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DEVELOPMENT SERVICES DOCUMENT
Republic of Serbia

Development Services Title: SDG Acceleration Framework

Project Number:

Start Date: 1.1.2020.

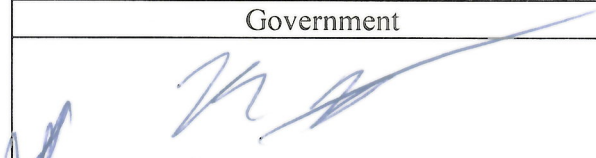
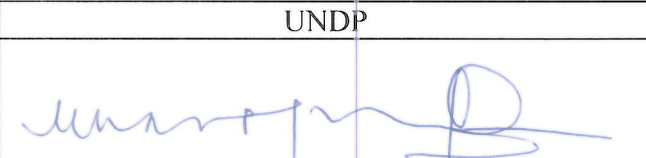
End Date: 31.12.2024.

Recipient	Central Authorities/General Secretariat of the Government
Address	
Phone / Fax	
Email	

Summary of the development services to be provided:
 The Development Services Agreement is envisaged to provide a framework for services requested by the Government, for ongoing initiatives of the Government, for which it bears full accountability. The majority of development services envisaged under this Agreement relate to support to policy making through research, advocacy or policy alternatives, aimed at fulfilling priorities as articulated in the Government plans, presented before Parliament, and in line with progress in achieving the Sustainable Development Goals. More specifically, the deliverables include support in administering a Government Unit aimed at accelerating citizen-centric measures for the country’s sustainable development, an FDI Unit aimed at attracting foreign direct investments and a dedicated high-level special task force for national SDG Acceleration Action thus contributing to the country’s sustainable growth, as well as the support to the Government’s General Secretariat, most notably in administering Serbia’s official development assistance in order to have greater impact on the attainment of SDGs globally and contribute to financing Agenda 2030. The framework is envisaged for a five-year period, going into the new UNDP CPD cycle, hence it leaves a dedicated deliverable for other similar emerging requests of the Government for development services in line with the general SDG acceleration orientation.

Total value:	USD 12,928,250.00
Government finance:	USD 12,678,250.00
UNDP ¹	USD 250,000.00

Agreed by (signatures):

Government	UNDP
	
Print Name: N. NEDIC	Print Name:
Date:	Date: 27/12/2019

¹ Projected balance from the GLOC arrears programmed and spent in the 2015-2019 period, which will be transferred to this initiative.

I. Objectives and Scope of Work

The Development Services Agreement is entered with the Government's central authority – General Secretariat of the Government, in order to provide services to a wider range of authorities at the national level, as the General Secretariat supports the work of the Government for general and operational affairs.

The Development Services Agreement is envisaged to provide a framework for services requested by the Government, for ongoing initiatives of the Government, for which it bears full accountability. The majority of development services envisaged under this Agreement relate to support to policy making through research, advocacy or policy alternatives, aimed at fulfilling priorities as articulated in the Government plans, presented before Parliament, and in line with progress in achieving the Sustainable Development Goals. More precisely, the deliverables envisaged under the present Agreement have the following objectives:

1. Government Unit for Accelerating Citizen-Centric Measures administered: The overall objective of the Unit, as an entity established by the Government, is to enable the Government to drive forward a set of citizen-centric policy measures and interventions, which will make a substantial difference to the quality of life experienced by Serbia's citizens, thus directly contributing to the implementation of specific SDGs. The purpose of this deliverable is to provide advisory services tasked with supporting the Cabinet in delivering better results faster in top priority areas, following the expose of the Prime Minister. The advisory services will accelerate the delivery of citizen-centric policy measures and interventions, integrating and coordinating different Government departments around the identified projects/issues. Ownership over those priorities will be left with the respective ministries/agencies, while embedding a systematic and evidence-based approach to project implementation and execution. The priority areas under which such services will be provided include infrastructure, education, agriculture, public administration reform, IT & entrepreneurship and creative industries. This deliverable represents the continuation of support provided under the "Management of Citizen-Centric Policy Measures – Office of the Prime Minister" project.
2. FDI (foreign direct investments) Unit administered: the overall objective of the FDI Unit is to support effective coordination of all institutions in the Republic of Serbia, relevant for improvement of the investment climate, which in turn directly affects the country's sustainable growth and development. In that sense, UNDP will engage technical assistance for supporting policy work enabling investment projects, facilitating and attracting individual FDIs and for capacity building of the Serbian Development Agency. This deliverable represents the continuation of support provided under the "Improving the Investment Climate in Serbia" project.
3. Sector for International and Development Cooperation of the General Secretariat of the Government fully capacitated: The overall objective of the Sector is:
 - Organization of bilateral and multilateral events with international elements of relevance for the Republic of Serbia
 - Cooperation with State authorities relevant for organization of such events
 - Organization and coordination of official development assistance when prompted by inter-sectorial cooperation, i.e. organization and coordination of the actual provision of developmental and humanitarian assistance
 - Planning of official development and humanitarian assistance
 - Keeping registries and issuance of identification documents for persons residing on the territory of the Republic of Serbia based on agreements and employment in the Republic of Serbia, in accordance with special Government enactments

- Cooperation of the General Secretariat of the Government with foreign governmental and non-governmental organizations, diplomatic and consular representative offices in the Republic of Serbia and multilateral organizations

- Other affairs resulting from the mandate of the Sector

UNDP will support the Sector's work by providing advisory services for managing official development assistance, gearing it towards greater contribution towards and impact on SDGs, including through a dedicated Serbia-UNDP trust fund for granting projects through the UNDP system of country offices, thus contributing to the financing of Agenda 2030, but also following national priorities for ODA, setting up support structures for international organizations with seat in Serbia and supporting Serbia's institutional structures in managing large-scale international events in the country. This deliverable represents the continuation of support provided under the "Positioning Serbia in International Development Cooperation" project.

4. Capacity building of central authorities for SDG monitoring and implementation: Office of the President of Serbia capacitated to assist the President in promoting the accelerating progress on sustainable development and launching a national programme of action on SDGs for the "Decade of Delivery" from 2020 to 2030. The overall objective of the portfolio of activities designed to meet specific needs of central authorities for SDG monitoring and implementation including varied outreach activities related to promoting and monitoring SDG implementation, as well as SDG investor mapping envisaged under this Development Services Agreement and designated as deliverable that will be further developed in the course of the new CPD (UNDP Country Program Document) cycle, is to support the President in:
 - a) Promoting the stepping up of the pace and advancing effectiveness of SDGs implementation and monitoring through the new National Investment Plan as the cornerstone of domestic resource mobilization for the water-energy-sustainable urbanization-responsible consumption and production-climate change mitigation and adaptation- and reducing inequalities and vulnerabilities nexus accelerating SDGs 6, 7, 11, 12, 13, and 10 achievement impacting synergistically on the progress to the achieving of other SDGs;
 - b) Representing domestically and internationally the new National Investment Plan as the key national **SDG Acceleration Action** provided with SDG performance indicators monitoring system and SDG investor mapping by the **SDG Impact introduced impact intelligence tool - the SDG Investor Maps²** – to be produced with the support of UNDP Country Offices as a dynamic tool containing a range of market-specific investment opportunities for SDG-aligned capital deployment;
 - c) Initiating an adjustment of the overall co-ordination framework for SDG monitoring and implementation to the key **national SDG Acceleration Action** with the establishment of a National Coordination SDG Platform cochaired by the President and Prime Minister to strengthen a whole-of-government perspective for the SDG Acceleration Action and improve joined work within and across levels of government on the accelerated implementation of SDGs and monitoring improvements through proactive cross-sectoral integration of the Sustainable Development Goals process and the new National Investment Plan to progress the SDGs and policy coherence for sustainable development cohesively with the transposed EU acquis and the convergence to European norms, standards, policies and practices in all fields to tangibly reach economic and social convergence objectives;

² The United Nations Development Program (UNDP) created **SDG Impact** as a flagship initiative to empower investors with clarity, insights and tools to achieve the SDGs. The SDG Impact aims to provide investors, businesses and others with unified standards, tools, and services required to identify SDG investment opportunities in emerging economies and developing countries.

d) Launching a national programme of action on SDGs through the “Decade of Delivery” from 2020 to 2030 centered on:

1. advocating the SDG “Decade of Delivery” from 2020 to 2030 in line with the pledge at the 2019 SDG Summit of the UN member states leaders to make the next decade one of action to deliver the Goals by 2030;
2. raising the public visibility of **national SDG Acceleration Action** to cascade it down through all the levels of government and to make it to go all the way throughout society by cultivating better understanding of SDGs among citizens prompting them to act for the SDGs on deepening structural reform to reduce economic and social disparities and disadvantages and improve the wellbeing of everyone and shared prosperity deliver;
3. providing the public leadership to lift the level of national ambition to eradicate poverty and improve quality of life in inclusive ways and swiftly enact policies, strategies, and programmes geared towards the full and accelerated implementation of the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change by initiating the creation of a multi-stakeholder SDG acceleration partnership platforms at local and regional levels directly connected to established National Coordination SDG Platform to form an open, transparent, accountable, participatory and broadly inclusive consultative and monitoring mechanism in Serbia for comprehensive SDG action and delivery over the next decade;
4. boosting integrated action on SDG throughout policy and institutional cycles by bolstered engagement on continuous and ambitious enhancement of SDG action ensuring that the targets of the sustainable Development Goals with a 2020 timeline are met while the integrity of the Agenda 2030 is maintained and the achievement of SDGs at all levels is encouraged and reinforced through proactive multi-stakeholder SDG acceleration partnership platforms;
5. initiating a widely inclusive and comprehensive national consultation process on adoption of a cross-government strategy for delivering and monitoring the SDGs that recognizes interconnectedness of the Goals and ensures coherence between domestic policies, all of the commitments to EU, and international legal obligations needed for achievement of sustainable development cohesive with the EU sustainable development delivering increased wellbeing and shared prosperity.

Development support under this deliverable shall be further drafted through Annual Workplans or Terms of References, depending on the scope of the intervention and shall be tabled for approval by the UNDP-Government Council.

I. Risks/Mitigation Measures, including any due diligence as may be required

Deliverables envisaged under this Development services Agreement have a few common risks.

- Political instability expressed through early parliamentary elections. Some of the mitigation measures include: suspending further hiring of consultants once elections are announced; secure consultations at the highest level immediately after establishment of the Government to discuss further project implementation; using existing mechanism for coordination between UNDP and host country.
- Changing priorities of the Government of Serbia. Mitigation measure for this risk is maintaining the open coordination and communication line with Prime Minister Office in order to, in a timely manner, adjust the project implementation.
- Not ensured sustainable capacity to improve outcomes during the project implementation. The project deliverables are designed as a positive measure in order to i) facilitate the implementation of priority reforms, ii) attract more FDI, iii) support Serbia to position itself

as ODA partner. When the envisaged deliverables are achieved, the need for advisory services foreseen by the project will cease to exist.

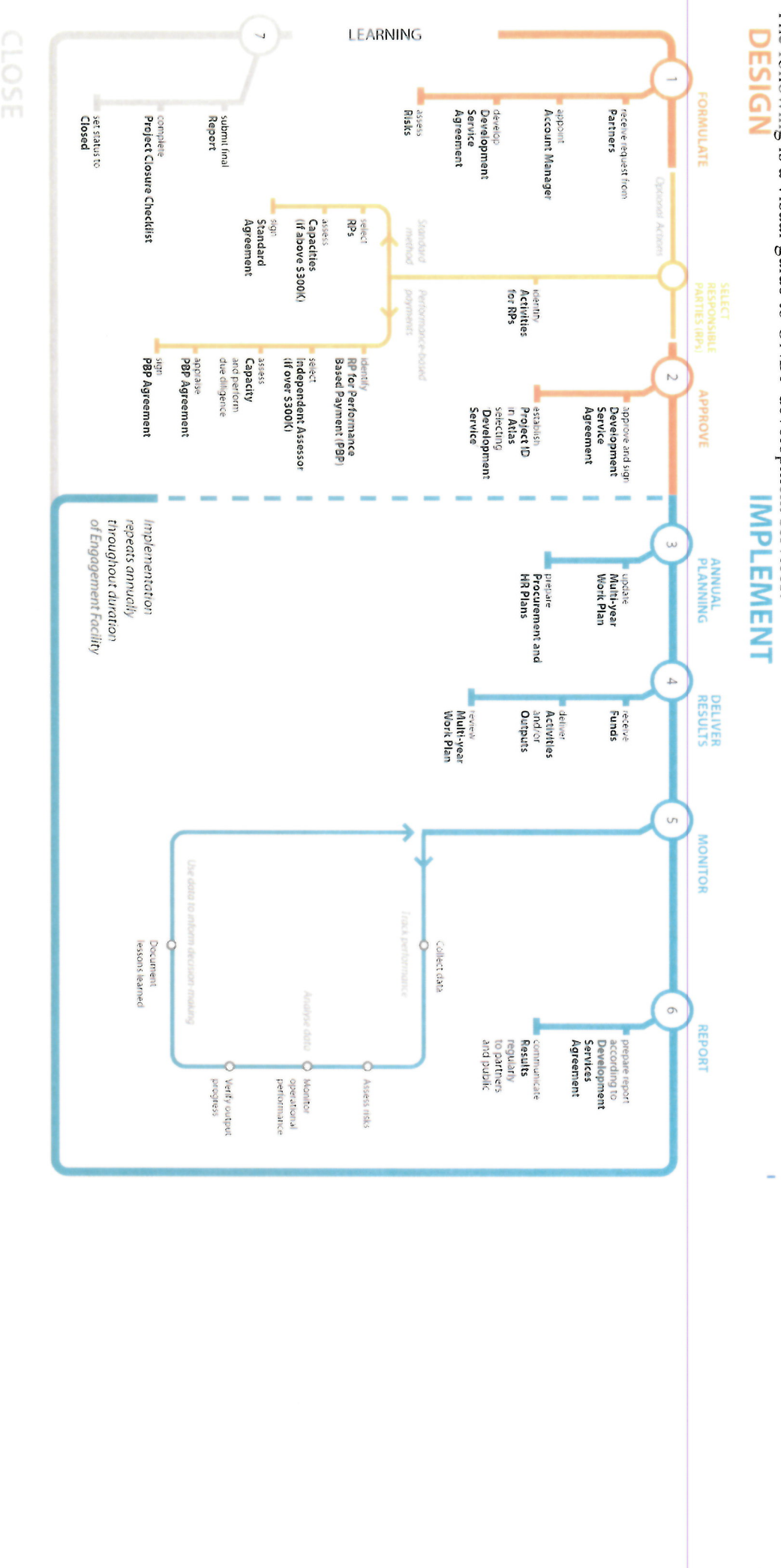
- Delays in transfer of government funds impacting a postponement of the planned activities. In order to overcome the risk, the focal point within General Secretariat is to be established to coordinate all financial matters regarding the cost-sharing agreement.

II. Monitoring and Reporting Arrangements

As a distinct programming instrument, development services enable UNDP to help partners achieve development results. UNDP plays a specific and pre-defined role, delivering outputs and activities towards a result for which the partner (recipient of services) has accountability for strategy, design, oversight and quality assurance. UNDP is only responsible for the quality of the deliverables it provides, as shown in Annex 1. All UNDP policies on audit and risk management, including application of the Social and Environmental Screening Procedure, equally apply to development services. The programme manager/Resident Representative is accountable for overseeing performance, approving the budget and making course corrections, within the approved workplan.

If the corrections required are of substantive nature and/or exceed the ones set under Annex 1, the UNDP-Government Council shall approve the corrections prior to execution.

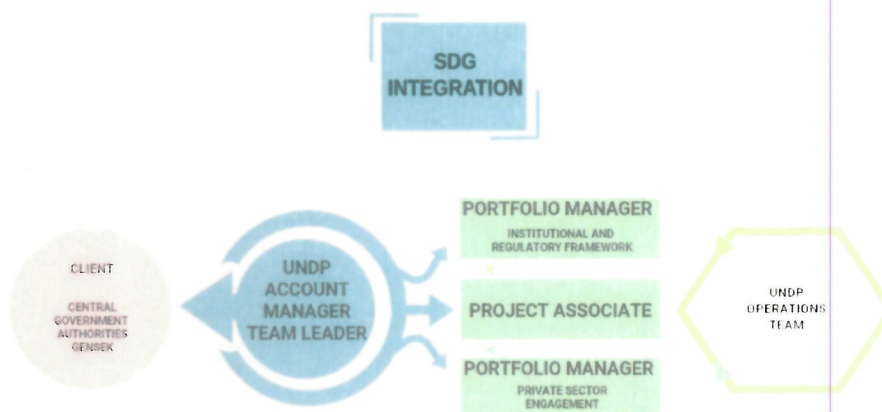
The following is a visual guide to UNDP development services:



For the sake of financial monitoring of project progress, Combined Delivery Reports/CDRs shall be issued on a quarterly basis, while semi-annual narrative reports will be compiled by the account manager to document the services rendered. Standard quality assurance of procurement, recruitment, hr and travel processes will be provided by UNDP Operations. The project will be subject to UNDP internal audit.

III. UNDP’s Core Service Team and Responsible Parties

The SDG Acceleration Framework will be serviced by UNDP Serbia – by the SDG Integration Center, supported by the Operations Team. The account manager for this Development Services Agreement will be the Team Leader of the SDG Integration Center.



In accordance with the approved Country Program Document 2016-2020, the UNDP Country Office shall provide services for the Project as described below:

- a) Procurement of commodities, labor and services
- b) Identification and/or recruitment and solution of administrative issues related to project personnel
- c) Identification and facilitation of training activities, seminars and workshops
- d) Administration of travel
- e) Financial monitoring and reporting
- f) Supervision of project implementation, monitoring and assistance in project assessment.

Costs for such services shall be covered through direct project costs as presented in the Multiyear Workplan.

The procurement of goods and services and the recruitment of project personnel by UNDP shall be in accordance with the UNDP’s policies and procedures. Goods/end products procured or built/developed within the framework of the Project shall be transferred to the ownership of relevant national partners. The relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government and UNDP, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services.

Deliverables and Indicators

Deliverable(s)	INDICATORS	Expected Date of Achievement ³
Deliverable 1 <i>Government Unit for Accelerating Citizen-Centric Measures Administered</i>	1.1 Number of Government Program priorities benefiting from SDG acceleration support. 1.2 Required expertise identified and recruited for each priority sector (y/n).	31/12/2024
Deliverable 2 <i>FDI Unit Administered</i>	2.1 Number of FDI initiatives identified by the FDI Unit 2.2 Number of legislative initiatives introduced for furthering FDI 2.3 Required expertise identified and recruited for each priority sector (y/n).	31/12/2024
Deliverable 3 <i>Sector for International and Development Cooperation of the General Secretariat of the Government fully capacitated</i>	3.1 ODA management system established (y/n) 3.2 ODA Trust Fund established (y/n) 3.3 Register of international civil servants set up (y/n) 3.4 Team and roster established (y/n) 3.5 Accreditation software developed (y/n)	31/12/2024
Deliverable 4 <i>Capacity building of central authorities for SDG monitoring and implementation</i>	4.1 Number of capacity building initiatives executed	31/12/2024

³ The specific dates of achievement for sub-deliverables, including those pertinent to the indicators, shall be delivered based on Annual Workplans.

Annex 1: Multi-Year Work Plan/Budget ⁴

EXPECTED DELIVERABLES	PLANNED ACTIVITIES	Timing					PLANNED BUDGET			
		Y1	Y2	Y3	Y4	Y5	Budget Description	Annual Amount	Total Amount (5 years)	
Deliverable 1 Government Unit for Accelerating Citizen-Centric Measures Administered	1.1 Providing evidence-based policy support in the field of infrastructure 1.1.1 Engagement of advisory services						71300&71200 Consultants	31,500	157,500	
	1.2 Providing evidence-based policy support in the field of education 1.2.1 Engagement of advisory services						71400-Services Contracts Individuals	669,000	3,345,000	
	1.3 Providing evidence-based policy support in the field of agriculture 1.3.1 Engagement of advisory services						71600-Travel	15,000	75,000	
	1.4 Providing evidence-based policy support in the field of public administration reform 1.4.1 Engagement of advisory services	X	X	X	X	X	72800-IT Equipment	15,000	75,000	
	1.5 Providing evidence-based policy support in the field of IT and entrepreneurship 1.5.1 Engagement of advisory services						74200-Audio&Visual Production	10,000	50,000	
	1.6 Providing evidence-based policy support in the field of creative industries 1.6.1 Engagement of advisory services						64300&71400 MNGMT&Backstopping	59,240	296,200	
	1.7 Legal, data analysis, public relations and overall management 1.7.1 Engagement of advisory services 1.7.2 Procurement of equipment for the Unit Team 1.7.3 Organization of travel for the Unit Team 1.7.4 Overall management									
	Sub-Total for Deliverable 1							799,740	3,998,700	
	Deliverable 2 FDI Unit Administered	2.1 Investment projects facilitation and attraction 2.1.1 Engagement of advisory services	X	X	X	X	X	71300&71200 Consultants	367,437	1,837,185
								71400-Services Contracts Individuals	462,046	2,310,230

⁴ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

		Sub-Total for Deliverable 3					541,728	2,708,640
Deliverable 4 Capacity building of central authorities for SDG monitoring and implementation	Activities will be determined based on requests from central authorities, tabled at the Council	X	X	X	X	74500-Miscellaneous	200,000	1,000,000
						64300&71400 MNGMT&Backstopping	16,000	80,000
Sub-Total for Deliverable 4						216,000	1,080,000	
Subtotal Direct Project Costs						2,510,340	12,551,700	
General Management Services (GMS) (3% for GLOC funds)						75,310	376,550	
TOTAL PROJECT COST (Direct Project Costs with GMS)						2,585,650	12,928,250	

Note: the Multi-Year Workplan is presented following an estimated annual projected budget. Annual Workplans will be devised based on actual budget availability.

Annex 2

SCHEDULE OF PAYMENT

This schedule of payment indicates the amount and timing of payment. Fees for the Development Services provided by UNDP must be paid by the Recipient before UNDP initiates the provision of Development Services.

A. Fee and Expenses Breakdown per Deliverable*

	Deliverables	Fee + Expenses (Lump Sum, All Inclusive with GMS and DPC as per Multiyear Workplan)	Payment Timing (Date)	
1	Deliverable 1	Y1 823,732	January 2020	
		Y2 823,732	January 2021	
		Y3 823,732	January 2022	
		Y4 823,732	January 2023	
		Y5 823,732	January 2024	
2	Deliverable 2	Y1 981,458	January 2020	
		Y2 981,458	January 2021	
		Y3 981,458	January 2022	
		Y4 981,458	January 2023	
		Y5 981,458	January 2024	
3	Deliverable 3	Y1 282,330	January 2020	

		Y2 833,630	January 2021	
		Y3 557,980	January 2022	
		Y4 557,980	January 2023	
		Y5 557,980	January 2024	
4	Deliverable 4	Y1 222,480	January 2020	
		Y2 222,480	January 2021	
		Y3 222,480	January 2022	
		Y4 222,480	January 2023	
		Y5 222,480	January 2024	
	Total Annual 2020	USD 2,310,000		
	Total Annual 2021	USD 2,861,300 ⁵		
	Total Annual 2022	USD 2,585,650		
	Total Annual 2023	USD 2,585,650		
	Total Annual 2024	USD 2,585,650		
	Total Amount	USD 12,928,250		

**Basis for payment tranches*

⁵ Including USD 250,000 as projected balance from the GLOC arrears programmed and spent in the 2015-2019 period, which will be transferred to this initiative.

Annex 3

UNDP GENERAL CONDITIONS FOR PROVISION OF DEVELOPMENT SERVICES

1.0 BASIS OF ARRANGEMENT and LEGAL STATUS OF THE PARTIES:

The United Nations Development Programme (“UNDP”) and the Recipient shall each be referred to as a “Party” hereunder, and:

- 1.1 Pursuant, inter alia, to the [Charter of the United Nations](#) and the [Convention on the Privileges and Immunities of the United Nations](#), the United Nations, including its subsidiary organs, has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfillment of its purposes.
- 1.2 Nothing contained in or relating to the Agreement to which these General Conditions apply and to which such General Conditions form an integral part thereof, (each, an “Agreement”), shall be construed as establishing or creating between the Parties the relationship of employer and employee or of principal and agent. The officials, representatives, employees, or responsible parties (in the case of UNDP) or subcontractors (in the case of Recipient) of each of the Parties shall not be considered in any respect as being the employees or agents of the other Party, and each Party shall be solely responsible for all claims arising out of or relating to its engagement of such persons or entities.
- 1.3 The Development Services are being provided by UNDP as assistance to the Recipient, further to the Agreement of the Government, towards the Recipient’s contribution to international development goals. The Development Services are performed by UNDP further to and consistent with its mandate. The Parties agree that nothing herein shall be construed as the Parties engaging in a commercial relationship.
- 1.4 UNDP will undertake the Development Services in accordance with its regulations, rules, policies and procedures, and without prejudice to its privileges and immunities.

2.0 SOURCE OF INSTRUCTIONS:

UNDP staff and personnel performing the Development Services may not receive instruction from anyone other than UNDP.

3.0 UNDP’S RESPONSIBILITY FOR ITS PERSONNEL:

UNDP shall be responsible for the professional and technical competence of its personnel.

4.0 RECIPIENT’S DUTIES AND RESPONSIBILITIES:

The Recipient will make available in a timely manner for UNDP’s use, at no charge to UNDP, all technical data, computer facilities, programs, files, documentation, test data, sample output, or other information, resources, and its personnel that may be required by UNDP to perform the Development Services. Recipient will be responsible for, and assumes the risk of any issues or problems resulting from the content, accuracy, completeness, competence, or consistency of all Recipient computer facilities, programs, files, documentation, test data, sample output, or other information, resources, and personnel supplied by Recipient. Recipient will provide, at no charge to UNDP, reasonable office space and equipment at Recipient’s facilities (e.g., telecommunications requirements, copiers, etc.) as UNDP requires in performing the Development Services. The Recipient’s personnel provided to UNDP further to the foregoing, shall in no way be considered staff or personnel of UNDP, and among other things, shall not be covered by UNDP’s privileges and immunities and shall not be included in UNDP’s security arrangements. Recipient shall make all necessary arrangements for its personnel with respect to safety and security.

5.0 ASSIGNMENT:

Neither Party may assign, transfer, pledge or make other disposition of this Agreement or any part thereof, or any of their respective rights, claims or obligations under this Agreement except with the prior written consent of the other Party.

6.0 USE OF DEVELOPMENT SERVICES OF OTHER ENTITIES:

UNDP may require the Development Services of other entities (“Responsible Parties”) to assist it in certain aspects of the provision of Development Services. UNDP’s use of a Responsible Party shall not relieve the UNDP of any of its obligations under this Agreement.

7.0 COMPENSATION AND PAYMENT:

The compensation of UNDP for the provision of Development Services will be further to the Agreement. UNDP shall not be required to commence the provision or continuation of Development Services until the payments referred to in **Annex 2** have been received in accordance with the terms set forth therein.

Compensation for any additional Development Services provided by UNDP relating to the Service shall be as agreed by the Parties, as set forth in the Agreement.

Recipient shall make all payments under this Agreement in United States dollars (**USD**) within thirty (30) calendar days after the date of UNDP’s payment notice. The value of the payment received, if made in a currency other than **USD**, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. If, in such a case, the value of the payment received is less than the invoiced amount due (in **USD**), UNDP shall inform the Recipient with a view to determining whether any further financing could be provided by the Recipient. Should such further financing not be available, the assistance to be provided further to this Agreement may be reduced, suspended or terminated by UNDP.

In addition to any other remedy available to UNDP for late payments as may be specified anywhere in this Agreement, Recipient will be obligated to pay UNDP interest on the overdue amount at the rate of one and one-half percent (1.5%) per month for each month, or partial month, calculated from the date such payment was due until the date paid. Recipient will reimburse UNDP for all costs incurred by UNDP in connection with any collection efforts related to or arising out of this Agreement.

In no event shall UNDP’s obligation and liability to the Recipient hereunder exceed the undertaking of the Development Services. If the Development Services are not performed in accordance with Annex 1, UNDP shall re-perform such Development Services to bring them into compliance with the foregoing and such correction shall be the Recipient’s sole remedy under this Agreement with respect to the provision of the Development Services.

8.0 ADMINISTRATION AND REPORTING:

UNDP’s management of resources received and expenditures incurred under/further to the Agreement, shall be in accordance with UNDP’s regulations, rules, policies and procedures. UNDP shall provide to the Recipient, reports and documents prepared in accordance with UNDP accounting and reporting procedures, in the form, numbers and within the time periods set forth in the said **Annex 1**.

9.0 INDEMNIFICATION; LIABILITY

9.1 (a) The Recipient agrees to indemnify and hold UNDP harmless from and against all claims, liabilities, losses, damages, and expenses (including the costs of UNDP’s professional time) as incurred (collectively “Losses”) relating to the Development Services, including any Losses asserted by the Recipient, its agents or representatives, or third parties and any Losses, costs, etc. sustained by UNDP when participating in any legal, regulatory, or administrative proceeding relating to the Development Services, except to the extent those Losses are determined by a final, non-appealable order or arbitral award to have resulted from UNDP’s gross negligence or willful misconduct in the performance of the Development Services.

(b) Notwithstanding the foregoing, the Recipient shall not be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages.

9.2 In no event shall the UNDP, its members, officials, staff, other personnel and advisors have any liability, financial or otherwise, under any paragraph of this Agreement, except as provided in Article 8 of the General Conditions, above.

10.0 RECIPIENT ACKNOWLEDGEMENT:

It is the long-standing practice of UNDP to serve and work with multiple stakeholders within and across countries, including those with opposing economic interests. These include, but are not limited to, governments and affiliated organizations, inter-governmental organizations, non-governmental organizations, civil society organizations, as well as

other private sector entities. UNDP is committed to maintaining the confidentiality of each Recipient's information (generally as described in this Agreement) in all such situations. Accordingly, the Recipient acknowledges the possibility and agrees that UNDP may have served, may currently be serving or may in the future serve other organizations and entities whose interests are adverse to those of the Recipient, including parties with whom the Recipient (i) competes; (ii) has a commercial relationship or potential commercial relationship (e.g., suppliers, distributors); (iii) enters into competitive bidding situations; and (iv) enters into or considers entering into merger, acquisition, divestiture, alliance or joint venture transactions.

11.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

The Parties note that the UNDP is self-insured. Without prejudice to the foregoing, throughout the execution of this Agreement, UNDP shall:

- (a) maintain appropriate insurance coverage with respect to third-party motor vehicle liability insurance;
- (b) maintain appropriate cargo insurance against loss of or damage to supplies and equipment, if any, purchased in whole or in part with funds provided under this Agreement until transferred to the Recipient;
- (c) with regard to its Staff, Consultants and other personnel, maintain appropriate health insurance; provide for compensation in respect of injury, sickness or death while performing official duties of UNDP; and maintain malicious acts insurance.

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

13.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

13.1 Except as is otherwise expressly provided in writing in the Agreement, the Recipient 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 UNDP has developed for the Recipient under the Agreement 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 Agreement. Nonetheless, the Recipient shall grant UNDP a perpetual, royalty-free license to (reproduce, adapt, modify, distribute, sub-license) make use of such intellectual property or other proprietary rights for non-commercial purposes, including the ability to further license to other non-private sector Recipients and its programme governments in accordance with the requirements of the agreement between UNDP and the Recipient(s) concerned and its basic cooperation agreement with programme governments, respectively.

13.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of UNDP: (i) that pre-existed the performance by UNDP of its obligations under the Agreement, or (ii) that UNDP may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Agreement, the Recipient does not and shall not claim any ownership interest thereto, and UNDP grants to the Recipient 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 Agreement.

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

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

Recipient shall not advertise or use the name, emblem or trademarks of UNDP, or any of its programmes, projects or affiliates (including the UN, UNCDF and UNV), or any abbreviation thereof, without the express prior written approval of UNDP in each case. In no event will authorization to use the UNDP name or emblem, or any abbreviation thereof, be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of the Recipient and/or its business or Development Services. In making such request, the Recipient must submit an outline and draft of the proposed use of the name or emblem to UNDP.

15.0 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 ("Disclosee") during the course of performance of the Agreement, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

15.1 The recipient ("Disclosee") of such information shall:

15.1.1 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,

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

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

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

15.2.2 the Disclosee's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Agreement, 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 Agreement, provided that, for these purposes a controlled legal entity means:

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

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

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

15.3 The Disclosee 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 Disclosee 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.

15.4 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, and consistent with its Information Disclosure Policy.

15.5 The Disclosee shall not be precluded from disclosing Information that is obtained by the Disclosee 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 Disclosee, or at any time is developed by the Disclosee completely independently of any disclosures hereunder.

15.6 These obligations and restrictions of confidentiality shall be effective during the term of the Agreement, including any extension thereof, and, unless otherwise provided in the Agreement, shall remain effective following any termination of the Agreement.

16.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

16.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, UNDP shall give notice and full particulars in writing to the Recipient, of such occurrence or change if UNDP is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Agreement. UNDP shall also notify the Recipient of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Agreement. On receipt of the notice required under this Article, the Recipient shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to UNDP of a reasonable extension of time in which to perform its obligations under this Agreement.

16.2 If UNDP is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Agreement, the Recipient shall have the right to suspend or terminate this Agreement on the same terms and conditions as are provided for in Article 17, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

16.3 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; failure of carrier or utilities, equipment or transmission failure or damage that is reasonably beyond the non-performing party's control, or any other cause that is reasonably beyond the control of the non-performing party; governmental acts, order or restrictions, failure of government or suppliers to act or any other reason when the failure to perform is beyond the reasonable control and not caused by negligence or international conduct or misconduct of the non-performing party and such party has exerted all reasonable efforts to avoid or remedy such force majeure provided however that the non-performing party shall not be obligated to remedy or settle any labour dispute or disturbance.

17.0 TERM AND TERMINATION

17.1 The term of this Agreement will commence on the Effective Date and will continue in effect until the Completion Date unless earlier terminated pursuant to the terms of this Agreement.

17.1 Either party may terminate this Agreement 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 18.2 ("Arbitration"), below, shall not be deemed a termination of this Agreement.

17.2 The Recipient reserves the right to terminate without cause this Agreement at any time upon 15 days prior written notice to UNDP, in which case the Recipient shall reimburse UNDP for all costs incurred by UNDP prior to receipt of the notice of termination.

17.3 In the event of any termination by UNDP under this Article, no payment shall be due from the Recipient to the UNDP except for work and Development Services performed in conformity with the express terms of this Agreement.

17.4 Upon any expiration or termination of this Agreement, each party will return promptly or, at the other Party's request, destroy all documents and other tangible objects containing or representing Confidential Information of the other Party except to the extent that such documents must be retained to satisfy auditing or regulatory requirements.

18.0 SETTLEMENT OF DISPUTES

18.1 Amicable Settlement: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement 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.

18.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Agreement or the breach, termination, or invalidity thereof, unless settled amicably under Article 18.1, 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 Agreement, order the termination of the Agreement, or order that any other protective measures be taken with respect to the goods, Development Services or any other property, whether tangible or intangible, or of any confidential information provided under the Agreement, 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 Agreement, 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.

19.0 PRIVILEGES AND IMMUNITIES:

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

20.0 TAX EXEMPTION

20.1 The Compensation paid to UNDP hereunder shall be net of taxes. 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, UNDP shall immediately consult with the Recipient to determine a mutually acceptable procedure, which may include the Recipient paying the taxes in relation to the Development Services directly to the competent Governmental authority(ies). In such case, if UNDP is able to recover the taxes paid, it shall reimburse them to the Recipient.

21.0 INTEGRITY CLAUSE

21.1 The Recipient and UNDP undertake to institute any such measures as are required to avoid corruption, ensuring in particular that no such payments or other considerations are offered or accepted. Both Parties acknowledge that a violation of the integrity clause shall, as a rule, result in revocation and early termination of the Agreement.

The parties will inform each other in case of any well-founded suspicions of corruption.

22.0 AUDIT AND INVESTIGATION:

All payments received by UNDP under this Agreement shall be subject exclusively to internal and external audit in accordance with the United Nations audit principles and procedures and UNDP's Financial Regulations and Rules. Information related to the implementation of this Agreement may be provided in so far as it shall be deemed compatible with UNDP's Financial Regulations and Rules, policies and procedures, and its juridical status as an International Organization of the UN System.

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 Agreement, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Recipient. Accordingly, no modification or change in this Agreement shall be valid and enforceable against UNDP unless provided by an amendment to this Agreement signed by the Recipient and jointly by the UNDP Authorized Official.