Contract Agreement – Non-Consulting Services

**Lump-Sum Remuneration**

THIS AGREEMENT *{number\_contract}* made the *{day\_contract}* day of *{month\_contract}*, *{year\_contract}*.

BETWEEN

(1) The *{name\_purchaser}*, having its principal place of business at *{adress\_purchaser}* (hereinafter called “the Employer”), of the one part, and

(2) *{name\_supplier}*, a corporation incorporated under the laws of *{supplier\_country}* and having its principal place of business at *{adress\_supplier}* (hereinafter called “the Service Provider”), of the other part:

The Employer and the Service Provider agree as follows:

* 1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.
  2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.

1. the Service Provider’s quotation – Attachment 1;
2. the Special Conditions of Contract, including any Appendices;
3. the General Conditions of Contract;
4. the Specifications, as applicable;
5. the Activity Schedule, as applicable; and
6. any other document listed in the CC as forming part of the Contract.
   1. In consideration of the payments to be made by the Employer to the Service Provider as specified in this Agreement, the Service Provider hereby covenants with the Employer to execute the Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
   2. The Employer hereby covenants to pay the Service Provider in consideration of the execution and completion of the Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
   3. [The electronic offer and acceptance through the Online Bidding Solution – SOL by each Party shall cause this Agreement to have](https://www.lawinsider.com/clause/legally-binding) been executed by the Parties hereto of their own free will, without any coercion or undue influence and shall be valid and legally binding on both parties from the date above written.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of *{purchaser\_country}* on the day, month and year indicated above.

**For and on behalf of the Employer:**

Accepted digitally on the Online Bidding Solution – SOL by: *{name\_legal\_representative\_purchaser}*

in the capacity of *{role\_purchaser}*

**For and on behalf of the Service Provider:**

Accepted digitally on the the Online Bidding Solution – SOL by: *{name\_legal\_representative\_supplier}*

in the capacity of *{role\_supplier}*

Conditions of Contract – Non-Consulting Services

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**Conditions of Contract – Non-Consulting Services**

## A. General Provisions

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| **Definitions** | Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:   1. “Activity Schedule” is the priced and completed list of items of Services to be performed by the Service Provider forming part of his Contract. 2. “Bank” means the World Bank and refers to the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA). 3. “Completion Date” means the date of completion of the Services by the Service Provider as certified by the Employer. 4. “Contract” means the Contract signed by the Parties, together with all the documents listed in the Contract Agreement. 5. “Contract Price” means the price to be paid for the performance of the Services, in accordance with Clause 20. 6. “Employer” means the party who employs the Service Provider; 7. “Employer’s Personnel” means all staff, labor and other employees of the Employer engaged in fulfilling the Employer’s obligations under the Contract; and any other personnel identified as Employer’s Personnel, by a notice from the Employer to the Service provider. 8. (j) “ES” means Environmental and Social, as applicable, (including Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH)). 9. “Party” means the Employer or the Service Provider, as the case may be, and “Parties” means both of them; 10. “Service Provider” is a person or corporate body whose Quotation to provide the Services has been accepted by the Employer; 11. “Service Provider’s Quotation” means the completed Bidding Document submitted by the Service Provider to the Employer 12. “Service Provider’s Personnel” means all personnel whom the Service Provider utilizes in the execution of the Services, including the staff, labor and other employees of the Service Provider and each Subcontractor; and any other personnel assisting the Service Provider in the execution of the Services; 13. “SCC” means the Special Conditions of Contract by which the GCC may be amended or supplemented; 14. “Specifications” means the specifications of the service included in the Bidding Document submitted by the Service Provider to the Employer 15. “Services” means the work to be performed by the Service Provider pursuant to this Contract, as described in Appendix A; and in the Specifications and Schedule of Activities included in the Service Provider’s Bid. 16. “Sexual Exploitation and Abuse” “(SEA)” means the following:   Sexual Exploitation is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.  Sexual Abuse is defined as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.   1. “Sexual Harassment” “(SH)” is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by the Service Provider’s Personnel with other Service Provider’s Personnel or Employer’s Personnel; 2. “Subcontractor” means any entity to which the Service Provider subcontracts any part of the Services in accordance with the provisions of Sub-Clauses 3.5 and 4. |
| **Contract Specific Information** | **General:** The Employer is ***{name\_purchaser} , {purchaser\_cnpj} , {adress\_purchaser}.***The Service Provider is ***{name\_supplier}, {supplier\_cnpj}, {adress\_purchaser}***The Services consist of: ***{process\_description}****.*This Contract shall come into effect on the date the Contract is signed by both parties.The Starting Date for the commencement of Services is 5 days from contract signature.The Intended Completion Date is ***{date\_to\_delivery}.***The Contract shall be interpreted in accordance with the laws of the Employer’s Country.Any notice given by one Party to the other pursuant to the Contract shall be in writing to the address hereafter using the quickest available method such as electronic mail with proof of receipt. **Address for notices to the Employer:**  *{name\_legal\_representative\_purchaser}*  *{role\_purchaser}*  *{adress\_purchaser}*  *{email\_purchaser}*  **Address for notices to the Service Provider:**  *{name\_legal\_representative\_supplier}*  *{role\_supplier}*  *{adress\_supplier}*  *{supplier\_email}*  **The contract specific information for the listed Conditions of Contract (CC) clauses follows**: The Services shall be performed at *{website\_url}* and, where the location of a particular task is not so specified, at such locations as the Employer may approve.The Contract Price is {contract\_value}*.*The liquidated damages rate is 0.1% per day. The maximum amount of liquidated damages for the whole contract is 6% percent of the final Contract Price.The percentage to be used for the calculation of Lack of Performance Penalty(ies) is 5%.Payments shall be made according to the Activity Schedule, subject to certification by the Employer, that the Services have been rendered satisfactorily.Should the certification not be provided, or refused in writing by the employer within one month of the date of the milestone, or of the date of receipt of the corresponding invoice, the certification will be deemed to have been provided, and the progress payment will be released at such date.Payment shall be made within 30 days of receipt of the invoice and the relevant documents.The interest rate is the *pro rata die* inflation rate.The Defects Liability Period is according to the Employer’s country’s laws. |

## B. Commencement, Completion, Modification, and Termination of Contract

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| **Commencement of Services** |  |
| **Program** | Before commencement of the Services, the Service Provider shall submit to the Employer for approval a Program showing the general methods, arrangements, order and timing for all activities. Such submission to the Employer shall include any applicable environmental and social management plan to manage environmental and social risks and impacts.  The Services shall be carried out in accordance with the approved Program as updated. |
| **Intended Completion Date** | Unless terminated earlier pursuant to Clause 6, the Service Provider shall complete the activities by the Intended Completion Date, as is **specified in CC 2.6.** If the Service Provider does not complete the activities by the Intended Completion Date, it shall be liable to pay liquidated damage as per Sub-Clause 10.1. In this case, the Completion Date will be the date of completion of all activities. |
| **Modification** | Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties. |
| **Termination** |  |
| **By the Employer** | The Employer may terminate this Contract, by not less than thirty (30) days’ written notice of termination to the Service Provider, to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Sub-Clause 6.1:  (a) if the Service Provider does not remedy a failure in the performance of its obligations under the Contract, within thirty (30) days after being notified or within any further period as the Employer may have subsequently approved in writing;  (b) if the Service Provider become insolvent or bankrupt;  (c) if, as the result of Force Majeure, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or  (d) if the Service Provider, in the judgment of the Employer has engaged in Fraud and Corruption, as defined in paragraph 2.2 a. of Appendix A to the CC, in competing for or in executing the Contract. |
| **By the Service Provider** | The Service Provider may terminate this Contract, by not less than thirty (30) days’ written notice to the Employer, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Sub-Clause 6.2:  (a) if the Employer fails to pay any monies due to the Service Provider pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Service Provider that such payment is overdue; or  (b) if, as the result of Force Majeure, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) days. |
| **Payment upon Termination** | Upon termination of this Contract pursuant to Sub-Clauses 6.1 or 6.2, the Employer shall make the following payments to the Service Provider:  (a) remuneration pursuant to Clause 19 for Services satisfactorily performed prior to the effective date of termination;  (b) except in the case of termination pursuant to paragraphs (a), (b), (d) of Sub-Clause 6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Service Provider’s Personnel. |

## C. Obligations of the Service Provider

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| **General** | The Service Provider shall perform the Services in accordance with the Specifications and the Activity Schedule, and carry out its obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods. |
| **Health, Safety and Protection of the Environment** | The Contractor shall be responsible for the safety of all activities on the Site, and for taking care of the health and safety of all persons entitled to be on the Site and any other place where the Works are being executed  The Contractor shall comply with all applicable health and safety regulations and laws.  *Protection of the environment*  The Contractor shall take all necessary measures to: protect the environment (both on and off the Site), and limit damage and nuisance to people and property resulting from pollution, noise and other results of the Contractor’s operations and/ or activities.  In the event of damage to the environment, property and/or nuisance to people, on or off Site as a result of the Contractor’s operations, the Contractor shall agree with the Project Manager the appropriate actions and time scale to remedy, as practicable, the damaged environment to its former condition. The Contractor shall implement such remedies at its cost to the satisfaction of the Project Manager. |
| **Confli****ct of Interests** |  |
| **Service Provider’s Actions Requiring Employer’s Prior Approval** | The Service Provider shall obtain the Employer’s prior approval in writing before taking any of the following actions:  (a) entering into a subcontract for the performance of any part of the Services, and  (b) changing the Program of activities. |
| **Reporting Obligations** | The Service Provider shall submit to the Employer progress reports at intervals of 30 days.  The Service Provider shall inform the Employer immediately of any allegation, incident or accident in the locations in the Employer’s country where the Services are executed, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer’s Personnel or Service Provider’s Personnel. This includes, but is not limited to, any incident or accident causing fatality or serious injury; significant adverse effects or damage to private property; or any allegation of SEA and/or SH. In case of SEA and/or SH, while maintaining confidentiality as appropriate, the type of allegation (sexual exploitation, sexual abuse or sexual harassment), gender and age of the person who experienced the alleged incident should be included in the information.  The Service Provider, upon becoming aware of the allegation, incident or accident, shall also immediately inform the Employer of any such incident or accident on the Subcontractors’ or suppliers’ premises relating to the Services which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer’s Personnel or Service Provider’s, its Subcontractors’ and suppliers’ Personnel. The notification shall provide sufficient detail regarding such incidents or accidents. The Service provider shall provide full details of such incidents or accidents to the Employer within the timeframe agreed with the Employer.  The Service Provider shall require its Subcontractors and suppliers to immediately notify the Service Provider of any incidents or accidents referred to in this Sub- Clause. |
| **Documents Prepared by the Service Provider to Be the Property of the Employer** | All plans, drawings, specifications, designs, reports, and other documents and software submitted by the Service Provider in accordance with Sub-Clause 9.2 shall become and remain the property of the Employer, and the Service Provider shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Employer, together with a detailed inventory thereof. |
| **Liquidated Damages** |  |
| **Payments of Liquidated Damages** | The Service Provider shall pay liquidated damages to the Employer at the rate per day **stated in CC 2.11** for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount **defined in CC 2.11.** The Employer may deduct liquidated damages from payments due to the Service Provider. Payment of liquidated damages shall not affect the Service Provider’s liabilities. |
| **Correction for Over-payment** | If the Intended Completion Date is extended after liquidated damages have been paid, the Employer shall correct any overpayment of liquidated damages by the Service Provider by adjusting the next payment certificate. The Service Provider shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in **CC 2.16**. |
| **Lack of performance penalty** | If the Service Provider has not corrected a Defect within the time specified in the Employer’s notice, a penalty for Lack of performance will be paid by the Service Provider. The amount to be paid will be calculated as a percentage of the cost of having the Defect corrected, assessed as described in Clause 24 and **specified in the CC 2.12.** |
| **Instructions, Inspections and Audits** | The Contractor shall carry out all instructions of the Project Manager which comply with the applicable laws where the Site is located.  The Contractor shall keep and shall make all reasonable efforts to cause its Subcontractors and subconsultants to keep, accurate and systematic accounts and records in respect of the Works in such form and details as will clearly identify relevant time changes and costs. |
| **Inspections and Audit by the Bank** | Pursuant to paragraph 2.2 e. of Appendix A to the CC- Fraud and Corruption, the Contractor shall permit and shall cause its agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and personnel, to permit, the Bank and/or persons appointed by the Bank to inspect the site and/or the accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have such accounts, records and other documents audited by auditors appointed by the Bank. The Contractor’s and its Subcontractors’ and subconsultants’ attention is drawn to **CC 12** (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank’s prevailing sanctions procedures). |
| **Fraud and Corruption** | The Bank requires compliance with the Bank’s Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG’s Sanctions Framework, as set forth in the Appendix A to the GCC.  The Employer requires the Service Provider to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee. |
| **Security of the Site** | The Contractor shall be responsible for the security of the Site, and:   1. for keeping unauthorized persons off the Site; 2. authorized persons shall be limited to the Contractor’s Personnel, the Employer’s Personnel, and to any other personnel identified as authorized personnel (including the Employer’s other contractors on the Site), by a notice from the Employer or the Project Manager to the Contractor.   The Contractor shall require the security personnel to act within the applicable Laws. |
| **Protection of the Environment** | As applicable, the Service Provider shall take all necessary measures to:   * + 1. protect the environment (both on and off the locations where the Services are executed) from damages resulting from its operations/and or activities; and     2. limit damage and nuisance to people and property resulting from pollution, noise and other results of the Service Provider’s operations and/ or activities.   The Service Provider shall ensure that any emissions, surface discharges, effluent and any other pollutants from the its activities shall exceed neither the values that may be indicated in the Employer’s Requirements, nor those prescribed by applicable laws.  In the event of damage to the environment, property and/or nuisance to people, on or off the locations where the Services are carried out, as a result of the Service Provider’s operations and/or activities, the Service Provider shall agree with the Employer the appropriate actions and time scale to remedy, as practicable, the damaged environment to its former condition. The Service Provider shall implement such remedies at its cost to the satisfaction of the Employer. |
| **Cultural Heritage Findings** | All fossils, coins, articles of value or antiquity, structures, groups of structures, and other remains or items of geological, archaeological, paleontological, historical, architectural, religious interest found on the locations in the Employer’s country where the Services are carried out shall be placed under the care and custody of the Employer. |
| **Taxes and Duties** | The Service Provider, Subcontractors, and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price. |
| **Service Provider’s Personnel** | The Service Provider shall make arrangements for the engagement of the Service Provider’s Personnel.  The Service Provider is encouraged, to the extent practicable and reasonable, to use local labor that has the necessary skills.  The Service Provider shall at its own expense provide the means of repatriation to all of its personnel employed for the execution of the Services to the place where they were recruited or to their domicile. It shall also provide suitable temporary maintenance of all such persons from the cessation of their employment on the Contract to the date programmed for their departure.  *Persons in the Service of Employer*  The Service Provider shall not recruit, or attempt to recruit, staff and labor from amongst the Employer’s Personnel.  *Labor Laws*  The Service provider shall comply with all the relevant labor laws applicable to the Service Provider’s Personnel, including laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.  The Service Provider shall at all times during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees and the labor of its Subcontractors.  The Service Provider shall, in all dealings with its personnel currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs and all local laws and regulations pertaining to the employment of labor.  *Rates of Wages and Conditions of Labor*  The Service Provider shall pay rates of wages, and observe conditions of labor, which are not lower than those established for the trade or industry where the Service is carried out. If no established rates or conditions are applicable, the Service Provider shall pay rates of wages and observe conditions which are not lower than the general level of wages and conditions observed locally by employers whose trade or industry is similar to that of the Service Provider.  *Facilities for Service Provider’s Personnel*  If required by the laws of the Employer’s country, the Service Provider shall provide and maintain all necessary accommodation and welfare facilities for the Service Provider’s Personnel employed for the execution of the Contract at the locations in the Employer’s country where the Services are provided.  *Workers’ Organizations*  In countries where the relevant labor laws recognize workers’ rights to form and to join workers’ organizations of their choosing and to bargain collectively without interference, the Service Provider shall comply with such laws. In such circumstances, the role of legally established workers’ organizations and legitimate workers’ representatives will be respected, and they will be provided with information needed for meaningful negotiation in a timely manner. Where the relevant labor laws substantially restrict workers’ organizations, the Service Provider shall enable alternative means for the service provider’s Personnel to express their grievances and protect their rights regarding working conditions and terms of employment. The Service Provider shall not seek to influence or control these alternative means. The Service Provider shall not discriminate or retaliate against the Service Provider’s Personnel who participate, or seek to participate, in such organizations and collective bargaining or alternative mechanisms. Workers’ organizations are expected to fairly represent the workers in the workforce.  *Non-Discrimination and Equal Opportunity*  The Service Provider shall not make decisions relating to the employment or treatment of Service Provider’s Personnel on the basis of personal characteristics unrelated to inherent job requirements. The Service Provider shall base the employment of Service Provider’s Personnel on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.  Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination. The Service Provider shall provide protection and assistance as necessary to ensure non-discrimination and equal opportunity, including for specific groups such as women, people with disabilities, migrant workers and children (of working age in accordance with this Sub-Clause).  *Forced Labor*  The Service Provider, including its Subcontractors, shall not employ or engage forced labor. Forced labor consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements.  No persons shall be employed or engaged who have been subject to trafficking. Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation.  *Child Labor*  The Service Provider, including its Subcontractors, shall not employ or engage a child under the age of 14 unless the national law specifies a higher age (the minimum age).  The Service Provider, including its Subcontractors, shall not employ or engage a child between the minimum age and the age of 18 in a manner 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.  The Service Provider including its Subcontractors, shall only employ or engage children between the minimum age and the age of 18 after an appropriate risk assessment has been conducted by the Service Provider with the Employer’s consent. The Service Provider shall be subject to regular monitoring by the Employer that includes monitoring of health, working conditions and hours of work.  Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Such work activities prohibited for children include work:   1. with exposure to physical, psychological or sexual abuse; 2. underground, underwater, working at heights or in confined spaces; 3. with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads; 4. in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or   under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer. |

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## D. Obligations of the Employer

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| **Change in the Applicable Law** | If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost of the Services rendered by the Service Provider, then the remuneration and reimbursable expenses otherwise payable to the Service Provider under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in CC 20. |

## E. Payments to the Service Provider

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| **Lump-Sum Remuneration** | The Service Provider’s remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all Subcontractors’ costs, and all other costs incurred by the Service Provider in carrying out the Services described in Attachment 1. |
| **Contract Price** | The price payable in local currency is **set forth in CC 2.10**. |
| **Terms and Conditions of Payment** | Payments will be made to the Service Provider according to the payment schedule **stated in CC 2.13, 2.14, and 2.15**. |
| **Interest on Delayed Payments** | If the Employer has delayed payments beyond fifteen (15) days after the due date **stated in CC 2.15**, interest shall be paid to the Service Provider for each day of delay at the rate **stated in CC 2.16**. |

## F. Quality Control

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| **Identifying Defects** | The Employer shall check the Service Provider’s performance and notify him of any Defects that are found. Such checking shall not affect the Service Provider’s responsibilities. The Employer may instruct the Service Provider to search for a Defect and to uncover and test any service that the Employer considers may have a Defect. Defect Liability Period is as **defined in CC 2.17**. |
| **Correction of Defects, and Lack of Performance Penalty** | (a) The Employer shall give notice to the Service Provider of any Defects before the end of the Contract. The Defects liability period shall be extended for as long as Defects remain to be corrected.  (b) Every time a notice of Defect is given, the Service Provider shall correct the notified Defect within the length of time specified by the Employer’s notice.  (c) If the Service Provider has not corrected a Defect within the time specified in the Employer’s notice, the Employer will assess the cost of having the Defect corrected, the Service Provider will pay this amount, and a Penalty for Lack of Performance calculated as described in CC 10.3. |

## 8. Settlement of Disputes

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| **Settlement of Disputes** | The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.  All unresolved disputes arising out of or in connection with the present contract shall be settled in accordance with the laws of the Purchaser’s country. |

**Appendix A to the Conditions of Contract**

**Fraud and Corruption**

1. **Purpose**
   1. The Bank’s Anti-Corruption Guidelines and this appendix apply with respect to procurement under Bank Investment Project Financing operations.
2. **Requirements**
3. The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.
4. To this end, the Bank:
5. Defines, for the purposes of this provision, the terms set forth below as follows:
6. “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
7. “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
8. “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
9. “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
10. “obstructive practice” is:
11. deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
12. acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph 2.2 e. below.
13. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
14. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
15. Pursuant to the Bank’s Anti- Corruption Guidelines and in accordance with the Bank’s prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;[[1]](#footnote-1) (ii) to be a nominated[[2]](#footnote-2) sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
16. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect[[3]](#footnote-3) all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

1. For the avoidance of doubt, a sanctioned party’s ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract. [↑](#footnote-ref-1)
2. A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower. [↑](#footnote-ref-2)
3. Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information. [↑](#footnote-ref-3)