

IDA Foundation Terms & Conditions

GOVERNING THE RELATIONSHIP BETWEEN IDA FOUNDATION (HEREINAFTER REFERRED TO AS “IDA FOUNDATION” OR “IDA”) AND THE PRINCIPAL RECIPIENT OF THE GLOBAL FUND (HEREINAFTER REFERRED TO AS THE “PR”)

Terms and Conditions

The Price Quotation (PQ) and Purchase Order (PO) are subject to the terms and conditions based on (1) the IDA Foundation –Global Fund Outsourced Services Agreement to support the implementation of the Global Fund’s Pooled Procurement Mechanism (PPM), (2) the framework agreement between the Global Fund & long lasting insecticide treated nets (LLINs) manufacturers, (3) these IDA terms and conditions, and (4) the outcome of the RFQ conducted by IDA for freight and insurance. Unless otherwise agreed upon by the Global Fund, the terms and conditions of the Outsourced Services Agreement to support the implementation of the Global Fund’s Pooled Procurement Mechanism shall prevail over these IDA terms and conditions.

The PQ and PO are also subject to the letter of participation in the Pooled Procurement Mechanism/Wambo sent by the PR to the Global Fund, and its annexes.

1. Costs and PO issuance

- 1.1 After the PR has submitted a Purchase Requisition through wambo.org (or “wambo”), IDA issues a PQ.
- 1.2 In the PQ, product costs for LLINs are indicated in line with Global Fund PPM allocation decisions or Global Fund reference prices if PPM allocation is pending.
- 1.3 Quoted product costs for other Vector Control products are based on reference prices provided by the suppliers to IDA.
- 1.4 Freight costs are based on an estimated number of containers/trucks to the destination(s) as indicated in the PQ form.
- 1.5 Quality control and pre-shipment inspection costs are based on an estimated number of shipments and batches.
- 1.6 Insurance premium is based on the total value of the PQ.
- 1.7 Other costs, including procurement services agent fee, are estimates based on information provided in PQ form.
- 1.8 A buffer of up to 30% of the estimated freight is added to cover fluctuations in shipping cost and/or additional costs that may occur.
- 1.9 Only in the event of material changes (as defined by the Global Fund’s Pooled Procurement Mechanism Operational Policy Note and Operational Procedures, as modified from time to time) compared to the initial PQ will the PR be asked to re-confirm a revised PQ. In case of non-material change (as defined by the Global Fund’s Pooled Procurement Mechanism Operational Policy Note and Operational Procedures, as modified from time to time), the revised PQ will not be submitted to the PR for approval, but the PR will be notified of the changes in the PO.
- 1.10 After the PR signs or approves (or clause 1.9 is applicable), the PQ, a PO will be issued to IDA Foundation. The PO is the legally binding agreement between the PR and IDA. PRs that do not recognize electronic approvals in wambo.org as legally binding shall, in addition to the electronic approval in wambo.org, attach a signed copy of the PQ.
- 1.11 Any additional costs that are incurred after the PO and that constitute a material change (as defined by the Global Fund’s Pooled Procurement Mechanism Operational Policy Note and Operational Procedures, as modified from time to time) will be reflected in a request for revised PO to be reviewed and approved by the PR and a subsequent PO revision.
- 1.12 In case a change to the PO or cancellation is required, IDA will, to the extent possible, accommodate those changes. However, PO’s placed specifically for the PR may not be changed/cancelled. A cancellation fee can be charged.

2. Validity of Price Quotation

- 2.1 The PQ has a validity period of 14 calendar days unless otherwise stated in the PQ.

3. Payment terms

- 3.1 The issued PO is the warranty that funds are reserved for that PO.
- 3.2 The PO values are based on best estimated values from the submitted PQ. The PO includes IDA fees charged to the PR.
- 3.3 Payments will be made by the Global Fund to IDA based on actual supplier invoices uploaded to Wambo and will be charged under the relevant PR's grant.
- 3.4 When all obligations under the PO have been fulfilled, IDA will reconcile the costs and share an Invoice Summary Statement (ISS) with actual values charged.
- 3.5 Any remaining funds will be released to the grant.

4. Product Specifications

- 4.1 Product specifications for LLINS (shape, size, color, denier, accessories) as indicated in the PQ form are applicable. Standard label, bag and bale instructions as per the WHO guidelines for procuring public health pesticides (2012) apply. ISO 3758 pictograms are used for cleaning instructions. Bag type, label and bag language, specific logos and additional texts apply as indicated in and attached to the PQ form. Standard bale size of 50 nets per bale apply, unless otherwise indicated on the PQ form.
- 4.2 IRS will be provided as per published WHO specifications with standard artworks of the manufacturer, unless indicated otherwise on the Purchase Requisition.
- 4.3 Product specifications for all other products are as indicated in Wambo.

5. Delivery dates

- 5.1 The average procurement lead time for LLINs is 180 days from the initial date the Purchase Requisition reaches IDA until delivery of the goods.
- 5.2 The average procurement lead time for IRS is 310 days from the initial date the Purchase Requisition reaches IDA until delivery of the goods.
- 5.3 For all Vector Control products, in case the desired delivery date cannot be met, IDA will do its utmost to deliver the goods as close as possible to the desired delivery date. The delivery dates can only be confirmed once IDA has received the PR's approval of the PQ / Wambo PO, the Global Fund's confirmation of funding availability (commitment) is received and the order is placed and confirmed by the manufacturers. Please note that the longer it takes to receive the Wambo PO, the more likely it is that there will be increases in delivery lead times and/or procurement costs.
- 5.4 IDA will indicate in the PQ the requested PO submission date in order to be able to maintain the delivery date estimated in the PQ.
- 5.5 The transit time will depend on the availability of all the waivers and documents needed for customs clearance and weather conditions. IDA cannot be held accountable for delays related to customs clearance that are attributable to the PR.

6. Incoterms

- 6.1 Incoterms indicated are based on the Incoterms 2010 as issued by ICC France, unless otherwise agreed. DAP1 and DAP2 are modified Incoterms, whereby DAP1 includes customs clearance and DAP2 includes customs clearance and offloading.
- 6.2 In all cases the PR remains responsible for timely arrangement of the required import documents and storage space. Offloading means that IDA/IDA's freight agent is responsible for taking the LLINs from the containers/trucks, counting the bales and handing them over to the warehouse designated by the PR, after which both the responsible warehouse employee and IDA's freight agent sign a Proof of Delivery (PoD) for receipt of the goods, see Clauses 9.3 and 9.4 are applicable. The empty containers will be returned immediately to the carrier and will not be offloaded from the truck.

7. Requirements for importation

7.1 Registration

- 7.1.1 In the Purchase Requisition, PR has to indicate if registration in the country of destination is required.
- 7.1.2 If no registered product is available then the PR will commit to supporting IDA with obtaining a waiver to import the products.
- 7.1.3 If the PR has declared that registration of the goods is not required in the country, the PR accepts full responsibility for this declaration.

7.2 Country mandated pre-shipment inspection

- 7.2.1 If the PR has declared that a country mandated pre-shipment inspection has to be performed (eg. by SGS, Bureau Veritas or Intertek), the PR accepts responsibility for opening an inspection file on the basis of IDA's proforma invoice in the country of origin and for sending the inspection file number to IDA at least 3 weeks prior to the goods' readiness.
- 7.2.2 If the PR has declared that no other inspections are required (besides the pre-shipment inspection that IDA performs as a standard), the PR accepts full responsibility for this declaration.

7.3 Import duties and taxes

- 7.3.1 IDA supports the PR in meeting their obligations related to exemption from taxation. IDA will provide required documents to the PR to apply for a tax exemption letter, as indicated by PR. The PR will subsequently obtain and share the tax exemption letter with IDA at least two weeks prior to arrival of the goods. Costs deriving from the non-availability of such waiver will be applied to the account of the PR.
- 7.3.2 If import duties and taxes are payable, but a tax exemption cannot be obtained, IDA will invoice such taxes and the PR may have to refund to the Global Fund the amount of such taxes.
- 7.3.3 If the PR has declared that no import duties and taxes are payable, the PR accepts full responsibility for this declaration.

8. Proceed to shipment

- 8.1 As soon as the goods are produced and released for shipment based on the inspection report and test results, IDA will immediately proceed with preparations for loading and shipment, unless the PR has confirmed in the Purchase Requisition that a green light to ship from PR is required before shipment. In such cases, IDA will not proceed with the shipment until an explicit confirmation in writing providing green light to ship is received from the PR.
- 8.2 Should there be a variation of not more than +/- 2% in the manufactured quantities for a particular order, then the lower or higher quantity will be supplied, reflected in the shipping documentation and invoiced.
- 8.3 Pre-shipment storage
 - 8.3.1 In the event PR is not able to receive goods or immediate shipment is not possible due to logistical reasons, IDA will inform the PR and the Global Fund of the situation and ask the supplier to store products at supplier's facilities or at a warehouse.
 - 8.3.2 If the supplier would only store the products on the condition that the payment is made in advance, the PR will be requested by IDA to approve an advance payment from the grant. The PR must respond within 10 business days from the date of IDA's request for PR's approval. In the event of no response from the PR, the PR authorizes IDA to proceed with the advance payment on the PR's behalf.
 - 8.3.3 The full amount of the advance payment will be deducted from the Supplier's product invoice. The PR accepts the financial risk if, because of bankruptcy or insolvency of the supplier or a force majeure event, the products are not delivered and the advance payment cannot be refunded after IDA's attempt to recover the funds.
 - 8.3.4 If within the 10 business days, the written advance approval from the PR has not been received by IDA and storage is still required, the supplier or IDA will store the products until shipping date and then ship the products. All associated costs will be charged to and paid by the PR.

9. Insurance on Products

- 9.1 The goods will be insured for 110% of the invoice value from warehouse to warehouse. In case of product replacement: products will be replaced at no cost for the Principal Recipient. In case a reimbursement is requested, the reimbursement will cover the actual loss of the Principal Recipient, up to a maximum of 110% of the invoice value.
- 9.2 In countries with an increased country risk (WOL), any damage or loss resulting from acts related to increased country risk is not covered by the standard insurance. IDA follows the official IHS Foresight Country Risk Scores to determine if there is an increased country risk (WOL) in the countries of destination or countries of transit. If the country is rated as an elevated/high/severe risk country at the moment of quoting, IDA will include an additional premium applicable to the country to cover risk on-land.
- 9.3 In order to claim from IDA, the PR is required to report any visible damage, deviations and missing quantities within 3 days after the Proof of Delivery (PoD) signature date. The PoD serves as official confirmation of receipt of the consignment. Any visible damage, deviations and missing quantities are to be reported in the PoD and cannot be claimed for afterwards. After that, PR has 14 days to check boxes/bales and confirm acceptance of the goods and/or report any hidden damage using the Confirmation of Receipt (CRG) form, that IDA sends along with the Shipping Advice (see clause 12).
- 9.4 In case of CIP/CIF (air)port/terminal deliveries: there is a maximum period of 60 days to move the goods from the (air)port of delivery to a warehouse for visual inspection, after which the abovementioned timelines apply.

10. Demurrage and detention

- 10.1 Any demurrage or detention charges deriving from a situation which is beyond the control of IDA Foundation, such as, but not limited to situations referred to as force majeure, port congestions, customs clearance delays, non-availability of warehouse space and delays in offloading, shall be borne by the PR.

11. Quality

11.1 For LLINs:

- 11.1.1 All product/supplier combinations offered are on the List of WHO Prequalified Vector Control Products (see <https://www.who.int/pq-vector-control/prequalified-lists/en/>) and therefore comply with the Guide to Global Fund Policies on Procurement and Supply Management of Health Products (see https://www.theglobalfund.org/media/5873/psm_procurementssupplymanagement_guidelines_en.pdf). In case of deviations from the WHO specifications, approval of the Global Fund is required before issuing any PO for such product.
- 11.1.2 In line with the Global Fund policies, the consignments may be visually inspected and samples may be drawn and tested by IDA or its subcontractors. Goods will only be shipped after release of the products based on the test reports.
- 11.1.3 Inspection reports and test results of an order will be shared with the manufacturer for its reference.

11.2 For IRS:

- 11.2.1 All product/supplier combinations offered are on the List of WHO Prequalified Vector Control Products (see <https://www.who.int/pq-vector-control/prequalified-lists/en/>) and therefore comply with the Guide to Global Fund Policies on Procurement and Supply Management of Health Products (see https://www.theglobalfund.org/media/5873/psm_procurementssupplymanagement_guidelines_en.pdf).
- 11.2.2 In line with the Global Fund policies, the consignments may be visually inspected and samples may be drawn and tested by IDA or its subcontractors. Goods will only be shipped after release of the products based on the test reports. In case of deviations from the WHO specifications, approval of the Global Fund is required before issuing any PO for such product.
- 11.2.3 In line with the Global Fund policies, the consignments may be visually inspected and samples may be drawn and tested. In case of sampling or inspection, the goods will only be shipped after release of the products based on the test reports. Inspection reports and test results of an order will be shared with the manufacturer for its reference.

11.3 For Non-Prequalified Products:

For Non-prequalified products, IDA Foundation's products are of assured quality. Products that IDA procures and delivers to customers have passed through IDA comprehensive quality systems for approval.

11.4 Recalls

IDA is responsible for the prompt management of recalls, including providing a detailed report of any recall of products resulting from the procurement of defective products and the subsequent refund to the Global Fund for any payment for such products, where applicable. In addition, IDA is responsible for the prompt replacement of such defective products and/or payment of the costs incurred by the Global Fund and the PR in connection with the replacement of such products. Upon communication by IDA or the Global Fund, the PR shall quarantine products, provide prompt support for traceability purpose and updates of the progress and implications of any recall.

11.5 Warranties

All supplier/manufacturer's warranties offered to IDA shall be passed on to the Principal Recipient.

12. Confirmation of Receipt, Acceptance and Rejection of Goods

12.1 The PR is requested to send a signed Confirmation of Receipt of Goods (CRG) form to IDA, outside of wambo.org, within 14 days after receipt of goods in which non visible damage/discrepancies shall be reported (see clause 9.3). The CRG is a mandatory document requested by the Global Fund to confirm acceptance of the goods, in addition to the PoD, in which receipt is confirmed. In case there are no discrepancies to be reported and Proofs of Deliveries (PoDs) were already signed and sent, the PR is still required to confirm receipt via the CRG form, as per the Global Fund's policy. If the CRG form is still not received after 30 days after receipt of the goods, IDA considers the goods as received and accepted in good condition and will proceed with the financial reconciliation.

12.2 Upon receipt of the products at the designated delivery point as stated on the Wambo PO, the PR may inspect and verify (including visual inspection, quality testing, inspection or otherwise) products. Clauses 9.3 and 9.4 are applicable.

12.3 In case of non-conforming products, PR is to share the inspection and/or analytical reports with IDA when filing a complaint. Any dispute on the test results with the supplier and/or the PR will be resolved by sending sample sets to an independent lab identified by the Global Fund whose findings will be conclusive.

12.4 In case the complaint is justified, PR can:

- a. reject the non-conforming products and obtain a full refund from IDA; or
- b. reject the non-conforming products and obtain prompt replacement at IDA's expense (including further shipping and insurance costs); or
- c. retain the non-conforming products at an equitably adjusted price.

13. Dispute Resolution

Any dispute, controversy or claim arising out of or in connection with the PQ, PO or these Terms and Conditions that cannot be settled amicably by the parties, shall be finally settled by arbitration under the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules in force from time to time. There shall be one arbitrator. The appointment authority for such arbitrator shall be the International Chamber of Commerce International Court of Arbitration. The place of arbitration shall be Geneva, Switzerland. The language to be used in the arbitral proceedings shall be English. The parties shall accept the arbitral award as final.