 5:30 pm Nepal Standard Time on 17 April 2018 <a href="http://www.np.undp.org/content/nepal/en/home/operations/procurement.html">http://www.np.undp.org/content/nepal/en/home/operations/procurement.html</a>. The response will be posted in the same RFP as bulletin.</p> <p>Inquiries received after the above date and time shall not be entertained.</p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
<p>Other Information <i>[pls. specify]</i></p>	<p>The Financial evaluation will be carried out only for the technically qualified submissions that passed the minimum technical score of 70% (700 points) of the obtainable score of 1000 points in the evaluation of the technical proposals.</p> <p><b>The Technical Proposal and Financial Proposal Envelopes MUST BE COMPLETELY SEPARATE FOR EACH PACKAGE. Similarly, technical and financial proposals must be submitted sealed individually and clearly marked on the outside as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each envelope MUST clearly indicate the name of the Proposer.</b></p> <p>The outer envelope shall be</p> <p>Addressed to: <b>The Registry United Nations Development Programme UN House, Pulchowk Lalitpur, Nepal</b></p> <p>Marked with:  <b>UNDP/RFP/06/2018 Procurement of consultancy service for the "Capacity Building of Cooperatives which receives wholesale loan from Rural Self Reliance Fund (RSRF)"</b></p>

<sup>8</sup>This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.



## FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>9</sup>

*(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>10</sup>)*

[insert: Location]

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

### A. Qualifications of the Service Provider

*The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:*

- a) *Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) *Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) *Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) *Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references;*
- e) *Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) *Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UNDP Ineligibility List.*

### B. Proposed Methodology for the Completion of Services

*The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.*

<sup>9</sup>This serves as a guide to the Service Provider in preparing the Proposal.

<sup>10</sup> Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

**C. Qualifications of Key Personnel**

*If required by the RFP, the Service Provider must provide:*

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.

**D. Cost Breakdown per Deliverable\***

S.N.	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	First Payment - 40% amount will be paid after the submission of Inception report which includes the finalization of participation, training venue, training course, etc.	40%	
2	Second payment - 40% amount after completion of entire trainings and submission of Training completion report.	40%	
3	Third Payment - 20% upon completion of the assignment and submission of final report.	20%	
	Total	100%	

*\*This shall be the basis of the payment tranches*

**E. Cost Breakdown by Cost Component:**

Description of Activity:	Qty	No of days of engagement	Unit Cost	Total cost
<b>I. Personnel Services (Remuneration) 3 Team</b>				
Team Leader:	3			
Team members:	3			
<b>II. Out of Pocket Expenses (please select only the applicable items)</b>				
1. Travel Costs: Travel to program district and within municipalities for consultants Lump sum amount		Lumpsum		
2. <u>Daily Subsistence Allowance for 3 Team</u>	3			
• Team Leader				
• Team member	3			
4. Stationary and Printing materials				
5. Cost associated with the field work such as meetings, interviews and focused group discussion (a detailed breakdown may be presented in a separate sheet)		Lumpsum		
<b>III. Other Related Costs</b>				
<b>Sub-Total (I, II and III)</b>				
<b>VAT 13% (if applicable)</b>				
<b>Grand Total</b>				

*Note:*

*N.B. Administrative and all other associated costs need to be built into the above headings proportionately.*

*Proposal will be disqualified if it does not follow the above price schedule format.*

*Offerors can attach details of the cost breakdown as Annexes*

*Number of personnel and required days to deliver the services has been set by UNDP as indicated on the table above.*

*[Name and Signature of the Service Provider's  
Authorized Person]*

*[Designation]*

*[Date]*

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Firm / Organization		400
2.	Proposed Methodology, Approach and Implementation Plan		250
3	Personnel		350
	<b>Total</b>		<b>1000</b>

<b>I. Expertise of firm / organisation submitting proposal (Points obtainable 400 Points)</b>	
1 size of the firm / organisation, strength of project management capacity	100
2 Relevance of : (Experience) (Per year 10 points for more than one year)	200
3. Previous experiences in working with Donor agencies and Government will be an advantage	100
<b>Total for Expertise of firm / organisation submitting proposal (I)</b>	<b>400</b>
<b>II. Proposed Work Plan and Approach (Points obtainable 250 Points)</b>	
2.1 To what degree does the Offeror understand the task?	100
2.2 Is the scope of task well defined and does it correspond to the TOR?	100
2.3 Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	50
<b>Total for Proposed Work Plan and Approach (II)</b>	<b>250</b>
<b>III. Personnel (Points obtainable 350 Points)</b>	
<b>3.1 Team Leader (lead trainer)</b>	
7 years of relevant and professional experience	100
Proven experiences on converting the findings of the training need assessment into conducting training and capacity development of the financial cooperatives,	100
<b>Sub Total for Task Leader</b>	<b>200</b>
<b>3.2 Team Members</b>	
3 years of relevant and professional experience	100
Proven experiences on converting the findings of the training need assessment into conducting training and capacity development of the financial cooperatives,	50
<b>Sub Total for Researchers</b>	<b>150</b>
<b>Total for Personnel (III)</b>	<b>350</b>
<b>Grand Total (A+B+C)</b>	<b>1000</b>

## UNNATI-Access to Finance (A2F)



### TERMS OF REFERENCE

**POST TITLE: Procurement of consultancy service for the “Capacity Building of Cooperatives which receives wholesale loan from Rural Self Reliance Fund (RSRF)”**

**AGENCY/PROJECT NAME: UNNATI Access to Finance Project (UNDP)**

**PLACE OF ASSIGNMENT: Home based**

#### Background:

United Nations Capital Development Fund (UNDP) is the UN agency mandated to focus primarily on the world’s Least Developed Countries (LDCs). It creates new opportunities for poor people and their communities by increasing A2F and investment capital. UNDP focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict and crisis. It provides seed capital – grants and loans – and technical support to help financial service providers reach more poor households, and small business through inclusive finance approach, and local governments finance the capital investments that would improve poor peoples’ lives.

UNDP has signed an agreement with Nepal Rastra Bank, under the broader UNNATI Inclusive Growth Program agreement signed between the Government of Denmark and the Government of Nepal, where NRB is implementing Access to Finance (A2F) component of UNNATI Growth Programme in the seven hilly districts of Mechi and Koshi corridor – Taplejung, Panchthar, Ilam, Dhankuta, Terhathum, Bhojpur, and Sankhuwasabha with the assistance of UNDP. This programme has been designed basically to enhance and improve agricultural sector financing in Nepal. The objective of UNNATI is “promotion of sustainable inclusive growth that reduces poverty and raises living standards”. Within the context of UNNATI, the purpose of A2F Project is to support financial service providers to more effectively serve the agricultural value chain actors with appropriate financial products thereby enabling smallholder farmers and MSMEs to invest into their value chain activities leading to the sustained improvement in competitiveness of selected value chains. The A2F project interventions have national impact with a specific focus given to the Eastern Development Region (EDR) of Nepal.

#### Rationale:

Although number of Banks and Financial Institutions (BFIs) has been increased over the years in Nepal, financial access still remains low especially in rural areas. FinScope Survey 2015, conducted by A2F project and UNDP reveals that informal access still prevails as the leading source of loans (21%). Given that the financial system is a key for the development of the country’s economy, the Government of Nepal has been emphasizing the sound development of banks and financial system under its development plans. With an aim to increase the financial frontiers toward the small business and low-income households living in rural and remote areas of Nepal, financial sector policies such as deprived sector directives, financial sector development strategy, financial intermediation act, Rural Self Reliance Fund, Youth and Small Entrepreneur Self Employment Fund, Capital Market Development Plan, etc. has been formulated and adopted.

Besides, Government has considered this sector as one of the three pillars for national development. As per the estimates of Department of Cooperatives, there are a total of 32,663 cooperatives operating across the country. Savings and Credit Cooperatives (SACCOs) alone number 13,460, and when multipurpose cooperatives are taken into account, the total number of financial cooperatives rises to 17,491. Cooperatives have a significant presence in rural areas, providing direct employment to 54,143 people, while further employment through direct means such as micro-entrepreneurship remains unaccounted. Their accomplishments to date in the area of socio-economic development of members indicate that cooperatives can continue to grow as key players in the development of Nepal. Different studies revealed the fact that the community-based cooperative model is a cost-effective, and sustainable approach in areas with no access or limited access to formal financial services. However, cooperatives have limited capacities and technical expertise, which has hindered their capacity to cater to the needs of their members. For the smooth and effective operations of these cooperatives, they need to be provided external supports and hands-on skills for the proper operations. In more technical sense, funding is a serious issue for most of the financial cooperatives.

Rural Self Reliance Fund (RSRF) is one of the policy interventions of Government of Nepal that was established in 1990 with an aim to address above-mentioned gaps. Socio-economic upliftment of the deprived and economically weaker people by the means of income-generating and job-creating activities by providing financial assistance through the cooperatives, Non-Government Organizations (NGOs) and microfinance institutions (MFIs), is the prime objective of RSRF. The fund provides concessional wholesale lending to the rural cooperatives, and conducts programs and activities to aid them in building self-capacity to disburse loans facilities to eligible groups. As per the latest progress report, the Fund has served more than a thousand institutions operating in 68 districts benefiting nearly 50 thousand households with the concessional loans of about Rs. 1.73 billion.

In order to meet the requirement of RSRF to be qualified and eligible for borrowing, cooperatives must exceed two years of financial operations, and should operate in profitable level. They also require fulfilling some of the other requirements to be eligible for getting the RSRF loans.

Recently completed study on the capacity assessment of the RSRF partner cooperatives in UNNATI districts revealed the following.

- There is a significant role of RSRF partner cooperatives to promote A2F for the poor and disadvantaged groups in remote areas. There are instances where these cooperatives are effective to provide A2F to those families that are excluded by the mainstream financial service providers such as MFI, FI-NGOs, commercial banks, development banks and finance companies. Access to wholesale loan from RSRF, SFDB, FMDB and RMDC to these cooperatives was instrumental to expand their services to un-served and/or under-served poor and disadvantaged group. These cooperatives are efficient, characterized by high productivity, have commitment for growth and scale-up, and have potential for continuity and sustainability of their services.
- RSRF partner cooperatives are characterized by poor governance and institutional linkages, traditional operational management system, limited products and traditional service delivery, working based on poor and inaccurate management information system, and operational risk management, errors on accounting, and lack of proper financial management system, traditional system of human resource management, inadequate client protection system in place, insufficient performance management system and practices, and absence of competitive strategies. These are the few key areas that require immediate reform and capacity development of these cooperatives.

- These cooperatives are exposed to different opportunities comprising of expanding outreach, product diversification, access to wholesale loans and expand the services, collaborating with other promoters of financial service providers and innovations and development, while they need to face the threat emanating from changing policy, acts, and rules, bad reputation and perceptions towards cooperatives, and too many in number and completion within cooperatives sector and across financial service providers.
- Cooperatives are the weakest financial service providers in Nepalese financial system. Unlike Banks and Financial Institutions, they are not adequately regulated, and lack uniformity on governance, operational system, products/services, operational risk management, management information system, human resource management, accounting/financial management, and adoption of client protection principles. In view of this, capacity development need of these cooperatives varies and can be grouped into three: capacity gaps common to all the cooperatives (governance, accounting and financial management), capacity gaps specific to few cooperatives (products/services, portfolio management, operational risk management, management information system, human resources management, financial management, and adoption of client protection principles). Some cooperatives are weak on one aspect, while other on other dimensions of cooperatives management. There are some cooperatives that require on-the-job technical backstopping/trouble shooting support on cooperatives management. There are some cooperative related issues specific to typical cooperatives requiring small studies.
- Considering the time and resource constraints, the study has recommended to organize these capacity development supports as under. In the first phase, a 5 days training on “Cooperative Governance, Accounting, and Financial Management” could be organized to all the RSRF partner cooperatives. Other 5 days training covering aspects such as products/services, portfolio management, operational risk management, management information system, human resources management, financial management, and adoption of client protection principles could be organized to selected RSRF partner cooperatives in the second phase. Further, provide on-the-job training/trouble shooting support to selected RSRF partner cooperatives, and commissioning small research/studies specific to typical cooperatives can be considered based on demand and felt need in due course of time.

UNNATI A2F intends to start the interventions of 5 days residential training on “Cooperative Governance, Accounting, and Financial Management” to all the RSRF partner cooperatives in its working areas. It seeks to outsource this assignment to qualified, experienced and capable services providers and request the qualified service providers to submit the Expression of Interest (EOI) for this assignment.

#### Objectives:

The overall objective of this assignment is to enhance the capacity of the partner RSRF cooperatives to work as professional financial service providers to expand the frontier of financial services to unbanked or under-banked population. The specific objectives of the proposed assignment will be the following.

- Prepare the 5 days training packages for conducting training on “Cooperative Governance, Accounting, and Financial Management” with training plan, pre- and post-test of the participation.
- Prepare the training plan critical areas of the training need such as (i) governance, (ii) accounting, (iii) financial management, and (iv) RSRF Credit Mechanism and Credit Delivery Modality
- Deliver Trainings to around 100 Organizations with around 300 Participants grouped within 10 trainings. Priorities must be given to women and people from disadvantaged group.

#### Scope of Work:

The scope of work of this assignment will be the following.

- Prepare the training calendar to implement capacity development training over the contract period.

- Participate in the inception meeting with NRB, and Project team to agree on the roll-out of the capacity development program.
- Finalize the number of participants to be trained under this consultancy.
- Identify the venue of the training, and RSRF cooperatives to participate in the training program in the particular venue.
- Prepare the training plan in consultation with NRB, and Project team.
- Compile the training module in the form of training manual along with the work sheet to be delivered during the training sessions.
- Mobilize 3 set of teams comprising of two members each except the external resource person to be invited.
- Undertake pre-training and post training test of the participants of the training program,
- Prepare the clear and concise training completion report.
- Inform the project team a week in advance about the schedule of training compulsorily.

#### Methodology:

- Lecture, participatory discussion, role play,
- Group exercise,
- Pre- and post-test,
- Action plan preparation,

#### **TIMELINE, DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL**

- Contract duration 120 days with effective from the date of signing contract
- Duty Station: Home based with travel to UNNATI districts
- Number of estimated working days: 100 working days.

#### Institutional Competencies

- At least 10 years of existence and experiences on conducting relevant trainings.
- Previous experiences in working with Donor agencies and Government will be an advantage.
- Organization should be compulsorily VAT registered.

#### Team Composition

- The team will consist of 3 set of teams comprising of two members each. The two-person team will include (i) Team Leader and (ii) Team Member. Each set will carry out the training in one location. This excludes external resource person to be invited from relevant agencies for each training.
- A focal person/Assignment coordinator will be assigned to coordinate with the project team for the overall assignment in all districts.

#### Team Leader should have following qualification and experiences.

- Master's degree in relevant discipline from reputed university
- At least 7 years of relevant and professional experience including knowledge of cooperative sector development, training and capacity development for the financial cooperatives,
- Proven experiences on converting the findings of the training need assessment into conducting training and capacity development of the financial cooperatives,
- Good communication skills with excellent presentation technique, and knowledge transfer to grass roots level institutions,
- Fluency in English and Nepali (English and Nepali)

#### Team Member should have following qualification and experiences:



- Bachelors degree in relevant discipline from reputed university
- At least 3 years of relevant and professional experience including knowledge of cooperative sector development, training and capacity development for the financial cooperatives,
- Proven experiences on converting the findings of the training need assessment into conducting training and capacity development of the financial cooperatives,
- Good communication skills with excellent presentation technique, and knowledge transfer to grass roots level institutions,
- Exposure to practical dimensions of the rural cooperative management,
- Fluency in English and Nepali (English and Nepali)

#### Provision for Monitoring and Progress Controls

The consultant team will report to the Assignment Coordinator/Focal person from the project and her/his designate. The training activities will also be monitored periodically by Nepal Rastra Bank and/or Project Officials.

#### Payment & Deliverables

As full compensation for the services performed under this contract (Completion of 10 Trainings), the A2F Project through UNDP shall pay the service providers as per the contract will be paid.

The model of payment will be as follows.

- 40% amount will be paid after the submission of Inception report which includes the finalization of participation, training venue, training course, etc.
- 40% amount after completion of entire trainings and submission of Training completion report.
- 20% upon completion of the assignment and submission of final report.

The brief final report should include the following

- List of the participants trained institution-wise.
- Details of training venue, date and time.
- Training course, and session delivery plan,
- Training delivery materials (lecture note, pre- and post-test evaluation report)
- Attendance sheet.
- Half-Cut(*Ardhakatti*)of Training certificated distributed.
- Photograph of Trainings

#### Other Requirements

- Training Venue and Accommodation (Full Board) should be at least 1 star quality where available.
- The consulting firm should provide all the facilities such as stationary, necessary resources by themselves however the Training certificate and RSRF manual will be provided by the project.
- NPR 600 only should be provided to each participant to and fro as the transport expenses.
- All the arrangements are to be made by the selected consulting firm by themselves.

## ***General Terms and Conditions for Services***

### **1.0 LEGAL STATUS:**

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

### **2.0 SOURCE OF INSTRUCTIONS:**

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

### **3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:**

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

### **4.0 ASSIGNMENT:**

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

### **5.0 SUB-CONTRACTING:**

In the event the Contractor requires the services of sub-contractors; the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

### **6.0 OFFICIALS NOT TO BENEFIT:**

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

### **7.0 INDEMNIFICATION:**

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

## **8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:**

- 8.1** 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.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** 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.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
  - 8.4.1** Name UNDP as additional insured;
  - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
  - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

## **9.0 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 the UNDP 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.

## **10.0 TITLE TO EQUIPMENT:**

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

## **11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:**

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.
- 11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its

obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

**11.3** At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

**11.4** Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

## **12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:**

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

## **13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:**

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

**13.1** The recipient ("Recipient") of such information shall:

**13.1.1** use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,

**13.1.2** use the Discloser's Information solely for the purpose for which it was disclosed.

**13.2** Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

**13.2.1** any other party with the Discloser's prior written consent; and,

**13.2.2** the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

**13.2.2.1a** corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

**13.2.2.2** any entity over which the Party exercises effective managerial control; or,

**13.2.2.3** for the UNDP, an affiliated Fund such as UNDP, UNIFEM and UNV.

- 13.3** The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.
- 13.4** The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.
- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

#### **14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS**

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change 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 also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** 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, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

#### **15.0 TERMINATION**

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

## **16.0 SETTLEMENT OF DISPUTES**

- 16.1 Amicable Settlement:** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of 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.
- 16.2 Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

## **17.0 PRIVILEGES AND IMMUNITIES:**

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

## **18.0 TAX EXEMPTION**

- 18.1** Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia that the United Nations, including its subsidiary organs, 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 the United Nations exemption from such taxes, duties

or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

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

#### **19.0 CHILD LABOUR**

- 19.1** The Contractor represents and warrants that neither it, nor any of its 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.
- 19.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

#### **20.0 MINES:**

- 20.1** The Contractor represents and warrants that neither it nor any of its 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.
- 20.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

#### **21.0 OBSERVANCE OF THE LAW:**

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

#### **22.0 SEXUAL EXPLOITATION:**

- 22.1** The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

**22.2** The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

**23.0 AUTHORITY TO MODIFY:**

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official.