



REQUEST FOR PROPOSAL (RFP)
For
Harmonized Approach to Cash Transfers to Implementing Partners
(HACT) Micro Assessment

Procurement Case Ref.: PROCESS-35-23995

Phnom Penh, Cambodia
November 4, 2014

Dear Sir / Madam:

We kindly request you to submit your Proposal for provision of HACT Micro Assessment.

Please be guided by the form attached hereto as Annex 3, in preparing your Proposal.

Your offer, comprising of a Technical and Financial Proposal, in separate sealed envelopes, should be submitted to the following address no later than 25 November 2014 by 15:00 p.m., local time. Late submission shall be rejected.

UNDP Cambodia, Registry Office (Building No. 3)
No. 18, Pasteur Street, Boeung Keng Kang I
PO Box 877, Phnom Penh, Cambodia
Attn: Procurement Manager, Procurement Unit

Your Proposal must be expressed in the *English*, and valid for a minimum period of **90 days**

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

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

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

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

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

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

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

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

<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

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

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

Thank you and we look forward to receiving your Proposal.

Sincerely yours,


Kolap HUL
Procurement Manager

Description of Requirements

Context of the Requirement	Harmonized Approach to Cash Transfers to Implementing Partners (HACT) Micro Assessment
Implementing Partner of UNDP	UNDP and Other UN Agencies Implementing Partners
Brief Description of the Required Services ¹	<p>The assessment would provide an overall assessment of the Implementing Partner's financial management capacity and review funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems, procurement Management.</p> <p>It is expected that 6 Implementing Partners will be micro-assessed.</p> <p>A detailed ToR is attached as Annex II.</p>
List and Description of Expected Outputs to be Delivered	<ul style="list-style-type: none"> • An overall risk rating (H-high risk; S-significant risk; M-moderate risk; L- low risk) of the Implementing Partner's financial management capacity • Risk ratings for funds flow, staffing, accounting policies and procedures (if any), internal audit, external audit, reporting and monitoring and information systems. • A summary of the financial management assessment of the Implementing Partner. • A description of the Implementing Partner including the physical address, phone numbers, fax numbers, web sites and general e-mail addresses. • A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described. • A description of any specific internal control weaknesses noted in financial management • Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term. • Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures. • Micro Assessment Questionnaire

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

Person to Supervise the Work/Performance of the Service Provider	UNDP Programme Analyst Focal Point
Frequency of Reporting	According to the attached ToR (every week)
Progress Reporting Requirements	Yes, according to the attached ToR
Location of work	<input checked="" type="checkbox"/> At Contractor's Location <input checked="" type="checkbox"/> Site-visit to the IPs
Expected duration of work	The successful contractor/firm will be provided an initial one year contract. Contract can be extended subject to satisfactory performance and requirement. The duration of the assessment of each implementing partner should be from <u>three to five days</u> , depending on the complexity of the assignment.
Target start date	in early 2015 (January)
Latest completion date	within one months after such commencement
Travels Expected	
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	No facilities to be Provided by UNDP
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars
Value Added Tax on Price Proposal	<input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.
Partial Quotes	<input checked="" type="checkbox"/> Not permitted
Payment Terms	<ul style="list-style-type: none"> 60% of the contract value will be paid upon the UN Agencies'

	<p>satisfactory acceptance of draft micro assessment reports.</p> <ul style="list-style-type: none"> 40% of the contract value will be paid upon the UN Agencies' satisfactory acceptance of the final micro assessment reports
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	UNDP Programme Analyst/Project Manager
Type of Contract to be Signed	<input checked="" type="checkbox"/> Long Term Agreement (LTA)
Criteria for Contract Award	<input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p><u>Technical Proposal</u></p> <input checked="" type="checkbox"/> Expertise of the Firm 30% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 20% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 50% <p><u>Financial Proposal</u></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider
Annexes to this RFP ²	<input checked="" type="checkbox"/> Detailed TOR (Annex 2) <input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 3) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 4) ³

² Where the information is available in the web, a URL for the information may simply be provided.

³ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

Contact Person for Inquiries (Written inquiries only) ⁴	Vannara CHEA (Mr.) Procurement Associate E-mail: vannara.chea@undp.org and/or procurement.kh@undp.org Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.
Other Information [pls. specify]	N/A

⁴ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

CRITERIA FOR THE ASSESSMENT OF PROPOSAL

Stage 1: Preliminary Examination

UNDP shall examine the Proposals to determine whether they are complete with respect to minimum documentary requirements, whether the documents have been properly signed, whether or not the Proposer is in the UN Security Council 1267/1989 Committee's list of terrorists and terrorist financiers, and in UNDP's list of suspended and removed vendors, and whether the Proposals are generally in order, among other indicators that may be used at this stage. UNDP may reject any Proposal at this stage.

Stage 2: Technical Proposal Evaluation

The evaluation team shall review and evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and other documentation provided, applying the evaluation criteria, sub-criteria, and point system as following:

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Firm / Organization	30%	300
2.	Proposed Methodology, Approach and Implementation Plan	20%	200
3.	Management Structure and Key Personnel	50%	500
Total			1000

Technical Proposal Evaluation Form 1		Points obtainable
Expertise of the Firm/Organization		
1.1	Experience in conducting prior micro assessments/audits for UN Agencies	60
1.2	Familiarity with the policies, rules and procedures (accounting procedures, procurement rules, HR policy) of the agencies of United Nations and the Royal Government of Cambodia	60
1.3	Have at least 5 year experienced in applying either ISA or INTOSAI audit standards	50
1.4	Proven record of the firm's human resources including number for each level of Professional staff, partner/ staff ratio. Must employ at least 3 adequate staff with appropriate professional qualifications.	60
1.5	Strong and relevant expertise and qualifications and good public reputation in the area of business	70
Total Form 1		300

Technical Proposal Evaluation Form 2		Points Obtainable
Proposed Methodology, Approach and Implementation Plan		
2.1	To what degree does the Offeror understand the task?	40
2.2	Have the important aspects of the task been addressed in sufficient detail?	40
2.3	Is the conceptual framework adopted appropriate for the task?	40
2.4	Is the scope of task well defined and does it correspond to the TOR?	40

2.5	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	40
Total Form 2		200

Technical Proposal Evaluation Form 3			Points Obtainable
Management Structure and Key Personnel			
3.1	Team Leader (1 Post)		200
	Master of Business Administration (MBA) with a specialization in accounting or finance or Certified public accountants (CPA)	50	
	At least 8 years of relevant professional experience	50	
	Experience in supervising and instructing the audit teams, certifying the financial statements, reviewing procurement processes, providing the audit rating, and conducting quality control.	70	
	Experience in conducting prior micro assessments/audits for UN Agencies	30	
3.2	Team Members (3 Posts)		300 (100 point for each team member)
	Bachelor of Business Administration with a specialization in accounting or finance	30	
	At least 5 years of relevant professional experience	50	
	Experience in conducting prior micro assessments/audits for UN Agencies	20	
	Note: Fluent Khmer is obligatory at least for one team member since all the accounting documents of national Executing Agencies, Implementing Institutions are in the Khmer language.		
Total Form 3			500

Rating the Technical Proposal (TP) = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100

A Proposer shall be considered technically qualified if its Proposal has obtained a minimum 70% technical score of the maximum obtainable score of 1000 points in the Technical Evaluation.

Stage 3: Financial Proposal Evaluation

In this stage, only the Financial Proposals of those Proposers who achieve the minimum 70% of technical score will be opened for evaluation for comparison and review. The following formula is used to calculate scoring/rating of the Financial Proposal:

Financial Proposal Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100

Financial Evaluation and Criteria for Award of Contract:

The contract shall be awarded to the technically qualified Proposer which obtained the highest combined score in the result of both Technical and Financial Evaluation.

**TERMS OF REFERENCE
Professional Service**

Harmonized Approach to Cash Transfers to Implementing Partners (HACT) Micro Assessment

Background

The purposes of the assessment undertaken by the United Nations Agencies utilizing harmonized procedures for cash transfers are:

- *Capacity development objective:* The review supports the Agencies and government to identify strengths and weaknesses in the Implementing Partner's capacity for financial management and areas for capacity development by government and others.
- *Financial management objective:* The review assists in the establishment of appropriate cash transfer modalities, procedures, and assurance activities to be applied by the Agencies.

Objective and scope of the Micro Assessment

The assessment would provide an overall assessment of the Implementing Partner's financial management capacity and review funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems, procurement Management.

The Micro Assessment is performed by a firm/consultant includes a site-visit to the IP. The Micro Assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the Micro Assessment Questionnaire (**Annex I**).

The Micro Assessment Questionnaire provides an overall risk rating based on responses provided, including:

- **Low Risk** – indicates a well-developed financial management system and functioning control framework with a low likelihood and potential negative impact to the IPs ability to execute the programme in accordance with the WP.
- **Medium Risk** – indicates a developed financial management system and control framework with moderate likelihood and potential negative impact to the IPs ability to execute the programme in accordance with the WP.
- **Significant Risk** – indicates an underdeveloped financial management system or control framework with either a significant likelihood or potential negative impact to the IPs ability to execute the programme in accordance with the WP.

- **High Risk** – indicates an underdeveloped financial management system and control framework with a significant likelihood and potential negative impact to the IPs ability to execute the programme in accordance with the WP.

Duration of Assignment

The successful contractor/firm will be provided an initial one year contract. Contract can be extended subject to satisfactory performance and requirement. It is expected that 6 Implementing Partners will be micro-assessed. The list of potential Implementing Partners is annexed to this ToR (**ANNEX II**).

UNDP does not guarantee that any implementing partner provided in this list will be required to be assessed during the duration of the agreement. The list is not exhaustive and could be extended or amended at any time during the courses of the contract.

Therefore, the bidders are required to quote on an implementing partner basis per cluster (ministerial department and NGO), to be valid during the period of contract. The engagement of service will be through a Purchased Order defining the IP that are required to be assessed.

The duration of the assessment of each implementing partner should be from three to five days, depending on the complexity of the assignment.

Micro Assessment Procedures

The firm will receive general information regarding the IP and related programme from the CO in preparation for the assessment. Refer to **Annex III** for details. The firm will review this documentation in advance of performing a site-visit to the IP. The firm should also provide the IP with a document request listing in advance of the site visit detailing the documents and interviews they would like to have while on-site. This is viewed as a method for ensuring an efficient use of the IP and firm time while on-site.

The firm will discuss the results of the Micro Assessment Questionnaire with applicable agency personnel and the HACT focal prior to finalization.

The overall risk rating provided by the Micro Assessment Questionnaire are utilized by the agencies to determine the appropriate Cash Transfer Modality (CTM) for the IP. There are three Cash Transfer Modalities available under the HACT framework. These CTMs have been detailed below in order of association with overall risk rating of IPs from Low to High:

- **Direct Cash Transfers** – funds are transferred by the agency to the IP in advance of the IP incurring obligations and expenditures to support activities agreed in the WP;
- **Direct Payments** – funds are paid by the agency directly to vendors and other third parties for obligations and expenditures incurred by the IP to support activities agreed in the WP; and
- **Reimbursements** – funds are provided by the agency to the IP for obligations made and expenditures incurred in support of activities agreed in WP.

Schedule of conducting micro assessment of 6 potential implementing partners

It is expected that micro assessment of 6 implementing partners as provided in the list attached should be commenced as soon as possible in 2015 and diminished within one or two months after such commencement. This schedule is subject to negotiation at the time of contracting.

Methodology

The consultant should utilize “ANNEX I: Micro Assessment Questionnaire”. In completing the questionnaire, she/he should also assess the partner’s control system with equal emphasis on:

- (1) the effectiveness of the system in providing the partner’s management with useful and timely information for the proper management of the partner;
- (2) the general effectiveness of the internal control system in protecting the assets and resources of the partner, any
- (3) assess the capacity of the implementing partners related to planning, budgeting, and controlling the procurement activity to ensure service delivery and value for money.

The consultant should have full and complete access at any time to all records and documents (books of account, legal agreements, minutes of committee meetings, bank records, invoices and contracts, etc.) and all employees of the Implementing Partner. The consultant should be advised that he/she has a right of access to banks and depositories, consultants, contractors and other persons or firms engaged by the partner. If the consultant may have restricted access to any records, person or location during the course of the assessment, this restriction should be clearly defined, with reasons, in the report.

Deliverables

The consultant should submit a report with the following:

- ✓ An overall risk rating (H-high risk; S-significant risk; M-moderate risk; L- low risk) of the Implementing Partner’s financial management capacity

- ✓ Risk ratings for funds flow, staffing, accounting policies and procedures (if any), internal audit, external audit, reporting and monitoring and information systems.
- ✓ A summary of the financial management assessment of the Implementing Partner.
- ✓ A description of the Implementing Partner including the physical address, phone numbers, fax numbers, web sites and general e-mail addresses.
- ✓ A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described.
- ✓ A description of any specific internal control weaknesses noted in financial management
- ✓ Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term.
- ✓ Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures.
- ✓ Micro Assessment Questionnaire

A briefing on the results of the assessment should be given to the Agencies as well as Implementing Partner officials and the government coordinating authority. How this will be done should be at the discretion of the UNDP/UNCT. It may be desirable to summarize all proposed Implementing Partners at the signature of the Country Programme Action Plan (CPAP), or separately when Annual Work Plans (AWP) are initiated.

Qualifications of Firm

The firm/consultant shall have experience performing assessments similar to a Micro Assessment and assessing risks related to organization financial management capacity (i.e. accounting, reporting, procurement and internal controls). They shall have knowledge of the United Nations system and development sector.

The auditor shall have at least 5 year experienced in applying either ISA or INTOSAI audit standards, with knowledge of UNDP/local accounting procedures, procurement rules, HR policy whichever are applicable for the audit. The firm must employ at least 3-4 adequate staff with appropriate professional qualifications ((e.g. bachelor/master degree in Accounting or ACCA) and suitable experience with ISA or INTOSAI standards, including experience in auditing the accounts of entities comparable in size and complexity to the entity being audited.

Curriculum vitae (CV) of 3-4 members of the assessment team (1 team leader and 3 team members) should be provided. The CVs should include details on engagements carried out by the relevant staff, including ongoing assignments indicating responsibilities assumed by them, and their qualifications and experience in undertaking similar assessments. The audit team leader (with ACCA/CPA) should have at least 8 years of relevant professional experience (international experience is an asset) – responsible for supervising and instructing the audit teams, certifying the financial statements,

reviewing procurement processes, providing the audit rating, and conducting quality control over all assessment such that these conform to the requirements set forth in these TORs and the ANNEX I. The other team members should have at least 5 years of relevant professional experience. Fluent Khmer is obligatory at least for one audit team member since all the accounting documents of national Executing Agencies, Implementing Institutions are in the Khmer language. UNDP will not provide neither interpreting nor translation services for auditing team. Fluent English is obligatory for all members of audit team. CVs should include details on audits carried out by the applicable staff, including on-going assignments indicating capability and capacity to undertake the audit.

ANNEX I: *Micro Assessment Questionnaire*

Summary of Risks related to the Financial Management Capacity of Implementing Partner				
Tested Subject Area (see subsequent pages for details of each subject area that has been summarized below)				
	Total Number of Risk Points	Total Number of Applicable Questions	Overall Risk Assessment	Comments
1. Implementing Partner				
2. Funds Flow				
3. Staffing				
4. Accounting Policies and Procedures				
5. Internal Audit				
6. External Audit				
7. Reporting and Monitoring				
8. Information Systems				
9. Procurement				
Total				

Micro Assessment Questionnaire

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
1. Implementing Partner						
1.1 Is the implementing partner legally registered? Please note the legal status/registration of the entity.						
1.2 Has the implementing partner received UN resources in the past? If so, provide details of amount, from which agency and for what purpose.						
1.3 Does the IP have statutory reporting requirements? Please describe.						
1.4 Is the governing body for the implementing partner independent?						
1.5 Is the organizational structure appropriate for the work to be carried out under UN cooperation?						
1.6 Does the organization have any pending legal actions against them?						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						
1. Implementing Partner overall risk assessment						
2. Funds Flow						
2.1 Can the entity receive and transfer funds?						
2.2 Are the arrangements to transfer the funds to the entity satisfactory?						
2.3 Have there been major problems in the past in receipt of funds by the entity, particularly where the funds flow from the Government/Ministry of Finance?						
2.4 In the past, has the entity had any problems in the management of disbursements from a member of the UN country team? Please describe.						
2.5 Does the entity have capacity to manage foreign exchange						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
risks? (if it is expected that the entity will be using funds outside the country.)						
2.6 Does the IP have a process in place to access counterpart funds? Please describe.						
2.7 If some activities will be implemented by communities or NGOs, does the entity have the necessary reporting and monitoring mechanisms to track the use of funds?						
2.8 If funds have to flow through the Ministry of Finance, is there a standard timeline for funds to be distributed to the IP once received from UN?						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						
2. Funds Flow overall risk assessment						
3. Staffing						
3.1 Is the organizational structure of the accounting department appropriate for the level of financial volume? Attach an organization chart if available.						
3.2 Is the level and competency of staff appropriate for the level of financial volume? Identify the accounts staff, including job title, responsibilities, educational background and professional experience. Attach job descriptions and CVs of key accounting staff.						
3.3 Is the implementing partner finance and accounts function staffed adequately?						
3.4 Are finance and accounts staff adequately qualified and experienced?						
3.5 Are accounts and finance staff familiar with UN procedures related to cash transfers?						
3.6 Does the IP have all the key positions not filled / contracted? If not, provide the estimated date of appointment.						
3.7 Are staff frequently transferred? At what frequency?						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
3.8 Does the IP have training policies for the finance and accounting staff? Please describe.						
3.9 Does the IP have familiarity working with the UN (including HACT Framework)? If so, please provide details.						
3.10 Inquire about the organization turnover rate over the past 5 years. Has it improved or worsened? Does it appear to be a problem? If so, what is the organization doing to address this issue?"						
3.11 Does the entity perform background verification/checks on all new hires? If alternative practices for processing new hires are in place, please provide a brief description.						
<i>Total number of questions in subject area</i>						
<i>Number of Questions marked "N/A" in subject area</i>						
<i>Total number of applicable questions in subject area</i>						
<i>Total Number of Risk Points</i>						
3. Staffing overall risk assessment						
4. Accounting Policies and Procedures						
4.1 Does the entity have an accounting system that allows for the proper recording of financial transactions from UN Agencies, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds?						
4.2 Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?						
4.3 Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?						
4.4 Are cost allocations to the various funding sources made accurately and in accordance with established agreements?						
4.5 Are the general ledger and subsidiary ledgers reconciled and in balance?						
4.6 Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
4.7 Does the IP have policies and procedures regarding tracking and reporting of UN resources? If so, please describe.						
4a. Segregation of Duties						
4.8 Are the following functional responsibilities performed by different units or persons: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?						
4.9 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?						
4.10 Are bank reconciliations prepared by someone other than those who make or approve payments?						
4b. Budgeting System						
4.11 Do the budgets lay down physical and financial targets?						
4.12 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?						
4.13 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget?						
4.14 Are approvals from variations from the budget required in advance or after the fact?						
4.15 Does the IP have a designated individual(s) who will be responsible for preparation and approval of budgets?						
4.16 Are procedures in place to plan activities, collect information from the units in charge of the different components, and prepare the budgets?						
4.17 Are the plans and budgets of activities realistic, based on valid assumptions, and developed by knowledgeable individuals?						
4c. Payments						
4.18 Do invoice processing procedures provide for: Copies of purchase orders and receiving reports to be obtained directly from issuing departments? Comparison of invoice quantities, prices, and terms with those indicated on the purchase order and with records of goods						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/ Comments
actually received? Comparison of invoice quantities with those indicated on the receiving reports? Checking the accuracy of calculations?						
4.19 Are all invoices stamped 'PAID', dated, reviewed and approved, and clearly marked for account code assignment?						
4.20 Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?						
4d. Policies And Procedures						
4.21 Does the IP have a stated basis of accounting (e.g., cash, accrual)?						
4.22 Are internationally accepted accounting standards followed? If so, which standard?						
4.23 Does the entity have an adequate policies and procedures manual to guide activities and ensure staff accountability?						
4.24 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the entity?						
4.25 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible?						
4.26 Do policies and procedures clearly define <i>conflict of interest</i> and <i>related party transactions</i> (real and apparent) and provide safeguards to protect the organization from them?						
4.27 Are manuals distributed to appropriate personnel?						
4e. Cash and Bank						
4.28 Are there authorized signatories on the bank accounts that will be used for UN resources? If so, provide names.						
4.29 Does the implementing partner maintain an adequate, up-to-date cashbook, recording receipts and payments?						
4.30 Do controls exist for the collection, timely deposit, and recording of receipts at each collection location?						
4.31 Are bank and cash reconciled on a monthly basis?						

Subject Area	Yes	No	N/A	Risk Assess- ment	Risk Points	Remarks/ Comments
4.32 Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?						
4.33 Are receipts deposited on a timely basis?						
4.34 Will UN resources be placed in a separate bank account?						
4.35 Are cash and checks maintained in a secure location? Has access been properly designated and maintained?						
4f. Safeguard Over Assets						
4.36 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse? If so, tour facility to ensure system has been implemented and followed.						
4.37 Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?						
4.38 Are there periodic physical inventories of fixed assets and stocks?						
4.39 Are assets sufficiently covered by insurance policies?						
4g. Other Offices or entities²						
4.40 Are there any other regional offices or entities participating in implementation?						
4.41 Has the Implementing Partners established controls and procedures for flow of funds; financial information, accountability, and audits in relation to the other offices or entities? Please describe approval process.						
4.42 Does information among the different offices/entities flow in an accurate and timely fashion?						
4.43 Are periodic reconciliations performed among the funds utilized by the different offices/entities?						
4.44 Does the IP have a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities? If so, describe the process.						

² Other offices or entities refers to sub-offices of the implementing partners and/or respective parties.

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
4.45 Does the IP maintain contractual agreements with other entities?						
4.46 Does the IP have a process to ensure expenditures of other offices/entities are in compliance with AWP and/or contractual agreement noted in item 4.45 above?						
4h. Other						
4.47 Has the implementing partner advised employees, beneficiaries, and other recipients to whom to report if they suspect fraud, waste, or misuse of Agency resources or property?						
4.48 If yes to item 4.47 above, does the IP have a policy against retaliation for those who report fraud, waste, or misuse of agency resources or property?						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						
4. Accounting Policies and Procedures overall risk assessment						
5. Internal Audit						
5.1 Is there an internal audit department in the entity?						
5.2 Does the IP have stated qualifications and experience requirements for audit department staff? If so, please describe.						
5.3 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?						
5.4 Will the internal audit department include the activities financed by the Agencies in its work program?						
5.5 Are actions taken on the internal audit findings?						
5.6 Does the organization appear to have strong internal controls to ensure funds are expended for the intended purpose, discourage and prevent improper use of funds, and safeguard assets?						

Subject Area	Yes	No	N/A	Risk Assess ment	Risk Points	Remarks/ Comments
<i>Total number of questions in subject area</i>						
<i>Number of Questions marked "N/A" in subject area</i>						
<i>Total number of applicable questions in subject area</i>						
<i>Total Number of Risk Points</i>						
5. Internal Audit overall risk assessment						
6. External Audit						
6.1 Is the entity financial statement audited regularly by an independent auditor? Who is the auditor?						
6.2 Are there any delays in audit of the entity? When are the audit reports issued?						
6.3 Is the audit of the entity conducted according to the International Standards on Auditing?						
6.4 Were there any major accountability issues brought out in the audit report of the past three years?						
6.5 Will the entity auditor audit the AWP accounts or will a separate auditor be appointed to audit the AWP financial statements?						
6.6 Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?						
6.7 Has the implementing partner prepared audit plans?						
<i>Total number of questions in subject area</i>						
<i>Number of Questions marked "N/A" in subject area</i>						
<i>Total number of applicable questions in subject area</i>						
<i>Total Number of Risk Points</i>						
6. External Audit overall risk assessment						
7. Reporting and Monitoring						
7.1 Are financial statements prepared for the entity?						
7.2 What is the frequency of preparation of financial						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
statements? Are the reports prepared in a timely fashion so are useful to management for decision making?						
7.3 Does the reporting system need to be adapted to report on the AWP related expenditure?						
7.4 Does the reporting system have the capacity to link the financial information with the AWP's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?						
7.5 Does the Implementing Partner have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?						
7.6 Are financial management reports used by management?						
7.7 Do the financial reports compare actual expenditures with budgeted and programmed allocations?						
7.8 Are financial reports prepared directly by the automated accounting system or are they or are they prepared by spreadsheets or some other means?						
7.9 Does the organization appear to be solvent (i.e. are its assets greater than its liabilities)? Are there any unexplained or ongoing inconsistencies. Have the organization's contributions been contracting (i.e. dwindling) over the past two years? If so, why and how is the organization going to address? Provide the following financial information for the current and prior fiscal years: Total Assets, Total Liabilities, Total Contributions, and Total Expenditures.						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						
7. Reporting and Monitoring overall risk assessment						
8. Information Systems						
8.1 Is the financial management system computerized?						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
8.2 Can the system produce the necessary financial reports?						
8.3 Are the staff adequately trained to maintain the system?						
8.4 Does the management organization and processing system safeguard the confidentiality, integrity, and availability of the data?						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						
8. Information Systems overall risk assessment						
9. Procurement						
9.1 Has the partner undertaken a procurement exercise with UN/WB/EU resources in the past?						
9.2 Has the partner been audited by ECHO and selected as a Framework Partnership Agreement (FPA) partner as per: http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa_partners.pdf ?						
9.3 Has the partner been audited by ECHO and selected as a Humanitarian Procurement Center (HPC) partner as per: http://ec.europa.eu/echo/files/partners/humanitarian_aid/HPC-register_en.pdf						
9a. Procurement Principles, Policies and Procedures						
9.4 What procurement principles are followed in the organisation?						
9.5 Does the partner have written procurement procedures? <i>If yes, please provide a copy. If no, please attach an outline of the tender procedures specifying the different procurement procedures, related thresholds, and the methodology for the assessment of tenders.</i>						
9.6 Does the partner have a specific code of procurement ethics? <i>Please attach code.</i>						
9.7 Does the partner have a specific anti-fraud and corruption policy?						

Subject Area	Yes	No	N/A	Risk Assess ment	Risk Points	Remarks/ Comments
9.8 How often are purchasing procedures overridden?						
9.9 Are exceptions to procedures documented and sent to management for approval? Are the exceptions periodically analysed and corrective actions taken?						
9b. Internal Control System						
9.10 Does the partner have a procurement committee for review of contracts? <i>Please specify composition of committee.</i>						
9.11 At what value does the partner require written authorisation of senior management for a purchase (value in USD)?						
9.12 Does the partner use standard bidding documents and contracts?						
9.13 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles, exclusion and ineligibility criteria?						
9.14 How many people give their approval before signing a contract, executing a purchase, or a payment?						
9.15 Does the partner rotate staff positions? If yes, how often?						
9.16 Does the partner have formal guidelines and procedures in place to assist in identifying and monitoring potential conflict of interest situations with potential suppliers/procurement agents?						
9.17 How does the partner proceed in case of conflict of interest? <i>Please attach response</i>						
9d. Procurement Process						
9.18 Is there a well-defined process for sourcing / pre-qualification of suppliers? (Please attach methodology for the assessment of suppliers).						
9.19 How are potential suppliers assessed? <i>Please attach information.</i>						
9.20 Does the partner undertake regular market surveys?						
9.21 Does the partner have a database of active suppliers?						
9.22 Does the partner keep track of past performance of suppliers?						
9.23 Does the partner regularly check 'market' prices for goods						

Subject Area	Yes	No	N/A	Risk Assessment	Risk Points	Remarks/Comments
and services purchased?						
9.24 What measures are established in your partner to ensure a secure and transparent bid and evaluation process?						
9.25 Does the partner establish Long Term Arrangements with suppliers based on a tender process?						
9.26 Are Long Term Arrangements reviewed / retendered? How frequently – <i>please attach information.</i>						
9e. Reporting and monitoring						
9.27 Are procurement reports prepared for the entity?						
9.28 What is the frequency of procurement reports?						
9f. Information systems						
9.29 Is the procurement system computerized?						
9.30 Can the system produce the necessary reports?						
Total number of questions in subject area						
Number of Questions marked "N/A" in subject area						
Total number of applicable questions in subject area						
Total Number of Risk Points						

List of Implementing Partners for HACT Micro Assessment

	Implementing Partners	UNDP	UNICEF	UNFPA
1	Friend International (NGO)		<input checked="" type="checkbox"/>	
2	BB Media Action	<input checked="" type="checkbox"/>		
Ministry of Women Affairs				
3	Ministry of Women's Affaires		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ministry of Social Affairs, Veterans and Youth Rehabilitation				
4	Disability Action Council (DAC)	<input checked="" type="checkbox"/>		
Civil Society Organisation (CSO)				
5	Cambodia Disabled People's Organisation (CDPO)			
6	Ministry of Water Resources	<input checked="" type="checkbox"/>		

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁵

The Financial Proposal and the Technical Proposal Envelopes MUST BE COMPLETELY SEPARATE and each of them must be submitted sealed individually and clearly marked on the outside as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate.

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁶)

[insert: Location]
[insert: Date]

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

Dear Sir/Madam:

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

A. Qualifications of the Service Provider

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

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

B. Proposed Methodology for the Completion of Services

⁵ This serves as a guide to the Service Provider in preparing the Proposal. The Financial Proposal and the Technical Proposal Envelopes MUST BE COMPLETELY SEPARATE and each of them must be submitted sealed individually and clearly marked on the outside as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate.

⁶ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

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

C. Qualifications of Key Personnel

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

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

D. Cost (Fixed Price) per Implementing Partner (for Ministerial Department and NGO) (Must be separated from Technical Proposal)

E. Cost Breakdown by Cost Component [This is only an Example]:

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total Rate
I. Personnel Services				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				
2. Services from Field Offices				
a. Expertise 1				
b. Expertise 2				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
II. Out of Pocket Expenses				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
III. Other Related Costs				

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

General Terms and Conditions for Services

1.0 LEGAL STATUS:

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

2.0 SOURCE OF INSTRUCTIONS:

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

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

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

4.0 ASSIGNMENT:

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

5.0 SUB-CONTRACTING:

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

6.0 OFFICIALS NOT TO BENEFIT:

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

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This

provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

- 8.1** The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
 - 8.4.1** Name UNDP as additional insured;
 - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
 - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

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

10.0 TITLE TO EQUIPMENT:

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

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor

acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP,

11.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

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

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

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

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

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

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

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

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

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

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

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

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

for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

- 13.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,
- 13.2.2.2 any entity over which the Party exercises effective managerial control; or,
- 13.2.2.3 for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

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

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

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

15.0 TERMINATION

- 15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

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

17.0 PRIVILEGES AND IMMUNITIES:

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

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

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

19.0 CHILD LABOUR

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

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

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

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

21.0 OBSERVANCE OF THE LAW:

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

22.0 SEXUAL EXPLOITATION:

- 22.1** The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
- 22.2** The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

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