



**UN Recovery and Peacebuilding Programme, Economic Recovery and Restoration of Critical Infrastructure
Component**

Call for Proposals from NGOs/CSOs

**Engaging an NGO/CSO as Responsible Party for managing small grants programme for
business start-up, renewal or expansion by internally displaced people and local population
of Luhansk and Donetsk oblasts**

I. BACKGROUND INFORMATION

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in 177 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations

This Call for Proposals (CFP) is specifically related to the UN Recovery and Peacebuilding Programme (RPP).

The ongoing conflict in eastern Ukraine has had a direct and highly negative impact on social cohesion, resilience, livelihoods, community security, and the rule of law. Recognizing the need to urgently address reconstruction, economic recovery and peacebuilding needs in areas affected both directly and indirectly by the conflict, in late 2014 the Government of Ukraine requested technical assistance and financial support from the international community to assess priority recovery needs. In late 2014, the United Nations (UN), the World Bank (WB) and the European Union (EU) conducted a Recovery and Peacebuilding Assessment, which was endorsed by the Cabinet of Ministers in mid-2015.

The United Nations Development Programme (UNDP) has been active and present in eastern Ukraine for the past decade, prior to the conflict, with a focus on community development, civil society development, and environmental protection. Work on addressing the specific conflict-related development challenges discussed above built on this earlier engagement, established partnerships, and started in 2015 through the Recovery and Peacebuilding Programme (RPP). The RPP is a multi-donor funded framework programme led by the UNDP in collaboration with the Government of Ukraine and implemented in cooperation with a number of partnering UN agencies (UN Women, FAO, UNFPA).

UNDP small business grants programme was launched in eastern Ukraine in 2015 as a part of efforts to promote economic recovery of the eight conflict-affected regions closest to contact line, to enhance employment and to create income-generation opportunities for IDPs and the local population. Overall, 649 business projects were supported and over 2,000 jobs created within the programme in 2015-2018. In 2019-2022 UNDP under the financial support of EU, the Government of Poland and the Government of Japan plans to provide grants for launch, renewal or expansion of Micro, Small and Medium Enterprises (hereinafter – MSMEs) on a competitive basis in the areas of Donetsk and Luhansk oblasts controlled by the government of Ukraine (hereinafter – the "target areas") in order to establish or restore business activity and ensure overall economic revitalization, decrease tension on the labor market and ensure development of the priority value chains that are critically important for further economic development of the region.

For this purpose, UNDP is seeking an NGO/CSO as responsible party that will manage the Grants Programme for business start-up, renewal or expansion.

II. OBJECTIVES AND EXPECTED OUTPUTS/ DELIVERABLES

The overall objective of this Call for Proposal is to select an NGO/CSO as a Responsible Party for *establishing a mechanism and managing the process of allocation of small business grants to IDPs and local population for business start-up, renewal or expansion in the government controlled areas (hereinafter – “GCA”) of Donetsk and Luhansk oblasts.*

Detailed objectives, related outputs, deliverables and key considerations are provided in the Terms of Reference – **Annex I**

Final Beneficiaries:

IDPs and local population for business start-up, renewal or expansion in Donetsk and Luhansk oblasts (GCAs).

III. ELIGIBILITY & QUALIFICATION CRITERIA

Interested NGOs/CSOs must meet the following criteria to be eligible for the selection:

- Entities registered in Ukraine for at least 3 years (non-governmental, public, charitable, non-profit);
- Experience in the management of grant programmes (at least two programmes with a total number of recipients over 50);
- Experience in project implementation or execution of contracts for the provision of professional services in the area of grant programmes management/ providing credit loans with a total budget of projects/contracts from USD 100,000.00;
- Legal status of the organization should enable it to receive grant pool from UNDP without incurring in tax liabilities.

NGOs/CSOs must have a team of at least nine members satisfying the requirements that are provided in the Terms of Reference – **Annex I.**

The parameters that will determine whether an NGO/CSO is eligible to be considered by UNDP will be based on the Capacity Assessment Checklist (CACHE) for NGO/CSO that should be duly completed and submitted alongside supporting documents request.

Capacity Assessment Checklist (CACHE) For NGO/CSO template – **Annex II.**

IV. TECHNICAL AND FINANCIAL PROPOSAL

Proposed Methodology, Approach, quality assurance plan and Implementation Plan – this section should demonstrate the NGO’s/CSO’ response to the Terms of Reference by identifying the specific components proposed, how the outputs/ delivery shall be addressed, as specified; providing a detailed description of the essential performance characteristics proposed; identifying the works/portions of the work that will be subcontracted.

Moreover, the proposal should demonstrate how the proposed methodology meets or exceeds the TOR, while ensuring appropriateness of the approach to the local conditions and the rest of the project operating environment. This methodology must be laid out in an implementation timetable and a quality assurance.

Management Structure and Resource (Key Personnel) – This section should include the comprehensive description of the management structure and information regarding required resources including curriculum vitae (CVs) of key personnel that will be assigned to support the implementation of the proposed methodology, clearly defining the roles and responsibilities vis-à-vis the proposed methodology. CVs should establish competence and demonstrate qualifications in areas relevant to the TOR.

V. EVALUATION CRITERIA & METHODOLOGY

a) Proposals will be evaluated based on the following criteria and methodology:

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Firm/Organization	36%	360
2.	Proposed Methodology, Approach and Implementation Plan	36%	360
3.	Personnel	28%	280
Total			1000

Please refer to Annex II for detailed sub criteria.

1) Evaluation methodology: Quality based under Fixed Budget Selection (QB-FBS)

QB-FBS methodology implies that all proposals have the same maximum overall price (which cannot exceed a known fixed budget amount), focusing the selection on the quality of the proposal and the NGO/CSO proposed approach and methodology.

NGO/CSO shall provide their best technical proposal and financial breakdown (within the budget) in one single envelope (clearly stating proposed overheads). Evaluation of all technical proposals shall be carried out, in accordance with below outlined evaluation criteria, and the entity that obtains the highest technical score shall be selected. NGOs/CSOs exceeding the established fixed budget in their financial proposals will be rejected.

Any NGO/CSO engaged to act as RP is subject to and must comply with the HACT policy (i.e., micro-assessment and assurance activities) that must be validated through performance measures and quality certified by an independent assessor engaged by UNDP.

2) Budget size and duration

The overall indicative amount made available under this call for proposal is USD 2,846,674.00. UNDP reserves the right not to award all available funds should the number and quality of applications not meet the criteria.

The administrative costs of proposal must not exceed the 411,455.00 USD. The amount requested in the proposal should be commensurate with the organization's administrative and financial management capabilities.

The duration of proposed activities should not exceed the period of twenty-four (24 months). The anticipated implementation period is July 2019 – May 2021. The organizations are requested to submit a clear dynamic plan for each deliverable within the foreseen timeframe.

The schedule of payments for the grants administration services will be agreed with the Responsible Party before the start of the assignment. Payments to the Responsible Party to cover Administrative (management and operational) costs will be linked to deliverables (completion of each of four (4) Call for Proposals) and executed upon submission and acceptance of the Final Report (including Final Financial Report, including final list of beneficiaries and the Impact Assessment Report).

A preliminary schedule is provided below.

Upon completion of each of four (4) Call for Proposals and acceptance of the Final Report for each competition the Responsible Party receives the payment envisaged in the proposal but not exceeding the maximum allocation provided by the donor (EU, Government of Poland, Government of Japan).

VI. SELECTION PROCESS:

The UNDP will review proposals through a five-step process: (i) determination of eligibility; (ii) technical review of eligible proposals; (iii) scoring and ranking of the eligible proposals based on the assessment criteria outlined in the previous section to identify highest ranking proposal; (iv) round of clarification (if necessary) with the highest scored proposal; and (v) Responsible Party Agreement (RPA) signature.

VII. SUBMISSION PROCESS

Applicants shall bear all costs related to proposal preparation and submission.

Applicants must submit their Technical and Financial proposals in electronic format to tenders.ua@undp.org. Please note that bids received through any other address will not be considered. PDF files preferred in **ZIP archives only. (Other types of archive can cause failure during opening of proposals).**

PLEASE make all efforts to provide your proposal in 1 archived PDF file not exceeding 8 MB size. Applicants are solely responsible for ensuring that any and all files sent to UNDP are readable, that is, uncorrupted, in the indicated electronic format, and free from viruses and malware. Failure to provide readable files will result in the proposal being rejected.

The following documents must be submitted in order for the submission to be considered:

1. Applications (project proposals) in the form of the template attached (**Annex II – Capacity Assessment Checklist for NGO/CSO**), including organizational profile with the following details:
 - Proof of registration as a non-governmental/non-commercial organization including copies of registration certificate;
 - A clearly defined management structure of the organisation;
 - Proven track record of experience in the implementation of similar/related type of activities;
 - Experience in the management of grant programmes;
 - Experience in project implementation or execution of contracts for the provision of professional services in the area of grant programmes management;
 - Audited financial statements for the past two years.
 - A work plan with the proposed work schedule indicating the persons responsible for each area of activity;
2. Description of the management methodology and implementation of the small business grants programme, which should include the following:
 - Communication strategy and plan for dissemination of information about the contest, including cooperation with the media and NGOs, placement of information via online resources and social networks;
 - Description of the online application system with a timeframe for its launch if not developed yet;
 - Description of organization of all stages of the project proposals evaluation process with proposed criteria for evaluating business plans and evaluation procedures;
 - Description of the mechanism of transferring funds to grantees, a prerequisite of which is that no or minimal tax obligations of the grantees shall arise in connection with the grant funds receipt;
 - Procedure for monitoring and evaluation of the business projects, including the admission procedures and inspection reports description, quality control methods;
 - Description of communication tools available for interaction with applicants and grantees, which should include but not limited to a telephone hotline;
 - Description of the grant funds returning procedure and brief on raised lawsuits within the previous projects and their results;
 - Personal CVs of Project Team, including information about past experience in similar projects / assignments and clear definition of roles and responsibilities for this

- assignment;
 - Quality assurance plan;
3. At least 3 reference letters from previous customers/clients/partners reflecting the nature of projects implemented, their results and the role of the applicant;
 4. Information regarding required resources including **curriculum vitae (CVs)** of key personnel that will be assigned to support the implementation of the proposed methodology (clear definition of roles and responsibilities).
 5. The Financial Proposal with a detailed cost breakdown, **Annex III**.

Only one submission per organization is allowed. Organizations may not participate in more than one proposal. Once the application is complete and submitted, revised versions of proposal documents will not be accepted. Partial application will not be accepted.

Interested NGOs/CSOs may obtain further information or clarification by contacting the UNDP office in Ukraine through the following address:

E-mail address: procurement.ua@undp.org

Submission Deadline

Proposals, with supporting documents, should be submitted by **29 May 2019, at 24:00.**

Estimated Competition Timeline

For reference purposes only, please consider the following indicative timeline:

15 May 2019: Call for Proposal opens, and relevant documents are posted online.

29 May 2019: Deadline for organizations to submit proposals under this Call.

11 June 2019: Assessment and selection processes will take place.

1 July 2019: Selected applicants will be notified.

IMPORTANT ADDITIONAL INFORMATION

UNDP implements a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical practices, and obstruction. UNDP is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities. (See

http://www.undp.org/content/dam/undp/library/corporate/Transparency/UNDP_Anti_Fraud_Policy_English_FINAL_june_2011.pdf and

<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/> for full description of the policies) In responding to this Call for Proposals, UNDP requires all Proposers to conduct themselves in a professional, objective and impartial manner, and they must at all times hold UNDP's interests paramount. Proposers must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. All Proposers found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Proposers, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this solicitation process, if they:

* Are or have been associated in the past, with a firm or any of its affiliates which have been engaged UNDP to provide services for the preparation of the design, Terms of Reference, cost analysis/estimation, and other documents to be used in this competitive selection process;

* Were involved in the preparation and/or design of the programme/project related to the services requested under this Call for Proposals; or

* Are found to be in conflict for any other reason, as may be established by, or at the discretion of, UNDP.

In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, proposers must disclose the condition to UNDP and seek UNDP's confirmation on whether such conflict exists.

UNDP looks forward to receiving your proposal and thanks you in advance for your interest in UNDP activities.

Yours sincerely,

Dafina Gercheva

Ms. Dafina Gercheva
Resident Representative
United Nations Development
Programme

Annex I



Terms of Reference

Engaging an NGO/CSO as a Responsible Party for managing small grants programme for business start-up, renewal or expansion by internally displaced people and local population of Luhansk and Donetsk oblasts

Project name: UN Recovery and Peacebuilding Programme, Economic Recovery and Restoration of Critical Infrastructure Component

Country/place of implementation: Ukraine / government-controlled areas of Luhansk and Donetsk oblasts

Type of Contract: Responsible Party Agreement

I. BACKGROUND

The ongoing conflict in eastern Ukraine has had a direct and highly negative impact on social cohesion, resilience, livelihoods, community security, and the rule of law. Recognizing the need to urgently address reconstruction, economic recovery and peacebuilding needs in areas affected both directly and indirectly by the conflict, in late 2014 the Government of Ukraine requested technical assistance and financial support from the international community to assess priority recovery needs. In late 2014, the United Nations (UN), the World Bank (WB) and the European Union (EU) conducted a Recovery and Peacebuilding Assessment, which was endorsed by the Cabinet of Ministers in mid-2015.

The United Nations Development Programme (UNDP) has been active and present in eastern Ukraine for the past decade, prior to the conflict, with a focus on community development, civil society development, and environmental protection. Work on addressing the specific conflict-related development challenges discussed above built on this earlier engagement, established partnerships, and started in 2015 through the Recovery and Peacebuilding Programme (RPP). The RPP is a multi-donor funded framework programme led by the UNDP in collaboration with the Government of Ukraine and implemented in cooperation with a number of partnering UN agencies (UN Women, FAO, UNFPA).

The RPP was designed to respond to, and mitigate, the causes and effects of the conflict. It is based on findings of the Recovery and Peacebuilding Assessment (RPA) and is aligned to the State Target Programme for Recovery as well as to the two oblast development strategies up to 2020. It takes into account the opportunities that have arisen from the Minsk Protocol of September 2014 and the renewal of its cease-fire provisions (the latest cease-fire having been agreed in March 2018) and is also fully adjusted to the humanitarian-development nexus. It is an integral component of the UNDP Country Programme and is therefore fully aligned with the United Nations Partnership Framework (UNPF). It is closely interlinked with the Democratic Governance and Reform Programme, operating nationally and in all of Ukraine's regions, and is consistent with the SDGs, in particular SDG 16 (Peace, Justice and Strong institutions).

The Programme's interventions are grouped under the following key Programme components, which reflect the region's priority needs:

Component 1: Economic Recovery and Restoration of Critical Infrastructure

Component 2: Local Governance and Decentralization Reform

Component 3: Community Security and Social Cohesion.

The Programme, which operates on the basis of a pooled funding arrangement, follows a multi-sectoral programme-based approach and is implemented using an area-based methodology. It is a unifying interventions framework for 16 projects funded by 12 international partners including the Government of Japan and the Government of Poland and is worth about 52 million USD.

In October 2018, four UN agencies (UNDP, UN Women, FAO and the UNFPA) have countersigned a new joint project document, funded by the EU. The overall objective of the project is to restore effective governance and promote reconciliation in the crisis-affected communities of Donetsk and Luhansk oblasts of Ukraine, thereby enhancing the credibility and legitimacy of local governments in the government-controlled areas (GCAs) of the regions. It will contribute to peace build and prevent further escalation of conflict in Ukraine through effective and accountable decentralization, gender-responsive recovery planning and equal access to services, as well as enhanced community security and social cohesion.

This endeavor will be achieved through the pursuit of the following specific objectives:

1. To enhance local capacity for gender-responsive decentralization and administrative reforms to improve governance, local development and the delivery of services.
2. To stimulate employment and economic growth by providing assistance to Micro, Small and Medium Enterprise (MSME) development through demand-driven business development services and professional skills training.
3. To enhance social cohesion and reconciliation through promotion of civic initiatives.
4. To support sector reforms and structural adjustments in health, education and critical public infrastructure to mitigate direct impacts of the conflict.

UNDP small business grants programme was launched in eastern Ukraine in 2015 as a part of efforts to promote economic recovery of the eight conflict-affected oblasts closest to contact line, to enhance employment and to create income-generation opportunities for IDPs and the local population. Overall, 649 business projects were supported and over 2,000 jobs created within the programme in 2015-2018. In 2019-2022 UNDP, under the financial support of EU, the Government of Poland and the Government of Japan, plans to provide grants for launch, renewal or expansion of Micro, Small and Medium Enterprises (hereinafter – MSMEs) on a competitive basis in the areas of Donetsk and Luhansk oblasts controlled by the government of Ukraine (hereinafter – the "target areas") in order to establish or restore business activity and ensure overall economic revitalization, decrease tension on the labor market and ensure development of the priority value chains that are critically important for further economic development of the region.

For this purpose, UNDP is seeking an NGO/CSO as Responsible Party (RP) that will manage the Grants Programme for business start-up, renewal or expansion.

II. MAIN OBJECTIVES OF THE ASSIGNMENT

The overall objective of this assignment is to establish a competitive mechanism and manage the process of allocation of small business grants to IDPs and local population for business start-up, renewal or expansion in Donetsk and Luhansk regions (GCAs).

Specifically, the Responsible Party shall implement the following:

- Develop and agree with UNDP the detailed plan and schedule for implementation of the objectives, evaluation methodology for applications, monitoring and evaluation methodology for effective implementation of the supported business projects;
- Develop the application documents package for the small business grants programme;
- Announce, advertise and manage each Calls for proposals under the small business grants programme;
- Ensure broad dissemination of information about the small business grants programme among key stakeholders and public;
- Arrange the review and evaluation of business proposals by independent professionals/experts and Evaluation Committees in Luhansk and Donetsk oblasts;
- Sign grant agreements with beneficiaries and provide funding/grant;
- Monitor implementation of grant projects by each grantee;
- Develop a procedure for return of the grant funds in case of non-compliance of the grantee's activities with the terms of a grant agreement;
- Coordinate activities with other UNDP activities, in particular, with training programmes on business planning, entrepreneurship and business development, and with the business consulting service to be provided to the grantees.

III. SCOPE OF WORK AND EXPECTED OUTPUTS

The Responsible Party shall perform the following tasks to UNDP's satisfaction:

SMALL BUSINESS GRANTS PROGRAMME IMPLEMENTATION

1. Initial stage. Development of an action plan to implement the small business grants programme and its implementation schedule.

Output:

- A detailed action plan and a weekly schedule of activities for implementation of the small business grants programme have been developed and approved by UNDP;
- The schedule and reporting forms the Responsible Party should provide to UNDP under the programme have been developed and agreed with UNDP;
- The designated personnel, responsible for implementation, from the Responsible Party's and UNDP sides have been determined, assigned and the rules and formats of written and oral communications between the parties have been approved;
- The procedure for grant funds return has been developed and approved for potential cases where a grantee violates or does not fully comply with the terms of the grant agreement;

- The procedure of reallocation of returned equipment or funds to other applicants has been developed and approved by UNDP.

Expected execution timeframe 15 calendar days after the Agreement starting date.

2. Development of the application package and programme advertising package.

Output:

- A text of the Call for proposals has been developed and approved by UNDP for each separate Call for proposals;
- An online application and evaluation tool able to manage (receive and ensure automatic technical screening against the evaluation criteria) up to 2,000 applications during one call for proposal and with a capacity to store over 10,000 of applications for at least 3 years has been established and approved by UNDP. The application registration tool should ensure prompt registration, identification of repeated applications, a possibility of automatic granting the status of each application (in processing, registered, etc.), possibility of automatic responses to participants and automatic dissemination of the contest information, possibility to generate automatically various statistical reports, possibility to download applications with supporting materials in separate packages for one grantee, in one package for each area and in one full package. The Responsible Party shall provide full access to the secured online system and databases to the designated UNDP personnel;
- An online and offline (paperless) application form has been developed for each separate Call for proposals and approved by UNDP;
- Roadmaps and manuals for the candidates applying for each separate Call for proposals have been developed. The manuals should include a detailed description of the Contest, its goals and objectives, eligibility and selection criteria, priority areas of business activity, sample forms and templates, reporting, monitoring and evaluation requirements for the business projects, etc. The format and content of the documents have been agreed with UNDP before the announcements for each Call for Proposals.

Expected execution timeframe 30 calendar days after the Agreement starting date for the first and second Call for Proposals. The application packages for the third and the fourth Call for Proposals should be developed upon receiving the Final Report of the completion of the first Call for Proposals.

3. The announcement of four (4) Calls for proposals for the small business grants programme, accepting and managing applications from the target groups.

Output:

- The small business grants programme has been publicly announced via the relevant national and regional news channels agreed with UNDP (national and regional print media, television and radio stations, Internet resources, social networks);
- A separate web page is created for each Call for proposals and the full contest document package is available on this web page and other online resources agreed with UNDP;
- At least three press conferences have been organized for each Call for proposals and held in the target areas (Kramatorsk, Mariupol, Sievierodonetsk) to present objectives and terms of the contest;
- A system of communication with applicants to ensure timely responses to questions has been developed and launched. The system can handle communication through various channels, including the mandatory

telephone "hotline" that must work during working hours (from 9 to 18) for the duration of the small business grants programme;

- The applications from IDPs and the local population of Donetsk and Luhansk oblasts have been received and registered according to the schedule and prepared for evaluation.

Expected execution timeframe – 1 month upon receipt of the formal permission to launch each Call for proposals from UNDP

4. Organization of the applications evaluation process.

The process of evaluation of applications should have following stages for each call for proposals:

- 1) At the first stage of registration, the applications shall be technically screened against the pre-determined criteria (participation eligibility, compliance with the contest requirements). Applicants whose business plans were rejected at this stage should be promptly notified of the rejection of their projects.
- 2) At the second stage the applications are evaluated by at least three independent professionals in the field of entrepreneurship with experience in the area of business planning and conducting business activities in the respective region and/or sector, involved by the Responsible Party. The candidates' CVs should be submitted to UNDP in advance and should be formally approved by UNDP prior to the start of evaluation. The experts independently assess each application according to the determined criteria, assign appropriate grades and draw up a preliminary report (to recommend or not to recommend the application for review by an independent evaluation committee at the next stage with clear justification of the decision taken). Applicants whose business plans were rejected at this stage must be notified of the rejection of their projects within 10 days of the decision.
- 3) At the third stage, the applicants present business plans to an independent evaluation committee in each region, which are formed by the Responsible Party and approved by UNDP. Each Evaluation Committee should consist of at least 7 members, delegated by the business community and infrastructure, local authorities, UNDP, FAO, UN Women, UNFPA, and other experts in the field, who will be able to evaluate the business plans from different points of view. Evaluation committees formed for selection of business projects to be funded by EU should also include representatives of the EU Delegation. At least one Responsible Party's business expert, who previously evaluated the application must be present at every evaluation committee meeting. Applicants whose business plans were selected for evaluation at this stage, shall in-person describe their business ideas, provide details of business plans and answer the questions of members of the evaluation committee. Evaluation committee should assess the business plans according to the defined criteria and assign the respective points to each application.

Output:

- All applications have been technically screened at the first stage. The lists of applications rejected at this stage have been formed, all the applicants on the list have been notified on rejection of their projects;
- All technically eligible applications have been assessed by the Responsible Party experts team (entrepreneurship/business experts) at the second stage. Each application has been assigned a relevant grade and conclusion (recommended or not recommended for review by an independent evaluation

committee with comprehensive justification of the decision taken). Applicants whose business plans had been rejected at the second stage were notified within 10 days. Applicants whose business plans were selected for further evaluation, have been informed and instructed regarding the format and details of in-person presentation;

- Independent evaluation committees have been formed for each Call for Proposal in each region. The committee membership has been agreed and approved by UNDP. The guidelines for members of the Evaluation Committees, containing detailed information on the evaluation criteria, the procedure for assignment of points for each criterion, the in-person presentation procedure and other details have been developed. A list of standard questions that may be asked during the interview has been developed. Evaluation committee meetings have been organized for each Call for Proposals in Kramatorsk (for the evaluation of business plans submitted from the north of Donetsk region), in Mariupol (for the evaluation of business plans submitted from south of Donetsk region), and in Severodonetsk (for evaluation of the business plans submitted from Luhansk region);
- Based on the results of the meeting of the Evaluation Committees, two separate ratings (Luhansk and Donetsk oblasts) have been formed, the reports have been prepared and a list of winners and a waiting-list of no less than 120 eligible business projects have been generated for each call for proposals;
- All participants were informed of the results of their application review within 10 days of the committee meeting via e-mail and over the telephone;
- The results of each Call for proposals have been published on a separate protected web page created for each Call for proposals and disseminated through other online resources agreed with UNDP within 5 days after formal finalization of the contest results;
- The procedure for coordination of business consulting services provided by other UNDP's contractors have been approved. Names and contacts of the winners have been submitted to respective companies and/or individuals upon UNDP permission and within the time agreed with UNDP;
- Information on the results of each Call for Proposal was released at the specified web page within 5 days after their formal finalization.

Expected execution timeframe – 2 months upon receipt of the formal permission to launch each Call for proposals from UNDP

5. Signing grant agreements with beneficiaries and disbursement of grant funds.

Funds should be transferred from the Responsible Party to grantees under the schedule of payments specified in the grant agreement. The mechanism of receiving the grant shall not entail excessive tax liabilities in crediting of funds neither for the Responsible Party nor for the recipients. Each business grant should be disbursed in two tranches: 75% of the requested amount upon signing the grant agreement, 25% of the requested amount upon approval of the grantee's final report. The preliminary schedule of transferring grants pool from UNDP to the Responsible Party shall be agreed upon signing of the Responsible Party Agreement. However, this schedule will further be specified based on actual dates of signing the grants agreement. The amount of grants pool transferred from UNDP to the Responsible Party accounts shall correspond the total value of the grants agreements signed for the date of payment. Immediate (up to 2 banking days) transfer of grants from Responsible Party to recipients' bank accounts should be ensured upon receipt of funds from UNDP.

Output:

- The grant agreement text and form developed by Responsible Party and approved by UNDP. It should include a schedule of payments, requirements and reporting procedures, duration of the project, requirements for monitoring, communications, and other information necessary for the effective use of the grant);
- The agreements with each grantee have been prepared and signed;
- The grant funds have been transferred to beneficiaries in line with the signed agreements;
- The Responsible Party has submitted to UNDP the copies of contracts with grantees and the documents confirming the transfer of funds to the grantees' bank accounts;

Expected execution timeframe – up to 6 months upon receipt of the formal permission to launch each Call for proposals from UNDP

6. Providing technical and operational administration of the small business grants programme. Monitoring of the business projects implementation.

Output:

- The grantees' reports have been received, verified and approved by the Responsible Party according to the schedule;
- Advice on operational reporting is promptly provided through various channels (email, telephone hotline);
- Implementation of business projects has been monitored through inspection reports based on the field visits to each grantee and remote communications. The schedule of monitoring visits has been coordinated with UNDP;
- The reports of grantees and Responsible Party's reports on results of monitoring of grantees performance have been submitted to and accepted by UNDP.

Expected execution timeframe – up to 6 months upon receipt of the formal permission to launch each Call for proposals from UNDP

OTHER DUTIES

Support of the grant funds returning procedure in case a grantee violates or does not fully comply with scope and the terms of the grant agreement.

Output:

- In case of the grantee's non-compliance with the grant agreement terms, the grant aid in the form of funds or equipment shall be returned to the Responsible Party and shall be re-distributed. For this purpose, a separate formal decision shall be proposed by the Responsible Party and approved by UNDP to assign a grant to one of the applicants previously included to the waiting list for the respective region;
- Initiating and conducting lawsuits against the grantees who do not comply with the grant agreements terms in order to return the grant funds in the form of cash and/or equipment purchased for the grant

funds. Such liability, as well as the responsibility to re-distribute the grant funds among the other winners of the respective Call for Proposal or to return it to UNDP in case of impossibility of such re-distribution, shall not be limited by the timeframe of the Contract.

Expected execution timeframe – within the full duration of the Agreement

- Coordination of activities with other UNDP partners and contractors to achieve effective cooperation whenever possible;
- Ensuring visibility and information reference to UNDP and the governments supporting the programme on all products created under the contract implementation. Ensuring visibility of UNDP and Governments of the countries that finance the Small business grants programme by placing visual materials on equipment purchased by the grantors;

GENERAL TERMS FOR THE SMALL BUSINESS GRANTS PROGRAMME

It is assumed that business projects funded under the small business grants program should:

- Demonstrate high profit potential and long-term sustainability and have feasible market indicators;
- For EU-funded grants, be within and/or envisage positive impact on the priority value chains selected;
- For grants funded by the Government of Poland and the Government of Japan, provide conditions for self-employment and/or creation of new jobs;
- Provide a minimum 25% co-financing of the total project budget, including non-cash contribution in the form of equipment, premises and works on premises arrangement, etc.;

The small business grants programme objectives:

- Create income-generation opportunities for IDPs and local population in GCAs of Donetsk and Luhansk oblasts through supporting the development of entrepreneurship and MSMEs;
- Support development of the priority value chains in the target regions.

Business projects within the small business grants programme may be dealing with the following types of business activities (the list is non-exhaustive and shall be agreed with the UNDP representatives upon its launch):

- procurement of equipment necessary to start production activities;
- procurement of tools to start providing services;
- hiring personnel and covering their wages;
- initial lease of office space, platforms for service provision or production sites;
- initial procurement of feedstock for production/services provision;
- franchising costs, etc.

Conditions and requirements to applicants:

- Applicants should be able to be officially registered as private entrepreneurs;

- Representatives of local communities from Donetsk and Luhansk oblasts should prove their registration of residence;
- Grant applicants may submit only one application and receive only one grant;
- Only one grant can be received by immediate/close family members (namely father, mother, son, daughter, sister, brother, official spouse);
- The grant agreement on financial support between the beneficiary and the grants administrator shall oblige the grantee to return equipment or its full price (in case of damage or loss) if the enterprise is not launched according to business plan within 60 days since the agreement signed;
- Co-financing of at least 25% of total expenses on the business establishment by the grantee, including non-cash payments in the form of equipment, premises or work on premises arrangement, is an obligatory requirement for the financial support;
- Businesses solely aimed at trade and distribution that is not connected to any of the prioritized value chains under the EU funded Call for Proposals will not be supported.
- The persons who have already received similar support from UNDP may not participate in the competition;
- Applicants who qualify themselves as internally displaced persons should confirm their status;
- Women and men are equally encouraged to apply for each Call for Proposals.

IV. BUDGET SIZE AND DURATION

The estimated total funds allocated for the provision of the small business grants to MSME support amounts to 2,846,674.00 US dollars, with the following detailed allocations disaggregated by donors: EU – 2,130,674.00 USD; Government of Poland – 566,000.00 USD; Government of Japan – 150,000.00 USD. The business grants programme must be implemented through four (4) separate Call for Proposals (first (1) for business projects funded by EU in 2019 and amounts to 760,000.00 USD, second (2) for the joint Call for Proposals for the business projects funded by the Government of Japan and the Government of Poland to be conducted in 2019 and amounts to 716,000.00 USD; third and fourth (3 and 4) Call for Proposals under the programme funded by the EU in 2020 and amounts to total 1,370,674.00 USD).

The amounts of grants funded by EU (1st, 3rd and 4th Call for Proposals) will depend on the value of business plans submitted for the Call for Proposals and responsiveness in terms of supporting the expansion and strengthening of selected priority value chains and the maximum amount per grant shall not exceed the equivalent of 6,500 EUR (or 7,610.00 USD).

The amounts of grants funded by the Government of Japan and the Government of Poland (2nd Call for Proposals) shall vary based on the number of jobs stipulated by the business plan submitted for the Contest (1-4 jobs and more), and not exceed the equivalent of 10,000 USD. The 1st and the 2nd Calls for Proposals will be launched with a 1-month interval in 2019.

The total number of grant recipients will be determined based on the requested amount of submitted proposals upon completion of an evaluation process for each Call for Proposal. It is expected to support about 365 business projects in total during the period of Agreement.

The administrative costs related to the implementation of the small business grants programme under this TOR must not exceed the total allocated amount of 411,455.00 USD, with the following allocation available for

the EU funded Call for Proposals (1st, 3rd and 4th Call for Proposals) amounted to 325,455.00 USD; Governments of Poland and Japan's Call for Proposals amounted to 86,000.00 USD. The amount requested in the proposal should be commensurate with the organization's administrative and financial management capabilities.

All activities are expected to be delivered within the 24 months period upon the signature of the Agreement. The anticipated implementation period is June 2019 – May 2021. The organizations are requested to submit a clear dynamic plan for each deliverable within the foreseen timeframe.

V. MONITORING/REPORTING REQUIREMENTS

The Responsible Party shall submit the following reports according to UNDP's format and guidelines. The format of reports shall be agreed at the first stage of the contract implementation programme, but UNDP reserves the right to make further changes and clarifications in the report form.

Types of reports:

- 1) Interim reports, including reports on the work accomplished, results, monitoring, and financial indicators for each Call for Proposals.
- 2) Weekly operational email reports on current results, implementation and issues of the small business grants programme;
- 3) Brief reports periodically submitted upon request of UNDP in cases where it is required to get information on the progress of the programme in between reporting periods;
- 4) Financial statements, that act as the basis for future transfers of the grant pool funds to the Responsible Party;
- 5) Completion annual report at the end of the calendar year including a summary of activities and results, lessons learned and conclusions, end-of-year financial report– till 20 December 2019/2020. Data should be disaggregated by donor;
- 6) Final narrative report including a summary of activities and results, lessons learned and conclusions, as well as the final financial report reflecting the whole period for each Call for Proposals. Data should be disaggregated by donor, gender, age groups and other categories as required by UNDP;

Payments to cover Administrative (management and operational) costs shall be linked to each of the four Calls for Proposal and shall be made in several installments as per the schedule agreed with UNDP upon the Agreement signing.

The Responsible Party shall comply with the system of monitoring, evaluation and quality control introduced by UNDP, and also provide the necessary information, reports and statistical data according to the predetermined schedule *or* as soon as possible (within a reasonable time).

The Interim reports, completion reports, and the final report shall follow the pre-set template agreed with UNDP that includes both substantial and financial parts and shall be shared with the respective official.

As a quality assurance measure, UNDP reserves the right to initiate spot-checks of grantees to conduct interviews and receive feedback on the quality of the Responsible Party's work. The Responsible Party shall

facilitate the process by presenting UNDP with all necessary contacts of the grantees and shall refrain from influencing the impartiality of the assessment procedures.

VI. INSTITUTIONAL ARRANGEMENT

Roles and Responsibilities of the Engaged Responsible Party:

- Allocate the proper and needed skilled personnel to carry out the project's outputs;
- Be responsible of all logistics related to the completion of this assignment including remuneration of staff /experts / administrative issues related to implementation of activities; all materials and tools required for activities completion; transportation; rental; communication; allowances; etc.;
- Ensure proper reach out to beneficiaries;
- Implement and constantly monitor the activities;
- Provide required and ad-hoc comprehensive reports on a timely manner (focusing as well on the outcome).

Role of UNDP

- Provide field supervision and quality assurance by UNDP's personnel;
- Follow up, monitor and evaluate the progress of implementation of activities and manage/mitigate potential risks;
- Approve progress/final reports;

VII. EXPERIENCE AND QUALIFICATION REQUIREMENTS

- Non-governmental, public, charitable, non-profit organization officially registered in Ukraine for at least 3 years;
- Experience in the management of grant programmes (at least two grant programmes with a total number of recipients over 50);
- Experience in project implementation or execution of contracts for the provision of professional services in the area of grant programmes management with a total budget of projects/contracts from USD 100,000.00;
- Legal status of the organization should enable it to receive grants pool from UNDP without the Responsible Party's incurring in tax liabilities;

The Responsible Party must have a team of at least nine members with following roles and required qualifications:

Team Leader/Manager:

- Master's (or equivalent) degree in Economy, Public Administration, Law, Management, Entrepreneurship or related field;
- Minimum 5 years of professional experience in project management,
- Minimum 3 years of experience in implementing projects/programmes/provision of grants or credit loans to fund business plans;
- Excellent knowledge of Ukrainian and Russian. Working knowledge of English would be considered as an asset.

Entrepreneurship Expert (at least 3 persons):

- Bachelor's (or higher) degree in Economy, Entrepreneurship, Management or related field;
- Minimum 3 years of experience in local economic development or business development;
- Experience in the evaluation of business plans as a part of the grant or loan programmes (proven participation in at least one programme);
- Excellent knowledge of Ukrainian and Russian.

Finance Associate:

- Bachelor's (or higher) degree in Finance, Accounting and Audit or other related fields relevant to the financial administration of the small grants scheme;
- Minimum 2 years of experience of financial management in implementing projects/programmes/provision of grants or credit loans;
- Minimum 3 years of experience in providing financial / accounting to international technical assistance organizations or other donors/customers;
- Excellent knowledge of Ukrainian and Russian.

Programme Associate (responsible for administrative issues and communication with the programme beneficiaries)

- Bachelor's (or higher) degree in Economy, Public Administration, Entrepreneurship, Management or related field;
- Minimum 3 years of experience in administrative and organizational work;
- Minimum 2 years of experience in working with clients.
- Excellent knowledge of Ukrainian and Russian.

Regional Coordinator (at least 3 persons)

- Bachelor's (or higher) degree in Economy, Entrepreneurship, Management or related field;
- Sound knowledge of business conditions in each of the target regions (Luhansk and Donetsk oblasts);
- Minimum 3 years of experience in local economic development or business development;
- Permanent residence in one of the target regions (Luhansk and Donetsk oblasts);
- Excellent knowledge of Ukrainian and Russian.

VIII. DOCUMENTS TO BE SUBMITTED IN A TECHNICAL PROPOSAL AND A FINANCE PROPOSAL:

Technical Proposal should provide among others a contextual analysis/background information, proposed methodology and approach, including objectives and clear outputs that will be achieved within the lifecycle of each suggested activity.

- ☒ A letter of interest / letter of offer, which outlines previous experience in implementing similar programmes and competitive advantages of the applicant company;
- ☒ A work plan with the proposed work schedule indicating the persons responsible for each area of activity;
- ☒ Description of the management methodology and implementation of the small business grants programme, which should include the following:
 - Communication strategy and plan for dissemination of information about the contest, including cooperation with the media and NGOs, placement of information via online resources and social networks;

- Description of the online application system with a timeframe for its launch if not developed yet;
- Description of organization of all stages of the project proposals evaluation process with proposed criteria for evaluating business plans and evaluation procedures;
- Description of the mechanism of transferring funds to grantees, a prerequisite of which is that no or minimal tax obligations of the grantees shall arise in connection with the grant funds receipt;
- Procedure for monitoring and evaluation of the business projects, including the admission procedures and inspection reports description, quality control methods;
- Description of communication tools available for interaction with applicants and grantees, which should include but not limited to a telephone hotline;
- Description of the grant funds returning procedure and brief on raised lawsuits within the previous projects and their results;
- Personal CVs of Project Team, including information about past experience in similar projects / assignments;
- Quality assurance plan;
- At least 3 reference letters from the previous customers/clients/partners reflecting the nature of projects implemented, their results and the role of the applicant.

The financial proposal is expected to provide a clear budget, with itemized costs, for designing and implementing activities. The financial proposal should indicate the all-inclusive fixed total contract price, supported by a breakdown of costs for each activity.

Budget allocation would include, for example, but to be limited to: Remuneration of Staff / Trainers / Experts; all materials and tools required for activities completion; all logistical fees for trainings and sessions; transportation; management fees; rental; communication; food and beverages; accommodation; allowances; etc.

IX. PROPOSED PAYMENT SCHEDULE:

The schedule of payments for the grants administration services will be agreed with the Responsible Party before the start of the assignment. Payments to the Responsible Party to cover Administrative (management and operational) costs will be linked to deliverables (completion of each of four (4) Call for Proposals) and executed upon submission and acceptance of the Final Report (including Final Financial Report, including final list of beneficiaries and the Impact Assessment Report).

A preliminary schedule is provided below.

Upon completion of each of four (4) Call for Proposals and acceptance of the Final Report for each competition the Responsible Party receives the payment envisaged in the proposal but not exceeding the maximum allocation provided by the donor (EU, Government of Poland, Government of Japan).

TOR approved by:

Victor Munteanu, Technical Specialist
UNDP Recovery and Peacebuilding Programme



Evaluation criteria

(The companies/organizations that are compliant with minimum evaluation criteria will be passed to technical evaluation)

1. Officially registered organization (non-governmental, public, charitable, non-profit, at least 3 years;
2. Experience in the management of grant programmes / provision of credit loans (at least two programmes with total number of recipients over 50);
3. Experience in project implementation or execution of contracts for provision of professional services in the area of grant programmes management / providing credit loans with a total budget of projects / contracts from USD 100,000.00;

Technical criteria:

Summary of Technical Proposal Evaluation Form	Score Weight	Max Points obtainable
Expertise of Firm/Organization	36%	360
Proposed Methodology, Approach and Implementation Plan	36%	360
Personnel	28%	280
Total	100%	1000

Forms of assessment of technical proposals are given in the next two pages. The maximum score that may be received for each assessment criterion indicates the relative significance or part of such a criterion in the overall assessment process.

Assessment of technical proposal		Maximum score	NGO/ CSO		
Form 1			A	B	C
Experience of the company / organization submitting the proposal					
1.1	Officially registered organization (non-governmental, public, charitable, non-profit) (minimum 3 years – 50 points, 4-5 years – 60 points, 6–7 years- 70 points, 8 years or more – 80 points).	80			
1.2	Experience in the management of grant programmes / provision of credit loans: <ul style="list-style-type: none">- number of successfully implemented programmes: 2 programmes – 50 points, 3 programmes – 60 points, 4 programmes and more – 70 points);- total number of recipients under the implemented programmes: 50-99 people/entities – 50 points, 100-199 people/entities – 60 points, 200 people/entities or more – 70 points.	140			
1.3	Experience in project implementation or execution of contracts for provision of professional services in the area	140			

	of grant programmes management / providing credit loans with a total budget of projects / contracts: <ul style="list-style-type: none"> - \$100,001.00–200,000.00 – 80 points; - \$200,001.00–300,000.00 – 100 points; - \$300,001.00–400,000.00 – 120 points; - \$400,001.00 or more – 140 points. 				
Overall score on Form 1		360			

Assessment of technical proposal		Maximum score	Company / Other organization		
Form 2			A	B	C
Proposed work plan, methodology and approach					
2.1	How well-elaborated and is the communication strategy to promote the small business grants programme implementation? - The proposed communication channels include Contest web page and at least three additional resources – up to 10 points; - The information strategy envisages at least three press-conferences for each Call for proposals in each of the target regions – up to 10 points; - Proposed system for response to inquiries from potential applicants oriented to provide prompt feedback and processing of all inquiries – up to 10 points.	30			
2.2	How well developed is a system of feedback and communication with applicants and grantees? - The approach provides for a telephone hotline and details its method, the schedule and features of its operation – up to 20 points; - The tool for registration of applications provides online format and prompt registration, identification of repeated applications, granting the status of each application, the possibility of automatic responses to participants and creation of a database and mailing list – 20 points.	40			
2.3	How well-developed is a proposed approach to the process of evaluation of applications? - The suggested evaluation system provides three steps described in the specifications and contains a detailed description of the methodology at each stage – up to 20 points;	80			

	<ul style="list-style-type: none"> - The methodology for applications evaluation is reasonable and realistic, complies with the competition objectives and allows to assess the application potential – 20 points; - The process of evaluating applications is transparent and impartial, it envisages the involvement of the independent evaluation committee at a final stage (specified composition and ways of attracting committee members, spelled assessment methodology and operational procedure of the evaluation committee) – 20 points; - The proposed timeframe and logistics for arranging independent professionals/experts is realistic and addressing ToRs requirements – up to 20 points. 				
2.4	<p>How well-developed and robust is the methodology for monitoring and evaluation of implementation of projects having received grants?</p> <ul style="list-style-type: none"> - The proposed monitoring implementation plan has realistic timeframe and logistics arrangements – up to 20 points; - The monitoring and evaluation methodology suggested is realistic, unified for all grantees and is able to analyze progress of grants implementation based on clear evaluation method – up to 20 points; - The proposed monitoring and reporting mechanism shows sufficient capacity of the Responsible Party to provide counseling on reporting issues to grantees – up to 20 points. 	60			
2.5	<p>How well developed and realistic is the mechanism of funds provision to grantors?</p> <ul style="list-style-type: none"> - The mechanism involves the development and signing of agreements with grantors – up to 20 points; - The mechanism includes a detailed list and description of the conditions under which funds are allocated to grantors (legal registration, existence of a bank account, etc.) – up to 20 points. - The mechanism of providing and receiving the grant does not entail tax liabilities in crediting of funds Responsible Party and entails no or minimal tax liabilities for the recipients¹ – up to 20 points 	60			

¹ The proposed mechanism should be in line with the applicable Ukrainian legislation

2.6	<p>How well-developed and realistic is the proposed grant funds returning procedure in case where a grantee violates or does not implement in full scope the terms of the agreement?</p> <ul style="list-style-type: none"> - The proposed procedure ensures monitoring and timely identification of risks of grantees undue performance – up to 15 points; - The mechanism for withdrawal of funds is realistic, based on the legislation of Ukraine and contains references to specific laws, etc. – up to 15 points; - The proposed procedure includes mechanism of reallocation of withdrawn funds/assets to other applicants – up to 15 points. 	45			
2.7	<p>How well-elaborated is the proposed plan of work and suggested timeline?</p> <ul style="list-style-type: none"> - Weekly detailed elaboration of a work plan – 10 points - Daily detailed elaboration of a work plan – 10 points; - The schedule is realistic and meets the assignment timeframe – 25 points. 	45			
Overall score on Form 2		360			

Assessment of technical proposal Form 3		Maximum score	Company / Other organization		
			A	B	C
Personnel					
	Team Leader/Manager				
3.1	Experience in project management (5 years – 10 points, 6–7 years – 15 points, 8 years and more – 20 points).	20			
3.2	Experience in the implementation of projects / programmes / provision of grants or credit loans to finance business plans (3 years – 15 points, 4–6 years – 20 points, 7 years and more – 25 points).	25			
3.3	Higher education in Economy, Public Administration, Law, Management, Entrepreneurship or related field (Master's (or equivalent) – 10 points, PhD or higher – 15 points).	15			
3.4	Language command (Ukrainian, Russian) – 5 points, Ukrainian, Russian and English (working level) – 10 points).	10			
Interim score according to criteria 3.1–3.4		70			
	Other Experts – Entrepreneurship Expert (at least 3 persons)				
3.5	Experience in local economic development or business development (3 years – 10 points, 4–6 years – 15 points, 7 years or more – 20 points).	20			
3.6	Experience in the evaluation of business plans as a part of the grant or loan programmes (1 programme – 10 points, 2 programmes – 15 points, 3 programmes and more – 20 points).	20			
3.7	Education in Economy, Entrepreneurship, Management or related field (Bachelor's degree or equivalent – 5 points, Master's – 10 points, PhD or higher – 15 points).	15			
3.8	Language command (Ukrainian, Russian) – 5 points.	5			
Interim score according to criteria 3.5–3.8		60			
	Other Experts – Finance Associate				
3.9	Experience in financial management in implementing projects / programmes / provision of grants or credit loans (2 years – 5 points, 3–6 years – 10 points, 7 years and more – 15 points).	15			
3.10	Experience in providing financial / accounting to international technical assistance organizations or other	15			

	donors / customers (3 years – 5 points, 4–5 years – 10 points, 6 years or more – 15 points).				
3.11	Higher education in Finance, Accounting and Audit or other related field relevant to financial administration of the small grants scheme (Bachelor's degree or equivalent – 5 points, Master's – 7 points, PhD or higher – 10 points).	10			
3.12	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.9–3.12	45			
	Other Experts – Programme Associate				
3.13	Experience in administrative and organizational work (3 years – 5 points, 4–6 years – 10 points, 7 years and more – 15 points).	15			
3.14	Experience in working with clients (2 years – 5 points, 3–5 years – 7 points, 6 years or more – 10 points).	10			
3.15	Higher education in Economy, Public Administration, Entrepreneurship, Management or related field (Bachelor's degree or equivalent – 5 points, Master's – 7 points, PhD or higher – 10 points).	10			
3.16	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.13–3.16	40			
	Other Experts – Regional Coordinator (at least 3 persons)				
3.17	Experience in local economic development or business development (3 years – 10 points, 4–6 years – 15 points, 7 years and more – 20 points).	20			
3.18	Sound knowledge of business conditions in each of the target regions: Luhansk and Donetsk oblasts (2 years of experience in the respective region – 10 points, 3–5 years – 15 points, 6 years or more – 20 points).	20			
3.19	Higher education in Economy, Entrepreneurship, Management or related field (Bachelor's degree or equivalent – 10 points, Master's – 15 points, PhD or higher – 20 points).	20			
3.20	Language command (Ukrainian, Russian) – 5 points	5			
	Interim score according to criteria 3.9–3.11	65			
Overall score on Form 3		280			

Annex II – Capacity Assessment Checklist for CSO/NGO

Interested NGOs are requested to fill out the below questionnaire, attaching supporting documentation as much as possible.

If you are an international NGO, please provide information relating to your local presence in this country only.

Please note that attachments should be provided to support each answer. Extraneous information not directly responding to the questions will constrain the ability of UNDP to positively assess the NGOs alignment with UNDP requirements.

Topic	Areas of Inquiry Please Attach Supporting Documentation for Each Question	Response
1. Proscribed organizations	a. Is the NGO listed in the UN's list of proscribed organizations, UNDP Vendor Sanctions List, or indicted by the International Criminal Court?	
	b. Is the NGO banned by any other institution? If, yes, please provide information regarding the institution and reasons.	
2. Funding Sources	a. Who are the CSO/NGO's key donors?	
	b. How much percentage share was contributed by each donor during the last 2 years?	
	c. How many projects has each donor funded since the CSO/NGO's inception?	
	d. How much cumulative financial contribution was provided for each project by each donor?	
	e. How is the CSO/NGO's management cost funded?	
3. Audit	a. Did the CSO/NGO have an audit within the last two years?	
	b. Are the audits conducted by an officially accredited independent entity? If yes, provide name.	
4. Leadership and Governance Capacities	a. What is the structure of the CSO/NGO's governing body? Please provide Organigramme.	
	b. Does the CSO/NGO have a formal oversight mechanism in place?	
	c. Does the CSO/NGO have formally established internal procedures in the area of: <ul style="list-style-type: none"> • Project Planning and Budgeting • Financial Management and Internal Control Framework • Procurement • Human Resources • Reporting • Monitoring and Evaluation 	

	d. Asset and Inventory Management	
	e. Other	
	f. What is the CSO/NGO's mechanism for handling legal affairs?	
	g. Ability to work (prepare proposals) and report in English	
5. Personnel Capacities	a. What are the positions in the CSO/NGO that are empowered to make key corporate decisions? Please provide CVs of these staff	
	b. Which positions in the CSO/NGO lead the areas of project management, finance, procurement, and human resources? Please provide CVs of these staff	
6. Infrastructure and Equipment Capacities	a. Where does the CSO/NGO have an official presence? Please provide details on duration and type of presence (e.g. field offices, laboratories, equipment, software, technical data bases, etc.)	
	b. What resources and mechanisms are available by the CSO/NGO for transporting people and materials?	
7. Quality Assurance	a. Please provide references who may be contacted for feedback on the CSO/NGO's performance regarding: <ul style="list-style-type: none"> • Delivery compared to original planning • Expenditure compared to budget • Timeliness of implementation • Timeliness and quality of reports • Quality of Results 	

Annex III Financial Proposal

Cost Breakdown by Cost Component:

The Proposers are requested to provide the cost breakdown based on the following format. UNDP shall use the cost breakdown for the price reasonability assessment purposes as well as the calculation of price in the event that both parties have agreed to add new deliverables to the scope of Services.

Cost breakdown for base case scenario (amount of grants allocated and managed equals 365).

The bidders are requested not to modify/alter line 1 (Grant Funds Pool) but keep it in their financial proposal.

Important! Payment of expenses in the organisation of Evaluation Committees associated with the lease of premises, organisation of coffee breaks and reimbursement for travel of the grant competition participants will be made by the UNDP contractor – organising company. These costs will NOT be included in the financial proposal.

NO.	Activity / expenses	Quantity / duration	Description of expenses	Cost per unit	Total
1	Grant funds pool				2,846,674.00
2	Personnel				
	Project manager	24	month		
	Entrepreneurship Expert 1	4	month		
	Entrepreneurship Expert 2	4	month		
	Entrepreneurship Expert 3	4	month		
	Programme Associate	24	month		
	Regional Coordinator 1	20	month		
	Regional Coordinator 2	20	month		
	Regional Coordinator 3	20	month		
	Other specialists (if any)				
	...				
3	Grant funds administration (transfer of funds, monitoring of projects, etc.)	2,846,674.00	USD		
	Other costs (please indicate if any)				
	...				
4	Organization of application process				
	Design/update and launch of the online application tool	1	Item		
	Maintenance of the online application tool	24	month		
	Other costs (please indicate if any)				
	...				
5	Dissemination of information about the business grants contest				
	Organising press conferences at the regional level	12	event		
	Development of a web-page for each Call for Proposals	4	item		

	Design and printing of info materials (if necessary)				
	Advertising campaign	4			
	Other (if applicable)				
	...				
6	Office costs				
	Rent (if applicable)		month		
	Communication charges (telephone)	24	month		
	Internet	24	month		
	Consumables for office				
	Printing (if applicable)				
	Postal charges		item		
	...				
7	Business trips				
	Travel		one travel		
	Accommodation		day		
	Daily allowance		day		
8	Overhead costs (if any – outline activities / expenses)				
	...				
	Total				

The total amount of administrative costs related to the implementation of the small business grants programme must not exceed 411,455.00 USD

Annex IV – Responsible Party Agreement Template**RESPONSIBLE PARTY AGREEMENT****[Reference No. insert reference number, if any; if none, delete bracketed text]**

1. Country: [Click here and enter Host Country name]	
2. Name of Civil Society Organization (CSO): "[Click here and enter full name of CSO]" incorporated under the laws of "[Click here and enter jurisdiction of incorporation]" with address at "[Click here and enter full address of CSO]"	
3. Project Number and Title: "[Click here and enter Project number (if any) and title]"	
4. Implementation Period: From [Click here and enter date] to [Click here and enter date]	
5. Budget: Up to the amount of US\$ [Click here and enter amount] ([Click here and amount in words] United States Dollars)	
6. Information for CSO Bank Account into Which Funds Will Be Disbursed: Account Name: [Click here and enter Owner of Bank Account] Account Title: [Click here and enter Account Title] Account Number: [Click here and enter Account Number] Bank Name: [Click here and enter Bank name] Bank Address: [Click here and enter Bank Address] Bank SWIFT Code: [Click here and enter Bank SWIFT Code] Bank Code: [Click here and enter Bank Code] Routing instructions for disbursements: [Click here and enter any additional instructions]	
7. Notices to CSO: Name: Address: Tel: Fax: Email:	8. Notices to UNDP: Name: Address: Tel: Fax: Email:
9. Signed for "[Click here and enter CSO name]" by its Authorized Representative Date: _____ Signature: _____	
10. Signed for the United Nations Development Programme by its Authorized Representative Date: _____ Signature: _____	

The following documents constitute the entire Agreement (the “Agreement”) between the Parties and supersedes all prior agreements, understandings, communications and representations concerning the subject matter: this face sheet (“Face Sheet”)
[Special Conditions][*delete if no Special Conditions are identified*]
Standard Terms and Conditions
Annex A – Project Document (including the Work Plan)
Annex B – CSO Technical and Financial Proposals
If there is inconsistency between any of the documents forming part of this Agreement, the Agreement will be interpreted in the above order of priority.

STANDARD TERMS AND CONDITIONS

WHEREAS the Government of the Host Country indicated in block 1 of the Face Sheet and the United Nations Development Programme, a subsidiary organ of the United Nations established by the General Assembly of the United Nations (hereinafter “UNDP”) concluded a project document (hereinafter the “Project Document”) for the project named in block 3 of the Face Sheet (hereinafter the “Project”);

WHEREAS, pursuant to the Project Document, UNDP serves as an implementing partner under the Project;

WHEREAS in its capacity as an implementing partner, UNDP has selected the civil society organization named in block 2 of the Face Sheet (hereinafter the “CSO”), as a responsible party to implement activities (hereinafter the “Activities”) and achieve deliverables (hereinafter the “Deliverables”) within the time frames and pursuant to the budget set forth in the Work Plan which forms part of the Project Document (hereinafter the “Work Plan”);

WHEREAS UNDP and the CSO (together referred to as the “Parties” or, individually, a “Party”), pursuant to their respective mandates and policies, share a common aim in the furtherance of sustainable development; and

WHEREAS the CSO understands and agrees that the overall goal of this Agreement is to contribute to producing the outputs and achieving the outcomes set forth in the Project Document.

NOW, THEREFORE, on the basis of mutual trust and in the spirit of cooperation, the Parties have entered into this Agreement under the terms and conditions set forth herein.

1.0 Objectives and General Responsibilities of the Parties

1.1 The Parties agree that the main objective of this Agreement is to further the goals of the Project through the successful implementation of the Activities and achievement of the Deliverables.

1.2 Consistent with this objective, the CSO shall commence and implement the Activities and achieve the Deliverables with due diligence and efficiency, pursuant to the schedule set forth in the Work Plan, and in accordance with the terms and conditions of this Agreement. The Activities must be consistent with the regulations, rules, policies and procedures of UNDP.

1.3 All deadlines and time limits contained in this Agreement shall be deemed to be of the essence in respect of the implementation of the Activities and achievement of the Deliverables under this Agreement.

1.4 Any information or data provided by the CSO to UNDP for the purpose of entering into this Agreement, as well as the quality of the Activities, Deliverables and reports foreseen under this Agreement, will conform to the highest professional standards.

1.5 The Parties shall on a regular basis keep each other informed of, and consult on matters pertaining to the implementation of the Activities and achievement of the Deliverables under this Agreement.

2.0 Financial Arrangements

2.1 Pursuant to the budget contained in the Work Plan, UNDP shall make available to the CSO funds up to the maximum amount indicated in block 5 of the Face Sheet upon timely achievement of the Deliverables and in accordance with the schedule set forth in the Work Plan.

2.2 The amounts stated above shall not be subject to any adjustment or revision because of price or currency fluctuations, or the actual costs incurred by the CSO in the implementation of the Activities.

2.3 All payments shall be made by UNDP to the CSO bank account indicated in block 6 of the Face Sheet.

2.4 Payments effected by UNDP to the CSO shall be deemed neither to relieve the CSO of its obligations under this Agreement nor as acceptance by UNDP of the CSO’s performance of the Activities.

2.5 The CSO shall notify UNDP about any expected budget variations. The CSO shall be authorized to make variations not exceeding twenty (20) per cent on any one budget line item in the Work Plan, provided

that the maximum amount allocated by UNDP pursuant to paragraph 2.1 above, is not exceeded. Any variations exceeding twenty (20) per cent on any one budget line item that may be necessary for the proper and successful implementation of the Activities under this Agreement shall be subject to prior consultations with, and written approval by, UNDP.

2.6 UNDP shall not be liable for the payment of any expenses, fees, tolls, or any other costs not expressly provided for in the Work Plan, not authorized by UNDP pursuant to the preceding paragraph, or exceeding the maximum amount referred to in paragraph 2.1 above.

2.7 Unless otherwise agreed in writing by UNDP, the CSO shall return all unspent funds and income (including interest) to UNDP within one (1) month of completion of the Activities or termination of this Agreement, whichever is earlier.

3.0 Refund

3.1 The CSO shall disburse the funds made available to it by UNDP and incur expenditures in connection with the Activities on the terms and conditions set forth in this Agreement and the Work Plan. In the event that the CSO disburses the funds or incurs expenditures in violation of this Agreement and/or the Work Plan, notwithstanding the availability or exercise of any other remedies under this Agreement, the CSO shall refund the amounts to UNDP not later than thirty (30) days after the CSO receives a written request for such refund from UNDP. Failing that, UNDP may deduct the amount of the requested refund from any payments due to the CSO under this Agreement.

4.0 The CSO Personnel

4.1 The CSO shall be fully responsible and liable for all persons engaged by it in connection with the Activities, including employees, consultants, agents, accountants, advisers, and contractors (hereinafter the "CSO Personnel"). The CSO shall ensure that the CSO Personnel meet the highest standards of professional qualifications and competence necessary for the implementation of the Activities and achievement of the Deliverables under this Agreement, are free from any conflicts of interest related to the Activities, respect the local laws and customs, and conform to the highest standards of moral and ethical conduct.

4.2 The CSO Personnel shall not be considered in any respect as being the officials, personnel, employees, staff or agents of UNDP or the United Nations.

4.3 The CSO agrees and shall ensure that the CSO Personnel performing the Activities under this Agreement:

- a) Shall not seek nor accept instructions regarding the Project from any Government or other authority external to the CSO or UNDP;
- b) Shall refrain from any conduct that would adversely reflect on UNDP or the United Nations, and shall not engage in any activity that is incompatible with the aims, objectives or mandate of UNDP or the United Nations; and
- c) Shall not use information that is considered confidential without the prior written authorization of UNDP, as required by Article 12.0 below.

4.4 The CSO's decisions related to the CSO Personnel, including employment or dismissal, shall be free of discrimination on the basis of race, religion or creed, ethnicity or national origin, gender, sexual orientation, handicapped status, or other similar factors.

5.0 Assignment

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

6.0 Contracting

6.1 In the event the CSO requires the services of contractors, the CSO shall remain responsible for their acts and omissions in relation to the Activities as if they were the acts and omissions of the CSO. The terms of any contract with any such contractor shall be subject to and conform to the provisions of this Agreement.

7.0 Procurement

7.1 Procurement of goods, services and technical assistance required under the Work Plan will be conducted by the CSO in accordance with the principles of highest quality, transparency, economy and efficiency. Such procurement will be based on the assessment of competitive quotations, bids, or other proposals, unless otherwise agreed in writing by UNDP.

8.0 Equipment

8.1 Any non-consumable supplies, equipment, vehicles and materials financed by UNDP or furnished by UNDP to the CSO under this Agreement (hereinafter the "Equipment") shall remain the property of UNDP.

8.2 The CSO shall be responsible for the proper custody, maintenance and care of the Equipment. It shall also maintain complete and accurate records of the Equipment, and shall regularly verify the inventory thereof. In addition, it shall purchase and maintain appropriate insurance for the Equipment in the amounts agreed upon between the Parties and incorporated in the budget contained in the Work Plan.

8.3 UNDP shall provide reasonable assistance to the CSO in connection with clearing the Equipment through customs at ports of entry into the country where the Activities are to be implemented.

8.4 In the event of damage, theft, loss or other forfeiture of the Equipment, the CSO shall provide UNDP with a complete written report supported, where appropriate, by a police report and any other evidence, giving full particulars of the events leading to the loss of, or damage to the Equipment.

8.5 The CSO shall return the Equipment to UNDP within thirty (30) days upon completion of the Activities or termination of this Agreement, whichever is earlier, or when no longer needed by the CSO. When returned to UNDP, the Equipment shall be in the same condition as when furnished to the CSO, subject to normal wear and tear.

8.6 UNDP may request compensation for the damaged, stolen, lost or otherwise forfeited Equipment, or the Equipment determined by UNDP to be degraded beyond normal wear and tear. If the CSO fails to compensate UNDP within thirty (30) days of UNDP's request, UNDP may deduct the amount thereof from any payments due to the CSO under this Agreement.

9.0 Copyrights, Patents, and Other Proprietary Rights

9.1 Except as may be otherwise agreed by the Parties in this Agreement, 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 CSO has developed for UNDP under this Agreement and which bear a direct relation to, or are produced, prepared or collected in consequence of, or during the course of, the performance of this Agreement. The CSO acknowledges and agrees that such products, documents and other materials constitute works made for hire for UNDP.

9.2 The CSO shall be responsible for obtaining any licenses and permits required by national laws in connection with the Activities. UNDP shall cooperate as appropriate and necessary.

10.0 Reporting

10.1 The CSO shall report to UNDP on the implementation of the Activities and achievement of the Deliverables under this Agreement.

10.2 The CSO shall provide UNDP with (a) quarterly reports, due within thirty (30) days after the end of each quarter; (b) if the duration of this Agreement exceeds one (1) year, annual reports, due within sixty (60) days after the end of each year; and (c) a final report, due within sixty (60) days after the completion of the Activities or expiration or prior termination of this Agreement.

10.3 Each report must be written in the English language and must, *inter alia*, contain information on:

- a) Activities carried out under the Agreement during the reported period;
- b) Progress towards achieving the Deliverables during the reported period;
- c) Corresponding indicators, baselines, sources of data, and data collection methods;
- d) Any new issues, risks, challenges and opportunities that should be considered in implementing the Activities;
- e) Financial data, including cash receipts and disbursements incurred by the CSO, reconciliation of outstanding advances and foreign exchange loss or gain during the reported period, if applicable; and
- f) Cumulative financial data, showing satisfactory management and use of UNDP resources.

10.4 In addition, the annual report and final reports, referred to in paragraph 10.2 above, must contain audited financial statements and records related to the Activities.

10.5 The CSO shall provide such additional reports related to the Activities as may be reasonably required by UNDP under its regulations, rules, policies and procedures.

11.0 Maintenance of Records

11.1 The CSO shall keep accurate and up-to-date records and documents, including original invoices, bills, and receipts pertinent to each transaction related to the Activities under this Agreement.

11.2 The CSO shall promptly disclose to UNDP any income, including interest, arising from the Activities. Such income shall be reflected in a revised Work Plan and recorded as accrued income to UNDP, unless otherwise agreed by the Parties.

11.3 Upon completion of the Activities, or the termination of this Agreement, the CSO shall maintain the records for a period of at least five (5) years, unless otherwise agreed by the Parties.

12.0 Confidentiality

12.1 Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party to the other Party during the term of this Agreement shall be considered confidential and shall be handled pursuant to the UNDP Information Disclosure Policy, not attached hereto but known to and in the possession of the Parties.

12.2 The CSO may disclose information to the extent required by law, provided that and without any waiver of the privileges and immunities of the United Nations, the CSO will give UNDP sufficient prior notice of a request for the disclosure of information in order to allow UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

12.3 UNDP may disclose information to the extent required pursuant to the Charter of the United Nations, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General of the United Nations.

12.4 These obligations shall not lapse upon completion of the Activities or termination of this Agreement, whichever is earlier.

13.0 Insurance and Liabilities to Third Parties

13.1 The CSO shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used in connection with the Activities under this Agreement.

13.2 The CSO shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to the CSO Personnel to cover claims for personal injury or death in connection with this Agreement.

13.3 The CSO 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 Activities, as well as the use of the Equipment owned or leased by the CSO or the CSO Personnel, or furnished or financed by UNDP pursuant to Article 8.0 above.

14.0 Indemnity

14.1 The CSO shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials and persons performing services for UNDP from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) or relating to acts or omissions of the CSO, including the CSO Personnel, under this Agreement. This provision shall extend, *inter alia*, to claims and liability in the nature of workmen's compensation, damage to property or other hazards that may be suffered by the CSO Personnel as a result of their services pertaining to the Activities, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the CSO or the CSO Personnel.

15.0 Tax Exemptions

15.1 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 CSO shall immediately consult with UNDP to determine a mutually acceptable solution.

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

16.0 Security and Anti-Terrorism

16.1 The responsibility for the safety and security of the CSO and the CSO Personnel and property, as well as of the Equipment and other UNDP property in the CSO's custody, shall rest with the CSO.

16.2 UNDP reserves the right to verify whether the necessary security arrangements are in place, and to suggest modifications thereto when necessary. 16.3 The CSO agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received under this Agreement are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/1267.htm>. This provision must be included in all contracts entered into under this Agreement.

17.0 Audit and Investigations

17.1 All payments made by UNDP under this Agreement shall be subject to a post-payment audit by auditors, whether internal or external, of UNDP or by other authorized and qualified agents of UNDP at any time during the term of this Agreement and for a period of five (5) years following the completion of the Activities or the termination of this Agreement.

17.2 The CSO acknowledges and agrees that, from time to time, UNDP may conduct investigations relating to any aspect of this Agreement or the selection of the CSO as a responsible party, the obligations performed under this Agreement, and the operations of the CSO generally relating to the performance of this Agreement. The right of UNDP to conduct an investigation and the CSO's obligation to comply with such an investigation shall not lapse upon completion of the Activities or the termination of this Agreement, whichever is earlier.

17.3 The CSO shall provide its full and timely cooperation with any post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the CSO's obligation to make available the CSO Personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions, and to grant to UNDP access to the CSO's premises at reasonable times and on reasonable conditions. The CSO shall cause the CSO Personnel to reasonably cooperate with any post-payment audits or investigations carried out by UNDP hereunder.

17.4 UNDP shall be entitled to a refund from the CSO for any amounts shown by audits and investigations to have been paid by UNDP other than in accordance with the terms and conditions of this Agreement.

18.0 Force Majeure

18.1 In the event of, and as soon as possible after, the occurrence of any cause constituting *force majeure*, the Party affected by it shall give the other Party notice and full particulars in writing of such occurrence. If the affected Party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under this Agreement, the Parties shall consult on the appropriate action to be taken, which may include termination of this Agreement by UNDP pursuant to Article 28.0, or termination of this Agreement by the CSO with at least seven (7) days written notice of such termination.

18.2 In the event that this Agreement is terminated owing to causes constituting *force majeure*, the provisions of Article 28.0 below, shall apply.

18.3 *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, provided that such acts arise from causes beyond the control and without the fault or negligence of the Party invoking *force majeure*. The CSO acknowledges and agrees that, with respect to any obligations under this Agreement that the CSO must perform in areas in which the United Nations 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 this Agreement.

19.0 Use of the Name, Emblem and Official Seal of UNDP

19.1 The CSO shall only use the name (including abbreviations), emblem or official seal of the United Nations or UNDP in direct connection with the Activities under this Agreement and upon receiving prior written consent of UNDP. Under no circumstances shall such consent be provided in connection with the use of the name (including abbreviations), emblem or official seal of the United Nations or UNDP for commercial purposes or goodwill.

19.2 The Parties shall cooperate in any public relations or publicity exercises when UNDP deems these appropriate or useful.

20.0 Privileges and Immunities

20.1 Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNDP.

21.0 Officials Not to Benefit

21.1 The CSO represents and warrants that it has not and shall not offer any direct or indirect benefit arising from or related to the performance of the Agreement or the award thereof, to any representative, official, employee, or other agent of UNDP.

22.0 Observance of the Law

22.1 The CSO shall comply with all laws, ordinances, rules, and regulations applicable to the performance of its obligations under this Agreement.

23.0 Child Labor

23.1 The CSO represents and warrants that neither it, its parent entities (if any), any of the CSO's subsidiary or affiliated entities (if any) nor the CSO Personnel are 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.

24.0 Mines

24.1 The CSO represents and warrants that neither it, its parent entities (if any), any of the CSO's subsidiaries or affiliated entities (if any) nor any CSO Personnel is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

25.0 Sexual Exploitation

25.1 In the performance of this Agreement, the CSO shall comply with the Standards of Conduct set forth in the Secretary-General's bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse." In particular, the CSO shall not engage in any conduct that would constitute sexual exploitation or sexual abuse, as defined in that bulletin.

25.2 The CSO shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by the CSO Personnel. 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 CSO shall refrain from, and shall take all reasonable and appropriate measures to prohibit the CSO Personnel or any other persons engaged and controlled by it from exchanging any money, goods, services, 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 CSO acknowledges and agrees that the provisions of this Article 25.0 constitute an essential term of the Agreement and that any breach of these provisions shall entitle UNDP to terminate the Agreement immediately upon notice to the CSO, without any liability for termination charges or any other liability of any kind.

25.3 UNDP shall not apply the foregoing standard relating to age in any case in which the CSO Personnel 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 CSO Personnel.

26.0 Conflicts of Interest; Anti-Corruption

26.1 The Parties agree that it is important that all necessary precautions are taken to avoid conflicts of interest and corrupt practices. To this end, the CSO shall maintain standards of conflict that govern the performance of the CSO Personnel, including the prohibition of conflicts of interest and corrupt practices in connection with the award and administration of contracts, grants, or other benefits.

26.2 The CSO and persons affiliated with it, including the CSO Personnel, shall not engage in the following practices:

- a) participating in the selection, award, or administration of a contract, grant or other benefit or transaction funded by UNDP, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest;
- b) participating in such transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment;
- c) offering, giving, soliciting or receiving gratuities, favors, gifts or anything else of value to influence the action of any person involvement in a procurement process or contract execution;
- d) misrepresenting or omitting facts in order to influence the procurement process or the execution of a contract;
- e) engaging in a scheme or arrangement between two or more bidders, with or without the knowledge of the CSP, designed to establish bid prices at artificial, non-competitive levels; or
- f) participating in any other practice that is or could be construed as an illegal or corrupt practice under domestic law.

26.3 If the CSO has knowledge or becomes aware of any of the practices outlined in paragraph 2 of this Article 26 undertaken by anyone affiliated with the CSO, the CSO shall immediately disclose the existence of such practices to UNDP.

26.4 The CSO acknowledges and agrees that each of the provisions in Articles 21 to 26 hereof constitutes an essential term of the Agreement and that any breach of any of these provisions shall entitle UNDP to terminate the Agreement or any other contract with UNDP immediately upon notice to the CSO, without any liability for termination charges or any other liability of any kind. In addition, nothing herein shall limit the right of UNDP to refer any alleged breach of the said essential terms to the relevant national authorities for appropriate legal action.

27.0 Dispute Settlement

27.1 The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement, 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 Conciliation Rules then obtaining of the United Nations Commission on International Trade Law ("UNCITRAL"), or according to such other procedure as may be agreed between the Parties in writing.

27.2 If such dispute, controversy or claim between the Parties is not settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, it 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. 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") and Article 34 ("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.

28.0 Termination of this Agreement

28.1 The Parties recognize that successful implementation and completion of the Activities and achievement of the Deliverables are of paramount importance, and that UNDP may find it necessary to terminate or to modify the Activities, should circumstances arise that jeopardize successful completion of the Project. The provisions of the present Article shall apply to any such situation.

28.2 UNDP shall consult with the CSO if any circumstances arise that, in the judgment of UNDP, interfere or threaten to interfere with the successful implementation or completion of the Activities, or achievement of the Deliverables. For its part, the CSO shall promptly inform UNDP of any such circumstances that might come to its attention. The Parties shall cooperate towards the rectification or elimination of the circumstances in question and shall exert all reasonable efforts to that end, including prompt corrective steps by the CSO, where such circumstances are attributable to it or within its responsibility or control. The Parties shall also cooperate in assessing the consequences of possible termination of this Agreement on the beneficiaries of the Project.

28.3 UNDP may, at any time after occurrence of the circumstances in question, and after appropriate consultations with the CSO, suspend or terminate this Agreement by written notice to the CSO, without prejudice to the initiation or continuation of any of the measures envisaged in the preceding paragraph.

28.4 Upon receipt of a notice of termination by UNDP under the present Article, the CSO shall take immediate steps to terminate the Activities under this Agreement, in a prompt and orderly manner, so as to minimize losses and further expenditures. The CSO shall undertake no forward commitments and shall return to UNDP, within thirty (30) days, all unspent funds made available to it by UNDP under Article 2.0, and the Equipment financed by UNDP or furnished to it by UNDP pursuant to Article 8.0.

28.5 In the event of termination by UNDP under this Article 28.0, UNDP shall only reimburse the CSO the costs incurred in connection with the Activities carried out in accordance with the terms and conditions of this Agreement. Such reimbursement, when added to the amounts previously made available to the CSO by UNDP in accordance with Article 2.0 above, shall not exceed the maximum amount of funds referred to in paragraph 2.1 of that Article. 28.6 Following the termination, in the event UNDP decides to transfer the responsibilities of the CSO for the Activities to another entity, the CSO shall cooperate with UNDP and the other entity to ensure the orderly transfer of such responsibilities.

28.7 Notwithstanding anything in this Agreement to the contrary, UNDP may terminate this Agreement at any time without having to provide any justification therefor upon sixty (60) days' advance written notice to the CSO.

29.0 Notices

29.1 Any notice, request, document, report, or other communication submitted by either the CSO or UNDP shall be in writing and sent to the other party at the address information set forth in block 7 or block 8 of the Face Sheet, as appropriate.

30.0 Survival

30.1 The provisions of Article 3.0 (Refund), Article 4.0 (The CSO Personnel), Article 7.0 (Procurement), Article 8.0 (Equipment), Article 9.0 (Copyrights, Patents, and Other Proprietary Rights), Article 10.0 (Reporting), Article 11.0 (Maintenance of Records), Article 12.0 (Confidentiality), Article 14.0 (Indemnity), Article 17.0 (Audit and Investigations), Article 20.0 (Privileges and Immunities), and Article 27.0 (Dispute Settlement) shall survive and remain in full force and effect regardless of the expiry of the Project term or the termination of this Agreement.

31.0 Other CSO Representations and Warranties

31.1 The CSO represents and warrants that: (a) it is a legal entity validly existing under the laws of the jurisdiction in which it was formed and it has all the necessary powers, authority and legal capacity to: (i) own its assets, (ii) conduct Project activities, and (iii) enter into this Agreement; and (b) this Agreement has been duly executed and delivered by the CSO and is enforceable against it in accordance with its terms.

32. Entry into Force, Duration, Extension and Modification of this Agreement

32.1 This Agreement shall enter into force on the date of its signature by both the CSO and UNDP, acting through their duly Authorized Representatives identified in blocks 9 and 10 of the Face Sheet, and terminate on the Implementation Period end date indicated in block 4 of the Face Sheet.

32.2 Should it become evident to the CSO during the implementation of the Activities that an extension beyond the Implementation Period end date set forth in block 4 of the Face Sheet will be necessary to achieve the Deliverables, the CSO shall, without delay, inform UNDP and give full particulars. UNDP shall take such action as, in its sole discretion, it considers appropriate or necessary under the circumstances, including the granting to the CSO of a reasonable extension of time in which to perform its obligations under this Agreement.

32.3 This Agreement, including its Annexes, may be modified or amended only by written agreement between the Parties.

32.4 Failure by either Party to exercise any rights available to it, whether under this Agreement or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Agreement.