



REQUEST FOR PROPOSAL (RFP)

Long term agreement for Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management)

NAME & ADDRESS OF FIRM	DATE: October 22, 2015
	REFERENCE: RFP-YEM-0056-2015

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management) all Yemen governorates.**

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

Proposals may be submitted on or before Thursday, October 29, 2015 at 11:00 hour Sana'a time and via email, courier mail or fax to the address below:

Offers proposal may be submitted electronically in PDF format to procurement.yemen@undp.org. The email shall be virus free. As the maximum size of email is 2MB, the offer may be divided into more than one email, if needed. They must be free from any form of virus or corrupted contents, or the quotations shall be rejected. **The proposal should be submit into two separate sealed envelopes, one for technical and one for financial proposal.**

**United Nations Development Programme
Siteen Street near to Ministry of Human Rights
P.O Box 551 Sana'a, Republic of Yemen
Attn. Waleed Alkadri, Procurement Associate
Telephone: +967 1 448605 Fax: +967 1 448892**

Your Proposal must be expressed in the English, 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,

For / Samira Alfarah, Procurement Specialist



22/Oct/2015

Annex 1

Description of Requirements

Context of the Requirement	Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management) in all Yemen governorates.		
Implementing Partner of UNDP	UNDP		
Brief Description of the Required Services ¹	Please Note the detailed TOR		
List and Description of Expected Outputs to be Delivered	Description	Percentage from total contract amount	Due date
	<u>The consulting firm should submit a final report with the following:</u> An overall risk rating (H- High risk; S-Significant risk; M-Moderate risk; L- Low risk) of the Implementing Partner's financial management capacity	100% after completion of service in call-off request	One week for each IP assessment
	Risk ratings for funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems.		
	A summary of the financial management assessment of the Implementing Partner.		
	A description of the Implementing Partner including the physical		

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.

	address, phone numbers, fax numbers, web sites and general e-mail addresses. .		
	A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described.		
	A description of any specific internal control weaknesses noted in financial management.		
	Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term		
	Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures.		
	Completed Checklist: Financial Management Questionnaire.		
Person to Supervise the Work/Performance of the Service Provider	The contractor will report to Mahamed Hassen, UNDP, Yemen Deputy Country Director, Amal Ali, UNDP, Yemen Head of MSU.		
Frequency of Reporting	<i>Request as per the TOR / Below action table</i>		
Progress Reporting Requirements	Requested as per the TOR		
Location of work	<input checked="" type="checkbox"/> Exact Address/es The service it may request in any one of Yemeni governorate. <input type="checkbox"/> At Contractor's Location		
Expected duration of work	1 year from signed contract		
Target start date	8 Nov, 2015		

Latest completion date	7/Nov/2016											
Travels Expected	<table border="1"> <tr> <th>Destination/s</th><th>Estimated Duration</th><th>Brief Description of Purpose of the Travel</th><th>Target Date/s</th></tr> <tr> <td>In any of Yemeni Governorate</td><td>To be discussed later.</td><td>To be discussed later.</td><td>8-Nov-2015</td></tr> </table>				Destination/s	Estimated Duration	Brief Description of Purpose of the Travel	Target Date/s	In any of Yemeni Governorate	To be discussed later.	To be discussed later.	8-Nov-2015
Destination/s	Estimated Duration	Brief Description of Purpose of the Travel	Target Date/s									
In any of Yemeni Governorate	To be discussed later.	To be discussed later.	8-Nov-2015									
Special Security Requirements	<input checked="" type="checkbox"/> Others The vendor will be responsible for the security of their staff											
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	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required											
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required											
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars <input type="checkbox"/> Local Currency, YER											
Value Added Tax on Price Proposal ²	<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"/> 60 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 ³												

² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

	Outputs	Percentage	Timing	Condition for Payment Release
	Please refer to the TOR .	100%	One week for each IP assessment	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	The contractor will report to Mahamed Hassen, UNDP, Yemen Deputy Country Director, Amal Ali, UNDP, Yemen Head of MSU			
Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input checked="" type="checkbox"/> Contract for Professional Services and LTA call off contract.			
Criteria for Contract Award	<input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.			
Criteria for the Assessment of Proposal	<u>Technical Proposal (70%)</u> <input checked="" type="checkbox"/> Expertise of the Firm 30% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 30% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 40% <u>Financial Proposal (30%)</u> 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:	<input checked="" type="checkbox"/> One or multiple Service Provider			

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) <input checked="" type="checkbox"/> Detailed TOR [Annex 1] <input type="checkbox"/> Others ⁴ [pls. specify]
Contact Person for Inquiries (Written inquiries only) ⁵	<p>Waleed Alkadri UNDP – Procurement associate (waleed.alkadri@ndp.org)</p> <p>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.</p>

⁴ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁵ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

<p>Other Information [pls. specify]</p>	<p>INSTRUCTION FOR ELECTRONIC SUBMISSION</p> <p>The Proposer may choose to submit their proposals by e-mail to procurement.yemen@undp.org. In this case the Proposer shall send separate proposals for: 1) technical proposal; 2) financial proposal as separate attachments to the message(s). Having prepared the Proposal in paper formats as specified in Annexes for entire Technical Proposal should be scanned or otherwise converted into one or more electronic .pdf (Adobe Acrobat) format files and attached to one or more E-mails. Same should be done for Financial Proposal.</p> <p><i>Proposers submit a separate Technical Proposal and a separate Financial Proposal with clear indication in the e-mail subject box for a Proposal.</i></p> <p>The Subject line of the E-mail(s) should state: “<i>Technical proposal for the RFP-YEM-0056-2015 – Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management) - DO NOT OPEN</i>”; and separate email “<i>Financial proposal for the RFP-YEM-0056-2015 – Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management) - DO NOT OPEN</i>”</p> <p>To secure your financial offer please <u>SET-UP A PASSWORD</u> for the Financial Proposal which will be requested as follows:</p> <ul style="list-style-type: none"> • The password for Financial Proposal will be requested from the Proposers if they are successful in the Technical Proposal evaluation. Only those who achieved the minimum score on the technical evaluation will be requested to provide the password to the financial proposals. <p>It is strongly suggested that Proposers make a note of the passwords and keep them in a safe place. If we are unable to open the file because of forgotten password(s) the proposal will be disqualified.</p> <p>PLEASE NOTE. The passwords should be provided within one business day from the requested date. Failure to provide the password within specified period will serve as a ground for disqualification of the proposal.</p>
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	<p>Proposers may send as many e-mails as needed; however, the size of each e-mail should not exceed five megabytes (5 MB). As an e-mail can take some time to arrive after it is sent, we advise all Proposers to send e-mail submissions well before the deadline.</p> <p>Please be aware that bids e-mailed to UNDP will be rejected if they are received after the deadline for bid submission. When choosing to submit their proposals electronically, Proposers are solely responsible for ensuring that any and all files sent to UNDP are readable, that is, uncorrupted, in the indicated electronic format, and free from viruses and malware. Failure to provide readable files will result in the proposal being rejected.</p> <p>PLEASE NOTE: Any proposal sent to the private email addresses of any procurement staff or UNDP staff will not be accepted.</p>
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Annex 1

Terms of Reference (TOR)

Contract type: call -off LTA multiple Vendors under long term agreement (LTAs)

Project Title: UNDP CO

Project Description: Micro assessment of Implementing Partners (IPs) – Management capacity (financial, procurement, human resources and project management)

1. Given the prevailing security situation and to ensure effective delivery of its operations, UNDP Yemen embarks in hybrid Direct Implementation modality whereby some components or activities are implemented through NGO, CSO and/or government institutions. To the feasible extent, the CO undertook formal capacity assessment using the undg Harmonised Approach to Cash Transfer methodology and tools. The purpose of this TOR and henceforth assignment is to put in place a proper quality assurance mechanism to ensure in one hand adequate use of resources, proper and timely implementation of activities, timely detection of implementing partners' capacity gaps and provision of tailored capacity reinforcement measures.
2. The purposes of the micro assessments are:
 - 2.1 **Capacity development objective:** The review supports the ExCom Agencies and Government to identify strengths and weaknesses in the Implementing Partner's capacity for financial management and areas for capacity building by the Government and other partners.
 - 2.2 **Financial management objective:** The review assists in the establishment of appropriate cash transfer modalities, procedures, and assurance activities to be applied by the ExCom Agencies, including UNDP.
3. UNDP Yemen has therefore planned to undertake a series of micro assessments of Implementing Partners who will receive assistance during the current country programme cycle.
4. The Implementing Partner in this context is understood as a line ministry, a ministerial level agency, NGO, the people's committee of a province/city, or another national entity of similar status. In line with existing national institutional arrangements, the Implementing Partner's finance and accounting department (which might be named differently in some cases) assumes the overall financial management and accounting responsibility within the agency, including the setting of guidelines and systems for this purpose. In any case, the finance and accounting department and the technical/substantive department will be the key targets for the micro assessments. They will provide

background records and documents, as referred to in Paragraph 9 below, for review by the consultant, provide clarifications and be interviewed as far as necessary during the micro assessments.

Scope of Work

Under the overall supervision of the UNDP Deputy Country Director and in coordination with relevant Programme Units overseeing the projects implemented by the IP:

1. Carry out a capacity assessment of the IP using the UN HACT IP assessment tool as a guide. The purpose of this assessment is to ensure that the IP has the right adequate project management structure and system for implementation of activities. This includes:

- 1) An organization chart with clear responsibilities in relation to the UNDP project;
- 2) A planning system that organises resources (human, financial, logistical) in line with project timelines and deliverables and incorporates risk analysis and management;
- 3) Capacity development objective: The review supports UNDP Yemen and Government to identify strengths and weaknesses in the Implementing Partner's capacity for financial management and areas for capacity building by the Government and other partners.
- 4) Financial management objective: The review assists in the establishment of appropriate cash transfer modalities, procedures, and assurance activities to be applied by UNDP.

Expected Outputs.

The vendor requested to provide unit price for the following deliverables.

Deliverables/ Outputs	Estimated Duration to Complete	Target Due Dates	Review and Approvals Required <i>(Indicate designation of person who will review output and confirm acceptance)</i>
<u>The consulting firm should submit a final report with the following:</u> <ul style="list-style-type: none"> An overall risk rating (H-High risk; S-Significant risk; M-Moderate risk; L- Low risk) of the Implementing Partner's financial management capacity 			Mahamed Hassen, UNDP, Yemen Deputy Country Director Amal Ali, UNDP, Yemen Head of MSU
<ul style="list-style-type: none"> Risk ratings for funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems. 			

<ul style="list-style-type: none"> • A summary of the financial management assessment of the Implementing Partner. 			
<ul style="list-style-type: none"> • A description of the Implementing Partner including the physical address, phone numbers, fax numbers, web sites and general e-mail addresses. . 			
<ul style="list-style-type: none"> • A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described. 			
<ul style="list-style-type: none"> • A description of any specific internal control weaknesses noted in financial management. 			
<ul style="list-style-type: none"> • Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term 			
<ul style="list-style-type: none"> • Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures. 			
<ul style="list-style-type: none"> • Completed Checklist: Financial Management Questionnaire. 			

Institutional Arrangement

The contractor will report to Mahamed Hassen, UNDP, Yemen Deputy Country Director
Amal Ali, UNDP, Yemen Head of MSU.

Duration of the Work

1 year under call off LTA contract with possible of two years extension period.

Location of the work

All governorates in Yemen.

Qualifications of the Successful Contractor

- Expertise of the Firm, The Firm should have sound experience in the area of financial review and auditing. The Firm should have at least 5 years of working experiences in Yemen. Experiences with international NGO or UN entities will be a critical advantage. - 30%
- Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan – 30%
- Management Structure and Qualification of Key Personnel – 40%

Scope of Bid Price and Schedule of Payments.

The vendor requested to provide unit price for the following deliverables.

Deliverables/ Outputs	Estimated Duration to Complete	Target Due Dates	Payment percentage from total amount	Review and Approvals Required <i>(Indicate designation of person who will review output and confirm acceptance)</i>
<u>The consulting firm should submit a final report with the following:</u> <ul style="list-style-type: none"> • An overall risk rating (H-High risk; S-Significant risk; M-Moderate risk; L- Low risk) of the Implementing Partner's financial management capacity 	One week for each IP assessment			Mahamed Hassen, UNDP, Yemen Deputy Country Director Amal Ali, UNDP, Yemen Head of MSU

<ul style="list-style-type: none"> • Risk ratings for funds flow, staffing, accounting policies and procedures, internal audit, external audit, reporting and monitoring and information systems. 			100% after service completed	
<ul style="list-style-type: none"> • A summary of the financial management assessment of the Implementing Partner. 				
<ul style="list-style-type: none"> • A description of the Implementing Partner including the physical address, phone numbers, fax numbers, web sites and general e-mail addresses. . 				
<ul style="list-style-type: none"> • A description of the standards applied such as International Accounting Standards (IAS) published by the International Accounting Standards Board or the draft International Public Sector Accounting Standards (IPSAS) on Cash Accounting published by the Public Sector Committee (PSC) of the International Federation of Accountants may also be described. 				
<ul style="list-style-type: none"> • A description of any specific internal control weaknesses noted in financial management. 				
<ul style="list-style-type: none"> • Recommendations for monitoring and assurance activities to address or compensate for the weaknesses in the short term 				

<ul style="list-style-type: none"> Recommendations to resolve/eliminate the internal control weaknesses noted, including short and medium-term capacity development measures. 				
<ul style="list-style-type: none"> Completed Checklist B: Financial Management Questionnaire. 				

Financial proposal:

The vendor should submit separate financial proposal as follows:

1. Professional services for conducting micro assessment per implementing partner as per the above deliverable.
2. Cost of travel and accommodation will be negotiated between UNDP and the Consulting Firm when the micro assessment is to be conducted in a remote location in Yemen but such rate will not exceed the UNDP rate.

Evaluation criteria:

Highest Combined Score (based on the 70% technical offer and 30% price weight distribution)

Criteria for Selecting the Best Offer

Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) .

A two stage procedure utilized in evaluating the proposals, with the evaluation of the technical component being completed prior to any price component being reviewed and compared. The price component will be reviewed only for those firms/institution whose technical component meets the requirements for the assignment. The total number of points which a firm may obtain for both components is 100. Only the technical proposals that scored minimum 70% (49 points) of the technical evaluation were considered for the financial evaluation stage. The technical proposal of bidders that scored a minimum of 70% of the technical evaluation will be considered to the financial evaluation report. The total amount of points for financial component is 30. The maximum point will be given to the technically responsive and lowest price bids and all other bids will be evaluated according to the inverse proportion to the lowest fees. for example.

Lowest bid scored 30 out of 30 and the other bids will be calculated as follows.

Other bid / Lowest price bid * 30 = the SCORE.

Evaluation Criteria	Weight	Max. Point
1- Company profile with 5 years' experience in financial	30	100

<p>management assessment and auditing of public and private sector with international agencies, especially UN agencies is an asset</p> <p>Generally, a reputable public accounting firm should be competent to conduct such an assessment. To allow for economies of scale, a single firm may be engaged to assess a number of Implementing Partners. Preference will be given to a firm who has conducted prior audits of programmes/projects that were funded by UN Agencies in Yemen, since such a firm would have knowledge of the Implementing Partner's systems and procedures as well as of UN Agencies' financial management policies and practices.</p> <p>The firm must be completely impartial and independent from all aspects of management or financial interests in the entity being reviewed or those of its implementing/supervising agency or directly related entities. The firm should not, during the period covered by the assessment nor during the undertaking of the assessment, be employed by, or have any financial or close business relationships with any senior participant in the management of the entity. It may be appropriate to remind the firm of any existing statutory requirements relating to independence and to require it to disclose any relationship that might possibly compromise its independence.</p> <p>The firm should be experienced in applying international standards for audit--either ISA or INTOSAI audit standards. The firm must employ adequate staff with appropriate professional qualifications and suitable experience with ISA or INTOSAI standards, including experience in reviewing entities comparable in size and complexity.</p>		
<p>2- Work plan with methodology: The company to provide survey or questionnaire based assessments that can elicit accurate responses and reliable information from the IPs. The consulting firm should use face to face assessment and field visit to the IPs work place.</p>	30	
<p>3- CVs and key personnel for the individuals: The consultancy firm should deploy staff with accounting skills and local knowledge.</p> <p>The consulting should be able to provide translation of the documentation.</p> <p>The firm should provide Curriculum vitae (CV) of the staff who would be responsible for drafting the report, together with the CVs of members of the assessment team. The CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.</p>	40	

-		100
Financial (Lower Offer/Offer*100)	30%	30
Total Score	Technical Score * 70% + Financial Score * 30%	

Annexes to the TOR

- Financial Management questionnaire

This TOR is approved by : *[indicate name of Approving Manager]*

Signature _____
 Name and Designation _____
 Date of Signing _____

Financial Management Questionnaire⁶

Implementing Partner: _____

Date: _____

Summary of Risks related to the Financial Management Capacity of Implementing Partner					
Tested Subject Area (see subsequent pages for questions for each subject area)					
	Risk Assessment				
	<i>H</i>	<i>S</i>	<i>M</i>	<i>L</i>	Comments
1. Implementing Partner					
2. Funds Flow					
3. Staffing					
4. Accounting Policies and Procedures					
5. Internal Audit					
6. External Audit					
7. Reporting and Monitoring					
8. Information Systems					
Inherent Risk					
[List major specific issues identified in the assessment of the country's public financial management system (macro-assessment), or specific risks related to the nature or operation of the Implementing Partner]					
Overall Risk Assessment	<i>H</i>	<i>S</i>	<i>M</i>	<i>L</i>	

High S – Significant M – Moderate L –Low

⁶ This questionnaire was developed from a questionnaire used by the World Bank.

Financial Management Questionnaire

Subject Area	Yes	No	N/A	Review	Remarks/Comments
1. Implementing partner					
1.1 Is the implementing partner legally registered? Please note the legal status/registration of the entity?					
1.2 Has the implementing partner received UN resources in the past?					
1.3 Does the IP have statutory reporting requirements? Please describe.					
1.4 Is the governing body for the project independent?					
1.5 Is the organizational structure appropriate for the work to be carried out under UN cooperation					
<i>Risk Assessment (Implementing partner)</i>	H	S	M	L	Circle assessed risk for Subject Area 1
2. Funds Flow					
2.1 Can the entity receive and transfer funds?					
2.2 Are the arrangement to transfer the funds to the entity satisfactory?					
2.3 Have there been major problems in the past in receipt of funds by the entity, particularly where the funds flow from the government/ministry of finance?					
2.4 In the past, has the entity had any problems in the management of disbursements from a member of the UN country team? Please describe.					
2.5 (if it is expected that the entity will be using funds outside the country) Does the entity have/need a capacity to manage foreign exchange risks?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
2.6 How are the counterpart funds accessed?					
2.7 How are payments made from the counterpart funds?					
2.8 If part of the project will be implemented by communities or NGOs, does the entity has the necessary reporting and monitoring mechanisms to track the use of funds?					
<i>Risk Assessment (Funds Flow)</i>	H	S	M	L	Circle assessed risk for Subject Area 2
3.Staffing					
3.1 Is the organizational structure of the accounting department appropriate for the level of financial volume? Attach an organization chart.					
3.2 Is the level and competency of staff appropriate for the level of financial volume? Identify the accounts staff, including job title, responsibilities, educational background and professional experience. Attach job descriptions and CVs of key accounting staff.					
3.3 Is the project finance and accounts function staffed adequately?					
3.4 Are finance and accounts staff adequately qualified and experienced?					
3.5 Are accounts and finance staff familiar with UN procedures related to cash transfers?					
3.6 What is the duration of the contract of finance and accounts staff?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
3.7 Indicate key positions not contracted yet, and the estimated date of appointment.					
3.8 Are staff frequently transferred? At what frequency?					
3.9 Is there a training policy for the finance and accounting staff? Please describe.					
<i>Risk Assessment (Staffing)</i>	H	S	M	L	Circle assessed risk for Subject Area 3
4.Accounting Policies and Procedures					
4.1 Does the entity have an accounting system that allows for the proper recording of financial transactions from UN Agencies, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds?					
4.2 Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?					
4.3 Is the chart of accounts adequate to properly account for and report on project activities and disbursement categories?					
4.4 Are cost allocations to the various funding sources made accurately and in accordance with established agreements?					
4.5 Are the general ledger and subsidiary ledgers reconciled and in balance?					
4.6 Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
<i>Segregation of Duties</i>					
4.7 Are the following functional responsibilities performed by different units or persons: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?					
4.8 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?					
4.9 Are bank reconciliations prepared by someone other than those who make or approve payments?					
<i>Budgeting System</i>					
4.10 Do the budgets lay down physical and financial targets?					
4.11 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?					
4.12 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget?					
4.13 Are approvals from variations from the budget required in advance or after the fact?					
4.14 Who is responsible for preparation and approval of budgets?					
4.15 Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?					
4.16 Are the project plans and budgets of project activities realistic, based on valid assumptions, and developed by knowledgeable individuals?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
Payments					
4.17 Do invoice processing procedures provide for: <ul style="list-style-type: none"> • Copies of purchase orders and receiving reports to be obtained directly from issuing departments? • Comparison of invoice quantities, prices, and terms, with those indicated on the purchase order and with records of goods actually received? • Comparison of invoice quantities with those indicated on the receiving reports? • Checking the accuracy of calculations? 					
4.18 Are all invoices stamped <i>PAID</i> , dated, reviewed and approved, and clearly marked for account code assignment?					
4.19 Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?					
Policies And Procedures					
4.20 Describe the basis of accounting (e.g., cash, accrual)?					
4.21 Are internationally accepted accounting standards followed? (which standard)					
4.22 Does the entity have an adequate policies and procedures manual to guide activities and ensure staff accountability?					
4.23 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the entity?					
4.24 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
4.25 Do policies and procedures clearly define <i>conflict of interest</i> and <i>related party transactions</i> (real and apparent) and provide safeguards to protect the organization from them?					
4.26 Are manuals distributed to appropriate personnel?					
Cash and Bank					
4.27 Indicate names and positions of authorized signatories in the bank accounts.					
4.28 Does the project maintain an adequate, up-to-date cash book, recording receipts and payments?					
4.29 Do controls exist for the collection, timely deposit, and recording of receipts at each collection location?					
4.30 Are bank and cash reconciled on a monthly basis?					
4.31 Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?					
4.32 Are receipts deposited on a timely basis?					
Safeguard over Assets					
4.33 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?					
4.34 Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?					
4.35 Are there periodic physical inventories of fixed assets and stocks?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
4.36 Are assets sufficiently covered by insurance policies?					
Other Offices					
4.37 Are there any other regional offices participating in implementation?					
4.38 Has the project established controls and procedures for flow of funds, financial information, accountability, and audits in relation to the other offices or entities? Please describe approval process.					
4.39 Does information among the different offices/Agencies flow in an accurate and timely fashion?					
4.40 Are periodic reconciliations performed among the different offices/Agencies?					
Other					
4.41 Has the project advised employees, beneficiaries, and other recipients to whom to report if they suspect fraud, waste, or misuse of project resources or property?					
<i>Risk Assessment (Accounting Policies and Procedures)</i>	H	S	M	L	Circle assessed risk for Subject Area 4
5.Internal Audit					
5.1 Is there a internal audit department in the entity?					
5.2 What are the qualifications and experience of audit department staff?					
5.3 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
5.4 Will the internal audit department include the project in its work program?					
5.5 Are actions taken on the internal audit findings?					
<i>Risk Assessment (Internal Audit)</i>	H	S	M	L	Circle assessed risk for Subject Area 5
6.External Audit					
6.1 Is the entity financial statement audited regularly by an independent auditor? Who is the auditor?					
6.2 Are there any delays in audit of the entity? When are the audit reports issued?					
6.3 Is the audit of the entity conducted according to the International Standards on Auditing?					
6.4 Were there any major accountability issues brought out in the audit report of the past three years?					
6.5 Will the entity auditor audit the project accounts or will a separate auditor will be appointed to audit the project financial statements?					
6.6 Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?					
6.7 Has the project prepared acceptable terms of reference for an annual project audit?					
<i>Risk Assessment (External Audit)</i>	H	S	M	L	Circle assessed risk for Subject Area 6
7.Reporting and Monitoring					
7.1 Are financial statements prepared for the entity?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
7.2 What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making?					
7.3 Does the reporting system need to be adapted to report on project related expenditure?					
7.4 Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?					
7.5 Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?					
7.6 Are financial management reports used by management?					
7.7 Do the financial reports compare actual expenditures with budgeted and programmed allocations?					
7.8 Are financial reports prepared directly by the automated accounting system or are they or are they prepared by spreadsheets or some other means?					
<i>Risk Assessment (Monitoring and Reporting)</i>	H	S	M	L	Circle assessed risk for Subject Area 7
8.Information Systems					
8.1 Is the financial management system computerized?					
8.2 Can the system produce the necessary financial reports?					
8.3 Are the staff adequately trained to maintain the system?					

Subject Area	Yes	No	N/A	Review	Remarks/Comments
8.4 Does the management organization and processing system safeguard the confidentiality, integrity, and availability of the data?					
<i>Risk Assessment (Information Systems)</i>	H	S	M	L	Circle assessed risk for Subject Area 8

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁷

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁸)

[insert: Location].

[insert: Date]

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

Dear Sir/Madam:

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

A. Qualifications of the Service Provider

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

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

⁷ This serves as a guide to the Service Provider in preparing the Proposal.

⁸ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

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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.

C. Qualifications of Key Personnel

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

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

D. Cost Breakdown per Deliverable*

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price <i>(Weight for payment)</i>	Price <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1		
2	Deliverable 2		
3		
	Total	100%	

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

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

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

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

General Terms and Conditions for Services

1.0 LEGAL STATUS:

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

2.0 SOURCE OF INSTRUCTIONS:

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

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

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

4.0 ASSIGNMENT:

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

5.0 SUB-CONTRACTING:

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

6.0 OFFICIALS NOT TO BENEFIT:

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

7.0 INDEMNIFICATION:

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

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

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

9.0 ENCUMBRANCES/LIENS:

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

10.0 TITLE TO EQUIPMENT:

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

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

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

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

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

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

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

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

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

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

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

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

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

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

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

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

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

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

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

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

13.4 The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

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

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

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

17.0 PRIVILEGES AND IMMUNITIES:

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

18.0 TAX EXEMPTION

- 18.1** Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.
- 18.2** Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

- 19.1** The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.
- 19.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

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

21.0 OBSERVANCE OF THE LAW:

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

22.0 SEXUAL EXPLOITATION:

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

23.0 AUTHORITY TO MODIFY:

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