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**REQUEST FOR PROPOSAL (RFP 36/19) R**

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| NAME & ADDRESS OF FIRM | DATE: November 29th, 2019 |
|  |
| REFERENCE: **RFP 36-19 R Design of Financing Mechanism for Development of Future PBPS** |

Dear Sir / Madam:

We kindly request you to submit your Proposal for **RFP 36-19 R Design of financing mechanism for investment development fund of Montenegro to serve as guiding principle for development of future Performance-Based Payment Schemes** (**PBPS).**

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

Proposals, comprising of technical proposal (one original hardcopy and one copy on CD or flash drive) and financial proposal (one original hardcopy), in separate sealed envelopes, may be submittedmay be submitted on or before **December 09th, 2019**and via email, courier mail or fax to the address below:

**United Nations Development Programme**

***UN Eco House, Stanka Dragojevica, b.b.***

***81000 Podgorica***

[procurement.me@undp.org](mailto:mirko.bracanovic@undp.org)

Proposals submitted ELECTRONICALLY should be sent to: [procurement.me@undp.org](mailto:procurement.me@undp.org) , which is the official address for e-submission. Technical proposals and financial proposals must be submitted in separate emails. The **technical proposal** should not be password protected. In the eventuality, files containing the technical proposals exceed the 10MB permitted file size for attachments, should be broken down to several files and sent sequentially. Each file should be named as follows: <proposer name–technical proposal file no. N> (N=1, 2, 3, etc).

The **financial proposals** should be sent in PDF format and **password protected** so that they cannot be opened otherwise. Password for the financial proposal must not be provided to UNDP until it is formally requested by UNDP procurement focal point.

Your Proposal must be expressed in ***English language*** and valid for a minimum period of ***60 days.***

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

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

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

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

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

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

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

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

**Thank you and we look forward to receiving your Proposal.**

**Sincerely yours,**

*Snezana Doljanica*

*Operations Manager*

*UNDP MNE*

**Annex 1**

**Description of Requirements**

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| Context of the Requirement | Design of financing mechanism (performance-based payment scheme) for Investment development fund of Montenegro to serve as guiding principle for development of future PBPS (Performance-Based Payment Schemes). |
| Implementing Partner of UNDP | Investment Development Fund in Montenegro |
| Brief Description of the Required Services[[1]](#footnote-1) | In cooperation with IDF design new financial products for green businesses. Provision of the technical assistance to assist IDF in marketing, sourcing, and appraising green loan applications, to design and introduce new financial products, as well as internal policies mainstreaming green business finance in IDF’s overall portfolio. The project will have a twofold approach in this regard:  - design a complementary performance-based payment mechanism for priority economic sectors (agriculture, tourism and energy) and  - design a scheme that would provide incentives for investment through interested rate adjustment. |
| List and Description of Expected Outputs to be Delivered | Defined in ToR (Attachment IV) |
| Person to Supervise the Work/Performance of the Service Provider | UNDP Project Manager |
| Frequency of Reporting | Following of each stage of implementation, in a brief report format |
| Progress Reporting Requirements | Short narrative report, with indication of progress and red flags, if any |
| Location of work | Montenegro |
| Expected duration of work | 3 months |
| Target start date | December 2019. |
| Latest completion date | March 2020. |
| Travels Expected | |  |  |  |  | | --- | --- | --- | --- | | **Destination/s** | **Estimated Duration** | **Brief Description of Purpose of the Travel** | **Target Date/s** | | As per ToR |  |  |  | |  | |  | |  | |
| Special Security Requirements | N/A |
| Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal) | N/A |
| Implementation Schedule indicating breakdown and timing of activities/sub-activities | X Required  ☐ Not Required |
| Names and curriculum vitae of individuals who will be involved in completing the services | X Required  ☐ Not Required |
| Currency of Proposal | ☐United States Dollars  X Euro  ☐ Local Currency |
| Value Added Tax on Price Proposal[[2]](#footnote-2) | ☐ must be inclusive of VAT and other applicable indirect taxes  X must be exclusive of VAT and other applicable indirect taxes |
| Validity Period of Proposals *(Counting for the last day of submission of quotes)* | X 60 days  ☐ 90 days  ☐ 120 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 | X Not permitted  ☐ Permitted |
| Payment Terms[[3]](#footnote-3) | |  |  |  |  | | --- | --- | --- | --- | | Outputs | Percentage | Timing | Condition for Payment Release | | 1. | 20% | end December 2019 | Within thirty (30) days from the date of meeting the following conditions:   1. UNDP’s written acceptance (i.e., not mere receipt) of the quality of the outputs; and 2. Receipt of invoice from the Service Provider. | | 2. | 80% | End February 2020 | |  |  |  | |
| Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment | UNDP Project Manager |
| Type of Contract to be Signed | ☐ Purchase Order  ☐ Institutional Contract  X Contract for Professional Services  ☐ Long-Term Agreement[[4]](#footnote-4)  ☐ Other Type of Contract *[pls. specify]* |
| Criteria for Contract Award | ☐ Lowest Price Quote among technically responsive offers  X Highest Combined Score (based on the 70% technical offer and 30% price weight distribution)  X Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal. |
| Criteria for the Assessment of Proposal | **Technical Proposal (70%)**  X Quality of the proposal  X Contractor’s capacity, qualification and expertise  **Financial Proposal (30%)**  To be computed as a ratio of the Proposal’s offer to the lowest price among the proposals received by UNDP. |
| UNDP will award the contract to: | X One and only one Service Provider  ☐ One or more Service Providers, depending on the following factors: |
| Annexes to this RFP[[5]](#footnote-5) | X Form for Submission of Proposal (Annex 2)  X General Terms and Conditions / Special Conditions (Annex 3)[[6]](#footnote-6)  X Detailed TOR *(*Annex 4*)*  X Requested Expertise of the Firm and Experts (Annex 5)  X Summary of Technical Proposal Evaluation Forms (Annex 6)  ☐ Others[[7]](#footnote-7) *[pls. specify]* |
| Contact Person for Inquiries  (Written inquiries only)[[8]](#footnote-8) | *Mirko Bracanovic*  *Procurement Section*  *UNDP MNE*  *At:*  mirko.bracanovic@undp.org  Any delay in UNDP’s response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers. |
| Other Information *[pls. specify]* |  |

**Annex 2**

**FORM FOR SUBMITTING SERVICE PROVIDER’S PROPOSAL[[9]](#footnote-9)**

***(This Form must be submitted only using the Service Provider’s Official Letterhead/Stationery[[10]](#footnote-10))***

[insert: *Location]*.

[insert: *Date]*

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

Dear Sir/Madam:

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

1. **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:*

1. *Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
2. *Business Licenses – Registration Papers, Tax Payment Certification, etc.*
3. *Latest Audited Financial Statement – income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation, etc.;*
4. *Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references;*
5. *Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
6. *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.*
7. **Proposed Methodology for the Completion of Services**

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| *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.* |

1. **Qualifications of Key Personnel**

*The Service Provider must provide:*

1. *Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
2. *CVs demonstrating qualifications must be submitted if required by the RFP; and*
3. *Written confirmation from each personnel that they are available for the entire duration of the contract.*
4. **Cost Breakdown per Deliverable\***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Deliverables**  ***[list them as referred to in the RFP]*** | **Percentage of Total Price *(Weight for payment)*** | **Price**  ***(Lump Sum, All Inclusive)*** |
| 1 | Deliverable 1 | 20% | Upon submission of Deliverables and approval of phase I results. |
| 2 | Deliverable 2 | 80% | Upon submission of Deliverables and approval of phase II results. |
|  | Total | 100% |  |

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

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

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

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

*[Designation]*

*[Date]*

**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.

**8.5** 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.

1. **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

Request for proposals: Design of financing mechanism (performance-based payment scheme) for Investment development fund of Montenegro to serve as guiding principle for development of future PBPS.

**I. Background:**

The United Nations Development Programme (UNDP), acting as an implementing agency of the Global Environment Facility (GEF), is supporting the Government of Montenegro, specifically the Ministry of Sustainable development and Tourism (MSDT), to implement project “Growing Green business in Montenegro”. The project is jointly financed by the GEF, MSDT, Investment Development Fund and municipalities. The objective of the project is to promote low emission business initiatives and decarbonization of Montenegrin economy.

All activities and measures undertaken by the project will need to result in tangible greenhouse gases (GHG) emissions reduction and are to be considered from the perspective of climate smart planning. Project provides assistance in the establishment of “Eco Fund” and further development of Green Business incubator in Cetinje as well as performance based payment schemes with the goal to provide initial capital for relevant stakeholders (including public and private companies, municipalities, research-scientific institutions, civil society organizations, individuals) for initiation, development and testing of the most innovative project ideas, including the opportunity for further co-financing of the most successful solutions.

Within this context, the project should focus on understanding and recognition of policy incentive options for green businesses in agricultural, tourism and energy sectors. The goal is to enable the development of a roadmap, and for its further adoption and implementation in the Montenegrin policy framework and thereby contribute to a better investment environment.

In parallel, the project should work with the Investment Development Fund (IDF) to enhance the existing and to design new financial products for green businesses. The technical assistance will be provided to assist IDF in marketing, sourcing, and appraising green loan applications, to design and introduce new financial products, as well as internal policies mainstreaming green business finance in IDF’s overall portfolio. The project will design and implement a complementary performance-based payment mechanism for priority economic sectors (agriculture, tourism and energy) whereby projects leading to GHG emission reductions will be eligible for additional compensation (in the form of a grant) based on and subject to independent verification of GHG emissions reductions achieved. Results of the performance-based payment scheme will be analysed and widely disseminated among Montenegrin financial sector. The purpose of the performance-based payment mechanism is to address identified barriers to green/low-carbon investment as follows:

* Compensate green/low-carbon project developers for additional risks and uncertainties they are facing given that these projects are “first of its kind” in Montenegro, and often have insufficient financial returns to make them financially viable thus incentivizing entrepreneurs to pursue such business opportunities;
* Establish track record of real-life performance of the various categories of the green/low-carbon projects (in terms of both environmental impacts and financial returns), which the financial sector can then use to adjust their risk assessments, lending strategies and requirements for various categories of projects.

This is especially important as part of the Montenegro EU accession efforts as the European Union is pursuing a leadership strategy on green and sustainable finance. The EU published its Action Plan on Sustainable Finance, setting out a strategy for a financial system that supports the EU’s climate and sustainable development agenda. The Action Plan lists a number of important initiatives based on the published recommendations of the High-Level Expert Group (HLEG) on Sustainable Finance and includes reforms that will become relevant to the Montenegro’s own ambitions on clean growth.

**II. Objective of the assignment:**

In cooperation with IDF design new financial products for green businesses. Provision of the technical assistance to assist IDF in marketing, sourcing, and appraising green loan applications, to design and introduce new financial products, as well as internal policies mainstreaming green business finance in IDF’s overall portfolio. The project will have a twofold approach in this regard:

* design a complementary performance-based payment mechanism for priority economic sectors (agriculture, tourism and energy) and
* design a scheme that would provide incentives for investment through designing favorable interest rate adjustment for green projects.

*Job content:*

* Design of the performance-based scheme as financial incentive intended to motivate end-users to achieve and maintain green business targets including, for example, GHG emissions reduction, energy efficiency improvements, renewable energy share, increased production rates per energy consumed, efficient water irrigation or decreased production-based waste generation, based on ex-post evaluation of achievements. There is currently no performance-based payment offering from IDF (non-existent in Montenegro), whereas in other countries (e.g. Bosnia and Herzegovina) it has proven to be a good tool for green business financing due to its motivational impact;
* design a scheme that would provide incentives for investment through interested rate adjustment;
* Define and develop IDF’s monitoring and verification procedures to monitor and capture its clients’ green business results upon which performance-based payments will be evaluated;
* Develop internal acts/rulebook, methodology and eligibility criteria for new financial mechanism (performance-based payments). The project will support the development of internal acts/rulebook, methodology and eligibility criteria for performance-based granting to complement IDF’s existing Programme for financing environmental protection, energy efficiency and renewable energy projects and thus make it more attractive and favourable to end-users/clients;
* Design a new support line within IDF portfolio focusing on supporting green business;
* Design material for marketing, sourcing, and appraising green loan applications.

*The service provider will be expected to:*

Overall, the selected service provider will list, and analyses impacts of existing support programs for listed priority sectors, the quality of the enabling environment for investment and discuss the overall pros and cons of offering existing incentives programs. Consequently, relaying on existing experience the service provider will support introduction of performance-based mechanisms in IDF operations.

*Expected results:*

* Review IRF and development policies, guidelines and other documented policy positions, as well as fiscal and economic mechanisms/instruments and propose new policies, fiscal and economic mechanisms/instruments or relevant changes;
* Review the current legislative framework, and make recommendations for the most appropriate legislative and regulatory framework (comprising new or existing legislation), to support the adoption of performance-based mechanisms, fiscal and economic instruments or relevant changes;
* Enhance capacity of primary stakeholders through a process of “learning by doing” to incorporate performance-based mechanisms in planning and in decision making;
* Incorporate best fit practices which will be socially and culturally equitable, gender sensitive, ecologically effective, economically efficient and reflective of stakeholder needs and economic interests;
* In line with UNDP methodology asses IDFs capacity as potential implementing body for grant scheme;
* Design methodology and eligibility criteria for implementation of grant scheme performance-based mechanisms.

*Deliverables:*

* *Prepare Work Plan and Inception Report:*
  + - Conduct inception meetings with the Contracting Authority and partners upon commencement of the project to
* review the process for conducting all activities within the project;
* determine roles and responsibilities;
* discuss the basis on which this work will be implemented, and
* finalize the work plan and timetable to include measures for demonstrating enhanced capacity among key stakeholders.

A draft work plan and report on the outcome of the inception meeting will be prepared and submitted to the client.

* Submit Final Inception Report with comments included within 1 week of receipt of comments.
* *Policy and incentives Regimes Appraisal:* 
  + - Undertake a rapid assessment of IRF planning and development policies, guidelines and other documented policy positions to identify and confirm gaps, priority needs for policy change. This should include review of policy and incentive regimes in relevant sectors, and propose measures for enhancing opportunities for greening;
    - Recommend options for applicable/appropriate incentive instruments and regimes;
    - Prepare and submit Policy and incentive Regimes Appraisal Report.
    - *Legislative Appraisal:*
    - Assess the current effectiveness of applicable legislation environment;
    - Undertake an appraisal of IRF regulation to identify potential problems, interests and jurisdictional conflicts, and propose appropriate amendments to existing regulation;
    - Make recommendations for drafting new or amending existing relevant legislation, as well as streamlining the roles of and coordination across agencies.
    - *Final Report and verification workshop:*
    - The service provider is required to submit Final Report. This report will be prepared to highlight the full scope of work undertaken, noting the level of success and constraints in the methodologies used, the nature and quality of stakeholder participation, limitations in the scope of the consultations and meetings, any potential constraints which are anticipated in the deliverable’s effective application and any other lessons learnt during the process.
    - *Design methodology and eligibility criteria for implementation of grant scheme performance-based mechanisms*

When it comes to design of methodology and eligibility criteria for implementation of grant scheme relaying on performance-based mechanisms these may include (for example and not limited to):

* IDF client with active loan product
* Achieved GHG emission reduction (minimum 20% against the project baseline)
* Project readiness and feasibility to complete the project within 1 year from receipt of the loan (for example feasibility study, technical specification, main design), and/or degree of linkage to existing green business project (e.g. reinvestments into existing green solutions, such as additional energy efficiency measures, additional renewable energy measures, increased coverage of agriculture irrigation, purchase of small electrical supply vehicles etc.)
* Co-financing ratio by end-user (if parallel investments are complementary and feasible)
* Expected GHG emission reduction (but also, if relevant, more specifically, for example kWh energy saved, % of renewables achieved, water distribution efficiency m3/kWh, units of products produced per kWh, etc. depending on the project type).

The call for proposals will include a remark that potential applicant can be supported by the Green Business Incubator Cetinje, upon request by potential applicant, to receive advisory services and expertise for the development of green business project ideas. The size of the performance-based payments will be proportional to GHG emission reduction achieved. During project implementation, different performance-based payment schemes aligned to IDF’s loan products will be developed for different green business project types (e.g. for agriculture, tourism and energy sector) to better reflect feasible and achievable GHG reductions of different sectors.

The proposed formula for performance-based payment for energy sector projects is presented in the Table 1, and an illustrative approach to implementation of the performance-based payment scheme for energy sector projects is given in Figure 1. Projects resulting in elimination of GHG emissions would gain the highest benefits from the performance-based payment since GHG emission reduction is the key pre/post indicator/benchmark. Renewable energy projects generally require more incentives than energy efficiency projects, however it is also worth noting that energy efficient lighting projects (e.g. LED) will result in 80% saving and GHG emission reduction, which is quite high. However, during contract implementation, different performance-based payment schemes aligned to IDF’s loan products should be developed for different green business project types e.g. for agriculture, tourism and energy sector, to better reflect feasible and achievable GHG reductions of different sectors; while the table 1 reflects only a possibility how a performance-based payment could be structured.

Table 1: Proposed formula for performance-based payment

|  |  |  |
| --- | --- | --- |
| **Achieved GHG emission reduction against baseline [%]** | **Maximum performance-based payment amount for proposed energy sector projects** | |
| **[%]** | **[US$]** |
| **100** | 20 | 20,000 |
| **90** | 18 | 18,000 |
| **80** | 16 | 16,000 |
| **70** | 14 | 14,000 |
| **60** | 12 | 12,000 |
| **50** | 10 | 10,000 |
| **40** | 8 | 8,000 |
| **30** | 6 | 6,000 |
| **20** | 4 | 4,000 |

**Annex V**

**REQUESTED EXPERTISE OF THE COMPANY AND EXPERTS**

**COMPANY PROFILE:**

* The company should posses track record in design of complex financial schemes and/or financial instruments, at least 2 projects relevant for tasks under this RFP in last 5 years.
* The company should possess track record of cooperation with public sector in Western Balkans region.
* The company should be able to operate independently by securing necessary local support (translation, interpretation etc).

|  |
| --- |
| **EXPERTS PROFILES**   * *All personnel should have:*   + - Sound knowledge and wide experience in the development and use of participatory approaches in the context of the ToR;     - Experience in developing strategies and initiatives utilizing field work and research work.     - *Personnel:*     - Key Expert 1: Development Planning Policy Specialist and Team Leader:       * At least 5 years work experience in policy dialogue, analysis and formulation and implementation in a consultant role;       * Familiarity with Public Sector procedures;       * Experience in learning-by-doing approaches in working with public sector;       * Experienced in team leadership and coordination.       * Key Expert 2: Legal Expert:   Educated to minimum master’s degree in Law or equivalent.  At least 5 years work experience in legislative drafting with proven ability in devising legislation;  Key Expert 3: Specialist Finance/Economics:  Educated to minimum master’s degree in Environmental Accounting or Economics, Finance related field;  At least 5 years work experience in economics and /or finance with proven ability in the application of accounting approaches;  Familiarity with green economy concepts and approaches.  Sound knowledge and experience in undertaking cost benefit analysis  Other experts, staff and backstopping of service provider shall be required to provide the curriculum vitae for all experts referred to in the consultancy as part of their tender |
|  |

**Annex VI**

**Summary of Technical Proposal Evaluation Forms**

|  |  |  |  |
| --- | --- | --- | --- |
| Summary of Technical Proposal Evaluation Forms | | Score Weight | Points Obtainable |
|
| 1. | Expertise of Firm / Organization | 30% | 300 |
| 2. | Proposed Methodology, Approach and Implementation Plan | 40% | 400 |
| 3. | Management Structure and Key Personnel | 30% | 300 |
|  | **Total** | | **1000** |

|  |  |  |
| --- | --- | --- |
| Technical Proposal Evaluation  Form 1 | | Points obtainable |
|
| **Expertise of the Firm/Organization** | | |
| 1.1 | Reputation of Organization and Staff / Credibility / Reliability / Industry Standing | 15 |
| 1.2 | General Organizational Capability which is likely to affect implementation   * financial stability * loose consortium, holding company or one firm * age/size of the firm * strength of project management support * experience in implementing projects in EU countries | 75 |
| 1.3 | Quality assurance procedures (for ex.: ISO9001, ISO27001, ITIL, and similar) | 50 |
| 1.4 | Experience |  |
|  | * experience on similar projects (i.e. projects of similar size, content) with public sector and on proposed technology | 100 |
|  | * experience on projects in the Balkans region | 20 |
|  | * experience in implementing projects in EU countries | 15 |
|  | * work for UN/ major multilaterals (World Bank, EIB, EBRD, EU, etc) | 25 |
| TOTAL | | **300** |

|  |  |  |
| --- | --- | --- |
| Technical Proposal Evaluation  Form 2 | | Points Obtainable |
|
| **Proposed Methodology, Approach and Implementation Plan** | | |
| 2.1 | To what degree does the Proposer understand the task? | 50 |
| 2.2 | Have important aspects of the task been addressed in sufficient detail? | 30 |
| 2.3 | Is the proposal adequate for Montenegro setting and does it offer proper solutions for effectiveness and efficiency of the system? | 60 |
| 2.4 | Does the conceptual framework and scope of the task correspond to the TOR? | 160 |
| 2.5 | Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project? | 100 |
|  | TOTAL | **400** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Technical Proposal Evaluation  Form 3 | | | | | Points Obtainable |
|
|
| **Management Structure and Key Personnel** | | | | | |
| 3.1 | Expert 1 | | |  | 120 |
|  |  | | | Sub-Score |  |
|  | General Qualification | | | | |
| Experience in developing/implementing/coordinating projects as per ToR | |  | 40 |  |
| - Experience in similar size projects implemented in EU countries | |  | 10 |  |
| - Professional experience in the area of specialization | |  | 45 |  |
| - Knowledge of the country/region | |  | 20 |  |
| - Language Qualifications | | | 5 |  |
|  | | | 120 |  |
| 3.2 | Expert 2 | | |  | 100 |
|  | | | | Sub-Score |  |
|  | General Qualification | | | | |
| - Experience with similar size/content projects | |  | 40 |  |
| - Experience in implementing projects in EU countries | |  | 10 |  |
| - Professional experience in the area of specialization | |  | 40 |  |
| - Knowledge of the country/region | |  | 5 |  |
| - Language Qualifications | | | 5 |  |
|  | | | 100 |  |
| 3.5 | Expert 3 | | |  | 80 |
|  | - Experience with similar size/content projects |  | | 30 |  |
| - Experience in implementing projects in EU countries |  | | 10 |  |
| - Professional experience in the area of specialization |  | | 20 |  |
| - Knowledge of the country/region |  | | 15 |  |
| - Language Qualifications |  | | 5 |  |
|  |  | | 80 |  |
| TOTAL | | | **300** |  |

1. *A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.* [↑](#footnote-ref-1)
2. *VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.* [↑](#footnote-ref-2)
3. *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.* [↑](#footnote-ref-3)
4. *Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed $100,000.00.* [↑](#footnote-ref-4)
5. *Where the information is available in the web, a URL for the information may simply be provided.* [↑](#footnote-ref-5)
6. *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.*  [↑](#footnote-ref-6)
7. *A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.* [↑](#footnote-ref-7)
8. *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.* [↑](#footnote-ref-8)
9. *This serves as a guide to the Service Provider in preparing the Proposal.*  [↑](#footnote-ref-9)
10. *Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes*  [↑](#footnote-ref-10)