



**REQUEST FOR PROPOSAL (RFP)
(For Low-Valued Services)**

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| <p style="text-align: center;">UNDP Azerbaijan 3, UN 50th Anniversary str. Baku, Azerbaijan, AZ 1001</p> | <p>DATE: 08.09.2021</p> <p>REFERENCE: Block chain technology for seed producers "Conservation and sustainable use of globally important agro-biodiversity" Project RFP/ABD/03/21</p> |
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Dear Sir / Madam:

We kindly request you to submit your Proposal for providing Agro-technical services under the UNDP Conservation and sustainable use of globally important agro-biodiversity Project.

Proposals may be submitted on or before **Wednesday, September 22, 2021** and via email to the address below:

To: procurement.aze@undp.org

The Proposer is required to prepare the Financial Proposal in a password protected files separate from the rest of the RFP.

Your Proposal must be expressed in the **English language**, and valid for a minimum period of **120 days**.

Email submission shall be governed as follows:

- a) The Technical Proposal and the Financial Proposal files **MUST BE COMPLETELY SEPARATE**. The financial proposal shall be encrypted with different passwords and clearly labelled. The files must be sent to the dedicated email address.
- b) The password for opening the Financial Proposal should be provided only upon request of UNDP. UNDP will request password only from bidders whose Technical Proposal has been found to be technically responsive. Failure to provide correct password may result in the proposal being rejected.

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,



Mr. Subhan Ahmadov
OM, UNDP Azerbaijan

Annex 1**Description of Requirements**

| | |
|---|--|
| Context of the Requirement | Conservation and sustainable use of globally important agro-biodiversity |
| Implementing Partner of UNDP | Global Environmental Facility, Ministry of Agriculture |
| Brief Description of the Required Services ¹ | The goal of the current project is to establish the platform to be built upon block chain technology on Customer requirements to exercise control over circulation of seed products. |
| List and Description of Expected Outputs to be Delivered | Please see TOR |
| Person to Supervise the Work/Performance of the Service Provider | Project manager |
| Frequency of Reporting | <i>Final report upon finalization of all works</i> |
| Progress Reporting Requirements | Please see TOR |
| Location of work | Online platform |
| Expected duration of work | 30 days |
| Target start date | October 27, 2021 |
| Latest completion date | November 27, 2021 |
| Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal) | <input checked="" type="checkbox"/> Office space and facilities |
| Implementation Schedule indicating breakdown and timing of activities/sub-activities | Not required |
| Names and curriculum vitae of individuals who will be involved in completing the services | Required |
| Currency of Proposal | USD, United States Dollars |
| Value Added Tax on Price Proposal ² | must be exclusive of VAT and other applicable indirect taxes |
| Validity Period of Proposals (<i>Counting for</i> | 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 |

| | |
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| <i>the last day of submission of quotes)</i> | RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal. |
| Partial Quotes | Not permitted |
| Payment Terms ³ | The first payment will be done upon signing of a contract- 15% The second payment upon complete handover of block chain platform- 85% For more information please see below the TOR. |
| Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment | Project manager |
| Type of Contract to be Signed | Purchase Order |
| Criteria for Contract Award | <i>Combined scoring method</i> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal. |
| Criteria for the Assessment of Proposal | <p>Combined scoring method, the formula for the rating (70 % for technical evaluation and 30% for financial) of the Proposals will be as follows:</p> <p>Rating the Technical Proposal (TP):</p> <p>TP Rating:</p> <ul style="list-style-type: none"> ✓ 1. Expertise of Firm- 10 points ✓ 2. Proposed Methodology- 30 points ✓ 3. Management Structure and Key Personnel- 30 points <p>A total possible value of the technical component is 70 points.</p> <p><i>The minimum threshold for technical part of the offers is 49 point.</i></p> <p>Rating the Financial Proposal (FP):</p> <p>FP Rating = [30 Points] x [US\$ lowest]/ [US\$ other]</p> <p>Total Combined Score:</p> <p>Combined Score = (TP Rating) + (FP Rating)</p> |
| UNDP will award the contract to: | One and only one Service Provider |

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| Annexes to this RFP ⁴ | Detailed TOR (Annex 1) Form for Submission of Proposal (Annex 2) General Terms and Conditions / Special Conditions (Annex 3) ⁵ |
| Contact Person for Inquiries (Written inquiries only) ⁶ | For any questions please contact procurement.aze@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. |
| Pre-bid meeting to clarify UNDP requirements to the bidders | September 16, 2021 For more details (exact time, venue and etc) please send request email procurement.aze@undp.org by September 14, 2021 under subject of <u>"Pre-bid meeting for tender on block chain technology for seed producers"</u> |

Terms of Reference

1. Background

Azerbaijan is considered to be part of Vavilov's *Asia Minor* center of origin of cultivated plants. In general, the wild relatives of cultivated crops in Azerbaijan are genetically diverse, locally adapted and represent a potential source of genes and alleles for adapting crops to the ever-changing environmental conditions and human needs of the country.

The project seeks to: (i) improve the protection of viable populations of indigenous wild relatives of crops and local landraces in their natural habitats; (ii) augment the conservation of indigenous wild relatives of crops and local landraces in plant gene banks to ensure an adequate source of genetic resources for plant breeding; and (iii) increase the production, and extent of use, of local landraces in agricultural small holdings and commercial farms.

The project has been structured into three complementary components.

The first component seeks to expand the state of knowledge of agro-biodiversity, enhance the conservation of this agro-biodiversity and increase the intensity and extent of use native crops in the agricultural sector in the three project regions.

The second component seeks to build the capacities of, and improve the collaboration and cooperation between, agricultural institutions and small farmers in order to improve agricultural productivity and reduce land degradation using native crops (i.e. the targeted crop species) in the three project regions.

The third component seeks to strengthen incentives that encourage the planting of, and improve access to commercial markets for agricultural products derived from, the targeted native crop species across the three regions.

2. Specific Objectives

The goal of the current project is to establish the platform to be built upon block chain technology on Customer requirements to exercise control over circulation of seed products. The platform should be integrated to the website of State Agrarian Agency under Ministry of Agriculture of AR.

3. Scope of Terms of Reference

Platform is applied to achieve the following goals:

- Issue e-labels provided for seed producers and provide opportunities to maintain registry of the issued labels;
- Provide an opportunity for reflecting the result of seed product batches certification process based on the results of analysis conducted on samples from seed batches;
- Provide an opportunity for obtaining data regarding the features such as assortment purity and its relation to a certain assortment over a seed product;
- Maintain and ensure regulation of data regarding current seed producers, plant varieties they produce, assortments, and seed reproduction within a single database;

System features and technology requirements

The platform aims to provide its users with the following features:

1. Creating and maintaining actual registry of seed manufacturers, plant names, assortment names, reproduction types on a single platform;
2. Creating requests for labels preparation;
3. Processing the labels preparation requests based on a pre-set logic;
4. Automatic numbering of the labels within a batch of a specific manufacturer based on a pre-set logic;
5. Tracking labels preparation status;
6. Downloading ready labels within a batch in a PDF format;
7. Making relevant updates to the product certificate activeness status;
8. Uploading scanned version of the provided certificate or of the analysis results document (in case certificate can not be provided echno the product quality issues);
9. Having clear linkage between the product batches, relevant labels within the batch, and certificate provided to the batch;
10. Possibility to be redirected to the product information page based on the product QR code;
11. Obtaining enhanced product profile and in-depth product information via scanning the product QR code;
12. Obtaining actual information about the product certificate status along with the product profile;
13. Automatic update of the certificates activeness status in accordance with its pre-set expiration date;
14. Label information validity check using blockchain technology.

The abovementioned features can be extended in accordance with the requirements of the business and basic process flows.

It is recommended that the platform is created based on the following echnologies:

1. Node.js
2. Postgres
3. Hyperledger Iroha blockchain
4. RabbitMQ

Listing of processes

The processes to be implemented over the platform relating to seed products circulation control:

1. Fill in and provide the request form in order to issue labels;
2. Maintain activeness status of certificates in the system;
3. Obtain product information.

4. Deliverables and Schedules/Expected Outputs

| # | Milestone Description | Schedules | Expected Outputs |
|---|-----------------------|-------------------|---|
| 1 | Delivery 1 | 15 November, 2021 | Block chain technology for seed producers and final report accepted by UNDP |

5. General requirements

- 5.1. The Company should have minimum 2 years of experience in block chain development field
- 5.2. The Company's proposed team members should be well educated with a minimum of 5 years' experience in relevant field. Experience in similar projects would be an advantage. The proposed workers should have a strong background in their respective areas of expertise.
- 5.3. The Company shall closely liaise with and follow any instructions by UNDP's Project manager. The company shall be responsible for timely and complete delivery of works, which must be approved by the project manager.

6. Monitoring

The Project manager will directly supervise the contractor, and contractor will be responsible reporting to him. The contractor will work with the UNDP, the Ministry of Agriculture, as well as with its substructures.

7. Facilities to be provided by UNDP

The project can only provide office space and facilities if required.

8. Expected duration of the contract/assignment

The total duration of the contract is 30 days. For more information, please see the TOR.

9. Duty Station

Azerbaijan.

10. Response Requirements

All of the following documents must be submitted as part of the response to the RFP.

10.1. Technical requirements

- Latest Business Registration Certificate
- Written Self-Declaration of not being included in the UN Security Council 1267/1989 list, UN Procurement Division List or other UN Ineligibility List
- Company Profile
- Track Record – list of clients for similar services as those required by UNDP
- Methodology
- Qualification of Key Personnel

10.2. Price schedule exclusive of VAT

The price proposal should include total price of block chain technology for 2 million seed producers.

11. Deliverables, Payment Terms and Timing

| Milestone Description | Payment in % | Latest delivery date |
|---|--------------|----------------------|
| The first payment will be done upon signing of a contract | 15% | 25 September, 2021 |
| The fourth payment upon complete finalization of delivery 1 and on acceptance by UNDP | 85% | 20 October, 2021 |

Annex 2

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) Latest Business Registration Certificate*
- b) Written Self-Declaration of not being included in the UN Security Council 1267/1989 list, UN Procurement Division List or other UN Ineligibility List*
- c) Company Profile*
- d) Track Record – list of clients for similar services as those required by UNDP*

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.

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

C. Qualifications of Key Personnel

the Service Provider must provide:

- a) CVs demonstrating qualifications must be submitted (CVs of Team leader and team members are requirement)*

D. Cost Breakdown per Deliverable*

| | Deliverables <i>[list them as referred to in the RFP]</i> | Percentage of Total Price (Weight for payment) | Latest delivery date | Price (Lump Sum, All Inclusive) |
|---|---|---|-----------------------------|--|
| 1 | The first payment | 15% | | |
| 2 | The second payment | 85% | | |

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

Form for financial proposal:

| Item No: | Description of services | Unit of Measurement | Total Price (USD) |
|---|---|----------------------------|--------------------------|
| 1. | Block chain technology for 2 million seed producers | 1 | |
| Total final and all-inclusive price quotation (VAT 0%) | | | |

Project staff*:

| Item No: | Description of services | No. of Personnel | Remuneration per Unit of Time (USD) | Total Period of Engagement (days) | Total Rate (USD) |
|-----------------|--------------------------------|-------------------------|--|--|-------------------------|
| 1. | Project Manager | 1 person | | | |
| 2. | Blockchain architector | 1 person | | | |
| 3. | Solution architector | 1 person | | | |
| 4. | Software developers | 4 persons | | | |

| | | | | | |
|---|--------------------------|-----------|--|--|--|
| 5. | Infrastructure engineers | 2 persons | | | |
| 6. | Business Analyst | 1 person | | | |
| Total final and all-inclusive price quotation (VAT 0%) | | | | | |

***Note: Please note that the table above is just an example and can be adjusted by service providers.**

[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.

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.