

REQUEST FOR PROPOSALS

**To Conduct a Supply Side and Regulatory Survey and Prepare
a Road Map for Financial Inclusion in Nepal**

UNCDF/MAP

Nepal



United Nations Development Programme

April, 2015

Section 1. Letter of Invitation

Kathmandu
April 21, 2015

To Conduct a Supply Side and Regulatory Survey and Prepare a Road Map for Financial Inclusion in Nepal

Dear Sir/Madame,

The United Nations Development Programme (UNDP) hereby invites you to submit a Proposal to this Request for Proposal (RFP) for the above-referenced subject.

This RFP includes the following documents:

- Section 1 – This Letter of Invitation
- Section 2 – Instructions to Proposers (including Data Sheet)
- Section 3 – Terms of Reference
- Section 4 – Proposal Submission Form
- Section 5 – Documents Establishing the Eligibility and Qualifications of the Proposer
- Section 6 – Technical Proposal Form
- Section 7 – Financial Proposal Form
- Section 8 – Form for Proposal Security *[Not applicable]*
- Section 9 – Form for Performance Security *[Not applicable]*
- Section 10 – Form for Advanced Payment Guarantee *[Not applicable]*
- Section 11 – Contract for Professional Services, including General Terms and Conditions

Your offer, comprising of a Technical and Financial Proposal, in separate sealed envelopes, should be submitted in accordance with Section 2.

You are kindly requested to submit an acknowledgment letter to UNDP to the following address:

Deputy Country Director – Operations
United Nations Development Programme
UN House, Pulchowk
Lalitpur, Nepal
Fax: 00 977 1 5523991/5523986
e-mail: bids.np@undp.org

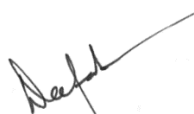
The letter should be received by UNDP no later than **April 30, 2015, 1700hrs**. The same letter should advise whether your company intends to submit a Proposal. If that is not the case, UNDP would appreciate your indicating the reason, for our records.

If you have received this RFP through a direct invitation by UNDP, transferring this invitation to another firm requires your written notification to UNDP of such transfer and the name of the company to whom the invitation was forwarded.

Should you require further clarifications, kindly communicate with the contact person identified in the attached Data Sheet as the focal point for queries on this RFP.

UNDP looks forward to receiving your Proposal and thanks you in advance for your interest in UNDP procurement opportunities.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Deepak Shrestha', with a long horizontal stroke extending to the right.

Deepak Shrestha
Procurement Analyst – Procurement Unit
4/21/2015

Section 2: Instruction to Proposers¹

Definitions

- a) “*Contract*” refers to the agreement that will be signed by and between the UNDP and the successful proposer, all the attached documents thereto, including the General Terms and Conditions (GTC) and the Appendices.
- b) “*Country*” refers to the country indicated in the Data Sheet.
- c) “*Data Sheet*” refers to such part of the Instructions to Proposers used to reflect conditions of the tendering process that are specific for the requirements of the RFP.
- d) “*Day*” refers to calendar day.
- e) “*Government*” refers to the Government of the country that will be receiving the services provided/rendered specified under the Contract.
- f) “*Instructions to Proposers*” (Section 2 of the RFP) refers to the complete set of documents that provides Proposers with all information needed and procedures to be followed in the course of preparing their Proposals
- g) “*LOI*” (Section 1 of the RFP) refers to the Letter of Invitation sent by UNDP to Proposers.
- h) “*Material Deviation*” refers to any contents or characteristics of the proposal that is significantly different from an essential aspect or requirement of the RFP, and : (i) substantially alters the scope and quality of the requirements; (ii) limits the rights of UNDP and/or the obligations of the offeror; and (iii) adversely impacts the fairness and principles of the procurement process, such as those that compromise the competitive position of other offerors.
- i) “*Proposal*” refers to the Proposer’s response to the Request for Proposal, including the Proposal Submission Form, Technical and Financial Proposal and all other documentation attached thereto as required by the RFP.
- j) “*Proposer*” refers to any legal entity that may submit, or has submitted, a Proposal for the provision of services requested by UNDP through this RFP.
- k) “*RFP*” refers to the Request for Proposals consisting of instructions and references prepared by UNDP for purposes of selecting the best service provider to perform the services described in the Terms of Reference.
- l) “*Services*” refers to the entire scope of tasks and deliverables requested by UNDP under the RFP.
- m) “*Supplemental Information to the RFP*” refers to a written communication issued by UNDP to prospective Proposers containing clarifications, responses to queries received from prospective Proposers, or changes to be made in the RFP, at any time after the release of the RFP but before the deadline for the submission of Proposals.
- n) “*Terms of Reference*” (TOR) refers to the document included in this RFP as Section 3 which describes the objectives, scope of services, activities, tasks to be performed, respective

¹ Note: this Section 2 - Instructions to Proposers shall not be modified in any way. Any necessary changes to address specific country and project information, shall be introduced only through the Data Sheet..

responsibilities of the proposer, expected results and deliverables and other data pertinent to the performance of the range of duties and services expected of the successful proposer.

A. GENERAL

1. UNDP hereby solicits Proposals in response to this Request for Proposal (RFP). Proposers must strictly adhere to all the requirements of this RFP. No changes, substitutions or other alterations to the rules and provisions stipulated in this RFP may be made or assumed unless it is instructed or approved in writing by UNDP in the form of Supplemental Information to the RFP.
2. Submission of a Proposal shall be deemed as an acknowledgement by the Proposer that all obligations stipulated by this RFP will be met and, unless specified otherwise, the Proposer has read, understood and agreed to all the instructions in this RFP.
3. Any Proposal submitted will be regarded as an offer by the Proposer and does not constitute or imply the acceptance of any Proposal by UNDP. UNDP is under no obligation to award a contract to any Proposer as a result of this RFP.
4. 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/about/transparencypdocs/UNDP_Anti_Fraud_Policy_English_FINAL_june_2011.pdf and http://www.undp.org/content/undp/en/home/operations/procurement/procurement_protest/ for full description of the policies)
5. In responding to this RFP, 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:
 - 5.1 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, specifications, Terms of Reference, cost analysis/estimation, and other documents to be used for the procurement of the goods and services in this selection process;
 - 5.2 Were involved in the preparation and/or design of the programme/project related to the services requested under this RFP; or
 - 5.3 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 or not such conflict exists.

6. Similarly, the Proposers must disclose in their proposal their knowledge of the following :
 - 6.1 That they are owners, part-owners, officers, directors, controlling shareholders, or they have key personnel who are family of UNDP staff involved in the procurement functions

- and/or the Government of the country or any Implementing Partner receiving services under this RFP; and
- 6.2 All other circumstances that could potentially lead to actual or perceived conflict of interest, collusion or unfair competition practices.

Failure of such disclosure may result in the rejection of the proposal or proposals affected by the non-disclosure.

7. The eligibility of Proposers that are wholly or partly owned by the Government shall be subject to UNDP's further evaluation and review of various factors such as being registered as an independent entity, the extent of Government ownership/share, receipt of subsidies, mandate, access to information in relation to this RFP, and others that may lead to undue advantage against other Proposers, and the eventual rejection of the Proposal.
8. All Proposers must adhere to the UNDP Supplier Code of Conduct, which may be found at this link: <http://web.ng.undp.org/procurement/undp-supplier-code-of-conduct.pdf>

B. CONTENTS OF PROPOSAL

9. Sections of Proposal

Proposers are required to complete, sign and submit the following documents:

- 9.1 Proposal Submission Cover Letter Form (see RFP Section 4);
- 9.2 Documents Establishing the Eligibility and Qualifications of the Proposer (see RFP Section 5);
- 9.3 Technical Proposal (see prescribed form in RFP Section 6);
- 9.4 Financial Proposal (see prescribed form in RFP Section 7);
- 9.5 Proposal Security, if applicable (if required and as stated in the **Data Sheet** (DS nos. 9-11), see prescribed Form in RFP Section 8);
- 9.6 Any attachments and/or appendices to the Proposal.

10. Clarification of Proposal

- 10.1 Proposers may request clarifications of any of the RFP documents no later than the date indicated in the **Data Sheet** (DS no. 16) prior to the proposal submission date. Any request for clarification must be sent in writing via courier or through electronic means to the UNDP address indicated in the **Data Sheet** (DS no. 17). UNDP will respond in writing, transmitted by electronic means and will transmit copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Proposers who have provided confirmation of their intention to submit a Proposal.
- 10.2 UNDP shall endeavor to provide such responses to clarifications in an expeditious manner, but any delay in such response shall not cause an obligation on the part of UNDP to extend the submission date of the Proposals, unless UNDP deems that such an extension is justified and necessary.

11. Amendment of Proposals

- 11.1 At any time prior to the deadline of Proposal submission, UNDP may for any reason, such as in response to a clarification requested by a Proposer, modify the RFP in the form of a

Supplemental Information to the RFP. All prospective Proposers will be notified in writing of all changes/amendments and additional instructions through Supplemental Information to the RFP and through the method specified in the **Data Sheet** (DS No. 18).

- 11.2 In order to afford prospective Proposers reasonable time to consider the amendments in preparing their Proposals, UNDP may, at its discretion, extend the deadline for submission of Proposals, if the nature of the amendment to the RFP justifies such an extension.

C. PREPARATION OF PROPOSALS

12. Cost

The Proposer shall bear any and all costs related to the preparation and/or submission of the Proposal, regardless of whether its Proposal was selected or not. UNDP shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the procurement process.

13. Language

The Proposal, as well as any and all related correspondence exchanged by the Proposer and UNDP, shall be written in the language (s) specified in the **Data Sheet** (DS No 4). Any printed literature furnished by the Proposer written in a language other than the language indicated in the **Data Sheet**, must be accompanied by a translation in the preferred language indicated in the **Data Sheet**. For purposes of interpretation of the Proposal, and in the event of discrepancy or inconsistency in meaning, the version translated into the preferred language shall govern. Upon conclusion of a contract, the language of the contract shall govern the relationship between the contractor and UNDP.

14. Proposal Submission Form

The Proposer shall submit the Proposal Submission Form using the form provided in Section 4 of this RFP.

15. Technical Proposal Format and Content

Unless otherwise stated in the **Data Sheet** (DS no. 28), the Proposer shall structure the Technical Proposal as follows:

- 15.1 Expertise of Firm/Organization – this section should provide details regarding management structure of the organization, organizational capability/resources, and experience of organization/firm, the list of projects/contracts (both completed and on-going, both domestic and international) which are related or similar in nature to the requirements of the RFP, and proof of financial stability and adequacy of resources to complete the services required by the RFP (see RFP clause 18 and DS No. 26 for further details). The same shall apply to any other entity participating in the RFP as a Joint Venture or Consortium.
- 15.2 Proposed Methodology, Approach and Implementation Plan – this section should demonstrate the Proposer's response to the Terms of Reference by identifying the specific components proposed, how the requirements shall be addressed, as specified, point by point; providing a detailed description of the essential performance characteristics proposed; identifying the works/portions of the work that will be subcontracted; and demonstrating how the proposed methodology meets or exceeds the specifications, 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 that is within the duration of the contract as specified in the **Data Sheet** (DS nos. 29 and 30).

Proposers must be fully aware that the products or services that UNDP requires may be transferred, immediately or eventually, by UNDP to the Government partners, or to an entity nominated by the latter, in accordance with UNDP's policies and procedures. All proposers are therefore required to submit the following in their proposals :

- a) A statement of whether any import or export licences are required in respect of the goods to be purchased or services to be rendered, including any restrictions in the country of origin, use or dual use nature of the goods or services, including any disposition to end users; and
- b) Confirmation that the Proposer has obtained license of this nature in the past, and have an expectation of obtaining all the necessary licenses, should their Proposal be rendered the most responsive.

15.3 Management Structure and Key Personnel – This section should include the comprehensive 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.

In complying with this section, the Proposer assures and confirms to UNDP that the personnel being nominated are available for the Contract on the dates proposed. If any of the key personnel later becomes unavailable, except for unavoidable reasons such as death or medical incapacity, among other possibilities, UNDP reserves the right to consider the proposal non-responsive. Any deliberate substitution arising from unavoidable reasons, including delay in the implementation of the project of programme through no fault of the Proposer shall be made only with UNDP's acceptance of the justification for substitution, and UNDP's approval of the qualification of the replacement who shall be either of equal or superior credentials as the one being replaced.

15.4 Where the **Data Sheet** requires the submission of the Proposal Security, the Proposal Security shall be included along with the Technical Proposal. The Proposal Security may be forfeited by UNDP, and reject the Proposal, in the event of any or any combination of the following conditions:

- a) If the Proposer withdraws its offer during the period of the Proposal Validity specified in the **Data Sheet** (DS no. 11), or;
- b) If the Proposal Security amount is found to be less than what is required by UNDP as indicated in the **Data Sheet** (DS no. 9), or;
- c) In the case the successful Proposer fails:
 - i. to sign the Contract after UNDP has awarded it;
 - ii. to comply with UNDP's variation of requirement, as per RFP clause 35; or
 - iii. to furnish Performance Security, insurances, or other documents that UNDP may require as a condition to rendering the effectivity of the contract that may be awarded to the Proposer.

16. Financial Proposals

The Financial Proposal shall be prepared using the attached standard form (Section 7). It shall list all major cost components associated with the services, and the detailed breakdown of such costs. All outputs and activities described in the Technical Proposal must be priced separately on a one-to-one correspondence. Any output and activities described in the Technical Proposal but

not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, as well as in the final total price.

17. Currencies

All prices shall be quoted in the currency indicated in the **Data Sheet** (DS no. 15). However, where Proposals are quoted in different currencies, for the purposes of comparison of all Proposals:

- a) UNDP will convert the currency quoted in the Proposal into the UNDP preferred currency, in accordance with the prevailing UN operational rate of exchange on the last day of submission of Proposals; and
- b) In the event that the proposal found to be the most responsive to the RFP requirement is quoted in another currency different from the preferred currency as per **Data Sheet** (DS no. 15), then UNDP shall reserve the right to award the contract in the currency of UNDP's preference, using the conversion method specified above.

Proposals submitted by two (2) or more Proposers shall all be rejected if they are found to have any of the following :

- a) they have at least one controlling partner, director or shareholder in common; or
- b) any one of them receive or have received any direct or indirect subsidy from the other/s; or
- c) they have the same legal representative for purposes of this RFP; or
- d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about, or influence on the Proposal of, another Proposer regarding this RFP process;
- e) they are subcontractors to each other's Proposal, or a subcontractor to one Proposal also submits another Proposal under its name as lead Proposer; or
- f) an expert proposed to be in the team of one Proposer participates in more than one Proposal received for this RFP process. This condition does not apply to subcontractors being included in more than one Proposal.

18. Documents Establishing the Eligibility and Qualifications of the Proposer

The Proposer shall furnish documentary evidence of its status as an eligible and qualified vendor, using the forms provided under Section 5, Proposer Information Forms. In order to award a contract to a Proposer, its qualifications must be documented to UNDP's satisfaction. These include, but are not limited to, the following:

- a) That, in the case of a Proposer offering to supply goods under the Contract which the Proposer did not manufacture or otherwise produce, the Proposer has been duly authorized by the goods' manufacturer or producer to supply the goods in the country of final destination;
- b) That the Proposer has the financial, technical, and production capability necessary to perform the Contract; and
- c) That, to the best of the Proposer's knowledge, it is not included in the UN 1267/1989 List or the UN Ineligibility List, nor in any and all of UNDP's list of suspended and removed vendors.

19. Joint Venture, Consortium or Association

If the Proposer is a group of legal entities that will form or have formed a joint venture, consortium or association at the time of the submission of the Proposal, they shall confirm in their Proposal that : (i) they have designated one party to act as a lead entity, duly vested with authority to legally bind the members of the joint venture jointly and severally, and this shall be duly evidenced by a duly notarized Agreement among the legal entities, which shall be submitted along with the Proposal; and (ii) if they are awarded the contract, the contract shall be entered

into, by and between UNDP and the designated lead entity, who shall be acting for and on behalf of all the member entities comprising the joint venture.

After the Proposal has been submitted to UNDP, the lead entity identified to represent the joint venture shall not be altered without the prior written consent of UNDP. Furthermore, neither the lead entity nor the member entities of the joint venture can:

- a) Submit another proposal, either in its own capacity; nor
- b) As a lead entity or a member entity for another joint venture submitting another Proposal.

The description of the organization of the joint venture/consortium/association must clearly define the expected role of each of the entity in the joint venture in delivering the requirements of the RFP, both in the Proposal and the Joint Venture Agreement. All entities that comprise the joint venture shall be subject to the eligibility and qualification assessment by UNDP.

Where a joint venture is presenting its track record and experience in a similar undertaking as those required in the RFP, it should present such information in the following manner:

- a) Those that were undertaken together by the joint venture; and
- b) Those that were undertaken by the individual entities of the joint venture expected to be involved in the performance of the services defined in the RFP.

Previous contracts completed by individual experts working privately but who are permanently or were temporarily associated with any of the member firms cannot be claimed as the experience of the joint venture or those of its members, but should only be claimed by the individual experts themselves in their presentation of their individual credentials.

If a joint venture's Proposal is determined by UNDP as the most responsive Proposal that offers the best value for money, UNDP shall award the contract to the joint venture, in the name of its designated lead entity. The lead entity shall sign the contract for and on behalf of all other member entities.

20. Alternative Proposals

Unless otherwise specified in the **Data Sheet** (DS nos. 5 and 6), alternative proposals shall not be considered. Where the conditions for its acceptance are met, or justifications are clearly established, UNDP reserves the right to award a contract based on an alternative proposal.

21. Validity Period

Proposals shall remain valid for the period specified in the **Data Sheet** (DS no. 8), commencing on the submission deadline date also indicated in the **Data Sheet** (DS no. 21). A Proposal valid for a shorter period shall be immediately rejected by UNDP and rendered non-responsive.

In exceptional circumstances, prior to the expiration of the proposal validity period, UNDP may request Proposers to extend the period of validity of their Proposals. The request and the responses shall be made in writing, and shall be considered integral to the Proposal.

22. Proposer's Conference

When appropriate, a proposer's conference will be conducted at the date, time and location specified in the **Data Sheet** (DS no. 7). All Proposers are encouraged to attend. Non-attendance, however, shall not result in disqualification of an interested Proposer. Minutes of the proposer's conference will be either posted on the UNDP website, or disseminated to the individual firms who have registered or expressed interest with the contract, whether or not they attended the conference. No verbal statement made during the conference shall modify the terms and

conditions of the RFP unless such statement is specifically written in the Minutes of the Conference, or issued/posted as an amendment in the form of a Supplemental Information to the RFP.

D. SUBMISSION AND OPENING OF PROPOSALS

23. Submission

- 23.1 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. Each envelope MUST clearly indicate the name of the Proposer. The outer envelopes shall bear the address of UNDP as specified in the **Data Sheet** (DS no.20) and shall include the Proposer’s name and address, as well as a warning that state “*not to be opened before the time and date for proposal opening*” as specified in the **Data Sheet** (DS no. 24). The Proposer shall assume the responsibility for the misplacement or premature opening of Proposals due to improper sealing and labeling by the Proposer.
- 23.2 Proposers must submit their Proposals in the manner specified in the **Data Sheet** (DS nos. 22 and 23). When the Proposals are expected to be in transit for more than 24 hours, the Proposer must ensure that sufficient lead time has been provided in order to comply with UNDP’s deadline for submission. UNDP shall indicate for its record that the official date and time of receiving the Proposal is the actual date and time when the said Proposal has physically arrived at the UNDP premises indicated in the **Data Sheet** (DS no. 20).
- 23.3 Proposers submitting Proposals by mail or by hand shall enclose the original and each copy of the Proposal, in separate sealed envelopes, duly marking each of the envelopes as “Original Proposal” and “Copy of Proposal” as appropriate. The 2 envelopes shall then be sealed in an outer envelope. The number of copies required shall be as specified in the **Data Sheet** (DS No. 19). In the event of any discrepancy between the contents of the “Original Proposal” and the “Copy of Proposal”, the contents of the original shall govern. The original version of the Proposal shall be signed or initialed by the Proposer or person(s) duly authorized to commit the Proposer on every page. The authorization shall be communicated through a document evidencing such authorization issued by the highest official of the firm, or a Power of Attorney, accompanying the Proposal.
- 23.4 Proposers must be aware that the mere act of submission of a Proposal, in and of itself, implies that the Proposer accepts the General Contract Terms and Conditions of UNDP as attached hereto as Section 11.

24. Deadline for Submission of Proposals and Late Proposals

Proposals must be received by UNDP at the address and no later than the date and time specified in the **Data Sheet** (DS nos. 20 and 21).

UNDP shall not consider any Proposal that arrives after the deadline for submission of Proposals. Any Proposal received by UNDP after the deadline for submission of Proposals shall be declared late, rejected, and returned unopened to the Proposer.

25. Withdrawal, Substitution, and Modification of Proposals

- 25.1 Proposers are expected to have sole responsibility for taking steps to carefully examine in detail the full consistency of its Proposals to the requirements of the RFP, keeping in

mind that material deficiencies in providing information requested by UNDP, or lack clarity in the description of services to be provided, may result in the rejection of the Proposal. The Proposer shall assume the responsibility regarding erroneous interpretations or conclusions made by the Proposer in the course of understanding the RFP out of the set of information furnished by UNDP.

- 25.2 A Proposer may withdraw, substitute or modify its Proposal after it has been submitted by sending a written notice in accordance with Clause 23.1, duly signed by an authorized representative, and shall include a copy of the authorization (or a Power of Attorney). The corresponding substitution or modification of the Proposal must accompany the respective written notice. All notices must be received by UNDP prior to the deadline for submission and submitted in accordance with RFP Clause 23.1 (except that withdrawal notices do not require copies). The respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION".
- 25.3 Proposals requested to be withdrawn shall be returned unopened to the Proposers.
- 25.4 No Proposal may be withdrawn, substituted, or modified in the interval between the deadline for submission of Proposals and the expiration of the period of proposal validity specified by the Proposer on the Proposal Submission Form or any extension thereof.

26. Proposal Opening

UNDP will open the Proposals in the presence of an ad-hoc committee formed by UNDP of at least two (2) members. If electronic submission is permitted, any specific electronic proposal opening procedures shall be as specified in the **Data Sheet** (DS no. 23).

The Proposers' names, modifications, withdrawals, the condition of the envelope labels/seals, the number of folders/files and all other such other details as UNDP may consider appropriate, will be announced at the opening. No Proposal shall be rejected at the opening stage, except for late submission, for which the Proposal shall be returned unopened to the Proposer.

27. Confidentiality

Information relating to the examination, evaluation, and comparison of Proposals, and the recommendation of contract award, shall not be disclosed to Proposers or any other persons not officially concerned with such process, even after publication of the contract award.

Any effort by a Proposer to influence UNDP in the examination, evaluation and comparison of the Proposals or contract award decisions may, at UNDP's decision, result in the rejection of its Proposal.

In the event that a Proposer is unsuccessful, the Proposer may seek a meeting with UNDP for a debriefing. The purpose of the debriefing is discussing the strengths and weaknesses of the Proposer's submission, in order to assist the Proposer in improving the proposals presented to UNDP. The content of other proposals and how they compare to the Proposer's submission shall not be discussed.

E. EVALUATION OF PROPOSALS

28. Preliminary Examination of Proposals

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.

29. Evaluation of Proposals

29.1 UNDP shall examine the Proposal to confirm that all terms and conditions under the UNDP General Terms and Conditions and Special Conditions have been accepted by the Proposer without any deviation or reservation.

29.2 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 specified in the **Data Sheet** (DS no. 32). Each responsive Proposal will be given a technical score. A Proposal shall be rendered non-responsive at this stage if it does not substantially respond to the RFP particularly the demands of the Terms of Reference, which also means that it fails to achieve the minimum technical score indicated in the **Data Sheet** (DS no. 25). Absolutely no changes may be made by UNDP in the criteria, sub-criteria and point system indicated in the **Data Sheet** (DS no. 32) after all Proposals have been received.

29.3 In the second stage, only the Financial Proposals of those Proposers who achieve the minimum technical score will be opened for evaluation for comparison and review. The Financial Proposal Envelopes corresponding to Proposals that did not meet the minimum passing technical score shall be returned to the Proposer unopened. The overall evaluation score will be based either on a combination of the technical score and the financial offer, or the lowest evaluated financial proposal of the technically qualified Proposers. The evaluation method that applies for this RFP shall be as indicated in the **Data Sheet** (DS No. 25).

When the Data Sheet specifies a combined scoring method, the formula for the rating of the Proposals will be as follows:

Rating the Technical Proposal (TP):

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

Rating the Financial Proposal (FP):

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

Total Combined Score:

(TP Rating) x (Weight of TP, e.g. 70%)

+ (FP Rating) x (Weight of FP, e.g., 30%)

Total Combined and Final Rating of the Proposal

29.4 UNDP reserves the right to undertake a post-qualification exercise aimed at determining, to its satisfaction the validity of the information provided by the Proposer. Such post-qualification shall be fully documented and, among those that may be listed in the **Data Sheet**

(DS No.33), may include, but need not be limited to, all or any combination of the following :

- a) Verification of accuracy, correctness and authenticity of information provided by the Proposer on the legal, technical and financial documents submitted;
- b) Validation of extent of compliance to the RFP requirements and evaluation criteria based on what has so far been found by the evaluation team;
- c) Inquiry and reference checking with Government entities with jurisdiction on the Proposer, or any other entity that may have done business with the Proposer;
- d) Inquiry and reference checking with other previous clients on the quality of performance on ongoing or previous contracts completed;
- e) Physical inspection of the Proposer's offices, branches or other places where business transpires, with or without notice to the Proposer;
- f) Quality assessment of ongoing and completed outputs, works and activities similar to the requirements of UNDP, where available; and
- g) Other means that UNDP may deem appropriate, at any stage within the selection process, prior to awarding the contract.

30. Clarification of Proposals

To assist in the examination, evaluation and comparison of Proposals, UNDP may, at its discretion, ask any Proposer for a clarification of its Proposal.

UNDP's request for clarification and the response shall be in writing. Notwithstanding the written communication, no change in the prices or substance of the Proposal shall be sought, offered, or permitted, except to provide clarification, and confirm the correction of any arithmetic errors discovered by UNDP in the evaluation of the Proposals, in accordance with RFP Clause 32.

Any unsolicited clarification submitted by a Proposer in respect to its Proposal, which is not a response to a request by UNDP, shall not be considered during the review and evaluation of the Proposals.

31. Responsiveness of Proposal

UNDP's determination of a Proposal's responsiveness will be based on the contents of the Proposal itself.

A substantially responsive Proposal is one that conforms to all the terms, conditions, TOR and other requirements of the RFP without material deviation, reservation, or omission.

If a Proposal is not substantially responsive, it shall be rejected by UNDP and may not subsequently be made responsive by the Proposer by correction of the material deviation, reservation, or omission.

32. Nonconformities, Reparable Errors and Omissions

Provided that a Proposal is substantially responsive, UNDP may waive any non-conformities or omissions in the Proposal that, in the opinion of UNDP, do not constitute a material deviation.

Provided that a Proposal is substantially responsive, UNDP may request the Proposer to submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the Proposal related to documentation requirements. Such omission shall not be related to any aspect of the price of the Proposal. Failure of the Proposer to comply with the request may result in the rejection of its Proposal.

Provided that the Proposal is substantially responsive, UNDP shall correct arithmetical errors as follows:

- a) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of UNDP there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;
- b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the above.

If the Proposer does not accept the correction of errors made by UNDP, its Proposal shall be rejected.

F. AWARD OF CONTRACT

33. Right to Accept, Reject, or Render Non-Responsive Any or All Proposals

UNDP reserves the right to accept or reject any Proposal, to render any or all of the Proposals as non-responsive, and to reject all Proposals at any time prior to award of contract, without incurring any liability, or obligation to inform the affected Proposer(s) of the grounds for UNDP's action. Furthermore, UNDP shall not be obliged to award the contract to the lowest price offer.

UNDP shall also verify, and immediately reject their respective Proposal, if the Proposers are found to appear in the UN's Consolidated List of Individuals and Entities with Association to Terrorist Organizations, in the List of Vendors Suspended or Removed from the UN Secretariat Procurement Division Vendor Roster, the UN Ineligibility List, and other such lists that as may be established or recognized by UNDP policy on Vendor Sanctions. (See http://www.undp.org/content/undp/en/home/operations/procurement/procurement_protest/ for details)

34. Award Criteria

Prior to expiration of the period of proposal validity, UNDP shall award the contract to the qualified Proposer with the highest total score based on the evaluation method indicated in the **Data Sheet** (DS nos. 25 and 32).

35. Right to Vary Requirements at the Time of Award

At the time of award of Contract, UNDP reserves the right to vary 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.

36. Contract Signature

Within fifteen (15) days from the date of receipt of the Contract, the successful Proposer shall sign and date the Contract and return it to UNDP.

Failure of the successful Proposer to comply with the requirement of RFP Clause 35 and this provision shall constitute sufficient grounds for the annulment of the award, and forfeiture of the Proposal Security if any, and on which event, UNDP may award the Contract to the Proposer with the second highest rated Proposal, or call for new Proposals.

37. Performance Security

A performance security, if required, shall be provided in the amount and form provided in Section 9 and by the deadline indicated in the **Data Sheet** (DS no. 14), as applicable. Where a Performance Security will be required, the submission of the said document, and the confirmation of its acceptance by UNDP, shall be a condition for the effectivity of the Contract that will be signed by and between the successful Proposer and UNDP.

38. Bank Guarantee for Advanced Payment

Except when the interests of UNDP so require, it is the UNDP's preference to make no advanced payment(s) on contracts (i.e., payments without having received any outputs). In the event that the Proposer requires an advanced payment upon contract signature, and if such request is duly accepted by UNDP, and the said advanced payment exceeds 20% of the total proposal price, or exceed the amount of USD 30,000, UNDP shall require the Proposer to submit a Bank Guarantee in the same amount as the advanced payment. A bank guarantee for advanced payment shall be furnished in the form provided in Section 10.

39. Vendor Protest

UNDP's vendor protest procedure provides an opportunity for appeal to those persons or firms not awarded a purchase order or contract through a competitive procurement process. In the event that a Proposer believes that it was not treated fairly, the following link provides further details regarding UNDP vendor protest procedures:
<http://www.undp.org/procurement/protest.shtml>

Instructions to Proposers

DATA SHEET

The following data for the services to be procured shall complement, supplement, or amend the provisions in the Instruction to Proposers. In the case of a conflict between the Instructions to Proposers, the Data Sheet, and other annexes or references attached to the Data Sheet, the provisions in the Data Sheet shall govern.

| DS No. ² | Cross Ref. to Instructions | Data | Specific Instructions / Requirements |
|---------------------|----------------------------|---|---|
| 1 | | Project Title : | United Nations Capital Development Fund (UNCDF) /Making Access to Finance Possible (MAP) |
| 2 | | Title of Services/Work: | To conduct a supply side and regulatory survey and prepare a road map for financial inclusion in Nepal |
| 3 | | Country / Region of Work Location: | Nepal |
| 4 | C.13 | Language of the Proposal: | <input checked="" type="checkbox"/> English <input type="checkbox"/> French <input type="checkbox"/> Spanish <input type="checkbox"/> Others (pls. specify) _____ |
| 5 | C.20 | Conditions for Submitting Proposals for Parts or sub-parts of the TOR | <input type="checkbox"/> Allowed <i>[if yes, describe how, and ensure that requirements properly define the sub-parts]</i> <input checked="" type="checkbox"/> Not allowed |
| 6 | C.20 | Conditions for Submitting Alternative Proposals | <input checked="" type="checkbox"/> Shall not be considered <input type="checkbox"/> Shall be considered. A proposer may submit an alternative proposal, but only if it also submits a proposal that meets the base case. UNDP shall only consider the alternative proposals offered by the Proposer whose proposal for the base case was determined to be the proposal with the highest evaluated score. |
| 7 | C.22 | A pre-proposal conference will be held on: | Time: 13:00hrs Date: 5/1/2015 Venue: UN Conference Hall, UN House, Pulchowk, All interested parties who wish to attend the Pre-Bid Meeting should send their confirmation by e-mail registry.np@undp.org or by fax (977-1-5523991). |

² All DS number entries in the Data Sheet are cited as reference in the Instructions to Proposers. All DS nos. corresponding to a Data must not be modified. Only information on the 3rd column may be modified by the user. If the information does not apply, the 3rd column must state "N/A" but must not be deleted.

| | | | |
|----|-----------------------|---|---|
| 8 | C.21 | Period of Proposal Validity commencing on the submission date | <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input checked="" type="checkbox"/> 120 days |
| 9 | B.9.5 C.15.4 b) | Proposal Security Not Applicable | <input type="checkbox"/> Required Amount: Click here to enter text. Form: Click here to enter text. <input checked="" type="checkbox"/> Not Required |
| 10 | B.9.5 | Acceptable forms of Proposal Security ³ Not Applicable | <input type="checkbox"/> Bank Guarantee (See Section 8 for template) <input type="checkbox"/> Any Bank-issued Check / Cashier's Check / Certified Check <input type="checkbox"/> Other negotiable instrument <input type="checkbox"/> Cash (exceptionally, if none of the other forms are feasible) <input checked="" type="checkbox"/> Not Required |
| 11 | B.9.5 C.15.4 a) | Validity of Proposal Security Not Applicable | <i>[indicate no. of days, but minimum of 90] days from the last day of Proposal submission.</i> Proposal Security of unsuccessful Proposers shall be returned. Not Applicable. |
| 12 | | Advanced Payment upon signing of contract | <input type="checkbox"/> Allowed up to a maximum of ____% of contract ⁴ <input checked="" type="checkbox"/> Not allowed |
| 13 | | Liquidated Damages | <input type="checkbox"/> Will not be imposed <input checked="" type="checkbox"/> Will be imposed under the following conditions : Percentage of contract price per day of delay : 0.5% Max. no. of days of delay : 30 days After which UNDP may terminate the contract. |
| 14 | F.37 | Performance Security Not Applicable | <input type="checkbox"/> Required Amount : _____ Form: _____ <input checked="" type="checkbox"/> Not Required |
| 15 | C.17, C.17 b) | Preferred Currency of Proposal and Method for Currency conversion | <input checked="" type="checkbox"/> United States Dollars (US\$) <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency <i>Reference date for determining UN Operational Exchange Rate : USD 100.1617</i> |

³ Surety bonds or other instruments issued by non-bank Financial Institutions are least preferred by UNDP. Unless stated otherwise, they shall be considered unacceptable to UNDP.

⁴ If the advanced payment that the Bidder will submit will exceed 20% of the Price Offer, or will exceed the amount of USD 30,000, the Bidder must submit an Advanced Payment Security in the same amount as the advanced payment, using the form and contents of the document in Section 10

| | | | |
|----|--------------------------|--|--|
| 16 | B.10.1 | Deadline for submitting requests for clarifications/questions | 7 days before the submission date. <i>Latest date for clarification: 4 May 2015. All clarification will be uploaded on UNDP Website. Please check during the solicitation period.</i> |
| 17 | B.10.1 | Contact Details for submitting clarifications/questions ⁵ | Focal Person in UNDP: Sushma Murray Procurement Assistant registry.np@undp.org |
| 18 | B.11.1 | Manner of Disseminating Supplemental Information to the RFP and responses/clarifications to queries | <input type="checkbox"/> Direct communication to prospective Proposers by email or fax <input checked="" type="checkbox"/> Direct communication to prospective Proposers by email or fax, and Posting on the website http://www.np.undp.org/content/nepal/en/home/operations/procurement/ |
| 19 | D.23.3 | No. of copies of Proposal that must be submitted [if transmitted by courier] | Original : 1 |
| 20 | D.23.1 D.23.2 D.24 | Proposal Submission Address | Deputy Country Director – Operations United Nations Development Programme UN House, Pulchowk Lalitpur, Nepal |
| 21 | C.21 D.24 | Deadline of Submission | Date and Time : May 11, 2015 5:00 PM |
| 22 | D.23.2 | Allowable Manner of Submitting Proposals | <input checked="" type="checkbox"/> Courier/Hand Delivery <input type="checkbox"/> Electronic submission of Bid ⁶ |
| 23 | D.23.2 D.26 | Conditions and Procedures for electronic submission and opening, if allowed Not Applicable | <input type="checkbox"/> Official Address for e-submission: <i>[specify]</i> <input type="checkbox"/> Free from virus and corrupted files <input type="checkbox"/> Format : PDF files only, password protected <input type="checkbox"/> Password <u>must</u> not be provided to UNDP until the date and time of Bid Opening as indicated in No. 24 <input type="checkbox"/> Max. File Size per transmission: <i>[specify]</i> <input type="checkbox"/> Max. No. of transmission : <i>[specify]</i> <input type="checkbox"/> No. of copies to be transmitted : <i>[specify]</i> <input type="checkbox"/> Mandatory subject of email : <i>[specify]</i> <input type="checkbox"/> Virus Scanning Software to be Used prior to transmission: <i>[specify]</i> <input type="checkbox"/> Digital Certification/Signature: <i>[specify]</i> <input type="checkbox"/> Time Zone to be Recognized: <i>[specify]</i> <input type="checkbox"/> Other conditions: <i>[pls. specify]</i> |

⁵ 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 officially received.

⁶ If this will be allowed, security features (e.g., encryption, authentication, digital signatures, etc.) are strictly required and must be enforced to ensure confidentiality and integrity of contents.

| | | | |
|----|--------------------------|--|---|
| 24 | D.23.1 | Date, time and venue for opening of Proposals | Date and Time: May 12, 2015 12:00 AM Venue : UNDP |
| 25 | E.29.2 E.29.3 F.34 | Evaluation method to be used in selecting the most responsive Proposal | <input checked="" type="checkbox"/> Lowest financial offer of technically qualified Proposals <input type="checkbox"/> Combined Scoring Method, using the 70%-30% distribution for technical and financial proposals, respectively <input type="checkbox"/> Combined Scoring Method, using 60%-40% distribution for technical and financial proposals, respectively |
| 26 | C.15.1 | Required Documents that must be Submitted to Establish Qualification of Proposers (In "Certified True Copy" form only) <i>[Check all that apply, delete those that will not be required.]</i> | <input checked="" type="checkbox"/> Company Profile, which should <u>not</u> exceed fifteen (15) pages, including printed brochures and product catalogues relevant to the goods/services being procured <input type="checkbox"/> Members of the Governing Board and their Designations duly certified by the Corporate Secretary, or its equivalent document if Bidder is not a corporation <input type="checkbox"/> List of Shareholders and Other Entities Financially Interested in the Firm owning 5% or more of the stocks and other interests, or its equivalent if Bidder is not a corporation <input checked="" type="checkbox"/> Tax Registration/Payment Certificate issued by the Internal Revenue Authority evidencing that the Bidder is updated with its tax payment obligations, or Certificate of Tax exemption, if any such privilege is enjoyed by the Bidder <input checked="" type="checkbox"/> Certificate of Registration of the business, including Articles of Incorporation, or equivalent document if Bidder is not a corporation <input checked="" type="checkbox"/> Number of years of experience required to be eligible to apply (4 years) <input type="checkbox"/> Trade name registration papers, if applicable <input type="checkbox"/> Local Government permit to locate and operate in the current location of office or factory <input type="checkbox"/> Official Letter of Appointment as local representative, if Bidder is submitting a Bid in behalf of an entity located outside the country <input checked="" type="checkbox"/> Quality Certificate (e.g., ISO, etc.) and/or other similar certificates, accreditations, awards and citations received by the Bidder, if any <input type="checkbox"/> Environmental Compliance Certificates, Accreditations, Markings/Labels, and other evidences of the Bidder's practices which contributes to the ecological sustainability and reduction of adverse environmental impact (e.g., use of non-toxic substances, recycled raw materials, energy-efficient equipment, reduced carbon emission, etc.), either in its business practices or in the goods it manufactures <input type="checkbox"/> Patent Registration Certificates, if any of technologies submitted in the Bid is patented by the Bidder <input type="checkbox"/> Plan and details of manufacturing capacity, if Bidder is a manufacturer of the goods to be supplied <input type="checkbox"/> Certification or authorization to act as Agent in behalf of the Manufacturer, or Power of Attorney, if bidder is not a manufacturer |

| | | | |
|----|--------|---|---|
| | | | <input checked="" type="checkbox"/> Latest Audited Financial Statement (Income Statement and Balance Sheet) including Auditor's Report for the past [2 years] <input checked="" type="checkbox"/> Statement of Satisfactory Performance from the Top [3] Clients in terms of Contract Value the past [5] <input checked="" type="checkbox"/> List of Bank References (Name of Bank, Location, Contact Person and Contact Details) <input type="checkbox"/> All information regarding any past and current litigation during the last five (5) years, in which the bidder is involved, indicating the parties concerned, the subject of the litigation, the amounts involved, and the final resolution if already concluded. |
| 27 | | Other documents that may be Submitted to Establish Eligibility | a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations; b) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references; c) Proposed Methodology for the completion of Services - The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work. d) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.; e) CVs demonstrating qualifications must be submitted; and f) Written confirmation from each personnel that they are available for the entire duration of the contract. |
| 28 | C.15 | Structure of the Technical Proposal <i>(only if different from the provision of Section 12)</i> | N/A |
| 29 | C.15.2 | Latest Expected date for commencement of Contract | May 25, 2015 |
| 30 | C.15.2 | Expected duration of contract (Target Commencement Date and Completion Date) | 9 months |
| 31 | | UNDP will award the contract to: | <input checked="" type="checkbox"/> One Proposer only <input type="checkbox"/> One or more Proposers, depending on the following factors : <i>[clarify fully how and why will this be achieved. Please do not choose this option without indicating the parameters for awarding to multiple Proposers]</i> |

| | | | |
|----|----------------|--|--|
| 32 | E.29.2 F.34 | Criteria for the Award of Contract and Evaluation of Proposals | <p>(See Tables below)</p> <p><i>Important Note: The points indicated below are only suggested distribution, but may be modified based on the nature and demands of the TOR. However, ABSOLUTELY NO CHANGES on this table may be made by UNDP after Proposal Envelopes have been received, most specially after the envelopes have been opened.</i></p> |
| 33 | E.29.4 | Post-Qualification Actions | <p><input checked="" type="checkbox"/> Verification of accuracy, correctness and authenticity of the information provided by the bidder on the legal, technical and financial documents submitted;</p> <p><input checked="" type="checkbox"/> Validation of extent of compliance to the ITB requirements and evaluation criteria based on what has so far been found by the evaluation team;</p> <p><input type="checkbox"/> Inquiry and reference checking with Government entities with jurisdiction on the bidder, or any other entity that may have done business with the bidder;</p> <p><input checked="" type="checkbox"/> Inquiry and reference checking with other previous clients on the quality of performance on ongoing or previous contracts completed;</p> <p><input type="checkbox"/> Physical inspection of the bidder's plant, factory, branches or other places where business transpires, with or without notice to the bidder;</p> <p><input type="checkbox"/> Testing and sampling of completed goods similar to the requirements of UNDP, where available; and</p> <p><input type="checkbox"/> Others</p> |
| 34 | | Conditions for Determining Contract Effectivity | <p><input type="checkbox"/> UNDP's receipt of Performance Bond</p> <p><input type="checkbox"/> UNDP's receipt of Professional Indemnity Insurance</p> <p><input checked="" type="checkbox"/> After signing of the contract by both parties</p> |
| 35 | | Other Information Related to the RFP | <p><i>[All other instructions and information not yet mentioned so far in this Data Sheet but are relevant to the RFP must be cited here, and any further entries that may be added below this table row]</i></p> |

Section 3: Terms of Reference (TOR)



TERMS OF REFERENCE

POST TITLE: To conduct a supply side and regulatory survey and prepare a road map for financial inclusion in Nepal

AGENCY/PROJECT NAME: UNCDF/Making Access to Finance Possible (MAP)

COUNTRY OF ASSIGNMENT: Nepal

1) GENERAL BACKGROUND

UNCDF NEPAL

The United Nations Capital Development Fund (UNCDF) has been working with the Government of Nepal since 1984. UNCDF is implementing various programme/ projects in Nepal under its Access to Finance Country Framework 2014 - 2018. UNCDF will deliver the programme strategic objectives and interventions through its global thematic initiatives/ programmes such as Mobile Money for the Poor (MM4P), Making Access Possible (MAP) and CleanStart. Some of these programmes are a part of the global UNCDF programmes that are designed to complement UNCDF country framework by promoting product and institutional innovations that expand the frontiers of financial inclusion.

MAKING ACCESS TO FINANCE POSSIBLE (MAP)

Making Access Possible (MAP) is a multi-country diagnostic and programmatic framework to support expanding access to financial services for individuals and micro and small businesses. MAP has been initiated by UNCDF as one of its main programmes to enhance financial inclusion in LDC's.

Through a dialogue and evidence-based process, MAP aligns a broad range of stakeholders from within government, private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country. Importantly, financial inclusion is pursued not as an objective in and of itself, but for its role in achieving the core public policy objective of enhancing household welfare, supporting livelihoods and contributing to economic growth and employment (the so-called "real economy").

The MAP methodology has been jointly developed by UNCDF, FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri). This methodology spans the country context, supply, regulatory framework and demand for financial services across four product markets: credit, payments, savings and insurance. The methodology has been adjusted and refined following the MAP pilot phase to accommodate experience with the first set of MAP countries.

The details of the methodology are set out in an eight-part MAP toolkit series, which forms the basis for the consulting firm's terms of reference and should in all instances guide the consulting firm in terms of the type of information and level of detail to be sourced, as well as the insights to be developed as part of the synthesis process. The consulting firm will be briefed on the methodology by the MAP technical

partner, Cenfri, which has been contracted by UNCDF as the international consulting firm to play a quality assurance and technical support role for this assignment, the details are as set out in Annexure A.

This terms of reference provides the background to what MAP is, what the objectives are of MAP in Nepal, the scope of work the consulting firm will need to provide, the deliverables that are required under this contract and the anticipated timelines for implementation. It also sets out how the consulting firm will need to work with the MAP partners on this project.

WHAT DOES MAP ENTAIL?

The global MAP programme comprises three levels of engagement:

- **Country diagnostics:** At the heart of the methodology is a comprehensive country-level financial inclusion diagnostic to identify actions and strategies that will improve the welfare of low-income households through increased financial inclusion.

A diagnostic is an analytical study that analyses the demand for and supply of financial services within a country and the impact that the country context, policy, regulation and supervision has on such demand and supply. The purpose of the analysis is to gain a static (depicting the current situation) as well as dynamic (depicting how the market has developed over time) understanding of financial inclusion in a country. This is done in order to understand and address the underlying driving forces of the market.

The MAP diagnostic is set aside from other diagnostic initiatives in that it seeks to:

- Take an *integrated view* of the financial sector – covering demand, supply and regulation across product areas – that places various products and players in context and explores the ability and willingness of the formal sector to serve the excluded and underserved market
 - Build a *holistic picture* of the drivers of financial inclusion and the eco-system within which the financial services sector has to be evaluated, thereby providing language and a framework to the domestic debate regarding how to facilitate financial inclusion
 - Place the *demand-side perspective* at the core of the analysis and utilise the FinScope survey methodology as well as qualitative demand-side research to provide an informed demand-side perspective that permeates the whole MAP analysis
 - Demonstrate *opportunities* for and identify context-related, market-related and regulatory *obstacles* to expanding financial inclusion
 - Not just extend the coverage of financial products, but *improve welfare* through financial services that offer value to consumers
 - Use the research to generate an *evidence base for a process* of engagement to generate buy-in and catalyse a practical set of actions (see below)
- **Country-level stakeholder process:** The diagnostic is a means to an end, rather than the end in itself. It identifies key drivers of financial inclusion and provides the evidence base for the development of a comprehensive financial inclusion implementation roadmap that aligns stakeholders and resources around agreed key priorities. **The process is aimed at creating** buy-in and ownership from various public and private sector stakeholders and facilitating the implementation of a national financial inclusion roadmap and action plan based on recommendations emerging from the diagnostic.

The roadmap is a strategy document that details focus areas and responsibilities to take the strategy process forward. It is the foundation for the development of an action plan, which adds further detail and timelines to create an implementable and sustainable plan to improve financial inclusion and informs UNCDF and other donor programming in the country.

- **Global stakeholder process.** The content and process lessons from the country level diagnostics and stakeholder processes form a growing knowledge base of cross-country experiences on financial inclusion. The global process knits together the experiences of the different country diagnostics and processes. Using the evidence gathered at the country level, the project engages various international platforms and entities impacting on financial inclusion.

2) OBJECTIVES OF THE ASSIGNMENT

Following the MAP toolkits and under the guidance from Centre for Financial Regulation and Inclusion (Cenfri) and UNCDF, the consulting firm will provide a comprehensive diagnostic of the status of financial inclusion in Nepal being fully in charge of analysing the country context, supply and regulatory aspects, and incorporating the outcomes of the demand-side analysis already conducted by Fin Mark Trust.

The assignment will also cover the facilitation of the financial inclusion roadmap formulation with the local stakeholders following the presentation of the first draft by Cenfri.

3) SCOPE OF WORK

The consulting firm will be responsible for developing one core output in the form of a MAP diagnostic document (refer to details below). In addition, the firm is required to attend and make presentations at three stakeholder workshops, work closely with the UNCDF, FinMark Trust team, as well as with Cenfri which is the technical MAP partner for quality assurance. Cenfri will also be responsible for supporting the drafting of two further deliverables based on the contents in the diagnostic document: a synthesis note of main findings and recommendations, as well as a roadmap for stakeholder action based on the diagnostic findings (Cenfri's full role is set out in Annexure A).

The detail on each of the key deliverables are outlined below:

1. DIAGNOSTIC

The consulting firm is responsible for drafting a comprehensive diagnostic report in line with the quality assurance standards in Annexure A, the MAP toolkits and with consideration of existing MAP diagnostic reports. This report will require a comprehensive, evidence based, integrated analysis of country context, demand, supply and regulatory information across the payments, credit, savings and insurance markets which requires an in-depth understanding and context knowledge of Nepalese financial markets including regulatory provisions. Annexure B sets out an indicative template structure of MAP diagnostic reports and a brief summary of the analysis required for each section. The consulting firm should refer to the MAP toolkit for more details.

As indicated above, a core feature of MAP is that it takes an integrated view of the Nepalese financial sector. As such, the MAP diagnostic approach spans five key components:

- **Context.** The country context is the backdrop against which the financial services market develops. The context analysis includes the macro, socioeconomic and demographic context, the political economy as well as the general and social infrastructure underlying financial services provision and usage. The rationale for and aspects to cover as part of the context analysis are considered in more detail in Toolkit III.
- **Demand.** What makes MAP unique vis-à-vis other diagnostic initiatives is the central role assigned to the demand-side analysis – the subject of Toolkit V. The demand-side analysis integrates qualitative and quantitative demand-side research components in order to ascertain the features of demand in the particular context and how it differs across product markets:

- *Qualitative research* entails focus group discussions, client interviews or other methodologies to gauge the target market's realities, perceptions, needs and financial behaviour at a qualitative level. *Note that, in the case of MAP Nepal, no dedicated qualitative research component will be included.* Thus the consulting firm are not expected to integrate primary qualitative demand-side findings in the analysis. However, where relevant secondary qualitative information is available, this should be incorporated.
- *Quantitative research* entails the roll-out and analysis of a FinScope survey. FinScope is a nationally representative survey of consumers' perceptions on and usage of financial services that seeks to understand current levels of financial service access and usage. It also unpacks the main drivers of usage to understand barriers to uptake of financial services. See www.finmark.org.za for more information on FinScope. The survey is based on a comprehensive questionnaire that draws out these insights in a comparable manner. The consulting firm has to integrate the findings from the FinScope survey which has already been carried out, and include the evidence and insights into the overall MAP analysis. The consulting firm will not be required to design or implement the survey. Neither will they be required to conduct the primary analysis of the dataset or the target market segmentation (see below). This will be part of the role of MAP Nepal's international consulting firm partner Cenfri.

The MAP methodology uses the demand-side research to segment the adult population into discrete target markets, using main source of income as main basis for segmentation. The demand-side insights regarding the needs, profile and financial service uptake of the various target markets are central in informing the supply-side analysis, as well as the overarching conclusions and recommendations. Toolkit V explains the segmentation methodology, outlines the various elements of the MAP diagnostic that draw on the demand-side research and gives guidance on how to incorporate the demand-side evidence and insights into the overall MAP analysis.

- **Supply.** The supply-side analysis spans providers, products and distribution channels across four product markets: payments, savings, credit and insurance. Evidence is to be gathered through an in depth literature review, analysis of annual reports, regulatory and other available datasets, as well as from product brochures, stakeholder interviews (for which meeting arrangements with national institutions is needed) and mystery shopping. Both formal and informal supply should be evaluated. The analysis should span the nature, operations and financial performance of the different providers, the nature, features and reach of the various distribution channels used (current as well as potential), as well as the key features (including functionality, entry or eligibility requirements and fees) of a representative range of entry-level products in each product market. The various aspects to cover as part of the supply-side analysis are discussed in Toolkit VI. Toolkit VIII provides a number of checklists, templates and suggested sources to draw on.
- **Regulation.** The regulatory component of the analysis is covered in Toolkit IV. As regulation represents the “rules of the game” for all financial service providers, it is important to understand the financial sector policy framework (including the main policy objectives and the role, if any, of financial inclusion) and any reform processes, to outline the material regulatory provisions of relevance to financial inclusion across the various product markets and to unpack the regulatory issues and constraints to market provision. Where relevant, existing policies and public initiatives to support financial inclusion should also be outlined. To this end, the consulting firm must analyse all relevant acts and other regulatory materials, plus use stakeholder interviews for which meeting arrangements with relevant high level officials of financial regulatory bodies in Nepal including the Government of Nepal is needed to build an understanding of the regulatory framework and its implications for market development.

- **Cross-cutting findings.** The diagnostic report pulls together key findings across the various components to conclude on the current state of financial inclusion, the gaps and barriers, as well as the opportunities towards the overarching objective that can then form the basis for roadmap recommendations. Importantly, it should apply a target market lens in order to conclude on key gaps and opportunities across target market segments. The process to synthesise findings across the various components of the diagnostic is key to developing priority areas to advance financial inclusion, which will form the conclusion of the diagnostic report. Toolkit VII outlines the synthesis process and elements and provides an indicative structure for the diagnostic report. Findings developed during this process will be presented to Cenfri and UNCDF during the synthesis workshop for refinement and then subsequently to the Steering Committee once finalised.

In summary: as input to the drafting of the diagnostic report, the **consulting firm's tasks will include:**

- Gathering and analysis of secondary data and reports on all components of the diagnostic as outlined above;
- Analysis of all relevant aspects of the regulatory framework;
- Extensive in-country interviews with public and private sector stakeholders to be conducted by the consulting firm⁷;
- Integration of demand-side evidence into the analysis;
- Collection and analysis of product, provider, branch and infrastructure data; and
- Identification and documentation of key findings and priority recommendations to improve financial inclusion in Nepal.
- A synthesis working session with Cenfri and the UNCDF to fine-tune financial inclusion priority areas (see Annexure A).
- Present findings/results of the research
- Support the preparation of the financial inclusion roadmap

2. WORKSHOP ATTENDANCE AND PRESENTATIONS

The consulting firm will be required to participate in the following sessions:

- A MAP training session at the kick-off stage, where the consulting firm will receive a detailed explanation of the MAP methodology
- Synthesis working session to present and discuss findings with Cenfri and the UNCDF
- Stakeholder meetings to present findings from the research: (i) initial workshop(s) to present the diagnostic results, followed by (ii) dedicated workshop(s) to inform the development of the financial inclusion roadmap that will stem from the diagnostic results and recommendations.

Inputs provided by MAP partners into the diagnostic process:

- **FinScope:** FinMark Trust oversees the design and implementation of the FinScope survey. Furthermore, a brief analysis of the FinScope survey will be done by FinMark Trust. A more comprehensive FinScope analysis will be required for the diagnostic document. This will be done by Cenfri⁸.

⁷ Interviews would be conducted with key public and private sector players in the financial sector including regulatory bodies, telecoms industries and its government authorities, the National Planning Commission, agriculture and other relevant ministries responsible for general planning. Informal providers and significant aggregators or distributors such as cooperatives or aggro dealers would also need to be interviewed.

⁸ Cenfri will provide input into the demand-side analysis through the provision of relevant FinScope analysis to inform the diagnostic. A 40 slide pack covering the core demand side analysis will be provided to the consulting firm with a further 10 slides to be provided based on requests from the consulting firm. Cenfri's input in terms of this will be time limited, as stipulated in the Cenfri MAP Partner ToR.

- **Quality control and technical support:** Cenfri, in its role as MAP Nepal's International consulting firm partner, will provide the overall guidance and quality control to the consulting firm implementing the analysis, including a detailed briefing session. The consulting firm will need to work closely with Cenfri, as set out in Annexure A, which contains the quality control standards and a brief description of Cenfri's role. Cenfri will also take the diagnostic findings and translate them into a short synthesis summary note, plus will develop the roadmap.
- **UNCDF country presence:** UNCDF Nepal's National Programme Coordinator will support the consulting firm in facilitating country meetings, collect supplemental product level data and convene stakeholder working sessions.

4) DURATION Key roles and responsibilities are summarised in Annexure C, the responsibility matrix.

4) DESCRIPTION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

- Contract duration: 25 May 2015 – 31 January 2016 (9 months)
- Duty Station/Home-base: Kathmandu and travel to other districts outside Kathmandu this may include a maximum of 10 – 12 visits as required.

Total Payment details:

- Consultancy days: total of up to 160 days to be proposed by the consulting firm in their bid document.
- All proposals to include a detailed methodology and work plan to implement the assigned activities.
- Full pricing, includes:
 - Key personnel and support service costs (up to two persons): either lump sum that includes involvement for 90 days of the Team Leader and 160 days for the Research Coordinator or per day rates of both, as well as 160 days for up to two support staffs.
 - Number of anticipated days of travel including field visits outside of Kathmandu, and associated costs for the meetings. The tentative number of visit/interviews to the individual financial institutions (private and public including regulatory bodies) will be from 70 – 120 institutions/individuals which will be selected randomly across Nepal in consultation with UNCDF and Cenfri (this includes a maximum of visits/interviews to 10 – 12 districts outside Kathmandu valley).
 - Additionally, 7 – 10 focus group discussions with financial service users (clients) needs to be conducted – of which (50% will be outside Kathmandu valley in 3-5 districts). The costs should also include expenses related to organizing FDGs including travel of the personnel.

5) FINAL PRODUCTS

Key Deliverables

- Prepare an initial inception plan for the proposed assignment
- Nepal Financial Sector background report including political economy assessment
- Full Diagnostic report
- Presentation of findings at a steering committee, stakeholder and roadmap working session respectively.
- Provide inputs to the Roadmap
- Additionally, the selected consulting firm would also have to provide monthly progress updates to UNCDF/Cenfri. The consulting firm will also be required to participate in a training session, a synthesis session and fortnightly project calls with the MAP partners.

All final products delivered by the consulting firm must be provided in hardcopy and softcopy to UNCDF and Cenfri. Any and all secondary source materials must clearly recognize original authorship and copyright.

The payment schedule related to this assignment shall be made in tranches upon the completion of the following deliverables:

Expected Dates

| | |
|--|-------------------|
| <ul style="list-style-type: none"> • 20%: Upon submission of the inception plan | 1 June 2015 |
| <ul style="list-style-type: none"> • 25%: Submission of first draft of the Diagnostic report (see Box 1) <ul style="list-style-type: none"> ○ Context drivers of market development • Regulatory overview <ul style="list-style-type: none"> ○ Regulatory framework to promote access to financial services ○ Policy objective for financial inclusion ○ Regulatory framework • Provision of financial services <ul style="list-style-type: none"> ○ Provider overview ○ Distribution and financial sector infrastructure • Product markets (supply-side information: product features, volumes,...) <ul style="list-style-type: none"> ○ Market for savings ○ Market for payments ○ Market for credit ○ Market for insurance | 31 August 2015 |
| <ul style="list-style-type: none"> • 30%: Submission of the Final Draft Diagnostic Report | 31 September 2015 |
| <ul style="list-style-type: none"> • 25%: Submission of the complete and final Diagnostic Report and input into the roadmap report | 15 December 2015 |

The consulting firms' performance and outputs will be reviewed and assessed against the agreed final products prior to authorizing payments.

6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The consulting firm will report to the Nepal National Programme Coordinator and to the Global MAP Programme Advisor. UNCDF will be responsible for sharing any outputs among stakeholders.

The consulting firm will work closely with MAP Nepal's international consulting firm partner Cenfri for technical oversight as indicated in Annexure A.

A responsibility matrix sets out roles and responsibilities of all parties involved as per Annexure C.

7) DEGREE OF EXPERTISE AND QUALIFICATIONS

- The consulting firm should demonstrate skills and experience working in large private sector, investment and financial inclusion projects/ assignments in Nepal;
- The consulting firm should have two senior team members including one Team leader and one Research Coordinator and may propose an additional support staff (up to two) e.g. for preparing, minutes/note taking/administrative and logistic purposes for arranging meetings/interviews/FGDs for the assignment. The CVs of the two senior team members needs to be submitted as part of the bid. However, CVs of support staff will not be part of the evaluation.
- The Senior team members should have the following key qualifications:

Team Leader

- At least Master's degree in economics, finance, business or public administration or related field.
- A minimum of 10 years relevant, practical working experience within the assessment of Nepali macroeconomic issues, investment and or private sector promotion, financial sector and/ or banking sector on Nepal, preferably also in least developed countries (LDCs);
- Sound technical knowledge and experience with Nepalese financial and or banking sector experience;
- Econometrics experience in analysing various research and data preferable;
- Proven knowledge and experience of the Nepalese financial services sector
- Experiences with similar assignments in Nepal and/or other developing countries;
- Extensive experience in undertaking economic appraisal, fund scrutinizing and assessments ;
- Strong report writing and analytical skills;
- Excellent command of both Nepali and English language, with outstanding written and oral communication skills

Research Coordinator

- At least Bachelor's degree in Finance, Management, Economics, Social Science, or related field.
- A minimum of 7 years relevant, practical working experience within the assessment of Nepalese macroeconomic issues, investment and or private sector promotion, financial sector and/ or banking sector in Nepal, preferably also in least developed countries (LDCs);
- Sound technical knowledge and experience on analysing datasets and reports, especially with regard to the financial sector.
- Econometrics experience in analysing various research and data;
- Extensive experience in economic analysis, cost benefit analysis, feasibility studies and diagnostic study of financial and or economic sector;
- Excellent command of both Nepali and English language, with outstanding written and oral communication skills

8) APPLICATION

Applications will be rated on technical and financial submissions (bidders are requested to submit technical and financial bids separately in the sealed envelopes). The award of the contract should be made to the firm whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable (all bidders must submit its company registration certificate, VAT registration certificate and latest tax clearance certificate as a part of their bids).
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. Highest rated proposal using the combined scoring method, which assigns the weight distribution between the technical and financial proposals as set out in the RFP. The weight distribution shall be 70% technical and 30% financial.

| Summary of Technical Proposal Evaluation Forms | | Score Weight | Points Obtainable |
|--|--|--------------|-------------------|
| 1. | Expertise of Firm / Organization | 30% | 300 |
| 2. | Proposed Methodology, Approach and Implementation Plan | 50% | 500 |
| 3. | Management Structure and Key Personnel | 0% | 200 |
| Total | | | 1000 |

| Technical Proposal Evaluation Form 1 | | Points obtainable |
|---|--|-------------------|
| Expertise of the Firm/Organization | | |
| 1.1 | Reputation of Organization and Staff / Credibility / Reliability / Industry Standing | 59 |
| 1.2 | General Organisational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organisation, strength of project management support e.g. project financing capacity and project management controls) | 54 |
| 1.3 | Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access | 18 |
| 1.4 | Quality assurance procedures, warranty | 32 |
| 1.5 | Relevance of: - Specialised Knowledge | 60 |
| | - Experience on Similar Programme / Projects | 77 |
| | | 300 |

| Technical Proposal Evaluation Form 2 | | Points Obtainable |
|--|---|----------------------|
| Proposed Methodology, Approach and Implementation Plan | | |
| 2.1 | To what degree does the Proposer understand the task? | 50 |
| 2.2 | Is there evidence that the proposal been prepared based on an in-depth understanding and prior knowledge of the project environment? | 69 |
| 2.3 | Is the conceptual framework adopted appropriate for the task? | 79 |
| 2.4 | Is the scope of task well defined and does it correspond to the TOR? | 143 |
| 2.5 | Have the important aspects of the task been addressed in sufficient detail? | 29 |
| 2.6 | Is the proposal articulated clearly and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the assignment? | 106 |
| 2.7 | Is the timeframe provided concise with the TOR and matches the need of the TOR | 26 |
| | | 502 |

| Technical Proposal Evaluation Form 3 | | | Points Obtainable |
|---|---|-----------|----------------------|
| Management Structure and Key Personnel | | | |
| 3.1 | Team Leader | | 100 |
| | | Sub-Score | |
| | - At least Master's degree in economics, finance, business or public administration or related field. | 10 | |
| | - A minimum of 10 years relevant, practical working experience within the assessment of Nepali macroeconomic issues, investment and or private sector promotion, financial sector and/ or banking sector in Nepal, preferably also in least developed countries (LDCs); | 15 | |
| | - Sound technical knowledge and experience with Nepalese financial and or banking sector experience; | 15 | |
| | - Econometrics experience in analysing various research and data preferable; | 15 | |
| | - Proven knowledge and experience of the Nepal financial services sector | 15 | |
| | - Experiences with similar assignments in Nepal and/or other developing countries; | 10 | |
| | - Extensive experience in undertaking economic appraisal, fund scrutinizing and assessments ; | 10 | |
| | - Strong report writing and analytical skills and Excellent command of both Nepali and English language, with outstanding written and oral communication skills | 10 | |
| | | 100 | |

| | | | |
|-----|--|-----------|-----|
| 3.2 | Research Coordinator | | 100 |
| | | Sub-Score | |
| | At least Bachelor's degree in Statistics, Economics, Social Science, or related field. | 10 | |
| | A minimum of 7 years relevant, practical working experience within the assessment of Nepalese macroeconomic issues, investment and or private sector promotion, financial sector and/ or banking sector in Nepal, preferably also in least developed countries (LDCs); | 15 | |
| | Professional experience and substantive knowledge in the area of specialisation | 15 | |
| | Sound technical knowledge and experience on analysing datasets and reports, especially with regard to the financial sector. | 20 | |
| | Econometrics experience in analysing various research and data; | 15 | |
| | Experience in undertaking research based assignments; | 15 | |
| | Excellent command of both Nepali and English language, with outstanding written and oral communication skills | 10 | |
| | | 100 | |
| | Total Part 3 | | 200 |

The selected consulting firm will be invited to an online briefing session with UNCDF and Cenfri where the MAP methodology will be presented in greater detail. Additionally, team member of the firm may also be invited for a training session outside Nepal (the cost of such trainings will not be part of the financial bid).

Only firms passing the minimum technical score of 50 points will be considered for financial evaluation.

All applications must contain the following information:

- (i) Cover letter with a summary competencies statement of consulting firm in relation to the TOR
- (ii) Earliest availability
- (iii) Detailed technical proposal not exceeding maximum of eight pages that includes background, rationale, understanding of the TOR, objective, detailed methodology and work plan.
- (iv) Signed Curriculum Vitae of the Team leader and the Research Coordinator. In addition, names and designation of support staff needs to be mentioned.
- (v) In the financial proposal, the professional fees (either lump sum that includes involvement for 90 days of the Team Leader and 160 days for the Research Coordinator or per day rates of both) and 160 days for up to two support staff, logistics and travel costs for the meetings/FGDs in and outside Kathmandu valley needs to be included;

Annex A: MAP quality assurance approach

Background

Quality assurance is a key focus area of MAP to ensure a consistent relevant approach to improve financial inclusion across the different countries in which MAP is being rolled out. The MAP methodology has been jointly developed by UNCDF, FinMark Trust and Cenfri. This methodology spans the country context, supply, regulatory framework and demand for financial services across four product markets: credit, payments, savings and insurance. MAP is being rolled out in a number of countries and regions.

The details of the methodology are set out in an eight-part MAP toolkit series, which forms the basis for the consulting firm's terms of reference and should in all instances guide the consulting firm's in terms of the type of information and level of detail to be sourced, as well as the insights to be developed as part of the synthesis process.

UNCDF is the MAP implementation partner in Nepal. FinMark Trust is responsible for the quantitative demand-side survey, FinScope. Cenfri in its role as technical partner will provide overall guidance and quality control to the consulting firm's implementing the analysis, will conduct the primary FinScope data analysis, and will draft the synthesis summary note, as well as the roadmap stemming from the analysis.

This Annexure sets out the quality assurance standards that will guide Cenfri's engagement with the consulting firm in the research, analytical and synthesis components or phases of the diagnostic to ensure that the substantial investment made by the MAP partners delivers the desired outcome and impact. As such the aim is to achieve maximum economy of effort for the consulting firm and Cenfri.

These quality assurance standards refer to both process and content. The process quality standards are intended to focus on research or analytical actions that are essential to the MAP outcomes. By definition they are not intended to cover the full spectrum of research and analytical activities. These are comprehensively covered in the MAP toolkits. Similarly, the content quality standards are designed, to indicate specific elements of content without which credible recommendations and the development of the road map would be difficult if not impossible. Again, they are not at all indicative of the full spectrum of content to be included in deliverables. These are covered in the toolkits.

Quality assurance standards relating to the research process

Information gathering (details and examples are available in the toolkits):

1. Sufficient information must be gathered on financial products available to the low income target markets, including product characteristics, user charges, interest rates, and service elements that affect client perceptions.
2. Informal products and markets are a focus area for MAP. Sufficient information should be collected and analysed to provide insights into this market across product areas.
3. Supply-side and regulatory interviews must cover the full spectrum of suppliers for the low income target market, without omitting critical supplier categories.

Quality control standards relating to the analytical framework and process

The analytical process must be integrated to include demand, supply and regulation of the various product markets. This process needs to include the following (refer to the toolkits for details):

1. A comprehensive target market segmentation based on FinScope data will be conducted by Cenfri and must be incorporated by the consulting firm as core to the diagnostic analysis. This must include the four access strands for each target market as well as a description of the main characteristics of each target market. These descriptions must be adequate to explain their current usage of financial services, their financial services needs and how they can be served in future to improve the quality and quantity of their usage of financial services.

2. Four separate analyses of the markets for respectively payments, savings, credit and insurance, each of which must include the following as set out in the MAP toolkits:
 - the use cases or main applications/needs for each product market as these emerge from the FinScope data (see the toolkits for an explanation);
 - the provider landscape, including the range of providers, their core focus, incentives for expanding financial inclusion and financial performance;
 - the range and features of all notable distribution channels;
 - the range, key features and fee/interest rate structure of current products on the market, as well as product pipeline plans;
 - the take-up of products and the main barriers to uptake (consisting of *access* barriers such as affordability, proximity, eligibility and appropriateness of features, as well as *usage* barriers such as knowledge, awareness, perceptions and trust from a demand-side perspective, as set out in the toolkits);
 - the material regulatory features of relevance to financial inclusion in each of the four product markets and on an overall regulatory framework level, as well as any regulatory constraints; and
 - by means of conclusion, gaps and opportunities for extending and deepening the reach of products that are appropriate to target market needs and provide consumer value in each product market, specifying the key target market needs and priorities for the specific target market in light of the financial sector, country context, regulatory and demand-side features relevant for that product market. For all four markets the focus must be on growing financial access.

Quality control standards relating to the synthesis process

Synthesis refers to the distillation of diagnostic findings and the formulation of recommendations. Since a key objective of the MAP process is to arrive at a practical and realistic roadmap of activities that can improve financial access, the findings and recommendations cannot be vague and must have enough rigour and credibility to trigger government action given the huge investment made in the MAP process.

As a minimum, the MAP analysis must conclude on:

1. The main factors that will determine the success or failure of financial inclusion over the next 3-5 years. The impact of these factors must be described. These factors are likely to be found not only in the financial sector, but beyond it in the wider social, political and economic context. Policy-makers must be able to judge the likely relative impact of different financial inclusion strategies based on these drivers.
2. Which target market segments, if given access to which financial services, will deliver the highest impact in terms of improved household welfare and real economy outcomes for the country?
3. Which suppliers, using which distribution methods, are best suited to deliver the financial services referred to in 2. How well placed are they to deliver these services?
4. The systemic market, regulatory and other obstacles that hinder both the supply and uptake of these services.

The diagnostic report must contain all the material evidence required to ensure that these findings are credible. The MAP toolkits provide extensive guidance to assist with the compilation of the evidence base.

The findings must form the basis for a set of practical recommendations to the government and those categories of financial service provider's best placed to advance financial inclusion. Recommendations must not be vague, but actionable and fit to be included in a roadmap. The consulting firm must not set out a broad menu of recommendations, but must focus on a few core actions that are likely to have the most impact.

Quality control function to be played by Cenfri

The MAP partners realise that the scope and unique nature of the MAP methodology may be challenging to navigate. MAP technical partner Cenfri, as custodian of the methodology, will therefore play an oversight and support role to ensure that the quality standards are met. They will support the consulting firm through the methodology and analysis, input quantitative demand-side analysis, and serve as discussion partner in developing the synthesis of findings. As MAP partner, Cenfri will also have responsibility to feed the insights from the analysis into the global MAP body of knowledge and will draft a synthesis note based on the key findings of the analysis. This role will require on the ground involvement during the stakeholder consultations in order to ensure a sufficient level of understanding. In-country presence will also be conducive for the formation of a working relationship between the consulting firm and Cenfri.

While the consulting firm remains responsible for the delivery of all diagnostic outputs as set out in the Terms of Reference, Cenfri will fulfil the following support and oversight role:

- Conduct a MAP briefing session before the start of the diagnostic:
 - The purpose will be to brief the consulting firm on the core elements of the MAP methodology, including:
 - Critical stakeholders to meet in country
 - Design of qualitative research
 - Target market identification
 - Integration of demand-side analysis into the diagnostic and findings
 - Integration of contextual factors into the diagnostic and findings
 - Supply-side aspects to cover and lessons from experience on likely data sources, elements to be on the lookout for and how to pre-empt anticipated challenges
 - Experience from other MAPs and key financial inclusion topics currently being explored across MAP diagnostics
 - Diagnostic document structure
- Diagnostic process and synthesis support:
 - Cenfri will join a week of the country mission to ensure that Cenfri has the necessary insights into the country to meaningfully engage with the MAP analysis in the steps below and feed learning into the global synthesis process.
 - Provide written and verbal feedback on draft analysis as it develops. Periodic calls should prove useful to support the drafting process in line with the methodology.
 - Provide input into the demand-side analysis through the provision of relevant FinScope analysis to inform the diagnostic. The full target market analysis based on FinScope data will be done and provided as a PowerPoint slide pack to input into the diagnostic.
 - Facilitate a 3 day synthesis workshop with the consulting firm and core MAP partners to unpack and discuss key findings
 - Review and provide written feedback on the diagnostic report to ensure it is in line with the MAP approach and the findings are appropriate.
 - Draft the summary synthesis note from the diagnostic report (20-30 pages).
- Roadmap support:
 - Draft the roadmap document setting out key findings and recommended actions from the diagnostic report in conversation with the consulting firm.
 - The UNCDF team will then take over refining the document with local stakeholders and assigning implementation counterparts and timelines.

Annex B: Diagnostic Report Structure

This annexure is an extract of one of the toolkits and outlines an *indicative* document structure for the diagnostic report, which could serve as a guide in this regard. The generic table of contents in Box 1 below indicates the kind of structure that the diagnostic report could take. This is an indicative structure only and should be aligned to the particular characteristics and context of the country.

Box 1: Diagnostic report structure

Executive Summary

1. Introduction

- a. Project objectives
- b. Scope
- c. Structure

2. Context

- a. Context drivers of market development

3. Target market overview

- a. Target market context
- b. Overall usage of financial services
- c. Segmenting the market

4. Regulatory overview

- a. Regulatory framework to promote access to financial services
- b. Policy objective for financial inclusion
- c. Regulatory framework

5. Provision of financial services

- a. Provider overview
- b. Distribution and financial sector infrastructure

6. Product markets

- a. Market for savings
- b. Market for payments
- c. Market for credit
- d. Market for insurance

7. Opportunities for and challenges to financial inclusion

8. Roadmap recommendations

The remainder of this annexure elaborates on the structure set out above. The purpose and reasoning behind each section are described and high-level guidance is given in terms of content to include where applicable.

EXECUTIVE SUMMARY

The executive summary provides a brief overview of the diagnostic document, summarising the key points for readers. The executive summary is of paramount importance as it may be the only part of the document that many readers read in its entirety and therefore it must summarise the key points, succinctly express the major insights and highlight the main conclusions and recommendations.

INTRODUCTION

The purpose of the introduction is to provide the background to the project and explain the scope and structure. Though the exact structure of the introductory section will depend on the specific study, the following elements are generally included:

- *Project objectives.* This section should provide the background to the project as well as the objectives of the project and how it relates to the broader public policy objectives in the particular country. It can include a project engagement section to set out the history and context of the project in the particular country.
- *Project scope.* The project scope includes what products and providers are covered (noting if anything is excluded from the scope and listing the reasons for such exclusions) and the various elements of the analysis (context, regulation, demand and supply).
- *Structure.* Conclude the introduction with a discussion on how the document is structured to reflect the scope and integrate the findings.

CONTEXT DRIVERS OF MARKET DEVELOPMENT

The context section includes a number of subsections which together should provide an understanding of the overall economic, physical and demographic context (including, amongst others, employment, incomes, gender, rural-urban spread, education) within which financial services are provided. Depending on the nature of the country context, it may also be important to highlight the context relating to the political economy, physical infrastructure, the nature of society, or key economic sectors such as agriculture or SMMEs. The purpose of the context section is not to provide a complete overview of each and every possible context element, but rather to identify and describe the most important underlying factors that may impact on financial access in the country.

TARGET MARKET OVERVIEW

This section segments the total target population into specific target markets which portray similar characteristics in order to identify gaps and opportunities appropriate to specific individual.

1.1.1. Target market context

This section of the synthesis report will incorporate both the qualitative and the quantitative (FinScope Consumer Survey) demand-side research findings, in order to ascertain the features of the broader population as an introduction to the specific target markets. Specific aspects to cover when describing the target market context include their *realities* in terms of the way that society functions and societal support

structures, incomes, main expenses, income-generating activities, household structure and financial responsibilities of individuals, as well as *financial behaviour* of the target market in terms of financial capability, levels of trust in and satisfaction with financial services, perceptions of financial services and service providers, as well as preferences around providers (formal or informal). This section should deal only with *high-level* behavioural drivers, as usage by provider category is covered below.

1.1.2. Usage of financial services

An overview of usage of financial services for the adult population as a whole, considering how usage differs across product markets, between formal, informal and unintermediated financial services (with the latter category representing financial services via family and friends or by oneself; that is, not intermediated by a group or institution), as well as across gender or urban-rural lines.

1.1.3. Segmenting the market

This section introduces the different target market segments which have been identified based on an analysis of the quantitative and qualitative demand side data (see Toolkit 5). The section explains how the process of segmentation was done and then introduces the characteristics and financial usage of each of the target markets. Each target market segment should be profiled in terms of their size, unique characteristics, realities and current financial service usage in order to conclude on key financial service needs.

REGULATORY FRAMEWORK TO PROMOTE ACCESS TO FINANCIAL SERVICES

The regulatory framework section of the synthesis report should describe those aspects of policy and regulation intended to promote access to financial services for the target market, as well as regulatory measures that have a substantial impact on financial inclusion (e.g. by impacting on the cost of provision). It can be positioned before or after the Target market section, depending on where it fits best in the particular country study.

It starts off by articulating the policy objectives for financial inclusion within the country context (not only in terms of access itself, but also in terms of the broader economic and social environment) and provides an overview of existing financial inclusion-relevant policies and strategies

It then outlines the material details of the applicable legislation and subordinate legislation with a bearing on financial inclusion. In addition, it should describe the supervisory framework for entities that provide financial services to the target market, including the entities (such as cooperatives) that may be outside of the traditional ambit of financial sector regulators.

Lastly, the effectiveness, shortcomings or gaps in the regulatory framework as it relates to financial inclusion can also be discussed in this section.

PROVISION OF FINANCIAL SERVICES

So far the project background, country context target market, and policy context for financial inclusion have been described. At this stage, the emphasis shifts to the supply of financial services.

1.1.4. Provider overview

This section provides an overview of the various types of providers (state, commercial and community-based; formal and informal) that comprise the financial services landscape, and assesses key provider elements or parameters (such as ownership structure, market structure, sustainability and profitability) at the institutional level that cut across product markets. The section should include a discussion on the relative importance of the different types of providers in the delivery of financial services to the target market.

1.1.5. Distribution and financial sector infrastructure

This section describes the distribution infrastructure and footprint of the financial sector – namely branch networks, mobile branches, ATMs, POSs, agents, brokers, etc. It also deals with non-traditional distribution channels such as the footprint of retailers, mobile network operators, agro-dealers and Post Office networks. The section should furthermore assess the state of supporting financial sector infrastructure such as credit bureau, the payments system and the capital and foreign exchange markets.

PRODUCT MARKETS

This section dedicates a sub-section to each of the four key product markets covered by MAP, namely:

- **Market for payments**
- **Market for savings**
- **Market for credit**
- **Market for insurance**

Demand, supply and regulation of the four product markets are discussed in this section. Each of the four product market analyses follows a similar structure, covering:

- **Current usage:** Total uptake/client numbers for the product market, noting any particular usage trends and the level of cross-utilisation (clients that use more than one service of a particular kind). This section should also delve into the usage by the specific target markets introduced in the Target market section.
- **Use cases:** This sub-section should highlight the major reasons why the target markets utilise the product (refer to Toolkits 5 and 6 for an overview)
- **Providers or provider categories:** The next sub-section focuses on the number and types of providers (by institutional type, ownership and formal or informal) for each product market and the extent to which each of the different types of providers offers products to the target market. This section should start with a basic listing of providers across types, but should also include key supply-side issues in formal and informal provision, as well as key trends and challenges identified in consultations and based on analysis of regulatory and financial data, as well as based on secondary research.
- **Products:** As with the section on providers, this section can start with a basic overview of the current products being offered in the specific product market (both formal and informal),

including their key features. It should also capture the key issues, trend and challenges for particular products.

- **Accessibility:** This section is an application of the access framework to assess access barriers in terms of affordability, physical accessibility/proximity, appropriateness and eligibility requirements as outlined in Toolkit 6.
- **Regulatory issues:** This section outlines regulatory issues and constraints that impact on the delivery of financial services to low-income consumers in the specific product market.
- **Gaps and opportunities:** Each product market section concludes with a section on the gaps and opportunities that arise from the foregoing analysis towards the overarching financial inclusion goal in the specific product market. As point of departure, it considers the particular target market needs stemming from the segmentation exercise.

The analysis deals with the four individual product markets separately, but conclusions should also be drawn across product markets. Thus a fifth sub-section may be called for, namely:

- **Interplay between different product markets:** This section takes into account all four product markets in order to demonstrate the critical interrelationship of the provision of the four types of financial services and any specific manifestations of this in the particular country (for example, how constraints in the payments market may impact on the insurance or credit market; or how people use savings or credit as risk mitigation tool to substitute for insurance). It also explores how the relationships can be used to improve access to financial services in the country.

OPPORTUNITIES FOR AND CHALLENGES TO FINANCIAL INCLUSION

In light of the analysis above, this section draws together the key findings to conclude on the opportunities for and challenges to expansion of financial inclusion in the country. It should apply the key target market needs identified through the segmentation exercise as point of departure, concluding on the key gaps and opportunities across the product markets and providers to serve these needs. It should also identify the key underlying drivers of financial inclusion across the country context, demand-side, regulatory framework and supply-side features as highlighted in the diagnostic.

RECOMMENDATIONS

Based on the key opportunities and challenges identified, the document can draw out strategic recommendations towards the MAP overarching policy objective to prioritise specific areas of financial inclusion. Stakeholders can then use these recommendations in developing the roadmap, which is a core part of the MAP stakeholder/impact process. The recommendations should naturally stem from the findings and insights discussed above and should prioritise those roadmap activities that would meet specific and most prominent target market needs, rather than simply stating a menu of possible regulatory and supply-side interventions. It should be clear which target markets will benefit from each recommendation, why and how.

Annex C: Responsibility Matrix

Summary of key roles and responsibilities:

| Role | Brief description | Responsible |
|------------------------|---|------------------------------------|
| Stakeholder engagement | Strategic – inception, buy-in, relationship building, formation of steering committee, MAP findings advocacy | UNCDF |
| | Logistics – scheduling meetings, identifying appropriate stakeholders, convening stakeholders, ad hoc translation | UNCDF/ National consulting firm |
| Demand-side | FinScope data collection and top-line findings | FMT |
| | Supplemental data slide pack from FinScope | Cenfri |
| Diagnostic report | Data collection, analysis and integration of demand, supply, regulation and determination of priority findings to improve financial inclusion, in line with toolkits and quality control standards. | Consulting firm |
| | Quality control of diagnostic report | Cenfri |
| Synthesis note | Summary note based on diagnostic report | Cenfri |
| Roadmap | Drafting of roadmap recommendations from synthesis note | Cenfri |
| | Identification of implementation agents, timelines and refinement with stakeholders | UNCDF |

Section 4: Proposal Submission Form⁹

[insert: Location]

[insert: Date]

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

Dear Sir/Madam:

We, the undersigned, hereby offer to provide professional services for [insert: title of services] in accordance with your Request for Proposal dated [insert: Date] and our Proposal. We are hereby submitting our Proposal, which includes the Technical Proposal and Financial Proposal sealed under a separate envelope.

We hereby declare that :

- a) All the information and statements made in this Proposal are true and we accept that any misrepresentation contained in it may lead to our disqualification;
- b) We are currently not on the removed or suspended vendor list of the UN or other such lists of other UN agencies, nor are we associated with, any company or individual appearing on the 1267/1989 list of the UN Security Council;
- c) We have no outstanding bankruptcy or pending litigation or any legal action that could impair our operation as a going concern; and
- d) We do not employ, nor anticipate employing, any person who is or was recently employed by the UN or UNDP.

We confirm that we have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities required of us in this RFP, and the General Terms and Conditions of UNDP's Contract for Professional Services.

We agree to abide by this Proposal for [insert: period of validity as indicated in Data Sheet].

We undertake, if our Proposal is accepted, to initiate the services not later than the date indicated in the Data Sheet.

We fully understand and recognize that UNDP is not bound to accept this proposal, that we shall bear all costs associated with its preparation and submission, and that UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the evaluation.

⁹ No deletion or modification may be made in this form. Any such deletion or modification may lead to the rejection of the Proposal.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Contact Details : _____

[please mark this letter with your corporate seal, if available]

Section 5: Documents Establishing the Eligibility and Qualifications of the Proposer

Proposer Information Form¹⁰

Date: *[insert date (as day, month and year) of Proposal Submission]*

RFP No.: *[insert number]*

Page _____ of _____ pages

| | | |
|--|---------------------------------|---------------------------------------|
| 1. Proposer's Legal Name <i>[insert Proposer's legal name]</i> | | |
| 2. In case of Joint Venture (JV), legal name of each party: <i>[insert legal name of each party in JV]</i> | | |
| 3. Actual or intended Country/ies of Registration/Operation: <i>[insert actual or intended Country of Registration]</i> | | |
| 4. Year of Registration: <i>[insert Proposer's year of registration]</i> | | |
| 5. Countries of Operation | 6. No. of staff in each Country | 7. Years of Operation in each Country |
| 8. Legal Address/es in Country/ies of Registration/Operation: <i>[insert Proposer's legal address in country of registration]</i> | | |
| 9. Value and Description of Top three (3) Biggest Contract for the past five (5) years | | |
| 10. Latest Credit Rating (if any) | | |
| 11. Brief description of litigation history (disputes, arbitration, claims, etc.), indicating current status and outcomes, if already resolved. | | |
| 12. Proposer's Authorized Representative Information Name: <i>[insert Authorized Representative's name]</i> Address: <i>[insert Authorized Representative's name]</i> Telephone/Fax numbers: <i>[insert Authorized Representative's name]</i> Email Address: <i>[insert Authorized Representative's name]</i> | | |
| 13. Are you in the UNPD List 1267.1989 or UN Ineligibility List ? <input type="checkbox"/> YES or <input type="checkbox"/> NO | | |
| 14. Attached are copies of original documents of: <input type="checkbox"/> All eligibility document requirements listed in the Data Sheet <input type="checkbox"/> If Joint Venture/Consortium – copy of the Memorandum of Understanding/Agreement or Letter of Intent to form a JV/Consortium, or Registration of JV/Consortium, if registered <input type="checkbox"/> If case of Government corporation or Government-owned/controlled entity, documents establishing legal and financial autonomy and compliance with commercial law. | | |

¹⁰ The Proposer shall fill in this Form in accordance with the instructions. Apart from providing additional information, no alterations to its format shall be permitted and no substitutions shall be accepted.

Joint Venture Partner Information Form (if Registered)¹¹

Date: *[insert date (as day, month and year) of Proposal Submission]*

RFP No.: *[insert number]*

Page _____ of _____ pages

| | | |
|--|---------------------------------|---------------------------------------|
| 1. Proposer's Legal Name: <i>[insert Proposer's legal name]</i> | | |
| 2. JV's Party legal name: <i>[insert JV's Party legal name]</i> | | |
| 3. JV's Party Country of Registration: <i>[insert JV's Party country of registration]</i> | | |
| 4. Year of Registration: <i>[insert Party's year of registration]</i> | | |
| 5. Countries of Operation | 6. No. of staff in each Country | 7. Years of Operation in each Country |
| 8. Legal Address/es in Country/ies of Registration/Operation: <i>[insert Party's legal address in country of registration]</i> | | |
| 9. Value and Description of Top three (3) Biggest Contract for the past five (5) years | | |
| 10. Latest Credit Rating (if any) | | |
| 1. Brief description of litigation history (disputes, arbitration, claims, etc.), indicating current status and outcomes, if already resolved. | | |
| 13. JV's Party Authorized Representative Information Name: <i>[insert name of JV's Party authorized representative]</i> Address: <i>[insert address of JV's Party authorized representative]</i> Telephone/Fax numbers: <i>[insert telephone/fax numbers of JV's Party authorized representative]</i> Email Address: <i>[insert email address of JV's Party authorized representative]</i> | | |
| 14. Attached are copies of original documents of: <i>[check the box(es) of the attached original documents]</i> <input type="checkbox"/> All eligibility document requirements listed in the Data Sheet <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 2. <input type="checkbox"/> In case of government owned entity, documents establishing legal and financial autonomy and compliance with commercial law. | | |

¹¹ The Proposer shall fill in this Form in accordance with the instructions. Apart from providing additional information, No alterations to its format shall be permitted and no substitutions shall be accepted.

Section 6: Technical Proposal Form

TECHNICAL PROPOSAL FORMAT
INSERT TITLE OF THE SERVICES

Note: Technical Proposals not submitted in this format may be rejected. The financial proposal should be included in separate envelope.

| | |
|---|--|
| Name of Proposing Organization / Firm: | |
| Country of Registration: | |
| Name of Contact Person for this Proposal: | |
| Address: | |
| Phone / Fax: | |
| Email: | |

SECTION 1: EXPERTISE OF FIRM/ ORGANISATION

This section should fully explain the Proposer's resources in terms of personnel and facilities necessary for the performance of this requirement. All contents of this section may be modified or expanded depending on the evaluation criteria stated in the RFP.

1.1 Brief Description of Proposer as an Entity: Provide a brief description of the organization / firm submitting the proposal, its legal mandates/authorized business activities, the year and country of incorporation, types of activities undertaken, and approximate annual budget, etc. Include reference to reputation, or any history of litigation and arbitration in which the organisation / firm has been involved that could adversely affect or impact the performance of services, indicating the status/result of such litigation/arbitration.

1.2. Financial Capacity: Provide the latest Audited Financial Statement (Income Statement and Balance Sheet) duly certified by a Public Accountant, and with authentication of receiving by the Government's Internal Revenue Authority. Include any indication of credit rating, industry rating, etc.

1.3. Track Record and Experiences: Provide the following information regarding corporate experience within the last five (5) years which are related or relevant to those required for this Contract.

| Name of project | Client | Contract Value | Period of activity | Types of activities undertaken | Status or Date Completed | References Contact Details (Name, Phone, Email) |
|-----------------|--------|----------------|--------------------|--------------------------------|--------------------------|---|
| | | | | | | |
| | | | | | | |

SECTION 2 - APPROACH AND IMPLEMENTATION PLAN

This section should demonstrate the Proposer's responsiveness to the TOR by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed; and demonstrating how the proposed methodology meets or exceeds the requirements.

2.1. Approach to the Service/Work Required: Please provide a detailed description of the methodology for how the organisation/firm will achieve the Terms of Reference of the project, keeping in mind the appropriateness to local conditions and project environment.

2.2. Technical Quality Assurance Review Mechanisms: The methodology shall also include details of the Proposer's internal technical and quality assurance review mechanisms.

2.3 Implementation Timelines: The Proposer shall submit a Gantt Chart or Project Schedule indicating the detailed sequence of activities that will be undertaken and their corresponding timing.

2.4. Subcontracting: Explain whether any work would be subcontracted, to whom, how much percentage of the work, the rationale for such, and the roles of the proposed sub-contractors. Special attention should be given to providing a clear picture of the role of each entity and how everyone will function as a team.

2.5. Risks / Mitigation Measures: Please describe the potential risks for the implementation of this project that may impact achievement and timely completion of expected results as well as their quality. Describe measures that will be put in place to mitigate these risks.

2.6. Reporting and Monitoring: Please provide a brief description of the mechanisms proposed for this project for reporting to the UNDP and partners, including a reporting schedule.

2.7. Anti-Corruption Strategy: Define the anti-corruption strategy that will be applied in this project to prevent the misuse of funds. Describe the financial controls that will be put in place.

2.8. Partnerships: Explain any partnerships with local, international or other organizations that are planned for the implementation of the project. Special attention should be given to providing a clear picture of the role of each entity and how everyone will function as a team. Letters of commitment from partners and an indication of whether some or all have successfully worked together on other previous projects is encouraged.

2.9 Statement of Full Disclosure: This is intended to disclose any potential conflict in accordance with the definition of "conflict" under Section 4 of this document, if any.

2.10 Other: Any other comments or information regarding the project approach and methodology that will be adopted.

SECTION 3: PERSONNEL

3.1 Management Structure: Describe the overall management approach toward planning and implementing this activity. Include an organization chart for the management of the project describing the relationship of key positions and designations.

3.2 Staff Time Allocation: Provide a spreadsheet will be included to show the activities of each staff member and the time allocated for his/her involvement. (Note :*This spreadsheet is crucial and no substitution of personnel will be tolerated once the contract has been awarded except in extreme circumstances and with the written approval of the UNDP. If substitution is unavoidable it will be with a person who, in the opinion of the UNDP project manager, is at least as experienced as the person being replaced, and subject to the approval of UNDP. No increase in costs will be considered as a result of any substitution.*)

3.3 Qualifications of Key Personnel. Provide the CVs for key personnel (Team Leader, Managerial and general staff) that will be provided to support the implementation of this project. CVs should demonstrate qualifications in areas relevant to the Scope of Services. Please use the format below:

| | | |
|--|--|--|
| Name: | | |
| Position for this Contract: | | |
| Nationality: | | |
| Contact information: | | |
| Countries of Work Experience: | | |
| Language Skills: | | |
| Educational and other Qualifications: | | |
| Summary of Experience: <i>Highlight experience in the region and on similar projects.</i> | | |
| Relevant Experience (From most recent): | | |
| Period: From – To | Name of activity/ Project/ funding organisation, if applicable: | Job Title and Activities undertaken/Description of actual role performed: |
| <i>e.g. June 2004-January 2005</i> | | |
| <i>Etc.</i> | | |
| <i>Etc.</i> | | |
| References no.1 (minimum of 3): | <i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i> | |
| Reference no.2 | <i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i> | |
| Reference no.3 | <i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i> | |
| Declaration: I confirm my intention to serve in the stated position and present availability to serve for the term of the proposed contract. I also understand that any wilful misstatement described above may lead to my disqualification, before or during my engagement. | | |
| <div style="border-top: 1px solid black; height: 1.2em; width: 100%;"></div> | | |
| Signature of the Nominated Team Leader/Member | | Date Signed |

Section 7: Financial Proposal Form¹²

The Proposer is required to prepare the Financial Proposal in an envelope separate from the rest of the RFP as indicated in the Instruction to Proposers.

The Financial Proposal must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Any estimates for cost-reimbursable items, such as travel and out-of-pocket expenses, should be listed separately.

In case of an equipment component to the service provider, the Price Schedule should include figures for both purchase and lease/rent options. UNDP reserves the option to either lease/rent or purchase outright the equipment through the Contractor.

The format shown on the following pages is suggested for use as a guide in preparing the Financial Proposal. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

A. Cost Breakdown per Deliverables*

| SN | Deliverables <i>[list them as referred to in the TOR]</i> | Percentage of Total Price (Weight for payment) | Price (Lump Sum, All Inclusive) |
|----|---|--|---------------------------------------|
| 1 | Deliverable 1 Upon submission of the inception plan | 20% | |
| 2 | Deliverable 2 Submission of first draft of the Diagnostic report Context drivers of market development <ul style="list-style-type: none">Regulatory overview Regulatory framework to promote access to financial services Policy objective for financial inclusion Regulatory frameworkProvision of financial services Provider overview Distribution and financial sector infrastructureProduct markets (supply-side information: product features, volumes,...) Market for savings Market for payments Market for credit Market for insurance | 25% | |

¹² No deletion or modification may be made in this form. Any such deletion or modification may lead to the rejection of the Proposal.

| | | | |
|---|---|------|-----------|
| 3 | Deliverable 3 Submission of the final draft diagnostic report | 30% | |
| 4 | Deliverable 4 Submission of the complete and final diagnostic report and input into the roadmap report | 25% | |
| | Total | 100% | NPR |

**Basis for payment tranches*

B. Cost Breakdown by Cost Component:

The Proposers are requested to provide the cost breakdown for the above given prices for each deliverable 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.

| Description of Activity | Remuneration per Unit of Time (e.g., day, month, etc.) | Total Period of Engagement | No. of Personnel | Total Rate for the Period |
|-----------------------------------|--|----------------------------|------------------|---------------------------|
| I. Personnel Services | | | | |
| 1. Services from Home Office | | | 1 | |
| a. Team Leader | | | 1 | |
| b. Research Coordinator | | | | |
| c. Support Staff | | | | |
| | | | | |
| 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 | | | | |
| | | | | |

Note:

**Please be guided by field activities described on page 28, section 4.*

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

Section 8: FORM FOR PROPOSAL SECURITY

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

To: UNDP
[Insert contact information as provided in Data Sheet]

WHEREAS *[name and address of Contractor]* (hereinafter called “the Proposer”) has submitted a Proposal to UNDP dated [Click here to enter a date.](#), to execute Services (hereinafter called “the Proposal”):

AND WHEREAS it has been stipulated by you that the Proposer shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security in the event that the Proposer:

- a) Fails to sign the Contract after UNDP has awarded it;
- b) Withdraws its Proposal after the date of the opening of the Proposals;
- c) Fails to comply with UNDP’s variation of requirement, as per RFP instructions; or
- d) Fails to furnish Performance Security, insurances, or other documents that UNDP may require as a condition to rendering the contract effective.

AND WHEREAS we have agreed to give the Proposer such this Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Proposer, up to a total of *[amount of guarantee] [in words and numbers]*, such sum being payable in the types and proportions of currencies in which the Price Proposal is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of *[amount of guarantee as aforesaid]* without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

This guarantee shall be valid until a date 30 days from the date of issue by UNDP of a certificate of satisfactory performance and full completion of services by the Proposer.

SIGNATURE AND SEAL OF THE GUARANTOR BANK

Date

Name of Bank

Address

Section 9: FORM FOR PERFORMANCE SECURITY¹³

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

To: UNDP
[Insert contact information as provided in Data Sheet]

WHEREAS [*name and address of Contractor*] (hereinafter called “the Contractor”) has undertaken, in pursuance of Contract No. [Click here to enter text](#).dated [Click here to enter a date](#). , to execute Services (hereinafter called “the Contract”):

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract:

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of [*amount of guarantee*] [*in words and numbers*], such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of [*amount of guarantee as aforesaid*] without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

This guarantee shall be valid until a date 30 days from the date of issue by UNDP of a certificate of satisfactory performance and full completion of services by the Contractor.

SIGNATURE AND SEAL OF THE GUARANTOR BANK

Date

Name of Bank

Address

¹³ If the RFP requires the submission of a Performance Security, which shall be made a condition to the signing and effectivity of the contract, the Performance Security that the Proposer’s Bank will issue shall use the contents of this template

Section 10: Form for Advanced Payment Guarantee¹⁴

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

_____ [Bank's Name, and Address of Issuing Branch or Office]
Beneficiary: _____ [Name and Address of UNDP]
Date: _____
ADVANCE PAYMENT GUARANTEE No.: _____

We have been informed that [name of Company](hereinafter called "the Contractor") has entered into Contract No. [reference number of the contract] dated [insert: date] with you, for the provision of [brief description of Services](hereinafter called "the Contract"). Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of [amount in words] ([amount in figures]) is to be made against an advance payment guarantee.

At the request of the Contractor, we [name of Bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [amount in words] ([amount in figures])¹⁵ upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor has used the advance payment for purposes other than toward providing the Services under the Contract.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number _____ at [name and address of Bank].

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of certified monthly statements which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of the monthly payment certificate indicating that the Consultants have made full repayment of the amount of the advance payment, or on the ___ day of _____, 2____,¹⁶ whichever is earlier.

¹⁴ This Guarantee shall be required if the Contractor will require advanced payment of more than 20% of the contract amount, or if the absolute amount of the advanced payment required will exceed the amount of USD 30,000, or its equivalent if the price offer is not in USD, using the exchange rate stated in the Data Sheet. The Contractor's Bank must issue the Guarantee using the contents of this template.

¹⁵ The Guarantor Bank shall insert an amount representing the amount of the advanced payment and denominated either in the currency/ies of the advanced payment as specified in the Contract.

¹⁶ Insert the expected expiration date. In the event of an extension of time for Completion of the Contract, the Contractor would need to request an extension of this Guarantee from the Guarantor Bank. Such request must be in writing and must be made prior to the expiration date established in the Guarantee. In preparing this Guarantee, the Contractor might consider

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458.

[signature(s)]

Note: All italicized text is for indicative purposes only to assist in preparing this form and shall be deleted from the final product.

adding the following text to the form at the end of the penultimate paragraph : “The Guarantor Bank agrees to a one-time extension of this Guarantee for a period not to exceed [six months] [one year], in response to the Contractor’s written request for such extension, such request to be presented to the Guarantor Bank before the expiry of the Guarantee.

Section 11: Contract for Professional Services

**THIS IS UNDP'S TEMPLATE FOR CONTRACT FOR THE PROPOSER'S REFERENCE. ADHERENCE TO
ALL TERMS AND CONDITIONS IS MANDATORY.**

**[PLEASE ATTACH HERETO THE .PDF VERSION OF THE CONTRACT FOR
PROFESSIONAL SERVICES AND THE GENERAL TERMS AND
CONDITIONS]**

Date _____

Dear Sir/Madam,

Ref.: _____/_____/_____ **[INSERT PROJECT NUMBER AND TITLE OR OTHER REFERENCE]**

The United Nations Development Programme (hereinafter referred to as "UNDP"), wishes to engage your **[company/organization/institution]**, duly incorporated under the Laws of _____ **[INSERT NAME OF THE COUNTRY]** (hereinafter referred to as the "Contractor") in order to perform services in respect of _____ **[INSERT SUMMARY DESCRIPTION OF THE SERVICES]** (hereinafter referred to as the "Services"), in accordance with the following Contract:

1. Contract Documents

- 1.1 This Contract is subject to the UNDP General Conditions for Professional Services attached hereto as Annex I. The provisions of such Annex shall control the interpretation of this Contract and in no way shall be deemed to have been derogated by the contents of this letter and any other Annexes, unless otherwise expressly stated under section 4 of this letter, entitled "Special Conditions".
- 1.2 The Contractor and UNDP also agree to be bound by the provisions contained in the following documents, which shall take precedence over one another in case of conflict in the following order:
- a) this Letter;
 - b) the Terms of Reference [ref.dated.....], attached hereto as Annex II;
 - c) the Contractor's Proposal [ref....., dated]
 - d) The UNDP Request for Proposal [ref....., dated.....]
- 1.3 All the above shall form the Contract between the Contractor and UNDP, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Contract.

2. Obligations of the Contractor

- 2.1 The Contractor shall perform and complete the Services described in Annex II with due diligence and efficiency and in accordance with the Contract.
- 2.2 The Contractor shall provide the services of the following key personnel:
- | <u>Name</u> | <u>Specialization</u> | <u>Nationality</u> | <u>Period of service</u> |
|-------------|-----------------------|--------------------|--------------------------|
| | | | |
| | | | |
- 2.3 Any changes in the above key personnel shall require prior written approval of _____ **[NAME and TITLE]**, UNDP.
- 2.4 The Contractor shall also provide all technical and administrative support needed in order to ensure the timely and satisfactory performance of the Services.

- 2.5 The Contractor shall submit to UNDP the deliverables specified hereunder according to the following schedule:

[LIST DELIVERABLES]

[INDICATE DELIVERY DATES]

e.g.

| | |
|-----------------|------------|
| Progress report | ../../.... |
| | ../../.... |
| Final report | ../../.... |

- 2.6 All reports shall be written in the English language, and shall describe in detail the services rendered under the Contract during the period of time covered in such report. All reports shall be transmitted by the Contractor by _____ **[MAIL, COURIER AND/OR FAX]** to the address specified in 9.1 below.
- 2.7 The Contractor represents and warrants the accuracy of any information or data provided to UNDP for the purpose of entering into this Contract, as well as the quality of the deliverables and reports foreseen under this Contract in accordance with the highest industry and professional standards.

OPTION 1 (FIXED PRICE)

3. Price and Payment

- 3.1 In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a fixed contract price of _____ **[INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]**.
- 3.2 The price of this Contract is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the Contractor in the performance of the Contract.
- 3.3 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.
- 3.4 UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the Contractor to the address specified in 9.1 below, upon achievement of the corresponding milestones and for the following amounts:

| <u>MILESTONE</u> | <u>AMOUNT</u> | <u>TARGET DATE</u> |
|------------------|---------------|--------------------|
| Upon..... | | ../../.... |
| | | ../../.... |

Invoices shall indicate the milestones achieved and corresponding amount payable.

OPTION 2 (COST REIMBURSEMENT)

3. Price and payment

- 3.1 In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a price not to exceed _____ **[INSERT CURRENCY & AMOUNT IN FIGURES AND WORDS]**.

- 3.2 The amount contained in 3.1 above is the maximum total amount of reimbursable costs under this Contract. The Breakdown of Costs in Annex _____ **[INSERT ANNEX NUMBER]** contains the maximum amounts per cost category that are reimbursable under this Contract. The Contractor shall reflect in his invoices the amount of the actual reimbursable costs incurred in the performance of the Services.
- 3.3 The Contractor shall not do any work, provide any equipment, materials and supplies, or perform any other services which may result in any costs in excess of the amount under 3.1 or of any of the amounts specified in the Breakdown of Costs for each cost category without the prior written agreement of _____ **[NAME and TITLE]**, UNDP.
- 3.4 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.
- 3.5 The Contractor shall submit invoices for the work done every _____ **[INSERT PERIOD OF TIME OR MILESTONES]**.

OR

- 3.5. The Contractor shall submit an invoice for _____ **[INSERT AMOUNT AND CURRENCY OF THE ADVANCE PAYMENT IN FIGURES & WORDS]** upon signature of this Contract by both parties and invoices for the work done every _____ **[INSERT PERIOD OF TIME OR MILESTONES]**.
- 3.6 Progress and final payments shall be effected by UNDP to the Contractor after acceptance of the invoices submitted by the Contractor to the address specified in 9.1 below, together with whatever supporting documentation of the actual costs incurred is required in the Breakdown of Costs or may be required by UNDP. Such payments shall be subject to any specific conditions for reimbursement contained in the Breakdown of Costs.
4. Special conditions
- 4.1 The responsibility for the safety and security of the Contractor and its personnel and property, and of UNDP's property in the Contractor's custody, rests with the Contractor.
- 4.2 The advance payment to be made upon signature of the contract by both parties is contingent upon receipt and acceptance by UNDP of a bank guarantee for the full amount of the advance payment issued by a Bank and in a form acceptable to UNDP.
- 4.3 The amounts of the payments referred to under section 3.6 above shall be subject to a deduction of _____ **[INSERT PERCENTAGE THAT THE ADVANCE REPRESENTS OVER THE TOTAL PRICE OF THE CONTRACT]** % (... percent) of the amount accepted for payment until the cumulative amount of the deductions so effected shall equal the amount of the advance payment.
- 4.4 Owing to [...], Article(s) [...] of the General Conditions in Annex I shall be amended to read/be deleted.

5. Submission of invoices

- 5.1 An original invoice shall be submitted by mail by the Contractor for each payment under the Contract to the following address:
.....
- 5.2 Invoices submitted by fax shall not be accepted by UNDP.

6. Time and manner of payment

6.1 Invoices shall be paid within thirty (30) days of the date of their acceptance by UNDP. UNDP shall make every effort to accept an invoice or so advise the Contractor of its non-acceptance within a reasonable time from receipt.

6.2 All payments shall be made by UNDP to the following Bank account of the Contractor:

_____ **[NAME OF THE BANK]**
_____ **[ACCOUNT NUMBER]**
_____ **[ADDRESS OF THE BANK]**

7. Entry into force. Time limits.

7.1 The Contract shall enter into force upon its signature by both parties.

7.2 The Contractor shall commence the performance of the Services not later than _____ **[INSERT DATE]** and shall complete the Services within _____ **[INSERT NUMBER OF DAYS OR MONTHS]** of such commencement.

7.3 All time limits contained in this Contract shall be deemed to be of the essence in respect of the performance of the Services.

8. Modifications

8.1 Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representative of the Contractor and _____ **[NAME AND TITLE]** UNDP.

9. Notifications

For the purpose of notifications under the Contract, the addresses of UNDP and the Contractor are as follows:

For the UNDP:

Name
Designation
Address
Tel. No.
Fax. No.
Email address:

For the Contractor:

Name
Designation
Address
Tel. No.
Fax. No.
Email address:

If the above terms and conditions meet with your agreement as they are typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

[INSERT NAME AND DESIGNATION]

For **[INSERT NAME OF THE COMPANY/ORGANIZATION]**

Agreed and Accepted:

Signature _____

Name: _____

Title: _____

Date: _____



UNDP

GENERAL CONDITIONS OF CONTRACT 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 SECURITY:

23.1 The Contractor shall:

- (a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the services are being provided;
- (b) Assume all risks and liabilities related to the Contractor's security, and the full implementation of the security plan.

23.2 UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this contract. Notwithstanding the foregoing, the Contractor shall remain solely responsible for the security of its personnel and for UNDP's property in its custody as set forth in paragraph 4.1 above.

24.0 AUDITS AND INVESTIGATIONS:

24.1 Each invoice paid by UNDP shall be subject to a post-payment audit by auditors, whether internal or external, of UNDP or the authorized agents of the UNDP at any time during the term of the Contract and for a period of three (3) years following the expiration or prior termination of the Contract. The UNDP shall be entitled to a refund from the Contractor for any amounts shown by such audits to have been paid by the UNDP other than in accordance with the terms and conditions of the Contract. Should the audit determine that any funds paid by UNDP have not been used as per contract clauses, the company shall reimburse such funds forthwith. Where the company fails to reimburse such funds, UNDP reserves the right to seek recovery and/or to take any other action as it deems necessary.

24.2 The Contractor acknowledges and agrees that, at anytime, UNDP may conduct investigations relating to any aspect of the Contract, the obligations performed under the Contract, and the operations of the Contractor generally. The right of UNDP to conduct an investigation and the Contractor's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Contract. The Contractor shall provide its full and timely cooperation with any such inspections, post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the Contractor's obligation to make available its personnel and any documentation for such purposes and to grant to UNDP access to the Contractor's premises. The Contractor shall require its agents, including, but not limited to, the Contractor's attorneys, accountants or other advisers, to reasonably cooperate with any inspections, post-payment audits or investigations carried out by UNDP hereunder.

25.0 ANTI-TERRORISM:

25.1 The Contractor agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received under this Contract 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/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Contract.

26.0 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 Agreement, 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 Agreement signed by the Contractor and jointly by the UNDP Authorized Official.