

Section 9: FORM FOR PERFORMANCE SECURITY¹

(This must be finalized using the official letterhead of the Issuing Bank. Except for indicated fields, no changes may be made in this template.)

We [Bank name] have been informed that the United Nations Development Programme (hereinafter called “the UNDP”) which has its Headquarter in New York concluded on date _____ a contract [contract title and No.] with [Name of the company] hereinafter referred to as “the Contractor” whom has its headquarter in _____ at a total price of _____ Euro (_____), to execute [Insert title of contract and brief description of works].

Whereas it has been stipulated in the Contract that the Contractor shall furnish the UNDP with a Bank Guarantee by a recognized Bank for the sum specified thereafter as security for compliance with his obligations in accordance with the Contract,

Whereas we have agreed to give the UNDP such a Bank Guarantee

Now therefore, this being stated, we, [BANK NAME] [BANK BRANCH], irrespective of the validity and the legal effect of the above mentioned contract and waiving all rights of objection and defense arising there from, hereby irrevocably affirm we are the Guarantor and responsible to you, and on behalf of the Contractor undertake to pay you, upon your first written demand and without cavil or argument any sum or sums within the limits of [INSERT AMOUNT OF GUARANTEE IN FIGURES AND IN WORDS] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed there under or of any of the Contract Documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid 30 days beyond the date of issue of the Certificate of Final Completion.

This guarantee is revocable only with the written consent of the UNDP.

Parties hereby agree on the terms of this bank’s guarantee letter.

SIGNATURE AND SEAL: _____

Name of Bank/ Financial

Institution: _____

Address: _____

Sate: _____

¹ The Performance Security that the Bidder’s Bank will issue shall use the contents of this template.