PERFORMANCE SECURITY

This instruction section, as well as all footnotes, headers and any other instructions in this template, are only for the Business Unit’s guidance and should be deleted before it is sent to the Contractor for review and signature.

How to use this template:

1. This document must be finalized using the official letterhead of the Issuing Bank.

2. Except for indicated fields, no changes may be made on this template.

3. If the RFP/ITB requires the submission of a Performance Security, which shall be made a condition to the signing and effectivity of the contract, the Performance Security that the Proposer’s Bank will issue shall be based on use the contents of this template. No change can be made to this template without the prior approval of the Legal Office, Bureau of Management Services, UNDP.

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|  | ***INSERT LETTERHEAD OF THE BANK*** |  |

**[date]**

To: Beneficiary

United Nations Development Programme (UNDP)

**[insert address]**

Contractor

**[insert information on contractor]**

Reference: Guarantee No. [**insert number**]

Dear Sirs,

WHEREAS, the United Nations Development Programme (the “Beneficiary”) and [**Name of Contractor**] (the “Contractor”) have entered into Contract No. [**contract number]** for [**insert description of contract**], which entered into force on [**date**] (the “Contract”);

WHEREAS, the Contract requires that the Contractor furnishes a bank guarantee for a sum specified in the Contract as security for the Contractor’s satisfactory compliance with its obligations under the Contract;

WHEREAS, we **[Name** of **the Bank]** (the “Guarantor”), have agreed to give the Contractor such Guarantee;

NOW THEREFORE, we, the Guarantor, hereby undertake to pay to the Beneficiary, upon the Beneficiary’s first written demand and without cavil or arguments any sum or sums not exceeding in the aggregate **[currency][amount in words and figures]** or such lesser sum of money as the Beneficiary may by such written demand require to be paid, accompanied by the Beneficiary’s written statement that the Contractor is in breach of its obligations under the Contract, without the need to specify, prove or show grounds or reasons for such demand. Such statement shall be conclusive evidence of the Beneficiary’s entitlement to payment in the amount demanded, up to the amount of this Guarantee.

The maximum guaranteed amount under this Guarantee is **[currency] [amount in words and figures]**.

We, the Guarantor, further agree that no change or addition to or other modification of the terms of the Contract or of the works, goods and services acquired thereunder, which may be made between the Beneficiary and the Contractor, shall in any way release us, the Guarantor, from any liability under this Guarantee, and we hereby waive the notice of any such change, addition or modification.

This Guarantee shall be valid until thirty (30) days after the date of issuance by the Beneficiary of a certificate of satisfactory performance and full completion by the Contractor of its obligations under the Contract.

Subject to the paragraph below, this Guarantee is governed by the Uniform Rules for Demand Guarantees, ICC Publication No. 758. The supporting statement under Article 15(a) thereof is excluded.

Nothing herein or related hereto shall be deemed a waiver express or implied of the privileges and immunities of the United Nations, including its subsidiary organs nor shall it be interpreted or applied in a manner inconsistent with such privileges and immunities.

### SIGNATURE AND SEAL OF THE GUARANTOR BANK

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date:

Name of Bank:

Address: