



## REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: November 06, 2017
	REFERENCE: RFP/MAR17/006 Services for Micro assessment and spot checks of implementing partners to be conducted by Third Party

Dear Sir / Madam:

We kindly request you to submit your Proposal for consultancy services for Micro-Assessment (Assessment of the Financial Management Capacities) and Spot Check of Implementing Partners to be conducted by Third Party

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

Proposals may be submitted on or before **Wednesday, November 27, 2017 by 16:00hrs**, via mail to the email address below:

**Jobs.mu@undp.org**

Your Proposal must be expressed in the **English language**, and valid for a minimum period of **90 days** and the envelope should be clearly marked **"RFP/MAR17/006 Micro-Assessment (Assessment of the Financial Management Capacities) and Spot Check of Implementing Partners to be conducted by Third Party"**

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

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

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

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

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

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

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

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

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

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

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

*Aida Cisse DIAGNE*  
*Operations Manager*

## Annex 1

### Description of Requirements

Context of the Requirement	HACT implementation
Implementing Partner of UNDP	UNDP Seychelles and Mauritius implementing partners
Brief Description of the Required Services <sup>1</sup>	<b>Micro-Assessment (Assessment of the Financial Management Capacities) and Spot Check of Implementing Partners to be conducted by Third Party</b>
List and Description of Expected Outputs to be Delivered	Refer to TOR
Person to Supervise the Work/Performance of the Service Provider	UNDP Representative Resident
Frequency of Reporting	Refer to deliverables in TORs
Progress Reporting Requirements	<b>N/A</b>
Location of work	<input checked="" type="checkbox"/> Mauritius and Seychelles
Expected duration of work	1 year
Target start date	02 January 2018
Latest completion date	31 December 2018
Travels Expected	<b>N/A</b>
Special Security Requirements	<b>N/A</b>
Facilities to be Provided by UNDP (i.e., must be	<input checked="" type="checkbox"/> Office space and facilities

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

excluded from Price Proposal)																						
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required																					
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required																					
Currency of Proposal	<input checked="" type="checkbox"/> USD Dollars																					
Value Added Tax on Price Proposal	<input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes																					
Validity Period of Proposals ( <i>Counting for the last day of submission of quotes</i> )	<input checked="" type="checkbox"/> 90 days  In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.																					
Partial Quotes	<input checked="" type="checkbox"/> Not permitted																					
Payment Terms <sup>2</sup>	<table border="1"> <thead> <tr> <th>Deliverable/Milestone</th> <th>Payment Schedule</th> <th>Time schedule</th> </tr> </thead> <tbody> <tr> <td colspan="3">MICRO ASSESSMENT</td> </tr> <tr> <td>Presentation of draft report</td> <td>60%</td> <td></td> </tr> <tr> <td>Presentation of final report</td> <td>40%</td> <td></td> </tr> <tr> <td colspan="3">SPORT CHECKS</td> </tr> <tr> <td>Presentation of draft report</td> <td>60%</td> <td></td> </tr> <tr> <td>Presentation of final report</td> <td>40%</td> <td></td> </tr> </tbody> </table>	Deliverable/Milestone	Payment Schedule	Time schedule	MICRO ASSESSMENT			Presentation of draft report	60%		Presentation of final report	40%		SPORT CHECKS			Presentation of draft report	60%		Presentation of final report	40%	
Deliverable/Milestone	Payment Schedule	Time schedule																				
MICRO ASSESSMENT																						
Presentation of draft report	60%																					
Presentation of final report	40%																					
SPORT CHECKS																						
Presentation of draft report	60%																					
Presentation of final report	40%																					
Person(s) to review/inspect/ approve outputs/completed services and authorize the	UNDP Representative Resident																					

<sup>2</sup> UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

disbursement of payment	
Type of Contract to be Signed	<input checked="" type="checkbox"/> Contract for Professional Services
Criteria for Contract Award	<input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer <b>of the obtainable score of 1000 points</b> and 30% price weight distribution) where minimum passing score of technical proposal is 70%. <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). Non acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p><b><u>Technical Proposal (70%)</u></b></p> <input checked="" type="checkbox"/> Expertise of Firm/Organisation - 250 points obtainable <input checked="" type="checkbox"/> Adequacy of proposed methodology, approach and implementation Plan - 250 points obtainable <input checked="" type="checkbox"/> Management Structure and Qualification of Consultants - 500 points obtainable  <p><b><u>Financial Proposal (30%)</u></b></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.  (See evaluation criteria section –TOR)</p>
UNDP will award the contract to:	RFP advertised on Co website: <a href="http://www.mu.undp.org/content/mauritius_and_seychelles/en/home/operations/procurement/">http://www.mu.undp.org/content/mauritius_and_seychelles/en/home/operations/procurement/</a>  <input checked="" type="checkbox"/> One Service Provider for Micro assessment <input checked="" type="checkbox"/> One Service Provider for Spot checks <b><u>OR</u></b> <input checked="" type="checkbox"/> One and only one Service Provider for both micro assessment and spot check
Annexes to this RFP	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <sup>3</sup> <input checked="" type="checkbox"/> Detailed TOR – Annex 4 <input checked="" type="checkbox"/> Others: <b>Financial Submission Form</b>

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

<p>Contact Person for Inquiries (Written inquiries only)<sup>4</sup></p>	<p><i>Nishi Sewsum</i> <i>Procurement Assistant</i> <i>Email: nishi.sewsum@undp.org</i></p> <p>Any delay in UNDP's response shall not be used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p> <p><b>Deadline for submitting requests for clarifications/ questions: 16 November 2017.</b></p> <p><b>Disseminating Supplemental Information to the RFP and responses/clarifications to queries will be done to prospective Proposers by email, and posting on the CO website</b></p>
<p>Other Information 1. <b>Submission of Proposals</b></p>	<p><b>Sealing and marking of proposals</b></p> <p>The Offeror shall send the proposal to the following email address:</p> <p><a href="mailto:Jobs.mu@undp.org">Jobs.mu@undp.org</a></p> <p>And marked with – <b><u>"RFP/MAR2017/006 - Micro-Assessment (Assessment of the Financial Management Capacities) and Spot Check of Implementing Partners to be conducted by Third Party</u></b></p> <p>Before the deadline of 27 November 2017</p>
<p>Other Information 2. <b>No. of copies of Proposal that must be submitted</b></p>	

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

## Annex 2

### FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>5</sup>

*(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>6</sup>)*

---

[insert: Location].

[insert: Date]

To: Head of Procurement Unit, UNDP

Dear Sir/Madam:

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

#### A. Qualifications of the Service Provider

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

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) Business Licenses – Registration Papers, Tax Payment Certification (if applicable);*
- c) Track Record – similar assignment for the last 5 years*
- d) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

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

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

---

<sup>5</sup> This serves as a guide to the Service Provider in preparing the Proposal.

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

C. **Qualifications of Key Personnel**

*The Service Provider must provide:*

- a) *Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) *CVs demonstrating qualifications of key personnel must be submitted.*

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

	<b>Deliverables [as defined in RFP/TOR]</b>	<b>Percentage of Total Price (Weight for payment)</b>
	<b>MICRO ASSESSMENT</b>	
1	Presentation of draft report	60%
2	Presentation of final report	40%
	<b>Total</b>	<b>100%</b>
	<b>SPOT CHECKS</b>	
1	Presentation of draft report	60%
2	Presentation of final report	40%
	<b>Total</b>	<b>100%</b>

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

**Price Schedule: (Should be submitted in separate document)**

**Request for Proposals**

	<b>Description of Activity/Item</b>	<b>Cost</b>	<b>Person Days</b>	
1.				
2.				
3.				
4.				

E. **Cost Breakdown by Cost Component, if applicable [This is only an Example]:**

<b>Description of Activity</b>	<b>Remuneration per Unit of Time</b>	<b>Total Period of Engagement</b>	<b>No. of Personnel</b>	<b>Total Rate</b>
<b>I. Personnel Services</b>				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				



2. Services from Field Offices				
a . Expertise 1				
b. Expertise 2				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
<b>II. Out of Pocket Expenses</b>				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
<b>III. Other Related Costs</b>				

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

*[Designation]*

*[Date]*

# Annex 3

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

### **1.0 LEGAL STATUS:**

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

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

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

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

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

### **4.0 ASSIGNMENT:**

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

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

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

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

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

## **7.0 INDEMNIFICATION:**

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

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

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

## **9.0 ENCUMBRANCES/LIENS:**

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials

furnished under this Contract, or by reason of any other claim or demand against the Contractor.

#### **10.0 TITLE TO EQUIPMENT:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **13.3** The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the

UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

- 13.4** The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.
- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

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

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

areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

## **15.0 TERMINATION**

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

## **16.0 SETTLEMENT OF DISPUTES**

- 16.1 Amicable Settlement:** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- 16.2 Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any

confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

#### **17.0 PRIVILEGES AND IMMUNITIES:**

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

#### **18.0 TAX EXEMPTION**

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

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

#### **19.0 CHILD LABOUR**

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



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

**20.0 MINES:**

- 20.1** The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.
- 20.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

**21.0 OBSERVANCE OF THE LAW:**

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

**22.0 SEXUAL EXPLOITATION:**

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

country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

**23.0 AUTHORITY TO MODIFY:**

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

# Annex 4

## Terms of Reference

Terms of Reference of Micro-Assessment (Assessment of the Financial Management Capacities) and Spot Check of Implementing Partners to be conducted by Third Party

### Background

Pursuant to the UN General Assembly Resolution 56/201 on the Triennial Policy Review of operational activities for development of the United Nations System, UNDF, UNICEF, UNFPA and WFP (the United Nations Development Group (UNDG) Executive Committee Agencies(Ex-Com Agencies)) adopted a common operational framework for transferring cash to government and non-government Implementing Partners. In April 2005, the UNDG formally released a Harmonized Framework for Cash Transfers to Implementing Partners (HACT, hereinafter called as “the Framework”). Its implementation will significantly reduce transaction costs and lessen the burden that the multiplicity of UN procedures and rules creates for its partners. Implementing Partners will use common forms and procedures for requesting cash and reporting on its utilisation. Agencies will adopt a risk management approach and will select specific procedures for transferring cash on the basis of the joint assessment of the financial management capacity of Implementing Partners. They will also agree on and coordinate activities to maintain assurance over the utilisation of the provided cash. Such jointly conducted assessments and assurance activities will further contribute to the reduction of costs.

The adoption of the new harmonised approach is a further step in implementing Rome Declaration on Harmonisation and Paris Declaration on Aid Effectiveness, which call for a closer alignment of development aid and with national priorities and needs. The approach allows efforts to focus more on strengthening national capacities for management and accountability, with a view to gradual shift to utilising national systems. It will also help Agencies shape their capacity development interventions and provide support to new aid modalities.

This framework applies to the UNDG’s Executive Committee Agencies (ExCom Agencies being UNDP, UNICEF, UNFPA and WFP) and other UN Agencies that choose to adopt it. It calls for an upfront assessment of the programme country’s public financial management system (macro assessment) and similar assessments of Implementing Partners’ (IPs) financial management capacity (micro assessment).

The HACT Framework has been revised in February 2014.

Within the framework of the new United Nations Strategic Partnership Agreement (SPA), the relevant UN Agencies in Seychelles (i.e. UNDP, UNICEF, UNFPA ) are looking for a third party service provider to provide consultancy services for conducting an assessment of the

Financial Capacity for all Implementing Partners (IPs) for UN Agencies in Seychelles that received cash transfers (listed in Annex I).

### **Purpose**

The purpose of this LTA is to identify local service provider(s) to provide professional services to UNDP Mauritius and Seychelles (1) Micro Assessment and (2) Spot Checks

### **A – MICRO ASSESSMENT**

This TOR has been developed to guide United Nations agencies, service providers and IPs through the objectives, scope, timing and deliverables of performing micro assessments.

#### **Objective and scope of the micro assessment**

The micro assessment is performed by a service provider and includes a site visit to the IP. The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire (Annex 2). The questionnaire provides an overall risk rating based on responses provided:

- **Low risk** – Indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Medium Risk** – Indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Significant Risk** – Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **High Risk** – Indicates an underdeveloped financial management system and control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

The micro assessment assesses the IP's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities.

#### **Timing**

The assessment should be completed (including the site visit) within four weeks of engaging the service provider. The HACT Focal Point will ensure there is an introduction of the service provider and the IP to aid coordination of the site visit.

#### **Micro Assessment Procedures/Deliverables**

The service provider receives general information regarding the IP and the programme from the HACT Focal Point in preparation for the assessment (see Annex I for details). The service provider reviews this documentation in advance of performing a site visit to the IP. The service provider also provides the IP with an advance request of the documents and interviews they would like to have while on site, to ensure efficient use of time while on-site.

The service provider completes the micro assessment questionnaire (Annex II, with instructions) based on the procedures performed during the assessment period. The service provider discusses the results of the questionnaire with the IP and provides opportunity to the IP to provide further clarification.

The draft questionnaire and an executive summary, detailing the overall risk rating and specific identified risks are provided to the HACT Focal Point for review and comment.

The service provider then provides the final micro assessment report (questionnaire and an executive summary) incorporating UNDP feedback.

Reports are to be provided in Word format. Where service provider's internal policies require the final signed version to be provided only in PDF, UNDP will accept the PDF version accompanied by a Word version with same content but without signature and/or branding (as per service provider's internal policies).

#### **Qualifications of the Service Provider**

The staff of the service provider must be experienced in performing assessments similar to a micro assessment and assessing organizational internal control frameworks and processes and related risks in the areas of accounting, financial and procurement management and oversight. The service provider staff must also have knowledge of the United Nations system and the development sector.

#### **Items to be Provided to the Service Provider**

The HACT Focal Point provides the following documentation before starting fieldwork:

- Macro assessments previously performed in the country;
- Any other documentation that may help the service provider better understand the country context from a United Nations perspective;
- Any existing agreements/work plans with the implementing partner;
- Results of any recent previous assurance activities undertaken by UNDP; and
- Any other relevant documentation determined by the office.

The service provider reviews the information received before performing the assessment.

### **Annex 1. Programme-specific Information**

The following information is to be provided to the service provider by the UNDP Office HACT Focal Point at the start of the engagement.

<b>Implementing partner name:</b>	
<b>Programme name:</b>	
<b>Programme number:</b>	
<b>Programme background:</b>	
<b>Programme location:</b>	
<b>Programme contact person(s):</b>	
<b>Location of records:</b>	
<b>Currency of records maintained:</b>	
<b>Intended start date of micro assessment:</b>	
<b>Estimated number of days required for visit to IP:</b>	
<b>Any special requests to be considered during the micro assessment:</b>	
<b>Cash transfer modality used by the IP:</b>	

## Annex 2 Micro Assessment Questionnaire

### Micro Assessment Questionnaire

Implementing Partner: \_\_\_\_\_ Date: \_\_\_\_\_

**Instructions:** This questionnaire contains various questions related to nine subject areas, summarized further below. Please answer each question by indicating your response as 'Yes', 'No' or 'N/A' (for 'not applicable'). Also, use the 'Comments' section next to each question to provide details of your assessment or to highlight any important matters. This document will be referenced subsequently by the agency when performing additional assurance activities related to the IP. Sufficient details should be provided in this document for the agency to understand the details of each response.

Assign a risk rating (high, significant, moderate or low) for each question based on the response obtained. (For example, if the question addresses an item that should ideally be marked 'Yes' but was marked 'No', it should be assessed for the level of risk it presents to the IP's financial management system). Assigning risk ratings to each question requires judgment by the assessor as to how the response will affect the IP's financial management system. The risk ratings to be used are:

- **High** – Response to question/subject matter provides a risk to the overall financial management system that has both a high likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan<sup>7</sup> and stated objectives. Additionally, this risk has not been mitigated by any other controls/process that have been implemented by the IP;
- **Significant** – Response to question/subject matter provides a risk to the overall financial management system that has either a significant likelihood of occurring or a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan and stated objectives;
- **Medium** – Response to question/subject matter provides a risk to the overall financial management system that has a moderate likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan and stated objectives; or

---

<sup>7</sup> Agency work plans can be annual, multi-year, rolling or joint.

- **Low** – Response to question/subject matter provides a risk to the overall financial management system that has a low likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan and stated objectives.

To determine the overall risk assessment for a subject matter section (e.g., Section 1. Implementing Partner), points are assigned that correlate with the level of risk. The points assigned to each question should be totaled and averaged based on the number of questions in the subject matter section. Questions that are not applicable to the IP (marked as 'N/A') should not be assigned a risk rating and should be removed from the total number of questions for the calculation. Points should be assigned as follows:

- H – High risk: 4 points
- S – Significant risk: 3 points
- M – Moderate risk: 2 points
- L – Low risk: 1 point

The average number of points calculated should then be compared to the points rating above and assigned a corresponding risk (i.e., an average of 2.0 would indicate a moderate risk rating for the subject matter section). Numbers should be rounded as follows:

- 0.1 to 0.49: Round down to the closest whole number (i.e., an average of 3.3 would be rounded down to 3.0, indicating a 'significant' risk rating);
- 0.5 to 0.99: Round up to the closest whole number (i.e., an average of 1.99 would be rounded up to a 2.0, indicating a 'moderate' risk rating).

The same process should be followed for determining the overall risk assessment for the IP once the checklist has been completed



Summary of Risks Related to the Financial Management Capacity of the Implementing Partner				
Tested subject area (see subsequent pages for details of each subject area summarized below)				
	Total number of risk points	Total number of applicable questions	Overall risk assessment	Comments
1. Implementing partner:				
2. Funds flow:				
3. Organizational structure and staffing:				
4. Accounting policies and procedures:				
5. Internal audit:				
6. Financial audit:				
7. Reporting and monitoring:				
8. Information systems:				
9. Procurement:				
Total:				Divide the total number of risk points by the total number of applicable questions in the subject matter

Summary of Risks Related to the Financial Management Capacity of the Implementing Partner				
Tested subject area (see subsequent pages for details of each subject area summarized below)				
	Total number of risk points	Total number of applicable questions	Overall risk assessment	Comments
				<p>section.</p> <p>This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.</p>

### Micro Assessment Questionnaire

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<b>1. Implementing partner</b>						
1.1 Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status/registration of the entity.  <i>Retain copies of registration documents if available.</i>				IP is registered in the country where the programme operates and is current with registration/reporting requirements.		
1.2 Has the IP received United Nations resources in the past? If so, provide details of amounts, from which agency and for what purpose.				IP has received United Nations resources in the past and no issues were encountered with utilizing these funds.		
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements? Please describe.				The IP is compliant with applicable statutory requirements.		
1.4 Is the governing body for the IP independent from management? If so, please describe.				The governing body of the IP is independent from management.		
1.5 Does the IP have any pending legal actions against it? <i>Confirm this with the IP, and possibly through assessment of the general ledger and confirmation with external legal counsel provided by the IP. Provide details and actions taken by the IP to resolve the legal action.</i>				The IP does not have any pending legal actions against it.		
<b>Total number of questions in subject area:</b>	<b>5</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<i>Total number of applicable questions in subject area:</i>						
<i>Total number of risk points:</i>						
<i>Implementing partner overall risk assessment:</i>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>2. Funds Flow</b>						
2.1 Can the IP easily receive and transfer funds? If so, please describe the process.				The IP can receive funds directly from the agency.		
2.2 Are the proposed arrangements to transfer the funds to the IP satisfactory to the funding agency?				The proposed arrangements are satisfactory to the funding agency.		
2.3 Have there been major problems in the past in receipt of funds by the IP, particularly where the funds flow from government ministries (if applicable)? If so, please describe.				The IP has not had problems in the past regarding receipt of agency funding.		
2.4 In the past, has the IP had any problems in the management of funds received? If so, please describe.				The IP has not had problems in the management of funds received from the funding agency.		
2.5 Does the IP have capacity to manage foreign exchange risks? (If it is expected to be using funds outside the				The IP has capacity and experience in managing foreign		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
country.) If so, does the IP have experience managing foreign exchange risk?				exchange risk.		
2.6 Does the IP have a process in place to access counterpart funds? Please describe.				The IP has capacity and experience in assessing counterpart funds.		
2.7 If some activities will be implemented by others, such as civil society groups or non-governmental organizations, does the IP have the necessary reporting and monitoring mechanisms to track the use of funds? Does the IP have experience with implementation of activities by external civil society or non-governmental organizations? If so, please describe.				The IP has the necessary reporting and monitoring mechanisms in place to track the use of funds by external organizations. The IP also has experience with this process.		
<b>Total number of questions in subject area:</b>	<b>7</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						
<b>Total number of risk points:</b>						
<b>Funds flow overall risk assessment:</b>						Divide total number of risk points by total number of applicable questions in subject matter section.  This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>3. Organizational Structure and Staffing</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<p>3.1 Is the organizational structure of the IP's accounting/finance department appropriate for the level of financial volume? Does the organizational structure provide clear lines of reporting and accountability? If so, please describe.</p> <p><i>Attach an organization chart if available.</i></p>				The organizational structure of the IP's accounting/finance department is appropriate for the level of financial volume (including funding from the agency).		
<p>3.2 Are the level of posts and competency of staff appropriate for the level of financial volume in the accounting/finance department? Identify the staff, including job titles, responsibilities, educational backgrounds and professional experience.</p> <p><i>Attach job descriptions and CVs of key accounting/finance staff.</i></p>				The level of posts and competency of staff are appropriate for the level of financial volume in the accounting/finance department.		
<p>3.3 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds? If so, please describe.</p>				The IP's accounting/finance function is staffed adequately to ensure sufficient controls are in place to manage agency funds.		
<p>3.4 Are accounting/finance staff familiar with United Nations procedures related to cash transfers (specifically the HACT framework)? If so, please provide details.</p>				The accounting/finance staff are familiar with United Nations procedures related to cash transfers (specifically the HACT framework).		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
3.5 Are there vacancies in positions considered key? If so, provide the estimated date of appointment.				The IP does not have any vacancies in positions considered key.		
3.6 Are staff frequently transferred to other departments, offices, countries, etc.? If so, what is the estimated frequency?				IP staff are not frequently transferred to other departments, offices, countries, etc.		
3.7 Does the IP have training policies for accounting/finance staff? Are necessary trainings undertaken? If so, please describe.				The IP has training policies for accounting/finance staff, which are undertaken as planned.		
3.8 Has there been significant turnover in the past five years? If so, has the rate improved or worsened? Does it appear to be a problem? If so, what is the IP doing to address this issue?"				The IP has not had significant turnover in the past five years.		
3.9 Does the IP perform background verification/checks on all new accounting/finance and management positions? If alternative practices for processing new hires are in place, please provide a brief description.				The IP performs background verification/checks on all new accounting/finance and management positions.		
3.10 Does the IP have a defined and documented internal control framework? Is this framework consistent with international standards? If so, please describe.						
<b>Total number of questions in subject area:</b>	<b>10</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<i>Total number of risk points:</i>						
<i>Organizational structure and staffing overall risk assessment:</i>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>4. Accounting Policies and Procedures</b>						
<b>4a. General</b>						
4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds?				The IP has an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds.		
4.2 Are controls in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?				Controls are in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained.		



Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.3 Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?				The chart of accounts is adequate to properly account for and report on activities and disbursement categories in accordance with the established agreements.		
4.4 Are controls in place for accurate cost allocations to the various funding sources in accordance with established agreements?				Controls are in place for accurate cost allocations to the various funding sources in accordance with established agreements.		
4.5 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?				The general ledger and subsidiary ledgers are reconciled at least monthly, and explanations are provided for significant reconciling items.		
4.6 Are all accounting and supporting documents retained permanently in a defined system that allows authorized users easy access? If so, please describe.				Accounting and supporting documents are retained permanently in a defined system that allows authorized users easy access.		
4.7 Does the IP have policies and procedures for tracking and reporting United Nations resources as required in the HACT framework? If so, please describe.				The IP has policies and procedures for tracking and reporting United Nations resources as required in the HACT framework.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<b>4b. Segregation of duties</b>						
4.8 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?				The following functional responsibilities are performed by different units/individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction.		
4.9 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?				The functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated.		
4.10 Are bank reconciliations prepared by individuals other than those who make or approve payments?				Bank reconciliations are prepared by individuals other than those who make or approve payments.		
<b>4c. Budgeting system</b>						
4.11 Do the IP's budgets lay down physical and financial targets?				The IP's budgets lay down physical and financial targets.		
4.12 Are IP budgets prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?				IP budgets are prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.13 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?				Actual expenditures are compared to the budget with reasonable frequency, and explanations are required for significant variations from the budget.		
4.14 Are approvals required prior to significant variations from the budget?				Approvals are required prior to significant variations from the budget.		
4.15 Does the IP have a designated individual(s) responsible for preparation and approval of budgets related to agency funding?				The IP has a designated individual(s) responsible for preparation and approval of budgets related to agency funding.		
4.16 Are procedures in place to plan activities, collect information from the units in charge of the different components and prepare the budgets? If so, please describe.				Procedures are in place to plan activities, collect information from the units in charge of the different components and prepare the budgets.		
4.17 Are the plans and budgets of activities realistic, based on valid assumptions and developed by knowledgeable individuals?				The plans and budgets of activities appear to be realistic, based on valid assumptions, and developed by knowledgeable individuals.		
<b>4d. Payments</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.18 Do invoice processing procedures provide for: <ul style="list-style-type: none"> <li>Copies of purchase orders and receiving reports to be obtained directly from issuing departments?</li> <li>Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received?</li> <li>Checking the accuracy of calculations, if any?</li> </ul>				Invoice processing procedures are sufficient, including: receiving copies of purchase orders and receiving reports directly from issuing departments; comparing invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received; and checking the accuracy of calculations (if any).		
4.19 Can the IP identify tax-exempt activities to ensure tax is not paid?				The IP has the ability and experience to identify tax-exempt activities and ensure tax is not paid.		
4.20 Are all invoices stamped 'PAID', dated, reviewed and approved, and clearly marked for account code assignment?				Invoices are stamped 'PAID', dated, reviewed and approved, and clearly marked for account code assignment.		
4.21 Do controls exist for preparation and approval of payroll expenditures? Are changes properly authorized? If so, please describe.				Controls exist for the preparation and approval of payroll expenditures and changes are properly authorized.		
4.22 Do controls exist for expense categories that do not originate from invoice payments, such as DSA, travel,				Controls exist for expense categories that do not originate		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
consultancies?				from invoice payments, such as DSA, travel, consultancies.		
<b>4e. Policies and procedures</b>						
4.23 Does the IP have a single stated basis of accounting (e.g., cash or accrual)? If so, please describe.				The IP has a single basis of accounting.		
4.24 Does the IP have an established accounting manual sufficient to ensure control of assets and proper use of agency funds? Are internationally accepted accounting standards followed? If so, which standard?				The IP has an established accounting manual sufficient to ensure control of assets and proper use of agency funds. This manual follows an internationally accepted accounting standard.		
4.25 Does the IP have an adequate policies and procedures manual to guide activities and ensure staff accountability? If so, please describe.				The IP has an adequate policies and procedures manual to guide activities and ensure staff accountability.		
4.26 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the IP?				The IP has procedures in place to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure.		
4.27 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible? Please describe.				There are accessible written policies and procedures covering all routine financial management and related administrative activities.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.28 Do policies and procedures clearly define ‘conflict of interest’ and ‘related party transactions’ (real and apparent) and provide safeguards to protect the organization from them? If so, please describe.				The IP has well-defined policies and procedures for ‘conflict of interest’ and ‘related party transactions’ (real and apparent) that provide adequate safeguards to protect the organization from them.		
4.29 Are manuals distributed to appropriate personnel? If so, please describe the manuals and the personnel who receive them.				Manuals are distributed to appropriate personnel.		
<b>4f. Cash and banks</b>						
4.30 Are there authorized signatories on the bank accounts that will be used for United Nations resources? How many signatories are on the bank account and how many are required to execute transactions? If so, provide names.				The IP has signatories on the bank accounts that will be used for United Nations resources and more than one signatory is required for each transaction.		
4.31 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?				The IP maintains an adequate, up-to-date cashbook, recording receipts and payments.		
4.32 Do controls exist for the collection, timely deposit and recording of receipts at each collection location? If so, please describe.				Controls exist for the collection, timely deposit and recording of receipts at each collection location.		
4.33 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for				Bank balances and cash ledgers are reconciled monthly and properly approved. Significant		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
significant and unusual reconciling items?				and unusual reconciling items are explained.		
4.34 Are agency resources be placed in a separate bank account?				Agency resources are placed in a separate bank account.		
4.35 Are cash and checks maintained in a secure location? Has access been properly designated and maintained?				Cash and checks are maintained in a secure location and access has been properly designated and maintained.		
<b>4g. Safeguards for assets</b>						
4.36 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse? If so, tour the facility to ensure the system has been implemented and followed.				The IP has a system of adequate safeguards to protect assets from fraud, waste and abuse.		
4.37 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts? If so, please describe.				Subsidiary records of fixed assets and inventory are kept up to date and reconciled with control accounts.		
4.38 Are there periodic physical inventories of fixed assets and stocks? If so, please describe.				The IP performs periodic physical inventories of fixed assets and inventory.		
4.39 Are fixed assets and inventory adequately covered by insurance policies?				The IP's fixed assets and inventory are adequately covered by insurance policies.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<b>4h. Other offices or entities<sup>2</sup></b>						
4.40 Do any other offices/entities participate in implementation? If so, does the IP have policies and process to ensure appropriate oversight and monitoring of implementation?				If the IP has other offices/entities participating in implementation, there are adequate policies and procedures to ensure appropriate oversight and monitoring of implementation. The IP also has experience with this process.		
4.41 Does information flow among the different offices/entities in an accurate and timely fashion? If so, please describe.				Information flows among the different offices/entities in an accurate and timely fashion.		
4.42 Does the IP have a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities? If so, describe the process.				The IP has a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities. The IP also has experience with this process.		
4.43 Does the IP maintain contractual agreements with other offices/entities?				The IP maintains current contractual agreements with other offices/entities.		
4.44 Does the IP have a process to ensure expenditures of other				The IP has a process to ensure		

<sup>2</sup> This refers to sub-offices of the IPs or other parties.



Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
offices/entities are in compliance with the work plan and/or contractual agreement noted in item 4.43?				expenditures of other offices/entities are in compliance with the work plan and/or contractual agreements.		
<b>4i. Other</b>						
4.45 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property?				The IP has advised employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property.		
4.46 If yes to item 4.45, does the IP have a policy against retaliation for those who report fraud, waste or misuse of agency resources or property?				The IP has a policy against retaliation for those who report fraud, waste, or misuse of agency resources or property.		
<b>Total number of questions in subject area:</b>	<b>46</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						
<b>Total number of risk points:</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<i>Accounting policies and procedures overall risk assessment:</i>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>5. Internal Audit</b>						
5.1 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?				The internal auditor is sufficiently independent to make critical assessments.		
5.2 Does the IP have stated qualifications and experience requirements for internal audit department staff? If so, please describe.				The IP has stated qualifications and experience requirements for internal audit department staff.		
5.3 Will the activities financed by the agencies be included in the internal audit department's work programme?				The activities financed by agency funds will be included in the internal audit department's work programme.		
5.4 Does the internal auditor have policies and procedures to take action on findings identified?				The internal auditor has policies and procedures to take action on findings identified, if any.		
5.5 Does the IP appear to have strong internal controls to ensure funds are expended for their intended purpose, to discourage and prevent improper use of funds, and to				The IP appears to have strong internal controls to ensure funds are expended for the		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
safeguard assets? If so, please describe.				intended purpose, discourage and prevent improper use of funds, and safeguard assets.		
<b>Total number of questions in subject area:</b>	<b>5</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						
<b>Total number of risk points:</b>						
<b>Internal audit overall risk assessment:</b>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>6. Financial Audit</b>						
6.1 Are the IP's specific financial statements audited regularly by an independent auditor? If so, please describe the auditor.				The IP's specific financial statements are audited regularly by an independent auditor.		
6.2 Are there any delays in audit of the IP? When are the audit reports issued?				There are no delays in audits of the IP's financial statements, and the financial statements are issued within a reasonable amount of time.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
6.3 Is the audit of the IP's financial statements conducted according to the International Standards on Auditing?				The audit of the IP's financial statements are conducted according to the International Standards on Auditing.		
6.4 Were there any major accountability issues brought out in audit reports of the IP over the past three years?				No major accountability issues were brought out in audit reports of the IP over the past three years.		
6.5 Will the auditor audit the accounts related to the work plan or other contractual agreements with the agency? If not, will a separate auditor be appointed to audit the work plan financial statements?				The auditor will audit the accounts related to the work plan or other contractual agreements with the agency.		
6.6 Have any recommendations made by auditors in the prior three audit reports and/or management letters not yet been implemented?				All recommendations made by the auditor in the prior three audit reports and/or management letters have been implemented.		
6.7 Historically, has the IP prepared audit plans?				The IP has historically prepared audit plans.		
<b>Total number of questions in subject area:</b>	<b>7</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						
<b>Total number of risk points:</b>						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<b>Financial audit overall risk assessment:</b>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>7. Reporting and Monitoring</b>						
7.1 Are financial statements prepared specifically for the IP?				Financial statements are prepared specifically for the IP.		
7.2 What is the frequency of preparation of the financial statements mentioned in 7.1? Are the reports prepared in a timely fashion so they are useful to management for decision-making?				Financial statements of the IP are prepared on a frequent basis so they are useful to management for decision-making.		
7.3 Does the reporting system have the capacity to link the financial information with the work plan's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?				The reporting system has the capacity to link the financial information with the work plan's physical progress.		
7.4 Does the IP have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain and how they are to be used? If so, please describe.				The IP has established financial management reporting responsibilities that specify what reports are to be prepared, what they are to		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				contain and how they are to be used.		
7.5 Does the IP have financial reports that compare actual expenditures with budgeted and programmed allocations?				The IP has financial reports that compare actual expenditures with budgeted and programmed allocations.		
7.6 Are financial reports prepared directly by the automated accounting system or are they prepared using spreadsheets or some other means?				Financial reports are prepared directly by the automated accounting system or using spreadsheets (or some other means) that are properly reviewed and approved.		
7.7 Does the IP appear to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years? Are there any unexplained or ongoing inconsistencies? Provide the amount of total assets and total liabilities for the current and prior fiscal year.				The IP appears to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years.		
7.8 Do the IP's total revenues/contributions exceed its total expenditures over the past three fiscal years? Have the IP's contributions been contracting (i.e. dwindling) over the past three years? If so, why and how will the organization address this issue? Provide the amount of total revenues/contributions and total expenditures for the current and prior fiscal year.				The IP's total revenues/contributions exceed its total expenditures in the past three fiscal years, and its contributions have not been contracting in the past three fiscal years.		
<b>Total number of questions in subject area:</b>	<b>8</b>					

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
<i>Number of questions marked 'N/A' in subject area:</i>						
<i>Total number of applicable questions in subject area:</i>						
<i>Total number of risk points:</i>						
<i>Reporting and monitoring overall risk assessment:</i>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>8. Information Systems</b>						
8.1 Is the financial management system computerized? If so, does the IP have policies and procedures to maintain this system?				The financial management system is computerized and properly maintained.		
8.2 Does the IP have policies and procedures to restrict access to the computerized financial management system to appropriate personnel? If so, please describe them.				The IP has policies and procedures to restrict accesses to the computerized financial management system to the appropriate personnel.		
8.3 Can the computerized financial management system produce the necessary financial reports?				The computerized financial management system can produce the necessary financial reports.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
8.4 Are IP staff adequately trained to maintain the computerized financial management system?				IP staff are adequately trained to maintain the computerized financial management system.		
8.5 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the data? If so, please describe them.				The IP has appropriate safeguards to ensure the confidentiality, integrity and availability of the data.		
<b>Total number of questions in subject area:</b>	<b>5</b>					
<b>Number of questions marked 'N/A' in subject area:</b>						
<b>Total number of applicable questions in subject area:</b>						
<b>Total number of risk points:</b>						
<b>Information systems overall risk assessment:</b>						Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
<b>9. Procurement</b>						
<b>9a. General</b>						
9.1 Has the IP undertaken a procurement exercise with United Nations / World Bank / European Union resources in the				The IP has undertaken a procurement exercise with		



Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
past? If so, please describe it.				UN/WB/EU resources in the past.		
9.2 Has the IP been audited by ECHO and selected as a Framework Partnership Agreement partner as per: <a href="http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa_partners.pdf">http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa_partners.pdf</a>				The IP has been audited by ECHO and selected as a Framework Partnership Agreement partner.		
9.3 Has the IP been audited by ECHO and selected as a Humanitarian Procurement Centre partner as per: <a href="http://ec.europa.eu/echo/files/partners/humanitarian_aid/HPC-register_en.pdf">http://ec.europa.eu/echo/files/partners/humanitarian_aid/HPC-register_en.pdf</a>				The IP has been audited by ECHO and selected as a Humanitarian Procurement Centre partner.		
<b>9b. Procurement principles, policies and procedures</b>						
9.4 Does the IP follow acceptable United Nations procurement principles? Do these principles promote broad participation from potential bidders? If so, please describe them.				The IP follows acceptable United Nations procurement principles.		
9.5 Does the IP have written procurement policies and procedures?  <i>If yes, please provide a copy. If no, please attach an outline of the tender procedures specifying the different procurement procedures, related thresholds and methodology for the assessment of tenders.</i>				The IP has written procurement policies and procedures.		
9.6 Does the IP have a specific code of procurement ethics?  <i>Please attach copy of the code.</i>				The IP has a specific code of procurement ethics.		
9.7 Does the IP have a specific anti-fraud and corruption policy? If so, please describe it.				The IP has a specific anti-fraud		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				and corruption policy.		
9.8 Do the IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests?				The IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests.		
9.9 Does the IP frequently override purchasing procedures without proper authorization?				The IP does not frequently override the purchasing procedures without proper authorization.		
9.10 Are exceptions to procedures documented and sent to management for approval? Are the exceptions periodically analyzed and corrective actions taken?				Exceptions to procedures are documented and sent to management for approval. Exceptions are periodically analysed and corrective actions are taken.		
<b>9c. Internal control system</b>						
9.11 Does the IP have a procurement committee for review and approval of contracts? If so, please specify composition of committee.				The IP has a procurement committee that reviews and approves contracts.		
9.12 Does the IP identify the requested authorizations for each value level of purchases? At what value does the IP require written authorization of senior management for a purchase (value in US dollars)?				The IP has defined authorization guidance and policies and procedures to ensure they are properly applied.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.13 Does the IP use standard bidding documents and contracts?				The IP utilizes standard bidding documents and contracts.		
9.14 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?				The procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria.		
9.15 Does the IP obtain sufficient approvals before signing a contract, executing a purchase, or a payment? How many people give their approval before signing a contract or executing a purchase or a payment?				The IP obtains sufficient approvals before signing a contract executing a purchase or a payment.		
9.16 Does the IP rotate staff positions for internal control purposes? If yes, how often?				The IP has procedures to rotate staff positions for internal control purposes.		
9.17 Does the IP have formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?				The IP has formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflict of interests with potential suppliers/procurement agents.		
<b>9e. Procurement process</b>						
9.18 Does the IP have a well-defined process for sourcing/pre-qualification of suppliers? Do formal procurement				The IP has a well-defined process for sourcing/pre-		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
methods include broadly broadcasting procurement opportunities?  <i>Please attach methodology for the assessment of suppliers.</i>				qualifying suppliers.		
9.19 Does the IP undertake regular market surveys? If so, describe the process.				The IP undertakes regular market surveys.		
9.20 Does the IP have a database of active suppliers? If so, please describe the process for maintaining this database.				The IP has a database of active suppliers.		
9.21 Does the IP keep track of past performance of suppliers? If so, describe the process.				The IP keeps track of past performance of suppliers.		
9.22 Does the IP regularly check 'market' prices for goods and services purchased? If so, describe the frequency and process.				The IP regularly checks 'market' prices of goods and services purchased.		
9.23 Does the IP conduct public bid opening for formal procurement methods (invitation to bid and request for proposal)? What is the composition of public bid opening committees?				The IP conducts public bid opening for formal procurement methods.		
9.24 Does the IP have a well-defined process in place to ensure a secure and transparent bid and evaluation process? If so, describe the process.				The IP has a well-defined process in place to ensure a secure and transparent bid and evaluation process.		
9.25 Does the IP establish long-term agreements with suppliers based on a tender process?				The IP establishes long-term agreements with suppliers based on a tender process.		
9.26 Are long-term agreements reviewed/retendered? If so,				Long-term agreements are		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
how frequently? Please describe.				reviewed and retendered.		
<b>9f. Awarding of contracts</b>						
9.27 When a formal invitation to bid has been issued, does the IP award the procurement contract to the qualified bidder whose bid substantially conforms to requirements set forth in the solicitation documentation and offers the lowest cost?				The IP awards procurement contracts to qualified bidders whose bids substantially conform to requirements set forth in the solicitation documentation and offer the lowest cost.		
9.28 When a formal request for proposal has been issued, does the IP award the procurement contract to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documentation?				The IP awards procurement contracts to qualified proposers whose proposals, all factors considered, are the most responsive to the requirements set forth in the solicitation process.		
<b>9g. Reporting and monitoring</b>						
9.29 Are procurement reports prepared for the IP? If so, describe the preparation and frequency of these reports.				Procurement reports are prepared frequently for the IP.		
<b>9h. Information system</b>						
9.30 Is the procurement system computerized? If so, is the system adequately maintained?				The procurement system is computerized and adequately maintained.		
9.31 Can the procurement system produce the necessary				The procurement system is		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
reports?				capable of preparing the necessary reports.		
<b>9i. Verification of procurement capacity</b>						
9.32 Is the IP's procurement unit properly resourced in terms of number of staff and their qualifications?				The IP's procurement unit is properly resourced in terms of number of staff and their qualifications.		
9.33 Is the structure of the IP's procurement unit clear, with defined reporting lines that foster efficiency and accountability?				The structure of the IP's procurement unit is clear, with defined reporting lines that foster efficiency and accountability.		
9.34 Does the IP have a procurement strategy and appropriate tools and mechanisms to conduct procurement activities? If so, please describe.				The IP has a procurement strategy and appropriate tools and mechanisms to conduct procurement activities.		
9.35 Does the IP verify that established procedures for handling complaints are implemented? If so, please describe.				The IP verifies that established procedures for handling complaints are implemented.		
9.36 Does the IP manage the procurement cycle following the established policies and procedures? If so, how do they verify this?				The IP manages the procurement cycle per established policies and procedures.		
9.37 Does the IP consistently apply transparency and integrity in the procurement process?				The IP consistently applies transparency and integrity in		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				the procurement process.		
<i>Total number of questions in subject area:</i>	<b>37</b>					
<i>Number of questions marked 'N/A' in subject area:</i>						
<i>Total number of applicable questions in subject area:</i>						
<i>Total number of risk points:</i>						
<i>Procurement overall risk assessment:</i>						<p>Divide total number of risk points by total number of applicable questions in subject matter section.</p> <p>This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.</p>

## **B – SPOT CHECK**

### **TERMS OF REFERENCE FOR SPOT CHECKS**

This TOR was developed to guide United Nations agencies, service providers and IPs through the objectives, scope, timeline and deliverables of the requested agreed-upon procedures engagement. (See Annex 1 for programme-specific information)

#### **Purpose of Agreed-upon Procedures Engagements**

An agreed-upon procedures attest engagement involves engagement of the service provider to prepare a report on factual findings based on specific, agreed-upon procedures performed. As the service provider is engaged to report on findings of the agreed-upon procedures, no assurance is expressed. Instead, users of the report assess for themselves the procedures and findings reported by the service provider and draw their own conclusions. The report is restricted to parties that have agreed to the procedures to be performed, since others, unaware of the reasons for the procedures, may misinterpret the results.

#### **Standards**

The attestation engagement should be conducted in accordance with ISRS 4400, *Agreed-upon Procedures Regarding Financial Information*.

#### **Scope of the Spot Check Agreed-upon Procedures Engagement**

Spot checks are performed to assess the accuracy of financial records for cash transfers to IPs and whether there have been any significant changes to applicable internal controls. The spot check is not an audit.

#### **Spot Check Procedures**

The following are examples of procedures to be performed during the spot check. The actual procedures to be performed must be confirmed with the HACT Focal Point prior to the start of the spot check.

1. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified, if any.
2. Obtain a listing of all programme-related expenditures that support the actual programme expenditures submitted by (insert IP name) on FACE form (insert date and number) for the agreed-upon procedures engagement and perform the following:
  - Select a sample of expenditures using a statistical (i.e. random sampling) or non-statistical (e.g. high value or high risk items) approach amounting to at least 50% of total expenditures for the period. At least one item should be selected from each expense category which is greater than 5% of the total expenditure for the period. Provide a detailed listing of expenditures selected as samples.
  - For each sample selection perform the following procedures:
    - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the activity related to the expenditure is in accordance with the work plan.<sup>8</sup>
    - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
    - Verify that the expenditure was reflected in the IP's accounting records (official book of accounts) and bank statement.

---

<sup>8</sup> Agency work plans can be annual, multi-year, rolling or joint.



- Verify that supporting documents are stamped 'PAID by UNDP resources' (or coded to and recorded in a separate fund to ensure there is no duplicate claiming of expenditure to UNDP and/or another funding agency), indicating which agency funded the transaction.
  - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (two weeks).
  - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).
3. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
  - Confirm that a bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

### **Deliverables**

The service provider prepares a report in accordance with ISRS 4400. The report template is provided in Annex 2.

Prior to the conclusion of the site visit, the service provider holds an exit meeting with the IP to discuss any initial findings. The Office Focal Point should be invited to attend the closing meeting at their discretion.

The service provider provides the draft spot check report and summary of findings and observations to the IIP to provide any further clarification and management responses.

The spot check report is then provided to the UNDP Office Focal Point for review and comment.

The final reports are to be provided in Word format. Where service provider's internal policies require the final signed version to be provided only in PDF, UNDP will accept the PDF version accompanied by a Word version with same content but without signature and/or branding (as per service provider's internal policies).

### **Qualifications of the Party Service Provider**

As noted in ISRS 4400 paragraph 7: "The auditor should comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code). Ethical principles governing the auditor's professional responsibilities for this type of engagement are:

- (a) Integrity;
- (b) Objectivity;
- (c) Professional competence and due care;
- (d) Confidentiality;
- (e) Professional behavior; and
- (f) Technical standards."

Independence is not a requirement for agreed-upon procedures engagements. However, the terms or objectives of an engagement or national standards may require the party service provider to comply with the independence requirements of the IESBA Code. Where the service provider is not independent, a statement to that effect should be made in the report of factual findings.

The service provider staff must be experienced in applying ISRS standards. The service provider should employ staff with recognized professional qualifications and suitable experience with ISRS standards, including experience in reviewing similar entities.

**Items to be Provided to the Service Provider**

UNDP County Office HACT Focal Point provides the following documentation in advance of starting fieldwork:

- Work plan and any progress reports submitted during the year;
- Micro assessment report and any related agreed actions, reports of relevant field monitoring visits, available audits reports and other documentation that may help to understand the IP's internal controls and supported activities.

To ensure efficient use of time, the service provider reviews the information received and provides the IP with a list of requested documents in advance of any site visits.

### Annex 1. Programme-specific Information

The following information is to be provided to the service provider by the UNDP Office HACT Focal Point at the start of the engagement.

<b>IP name:</b>	
<b>Programme name:</b>	
<b>Programme number:</b>	
<b>Programme background:</b>	
<b>Programme location:</b>	
<b>Programme contact person(s):</b>	
<b>Location of records:</b>	
<b>Currency of records maintained:</b>	
<b>Period of transactions covered by spot check:</b>	
<b>Funds received during the period covered by the spot check:</b>	
<b>Expenditures incurred/reported during the period covered by the spot check:</b>	
<b>Intended start date of the spot check:</b>	
<b>Estimated number of days required for the spot check:</b>	
<b>Recipient of the report:</b>	
<b>Submission deadline (including draft and final reports to local agency management):</b>	
<b>Submission logistics:</b>	
<b>Any special requests to be considered during the spot check:</b>	
<b>Cash transfer modality used by the IP:</b>	

## **Annex 2. ISRS 4400 Agreed-upon Procedures Report Template**

### ***Report of factual findings***

To (those who engaged the auditor)

We have performed the procedures agreed with you and enumerated below with respect to the actual programme expenditures related to (insert programme name and number) as at (for the XX month period ended) (date), submitted by (insert IP partner name) on FACE form (insert date and number). Our engagement was undertaken in accordance with the ISRS (or refer to relevant national standards or practices) applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of accounting records that support cash transfers from (agency) and are summarized as follows:

1. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.
2. Obtain a listing of all programme related expenditures that support the actual programme expenditures submitted by (insert IP name) on FACE form (insert date and number) for the agreed-upon procedures engagement and perform the following:
  - Select a sample of expenditures amounting to (insert the number of percentage) percent the actual programme expenditures submitted on the FACE form.
  - For each sample selection performed the following procedures:
    - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the activity related to the expenditure is in accordance with the work plan.
    - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
    - Verify that the expenditure was reflected in the IP's accounting records and bank statement.
    - Verify that supporting documents are stamped 'PAID from XXX grant' or coded to and recorded in a separate UNDP fund, indicating which agency funded the transaction.
    - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks).
    - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).

3. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
  - Confirm that a bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

We report our findings in the attached schedules specified by UNDPF:

- (a) Spot Check Work plan;
- (b) Sample of Expenditures; and
- (c) Findings and Recommendations.

Because these procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the actual programme expenditures submitted by (insert IP name) on FACE form (insert number and date) .

Had we performed additional procedures or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information. It is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statement of the implementing partner, taken as a whole.

Signature

Date

Address

### Annex 3. Spot Check Work Plan

<b>Programme title:</b>	
<b>Project title:</b>	
<b>Name of IP:</b>	
<b>Location of IP/programme:</b>	
<b>IP contact person and position:</b>	
<b>Start/end date of spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Dates covered by FACE form selected for testing (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Date of last spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Member(s) of the spot check team (Name, designation, section/organization):</b>	
<b>IP staff whom the spot check team met and worked with during the spot check (names and titles)</b>	

**Internal Controls:** Complete the following table covering specific procedures regarding internal controls.

	Procedure	Findings
1	Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle.  Document any changes identified.	

**Sample of Expenditures.** This is a minimum requirements template. It may be modified to include additional sections.

Sample expenditure description and voucher number	Sample expenditure amount reported	Documentation exists to support expenditure in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the evidence reviewed	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the level of review and approval	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction or coded to and recorded in a UNDP specific fund? (Y/N)	Expenditure was recorded in the IP's accounting records and reflected in a certified FACE form in the period in which it was incurred(Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment/finding
Total sample expenditures:									
Total expenditures reported on FACE forms during period under spot check:									
Percentage coverage: (Total sample expenditures divided by total expenditures reported on FACE forms during period under spot check)									

## Findings and Recommendations

*This is a minimum requirements template. It may be modified to include additional sections.*

A. Observations relating to overall financial management practices, internal control environment and compliance

	Observation description	Category of observation <sup>1</sup>	Risk rating <sup>2</sup>	Management Response	Recommendation	Priority <sup>3</sup>	Due date for implementation	Management Response
1								
2								
...								

*Note 1:*

Category of observations:

1. Accounting and financial reporting systems and procedures
2. Cash, bank and asset management
3. Internal control deficiency, including approvals and segregation of duties
4. Contracting process and procurement procedures
5. Compliance with agreement and other laws and regulations
6. Other

*Note 2:*

Risk ratings:

High: significant likelihood of negative impact on the IP's ability to execute or report on the programme in accordance with the work plan.  
Medium: likelihood of negative impact on the IP's ability to execute or report on some aspects of the programme in accordance with the work plan.  
Low: low likelihood of potential negative impact on the IP's ability to execute or report on the programme in accordance with the WP

*Note 3:*

Priority Ranking:

High: Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).  
Medium: Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).  
Low: Action that is considered desirable and should result in enhanced control or better value for money.



B. Observations relating to specific expenditures selected for testing

	Sample expenditure description and voucher number	Sample expenditure amount reported and currency	Observation description	Category of observation	Risk rating	Management Response	Recommendation	Priority	Due date for implementation	Management Response
1										
2										
...										

Note 1:

Category of observations:

1. Missing or inadequate documentation
2. Error in calculating or recording the expenditure
3. Expenditure not related to the programme or activity
4. Expenditure exceeds the approved budget rate or amount
5. Expenditure incurred outside the agreement period
6. Expenditure not recorded in the correct period or FACE form
7. Expenditure not approved as per IP policy
8. Expenditure not compliant with tax, legal or other regulations
9. Lack of proof that the expenditure was incurred or no proof of payment
10. Potential fraud or other irregularity
11. Other (specify)

Note 2:

Risk ratings:

High: significant likelihood of negative impact on the IP's ability to execute or report on the programme in accordance with the work plan.  
Medium: likelihood of negative impact on the IP's ability to execute or report on some aspects of the programme in accordance with the work plan.  
Low: low likelihood of potential negative impact on the IP's ability to execute or report on the programme in accordance with the WP

Note 3:

Priority Ranking:

High: Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).  
Medium: Action that is considered necessary to avoid exposure to significant risks (i.e. failure to take action could result in significant consequences).  
Low: Action that is considered desirable and should result in enhanced control or better value for money.

### Remuneration and Other Considerations for the Micro Assessment and Spot Checks

- The successful service provider will commence the assignment as soon as the procurement process is completed and the contract is signed.
- Submissions will be accepted from both National and International service providers.
- The terms of payment for the consultancy will be as follows:

#### A. Micro Assessment

60%	upon presentation of draft reports
40%	final payment upon approval of the final reports.

#### B. Spot Checks

60%	upon presentation of draft reports
40%	final payment upon approval of the final reports.

### Technical Evaluation Criteria.

Technical Proposal Evaluation Form 1		Points obtainable
Expertise of the Firm/Organization		
1.1	<b>In Country Coverage</b> - Coverage throughout the island of Seychelles - Coverage throughout the island of Mauritius and Seychelles	10
1.2	<b>Audit firm history</b> • 15 years and more	10
1.3	<b>Number of Qualified staff and coverage</b> • Qualified and experienced staff including certified auditors	10
		30

Technical Proposal Evaluation Form 2	Points Obtainable
---	----------------------

<b>Proposed Methodology &amp; Approach</b>		
2.1	- The degree to which the audit firm understands the assignment and has the important aspects of the task been addressed in sufficient detail	50
		50

Technical Proposal Evaluation Form 3			Points Obtainable
<b>Personnel – Proposed Project Group</b>			
3.1	<b>Team Leader (Audit Manager)</b>		
	Relevant Experience <ul style="list-style-type: none"> <li>At least 7 years of audit experience – 10 points.</li> <li><i>Below of 7 years is not acceptable.</i></li> </ul>		10
3.2	<b>Composition of the Project Group</b> Educational background <ul style="list-style-type: none"> <li>all project members hold at least graduate degree</li> </ul>		10
3.3	Relevant experience <ul style="list-style-type: none"> <li><b><i>all project members have at least 3 years of experience - 5 points; deduct 1 point for each under qualified member</i></b></li> </ul>		10
3.4	Language proficiency <ul style="list-style-type: none"> <li><b><i>all project members are fluent in the language required for each lot. i.e. English</i></b></li> </ul>		5
	<b>Total Part 3</b>		35

## Annex 5

### Contract for Professional Services

---

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

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:

Name   Specialization   Nationality   Period of service

....   .....   .....   .....  
 ....   .....   .....   .....

- 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.....	.....	../..

..//..//...

..//..//...

..//..//....

..//..//...

- ..//..//...

..//..//...

- ..//..//...

**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.

---