



Project Implementation Manual

Version: October 2023

ABOUT PATRIP FOUNDATION

The PATRIP Foundation seeks to promote integration and enhance (cross-border) development cooperation and exchange in particular through short- and medium-term measures that promote the stabilisation of fragile states, help to contain crisis and support transitional situations, respectively, and reduce the effects of a crisis. Furthermore, projects funded under PATRIP aim to contribute to peace building through the strengthening of social integration, in particular of marginalized population groups.

Measures can be implemented in various sectors in individual countries as well as in regions (cross-border) with the aim to help stabilizing fragile regions by supporting their economic and social development.

As an independent, charitable and non-profit-making organization, the PATRIP Foundation demonstrates effective ways of providing resources for projects in fragile states and regions and improving economic opportunities in respective target areas. The Foundation has already made a significant contribution towards bridging political divisions and forming meaningful (cross-border) partnerships and agreements by engaging local and national governance structures.

The PATRIP Foundation funds small to medium-scale social and economic infrastructure projects that strengthen local development, enhance economic and social growth and improve the living standards of the local population. Projects may include accompanying and other “soft” components such as measures to enhance capacity development, social cohesion, and local conflict prevention and resolution.

The PATRIP Foundation works together with a consulting company, from here on referred to as the PATRIP Foundation Monitoring Consultant, to facilitate the implementation and monitoring of its projects.

For more information about PATRIP Foundation, visit the PATRIP Foundation website at <http://www.patrip.org>.

REVISION CONTROL REGISTER

The Revision Control Register lists the current versions of the Project Implementation Manual and shows the current versions of the individual sections of the document. The Revision Control Register will be maintained by the PATRIP Foundation and will be updated as and when required.

Item	Date	Key Changes
Contents	December 2018	Minor updates
	March 2022	Update of numbering of sections and annexes/standard templates
	October 2023	Updated page numbering due to changes in the main texts.
Abbreviations and Acronyms	October 2023	Updated Quarterly- to Semi-Annual Progress Report
About this document	December 2018	Minor updates
	March 2022	Minor updates
	October 2023	Minor updates
Part I General Guidelines	December 2018	Section 3 - Memorandum of Understanding Section 6 - Sustainable Project Operation and Maintenance Section 8 - List of items ineligible for funding by PATRIP Foundation. Section 10 - PATRIP Foundation Environmental and Social Policy.
	March 2022	Section 8 – Changes to the Implementation of a Project – Budgetary modification within the same sub-category up to 10% are allowed without prior NOC. Section 9 – PATRIP Foundation Environmental and Social Policy
	October 2023	Section 3 –registration of projects with the respective Government Ministries and/or line departments Section 9 – minor updates
Part II Procurement Guidelines	December 2018	Section 5 – Tender Brackets: Increase of ceiling for bracket 1 tenders from EUR 5,000 to EUR 10,000; Section 6.1 - Introduction of Standard Bidding Documents for Bracket 3 tenders for Goods and Works; Section 6.8 – Assessment of Bids Annex 1: updated Declaration of Undertaking Section 6

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	<p>March 2022</p> <p>October 2023</p>	<p>– Tender Brackets: Increase of ceiling for bracket 2 tenders from EUR 50,000 to EUR 100,000;</p> <p>– Silent approval procedure for services and goods under bracket 1</p> <p>- Introduction of Standard Bidding Documents for Bracket 2 tenders</p> <p>– Tender bracket 3: Additional NOC from PATRIP Foundation required for evaluation report of technical bids</p> <p>– Inclusion of bracket 4 requiring a KFW NOC in all steps of the procurement process</p> <p>Annex 1: updated Declaration of Undertaking</p> <p>Section 9</p> <p>– Fixed asset register for all assets procured under direct activity costs (AC) and activity support costs (AS)</p>
<p>Part III Exchange Rate Policy</p>	<p>December 2018</p> <p>October 2023</p>	<p>Section 3 & 4 – Further elaboration</p> <p>Section 6 - Retention Money: newly added</p> <p>Section 2 – changed quarterly to Semi-annual SoEs</p> <p>Sections 3 & 4</p> <p>– updated WAER calculation example</p> <p>– Added guidance on requirements to request use of general operational accounts</p> <p>– removed reference to quarterly reporting / SoEs</p>
<p>Part IV Progress Reporting</p>	<p>December 2018</p> <p>March 2022</p> <p>October 2023</p>	<p>Section 3 – Quarterly Progress Reports: Templates introduced and guidelines provided;</p> <p>Section 4 – Final Project Report: Templates introduced and guidelines provided;</p> <p>Section 5 – Follow-up reports on completed projects: newly added</p> <p>Section 4 – Quarterly Progress Report for QPR4 and Final Project Report: Reporting against indicators required</p> <p>Section 6 – Reporting Frequency Schedule alignment</p> <p>Section 1 & 3</p> <p>– replaced Quarterly Progress Reporting with Semi-Annual Progress Reporting</p> <p>– revised the instructions on progress reporting</p> <p>Section 4 – minor updates</p> <p>Section 6</p> <p>– revised Reporting Frequency to semi-annually for Progress Reporting, changed formulations</p> <p>– added ‘Follow-Up report on completed project’ to reporting frequency table</p>
<p>Part V</p>	<p>December 2018</p>	<p>Minor updates</p>

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ABBREVIATIONS AND ACRONYMS

AFG	Afghanistan
AIS	Accounting Information System
BoD	Board of Directors
CO	Community Organisation
Eoi	Expression of Interest
E&S Policy	Environmental and Social Policy
ESMP	Environmental and Social Management Plan
EU	European Union
EUR	Euro
FPR	Final Project Report
GFC Pty Ltd	Georg Fiebig Consultants Proprietary Limited
ILO	International Labour Organization
ISAE	International Standard on Assurance Engagements
IP	Implementing Partner
KfW	KfW Development Bank
MIPS	Monthly Implementation Progress Sheet
MoU	Memorandum of Understanding
NGO	(International/national) Non-Governmental Organization
NOC	No-Objection-Certificate
PAT	Pakistan, Afghanistan, Tajikistan Region
PKR	Pakistan Rupee, the currency of Pakistan
QCR	Quality Control Review
SPR	Semi-Annual Progress Report
SoE	Statement of Expenditures
TAJ	Tajikistan
ToR	Terms of Reference
USD	United States Dollar
WA	West Africa Region
WAER	Weighted Average Exchange Rate
XOF	West African CFA Franc (CFCA), the currency of Niger, Burkina Faso, Mali, Benin, Togo, Côte d'Ivoire, Guinea-Bissau and Senegal

ABOUT THIS DOCUMENT

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1. GENERAL

This document is called the ‘Project Implementation Manual’. The purpose of this document is to state implementation policies, procedures and reporting guidelines applicable to projects funded by PATRIP Foundation.

In order to ensure consistency in the implementation and reporting of projects, compliance by its users with this document is mandatory. Any changes to this document will be made only by the PATRIP Foundation.

2. SCOPE

This document is divided into six parts:

- I. General Guidelines
- II. Procurement Guidelines
- III. Exchange Rate Policy
- IV. Progress Reporting
- V. Financial Reporting
- VI. Disbursement Guidelines

Each part contains its own Table of Contents and shall be viewed as a standalone document.

3. OBJECTIVE OF THE MANUAL

The overall objective of this document is to guide Implementing Partners of PATRIP Foundation in following policies and procedures set out by the PATRIP Foundation for smooth implementation of the projects.

The specific objectives of this document are to:

1. Acquaint the management and the staff of Implementing Partners with the basic framework of the policies and procedures.
2. Guide the Implementing Partners in proper and timely reporting.
3. Provide standard formats for all Implementing Partners.

4. CONTROLLERS OF THE IMPLEMENTATION MANUAL

PATRIP Foundation is the controller of the Implementation Manual. All matters and inquiries relating to the document, such as its content, implementation and reporting requirements, scope and objectives should be addressed to PATRIP Foundation.

5. REVISION CONTROL REGISTER

Changes to any section of this document will be recorded in the Revision Control Register. The updated Revision Control Register and the relevant updated part(s) will be shared with all stakeholders.

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ABOUT THIS DOCUMENT

6. STANDARD DOCUMENTS

In order to streamline and standardize communication and information exchange between PATRIP Foundation and the Implementing Partners, standard documents have been developed for various purposes. All Implementing Partners are expected to use these. The documents are described in detail in the relevant parts of this document as noted in the following table and can be found, as appropriate, on the PATRIP Foundation website.

Name	Description	Part of this document containing detailed description
Letter Designating Authorized Signatories	Template for submitting signatures of authorized personnel for signing Financing and Special Agreements, Statements of Expenditure and Disbursement Requests	Part I, Section 1.1 Specimen Signatures
Procurement Plan	Annual list of planned procurements, as Excel file	Part II, Section 8, PROCUREMENT PLAN
Fixed Asset Register	Detailed list of all assets procured under PATRIP Foundation funding	Part II, Section 9 FIXED ASSET REGISTER
Monthly Implementation Progress Sheet (MIPS)	Excel file for reporting project-wise monthly implementation progress	Part IV, Section 2 MONTHLY IMPLEMENTATION PROGRESS SHEET (MIPS)
Semi-Annual Progress Report (SPR)	Narrative Semi-Annual Progress Report according to PATRIP Foundation guidelines	Part IV, Section 3 SEMI-ANNUAL PROGRESS REPORT (SPR)
Final Project Report	Final Project Report to be submitted after the completion of each project according to PATRIP Foundation guidelines	Part IV, Section 4 FINAL PROJECT REPORT
Statement of Expenditure (SoE)	Project-wise semi-annual expenditure report as Excel file	Part V, Section 1 STATEMENT OF EXPENDITURE (SoE)
External Audit Report	Standard TOR for audit report issued by an external auditor	Part V, Section 3.2 External Audit
Disbursement Request Form	Excel file requesting advance-, subsequent- and final disbursements of the Financial Contribution	Part VI, Section 2 DISBURSEMENT REQUESTS
Environmental and Social Policy	Document providing guiding principles and implementation commitments to ensure that projects are implemented in a sustainable way	Part I, Section 9 ENVIRONMENTAL AND SOCIAL POLICY
Standard Tender Documents for Goods & Works and Services	Word documents with templates to be used for the procurement of goods, works and services, including the Declaration of Undertaking	Part II; Section 7.1 BIDDING DOCUMENTS AND TERMS Part II; Section 7.9 ASSESSMENT OF BIDS

I. GENERAL GUIDELINES

I. GENERAL GUIDELINES

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BACKGROUND INFORMATION

The PATRIP Foundation is a charitable, non-profit-making organisation, organised and existing under the laws of the Federal Republic of Germany. In accordance with its statutory purpose, the PATRIP Foundation seeks to promote integration and enhance (cross-border) development cooperation and exchange in particular through short- and medium-term measures that promote the stabilisation of fragile states and regions, help to contain crisis and support transitional situations, respectively, and reduce the effects of a crisis. Furthermore, projects funded under PATRIP aim to contribute to peace building through strengthening social integration, in particular of marginalized population groups. Measures can be implemented in various sectors in individual countries as well as in regions (cross-border) with the aim to help stabilizing fragile areas by supporting their economic and social development.

The following sections describe the general contractual arrangements between PATRIP Foundation and the Implementing Partners and the relevant guiding documents for the implementation of projects.

1. FINANCING AGREEMENT AND SPECIAL AGREEMENT

Upon acceptance of a project proposal, the PATRIP Foundation signs a Financing Agreement and a Special Agreement with the Implementing Partner for the maximum amount of the financial contribution approved. These agreements administer the projects and the measures to be accomplished, and the systems and procedures to be followed for the satisfactory disbursement and liquidation of the financial contribution. Project contracts between the PATRIP Foundation and the Implementing Partner will be signed in EUR currency. These Manual forms an integral part of the Special Agreement, which makes it a legally binding document.

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1.1 Specimen Signatures

The Letter Designating Authorized Signatories is a template for submitting signatures of authorized personnel for signing Financing and Special Agreements, Statements of Expenditure (SoEs) and disbursement requests. Only authorized signatories may sign documents on behalf of their organization for which they have authorization. Every signatory has to submit a scanned copy of an ID document issued by a state authority showing the name, photograph and signature as a verification measure.

Should there be the need to amend authorized signatories during the implementation of a project, Implementing Partners shall notify such amendments by resubmitting the Letter Designating Authorized Signatories as per template, including a scanned copy of an ID document issued by a state authority showing the name, photograph and signature as a verification measure.

2. PROJECT IMPLEMENTATION

The project duration of PATRIP Foundation funding is for a fixed implementation period, as stipulated in the Financing and Special Agreement, and can only be exceeded at the discretion of PATRIP Foundation. If unforeseen delays in the implementation of a project occur, which might jeopardize the timely completion of a project, PATRIP Foundation must be notified immediately.

Implementing Partners must commit to the objectives of the PATRIP Foundation and conduct their operations and affairs in accordance with sound financial standards and practices and through qualified and experienced management staff and in accordance with their organisation's charter.

Project funds provided by the PATRIP Foundation for a specific project are limited to the amount agreed on in the Financing and Special Agreements between the PATRIP Foundation and the Implementing Partner. Should the implementation costs of a project be higher than originally anticipated, no additional funds can be requested from the PATRIP Foundation. The Implementing Partner and the PATRIP Foundation will jointly assess how funds in an ongoing project could be reallocated.

2.1 Financial Irregularities

PATRIP Foundation does not tolerate financial irregularities, including misprocurement, and requires all Implementing Partners to establish internal control systems in order to ensure that financial irregularities are prevented. Financial irregularities include corruption, embezzlement, misuse of funds, fraud, theft, defiance of sanctions, and favouritism. Further information regarding this can be found in the Compliance Covenants, which are an integral part of the Financing Agreement.

In order to comply with European law, the PATRIP Foundation will assess its Implementing Partners as well as persons acting on their behalf against different international sanctions-lists in order to avoid indirect financing of terrorist activities and money laundering.

PATRIP Foundation reserves the right to investigate any suspicion of financial irregularities, irrespective of the amount of money involved, and may suspend disbursements until the investigation is complete and the case is closed. If deemed necessary, the PATRIP Foundation Consultant and/or an external auditor may be engaged by PATRIP Foundation to carry out a forensic audit in order to dispel or confirm the suspicion. In accordance with the Financing

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Agreement, PATRIP Foundation may respond in one or more of the following ways if there is evidence of financial irregularities, depending on the case concerned:

1. Freeze disbursement until the case is resolved.
2. Claim reimbursement
3. Initiate civil action
4. Cancel claims
5. Claim compensation
6. Initiate criminal proceedings
7. Take disciplinary measures
8. Take measures to improve internal control systems of the concerned Implementing Partner
9. Discontinue cooperation with the concerned Implementing Partner

The concerned Implementing Partner will be given the opportunity to comment on the findings of the investigation, however the final decision on the findings of the investigation will rest with PATRIP Foundation.

3. MEMORANDUM OF UNDERSTANDING (MoU)

Implementing Partners are required to register their projects with the respective Government Ministries (where required) and/or line departments and sign a Memorandum of Understanding (MoU) with relevant Government line departments, communities or institutions (where applicable), where goods and facilities provided through the project are to be handed over to these institutions after the conclusion of the project to ensure the sustainability of the project infrastructure. Among others, the MoU shall clearly state:

1. The nature of the project, the source of funding,
2. Its location and which party is responsible for its implementation,
3. Which party is responsible for the operation, the maintenance of the project infrastructure after its handing over,
4. And how ongoing costs will be covered.

This applies especially to health, education and commercial facilities, but also to transport and other large-scale infrastructure, where costs for personnel and the operation and maintenance of the facilities must be covered in the long run. The signed MoU must be presented to the PATRIP Foundation as a prerequisite of any further disbursement after the advance payment and prior to the commencement of any physical works.

As PATRIP Foundation projects are being implemented in different countries and in different regions there are, at times, national requirements for NGOs to obtain a No-Objection-Certificate (NOC) from Government line Ministries and/or departments prior to the start of project activities for a proposed project. Relevant NOCs must be presented to the PATRIP Foundation as a prerequisite of any further disbursement to the Implementing Partner after the advance payment and prior to the commencement of any physical works.

4. INVOLVEMENT OF COMMUNITY GROUPS

Working through community groups and/or user groups has proven to be important for many successful projects. Therefore, Implementing Partners are encouraged to involve community - or other user groups

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of a future projects during the design phase and also during the implementation, operation and maintenance of the projects, where feasible.

Involving community groups and households who are accountable to one another and make decisions regarding their priorities for the projects increases their ownership towards the project. A community contribution, be it in kind or in cash, should also be considered to further the ownership by the benefitting communities for the infrastructures provided. Such community contributions shall be documented and reported during the implementation phase.

Where feasible, community groups can be organized in Community Organizations (CO) which should preferably fairly represent all social groups of a community. A CO should have the following characteristics – where these characteristics do not exist, the Implementing Partner is encouraged to train the communities accordingly:

1. Members must have a common interest;
2. Members have to belong to a specific geographical area;
3. The CO should conduct its affairs in an equitable manner and in accordance with sound and transparent administrative and financial practices;
4. The CO should have a record of regular meetings;
5. The CO should preferably have a savings programme for maintenance and operation of the infrastructure scheme provided;
6. Decisions must be made through an open and democratic process; and
7. Women should be active participants in decision-making.

5. SUSTAINABLE PROJECT OPERATION AND MAINTENANCE

The sustainability and longevity of infrastructure provided through the Programme must be ensured through regular and continuous maintenance as specified in the MoU between the Implementing Partner and the beneficiaries. Especially in smaller schemes such responsibility shall lie with the benefitting communities. During the implementation of a project Implementing Partners must make communities aware of their responsibility by training them in technical matters and providing tools required for the operation and maintenance of the schemes/projects as specified in the MoU between the Implementing Partner and the benefitting community.

6. VISIBILITY

All project sites shall be marked with at least one project sign board. The Implementing Partner has to ensure that the sign board will contain one of the following messages, according to the project donor:

In case the project is financed by a donor through KfW, the Implementing Partner shall state:

“This project is financed by <insert donor country> through PATRIP Foundation and KfW”.

In case the project is financed directly through PATRIP, the Implementing Partner shall state:

“This project is financed by <insert donor country> through PATRIP Foundation.”

If the donors are German ministries, the German Cooperation Logo shall be displayed. In case of other funding sources or co-funding, the flag of the funding country(ies) shall be displayed.

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Moreover, in any case the logo of PATRIP Foundation and the logo of the Implementing Partner shall be displayed. All logos shall be displayed in their appropriate proportions, without distortion.

In specific cases where the erection of a sign board increases the security risks, the Implementing Partner may request an exemption from this obligation.

The sentence “*This <insert publication type> is financed by <insert donor country > through PATRIP Foundation <insert “and through KfW”, if applicable>*” shall also be included on the front page of the relevant printed documents.

PATRIP Foundation shall be informed officially about the inauguration of completed projects financed under the programme well in time. Inauguration ceremonies shall be documented through photos and these shall be shared with PATRIP Foundation in the final project report.

7. ITEMS INELIGIBLE FOR PATRIP FOUNDATION FUNDING

For activities/items that are ineligible for funding by PATRIP Foundation unless agreed otherwise, please refer to the Exclusion List in the *PATRIP Foundation Environmental & Social Policy*.

8. CHANGES TO THE IMPLEMENTATION OF A PROJECT

Prior to undertaking changes to a project that result in the deviation from the signed project agreements between PATRIP Foundation and the Implementing Partner, whether with regard to the nature or scope of a project, the duration of the project implementation period or the financial status of a project including the use of contingency, a No-Objection Certificate (NOC) must be issued by PATRIP Foundation.

If an imminent need arises for a budget revision/deviation during the implementation stage of the project, Implementing Partners must inform PATRIP Foundation and seek approval prior to undertaking such changes. A request for a budget revision can only be processed after the actual implementation progress of the first six months of the project. Prior to that, budget revision requests will only be accepted exceptionally if well justified and required in a specific context.

Unless otherwise specified in the Special Agreement or project budget, the Implementing Partner may exceed individual budget items within one sub-category of the budget (AC1.1, AC2.1, AC3.1, AS1, AS2, AS3, B1, B2, B3,...) without prior approval of PATRIP Foundation by up to 10% if the exceeding is covered by cost savings in respect of other budget items in the same sub-category of the budget. The approved total Financing Contribution of PATRIP Foundation cannot be exceeded. In such cases, the Implementing Partner shall submit a note with the following Statement of Expenditures (SoE) to inform PATRIP Foundation explicitly about the budget variations. Changes in activities or the inclusion of new budget lines are not allowed without prior approval of PATRIP Foundation.

9. PATRIP FOUNDATION ENVIRONMENTAL AND SOCIAL POLICY

Committed to provide its best efforts to avoid or mitigate adverse environmental, social and climate impacts (if any) of projects in its portfolio, PATRIP Foundation has elaborated an Environmental & Social Policy (E&S Policy). The goal of the E&S Policy is to ensure that all projects are implemented in a

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sustainable way and providing guiding principles and implementation commitments which PATRIP Implementing Partners have to adhere to. Please refer to the PATRIP Foundation E&S Policy for details.¹

10. COMMUNICATION

For the submission of any kind of document, such as contract and reporting documents, please refer to the respective communication protocol agreed between the PATRIP Foundation and the Implementing Partner.

Everything that has to be submitted in writing shall be sent electronically, if not otherwise specified, to the designated staff members as per the respective communications protocol.

¹ For further details please see PATRIP's Environmental and Social Policy on the [PATRIP Foundation Homepage](#)

II. PROCUREMENT GUIDELINES

II. PROCUREMENT GUIDELINES

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1. GENERAL REMARKS

The Procurement Guidelines apply to the procurement of all consulting services, goods or works financed fully or partly from the Financial Contribution of PATRIP Foundation. The guidelines ensure that consulting services, goods and works are procured in a transparent, fair, efficient and competitive way, so that the PATRIP Foundation’s Financial Contribution is used in the most efficient way and that contracts financed through this contribution are awarded in a fair, transparent and well-documented manner.

PATRIP Foundation requires that Implementing Partners, bidders, suppliers, contractors and their agents and any personnel thereof, observe the highest standard of ethics during the procurement and execution of PATRIP Foundation financed contracts. The terms set forth are defined below:

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1. *“Coercive Practice”*: the impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of the person with a view to influencing improperly the actions of a person.
2. *“Collusive Practice”*: an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.
3. *“Corrupt Practice”*: the promising, offering, giving, making, insisting on, receiving, accepting or soliciting, directly or indirectly, of any illegal payment or undue advantage of any nature, to or by any person, with the intention of influencing the actions of any person or causing any person to refrain from any action.
4. *“Fraudulent Practice”*: any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.
5. *“Obstructive Practice”*: (i) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or the making of false statements to investigators, in order to materially impede an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice, or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) any act intended to materially impede the exercise of PATRIP Foundation's access to contractually required information in connection with an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice.

Implementing Partners must ensure that consulting services, goods and works that are to be procured in the framework of a project:

1. Are of satisfactory quality and compatible with the outcome of the project;
2. Will be delivered and/or are completed in time;
3. Are priced so as not to adversely affect the economic and financial viability of the project; and
4. Do not violate national laws of the recipients and donor countries nor the donor countries' sanctions against individuals and companies.

2. PATRIP FOUNDATION'S ROLE

When Implementing Partners procure consulting services, goods and works, they may be obliged to secure PATRIP Foundation's no-objection, depending on the contract value of the procurement, on the

1. Tender documents including the draft contract;
2. The tender evaluation report(s);
3. The absence of matches with sanctions lists;
4. The proposals for the award of contract, and
5. The contract to be signed.

Without PATRIP Foundation's no-objection, awarded consulting services, goods and works will not be financed by the Financial Contribution, depending on the contract value of the procurement as per respective tender brackets.

3. SANCTION LISTS

To comply with European and German law and to avoid indirect financing of terrorist activities, the PATRIP Foundation carries out regular checks against sanction lists. Therefore, PATRIP Foundation will have to assess its partner organizations as well as persons acting on behalf of the organization with different international sanctions lists. This regulation does not only apply to PATRIP-projects but also to KfW-projects and projects under European donorship.

The information provided will be checked by the service provider Dow Jones and the Implementing Partner will be informed about the outcome of the assessment. The information will be treated confidentially. To this end PATRIP Foundation will request Implementing Partners on a regular basis to provide relevant information in the "Sanction Control List for Individuals" for members of staff who can enter into legal agreements, authorized to operate bank accounts, signatories of checks etc. on behalf of the Implementing Partner. The relevant Excel template is provided by PATRIP Foundation.

4. CONFLICT OF INTEREST

PATRIP Foundation policy requires that a firm participating in a procurement process under its financed projects does not have a conflict of interest. Any firm found to have a conflict of interest will be ineligible for an award of a contract. If there is any personal relationship between the bidder and the PATRIP Foundation or the Implementing Partner, this must be stated as this might result in an exclusion of the bidder.

5. FAIRNESS AND TRANSPARENCY

All bidders who take part in a procurement for consulting services, goods or works financed fully or partly by funds stemming from the PATRIP Foundation must ensure a fair and transparent competition and to fulfil at least the International Labour Organisation's (ILO) key norms which are ratified by the country in which the services or works are performed. These must be documented by signing a Declaration of Undertaking in compliance with the specimen provided by PATRIP Foundation. If the Declaration of Undertaking is not provided in the bidding documents by the bidder, the bidder will be excluded from the tender.

5.1 Confidentiality

The tender process shall be treated confidentially. During the tender process, no information will be given to bidders or third parties who do not officially participate in the tender with regard to the evaluation of the proposals and recommendations for the award of contract. If the confidentiality has been broken the tender can be cancelled. In the time between the public announcement of the tender and the award of the contract, discussions with the bidders about their offers are not allowed. However, visits to the project sites or searching/reviews of documents are allowed as long as these activities serve the bidders for getting acquainted with the working environment. Furthermore, questions for clarification in writing are allowed. Answers will be given in writing and will be made available to all bidders who have registered.

5.2 Eligible Bids

Bids from companies, organisations or individuals are accepted for the tender if none of the following reasons for exclusion apply:

1. The company, organisation or individual is listed in the sanction and embargo list of the UN Security Council, the EU or the German Government;
2. The company, organisation or individual is legally barred from the procurement process on the grounds of previous violations of regulations on fraud and corruption; and
3. The company, organisation or individual to be contracted for considerable portions of the contract is an enterprise economically intertwined with persons conducting the tender.

6 TENDER BRACKETS

Under PATRIP Foundation funding, procurements for consulting services, goods and works are divided into several tender brackets based on the estimated value of the relevant tender. Each bracket requires the application of different tender procedures and entail different reporting requirements by the Implementing Partner towards PATRIP Foundation prior, during and past the relevant procurement process. Every tender bracket also entails different no-objections by PATRIP Foundation. A tender cannot be split into several tenders to make them fall within a lower tender bracket.

The following table shows the tender brackets and applicable tender procedures:

Bracket	Bracket Ceiling (EUR)	Tender Procedure
Bracket 1	Up to 10,000	Single tender (free awarding)
Bracket 2	10,001 - 100,000	Restricted tender based on short list of at least three qualified bidders
Bracket 3	100,001 to 200,000 (Services) 100,001 to 1,000,000 (Goods) 100,001 to 5,000,000 (Works)	Public competitive bidding
Bracket 4¹	Above 200,000 (Services) Above 1,000,000 (Goods) Above 5,000,000 (Works)	International competitive bidding, requiring NOC from KfW

¹ Bracket 4 only applies to projects funded via KfW.

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The following table provides tender bracket-specific information on the processes to be followed and documents to be submitted by Implementing Partners to obtain PATRIP Foundation's NOC on a tender process.

BRACKET	BRACKET CEILING (EUR)	TENDER PROCEDURE	PROCESSES REQUIRING NOC	DOCUMENTS REQUIRED TO BE ATTACHED WITH NOC REQUEST
Bracket 1	10.000	Single Tender: Free Awarding	1. ToRs for consulting services must be sent to PATRIP Foundation prior to procurement (following a silent procedure the procurement can start after ten working days without notice from PATRIP Foundation).	i. ToRs. After award of contract for record purpose: ii. Signed contract iii. Standard form of Declaration of Undertaking signed by the bidder
			2. Specifications of goods/equipment to be handed over to the project must be sent to PATRIP Foundation prior to procurement (following a silent procedure the procurement can start after ten working days without notice from PATRIP Foundation).	i. Specifications of goods/equipment. After award of contract for record purpose: ii. Signed contract iii. Standard form of Declaration of Undertaking signed by the bidder (whenever possible)
Bracket 2	10,001 - 100,000	Restricted Tender: based on a shortlist of at least three qualified bidders by using PATRIPs standard bidding documents	1. ToRs for consulting services must be sent to PATRIP Foundation prior to procurement.	ToRs.
			2. Specifications of goods/equipment to be handed over to the project must be sent to PATRIP Foundation prior to procurement.	Specifications of goods/equipment.
			3. Tender evaluation report / Comparative evaluation report must be sent to PATRIP Foundation prior to award of contract.	i. Tender evaluation report / Comparative evaluation report. ii. Technical and financial bids/quotations collected from the bidders. iii. Copies of RfQ/ToR shared with the bidders. iv. Standard form of Declaration of Undertaking signed by the bidders. v. Sanction control data of organization and individuals. After award of NoC from PATRIP Foundation: vi. Signed contract for procurement vii. Proof of performance security submitted by the contractor (only in case of 'Works')
Bracket 3	Above 100,001 - to 200,000 (Services) 100,001 to 1,000,000	Public Competitive Bidding, by using PATRIPs standard bidding documents	1. ToRs for consulting services must be sent to PATRIP Foundation prior to procurement	ToRs.
			2. Specifications of goods/equipment to be handed over to the project must be sent to PATRIP Foundation prior to procurement.	Specifications of goods/equipment.

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	(Goods) 100,001 to 5,000,000 (Works)		2. Full tender documents must be sent to PATRIP Foundation prior to tendering.	i. Draft tender document. ii. Draft advertisement. After approval of tender document by PATRIP Foundation: iii. Tender schedule
			3. The technical evaluation report must be submitted to PATRIP Foundation for NOC prior to opening the financial bids. The final tender evaluation report including the financial bid must be sent to PATRIP Foundation for NOC prior to award of contract. The result of the final negotiations has to be documented in the minutes of negotiation. Negotiated contract has to be sent to PATRIP Foundation for approval prior to signing of the contract.	i. Detailed tender evaluation report with recommendation for award. ii. Bids submitted by bidders (technical and financial). iii. Bid registration form. iv. Attendance record of bid opening session (Technical and Financial) v. Standard form of Declaration of Undertaking signed by the bidders. vi. Sanction control data of organization and individuals. After award of NoC from PATRIP Foundation: vii. Signed contract with the contractor viii. Proof of performance security submitted by the contractor
Bracket 4* (KfW funding)	Above 200,000 (Services) Above 1,000,000 (Goods) Above 5,000,000 (Works)	International Competitive Bidding, by using PATRIPs standard bidding documents	1. ToRs for consulting services and specifications of goods/equipment to be handed over to the project must be sent to PATRIP Foundation / KfW prior to procurement.	ToRs for consulting services or specifications of goods/equipment.
			2. Full tender documents must be sent to PATRIP Foundation / KfW prior to tendering.	i. Draft tender document. ii. Draft advertisement. After approval of tender document by PATRIP Foundation and KfW: iii. Tender schedule
			3. The technical evaluation report must be submitted to PATRIP Foundation / KfW for NOC prior to opening the financial bids. The final tender evaluation report including the financial bid must be sent to PATRIP Foundation / KfW for NOC prior to award of contract. The result of the final negotiations has to be documented in the minutes of negotiation. Negotiated contract has to be sent to PATRIP Foundation / KfW for approval prior to signing of the contract.	i. Detailed tender evaluation report with recommendation for award. ii. Bids submitted by bidders (technical and financial). iii. Bid registration form. iv. Attendance record of bid opening session (Technical and Financial) v. Standard form of Declaration of Undertaking signed by the bidders. vi. Sanction control data of organization and individuals. After award of NoC from PATRIP Foundation and KfW: vii. Signed contract with the contractor viii. Proof of performance security submitted by the contractor

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The following tables provide tender bracket-specific information on the minimum content of ToRs, Requests for Quotations and evaluation reports.

General Minimum Required Contents of RfQ - Goods and Works (Bracket - 2) as per Standard Bidding Documents	
	Contents
1.	Detailed specification of Goods/Works
2.	Required quantities
3.	RfQ opening/floating date
4.	RfQ collection/closing date
5.	Mode of payment (cash/cheques)
6.	Location and time of delivery
7.	Warranty period (if required)
8.	Licensing / registration requirements (if required)
9.	Required offer validity period
10.	Guidance over submission of financial offers, e.g.: taxes, transportation and accommodation costs etc.
11.	Evaluation criteria

General Minimum Required Contents of ToRs for Services for Bracket 1-4	
	Contents
1.	Project objective
2.	Location
3.	Key deliverables
4.	Required qualification/skill/experience
5.	Licensing / registration requirements (if required)
6.	Scope of work
7.	Fee schedule
8.	Declaration of undertaking
9.	Evaluation criteria (Except for Bracket 1)

Minimum Required Contents of Comparative Evaluation Report for Bracket 2 Goods, Works and Services	
	Contents
1.	An explanation on which grounds companies were selected for request of submission of a bid
2.	Technical evaluation against the criteria included in RfQ/ToR
3.	Comparison of financial quotations/bids
4.	Recommendation for award of contract
5.	Signatures of evaluation committee

Minimum Required Contents of Tender Evaluation Report for Bracket 3 and 4 Tenders (as per Standard Bidding Documents)	
	Contents
1.	Composition of the tender evaluation committee
2.	Minutes of proceedings of the bid opening sessions
3.	Results of compliancy check and completeness of technical bids
4.	Detailed technical evaluation criteria adopted by the evaluation committee and the evaluation results
5.	Results of financial evaluation
6.	Final evaluation
7.	Recommendation for award of contract
8.	Signatures of evaluation committee

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Bracket 1: Single Tender Procedure

The contract can be freely awarded to a qualified company, organisation or individual without a short-listing of bidders. The procurement may only be carried out if the Procurement Plan including the specific procurement has been approved by PATRIP Foundation. ToRs for services, list and specifications of goods and designs for works shall be submitted to PATRIP Foundation.

For services and goods a silent procedure applies. If PATRIP Foundation does not comment or object within 10 working days, the ToRs or specifications are approved.

The selection of the company, organization or individual must be well explained and documented.

Once a procurement contract has been signed, a copy of the signed contract shall be shared with PATRIP Foundation. Where amendments to contract documents are undertaken during the life of a project, revised contracts are also to be shared with PATRIP Foundation.

Bracket 2: Restricted Tender Procedure

Bracket 2 procurements are to be based on Standard Bidding Documents provided by PATRIP Foundation. At least three qualified companies, organisations or individuals must be requested for the submission of a bid. Prior to any procurement the Implementing Partner must at least share the ToRs, specification and/or designs of the consulting services, goods or works to be procured with PATRIP Foundation for approval. Upon completion of the tender process and prior to signing the procurement contract Implementing Partners must submit a tender evaluation report to PATRIP Foundation for no-objection. The tender evaluation report must explain the tender result, contain the tender invitation letter and include the ToR, specifications, designs and the technical and financial bids and an explanation on which grounds companies were selected for request of submission of a bid. Furthermore, information of the persons or entities acting in concert of the winning bidder must be provided together with the tender evaluation report to PATRIP Foundation for a compliancy check and no-objection prior to signing of the procurement contract.

Once a procurement contract has been signed, a copy of the signed contract shall be shared with PATRIP Foundation. In case of contracts for works, a proof of the performance security furnished by the contractor, if required under the conditions of the tender, shall also be shared with PATRIP Foundation.

Where amendments to contract documents are undertaken during the life of a project, revised contracts are also to be shared with PATRIP Foundation.

Please note that amendments to existing contracts are only possible if:

- a) the total aggregate amount of the amendments is significantly lower than the initial Contract value (as a general rule less than 25 % of the initial Contract value), or the amendment does not justify a new competitive Tender Process, **and**
- b) the nature and scope of the amendment does not result in a substantial modification of the initial Contract content.

In the case that a tender process does not return a result an evaluation report must be submitted describing why the process failed and with a recommendation for a new tender process, including revised terms and conditions of the RfQ, which are assumed to return a successful tender result. After approval of PATRIP Foundation of the evaluation report and the revised RfQ the original procurement process will be cancelled, and a new procurement process will be launched.

Bracket 3: Public Competitive Bidding Procedure

Prior to launching any tender announcement, full tender documents and ToRs and / or specifications must be sent to PATRIP Foundation for NOC. These must follow the Standard Bidding Documents provided by PATRIP Foundation.

The bracket 3 NOC process consists of two steps, first the NOC of PATRIP Foundation on the technical evaluation report, and secondly on the financial evaluation report. In addition, prior to contracting or purchasing, information of the persons or entities acting in concert of the winning bidder, must be submitted to PATRIP Foundation for NOC. A representative of the PATRIP Foundation shall be invited to take part in the pre-bid meeting and the technical and financial tender openings. Please note that the lowest bid price alone is not necessarily decisive.

Once a procurement contract has been signed, a copy of the signed contract shall be shared with PATRIP Foundation. In case of contracts for works, a proof of the performance security furnished by the contractor, if required under the conditions of the tender, shall also be shared with PATRIP Foundation.

Where amendments to contract documents are undertaken during the life of a project, revised contracts are also to be shared with PATRIP Foundation.

Please note that amendments to existing contracts are only possible if:

- c) the total aggregate amount of the amendments is significantly lower than the initial Contract value (as a general rule less than 25 % of the initial Contract value), or the amendment does not justify a new competitive Tender Process, **and**
- d) the nature and scope of the amendment does not result in a substantial modification of the initial Contract content.

Bracket 4: International Competitive Bidding Procedure (for projects funded via KfW)

Bracket 4 procurements follow the same procedures as Bracket 3 tenders. However, in addition, each step of the procurement process shall require a no-objection (NOC) from KfW and PATRIP Foundation before the following step is initiated. Hence, no-objection from KfW via PATRIP Foundation is necessary for at least: the tender documents, the evaluation reports and the final contract draft applying to consulting services, goods and works.

Additionally tender notices for international competitive Bidding Procedure are mandatorily to be published on the GTAI website (www.gtai.de) in line with the KfW requirements. The publication of tender notices in different media shall be made at the same time and in no case prior to GTAI's publication.

Sub-contracting of Services and / or Works

In the tender documents and the evaluation reports applying to consulting services, goods and works falling under tender brackets 2, 3, and 4, the Implementing Partner must describe whether services or works by a contractor will be subcontracted, and if so, must indicate the percentage of the total contract amount to be subcontracted. The Implementing Partner must include in their contracts with the contractor a clause specifying the percentage of services or works to be subcontracted, if applicable. Furthermore, the Implementing Partner must include a clause in their contracts with the subcontractors

stipulating that PATRIP Foundation will assess the subcontractor as well as persons acting on their behalf against different international sanctions-lists in order to avoid indirect financing of terrorist activities and money laundering.

6.1 Notification of bidding opportunities

For bracket 3 tenders timely notification of bidding opportunities is essential in competitive bidding. The services, goods or works to be tendered have to be published at least in one newspaper of national circulation. Where applicable, it can be furthermore publicized via radio or television, an official gazette, or on a widely used website or electronic portal with free national and international access, in English/French (as applicable) and in a national language. Goods, works and consulting services can also be advertised at DEVEX (www.devex.com/en), dgMarket (www.dgMarket.com) and Germany Trade & Invest (www.gtai.de). Devex.com, dgMarket and gtai.de are websites where contractors and consultants have the opportunity to receive information on bids announced by organisations. This gives all interested potential bidders the opportunity to apply for the contract in question.

The following information is to be published in the advertisement:

1. A list of the goods and works required and services to be performed; and
2. further documentation on the project which the applicants will need to make their bids and price quotations.

The applicants must have a period of at least 21 calendar days to submit their bids.

For bracket 4 tenders, in addition to the above, international publication at Germany Trade & Invest (www.gtai.de) is mandatory. In this case, the applicants must have a period of at least 45 calendar days to submit their bids.

7 TENDER PROCEDURES

7.1 Bidding Documents and Terms

Bidding documents are to be set out to ensure fair and transparent competition with equal opportunities for all bidders. To this end, bidders will be informed about the selection criteria and how these are considered in the evaluation of the bids. As a general rule, the documents shall include:

For consulting services:

1. General information about the project and the services to be provided;
2. Information on the execution of the bidding process and evaluation procedures;
3. Sample form of tender;
4. General and specific conditions of contract and, if appropriate, draft contract;
5. Declaration of Undertaking.

For goods and works:

1. General technical conditions of contract, neutral technical specifications with bill of quantities, specifications or performance criteria for performance-based contracts;
2. Clear and complete design documents;

3. Specification of standards and measuring system applied;
4. Standard forms of bid bond, advance payment bond and performance bond, if applicable;
5. Preliminary cost estimates, unless there are serious reservations against their disclosure;
6. Declaration of Undertaking (whenever possible).

The procurement conditions must clearly and unequivocally define the obligations to be entered into by the subsequent contractual parties. In particular, this applies to the scope of supplies and the place of delivery, liability and warranty obligations, and public charges and levies to be borne by the bidder.

PATRIP Foundation provides Standard Bidding Documents for procurements of goods, works and services. For bracket 2 to 4, the use of these is mandatory. No other bidding documents can be applied for bracket 2 to 4. These can be found on the PATRIP Foundation website.

No fee shall be charged for the bidding documents, unless these are large documents that are costly to print and dispatch. If a fee is charged, it shall be reasonable and reflect only the cost of the typing, printing or publishing in an electronic format and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

7.2 Clarifications and Complaint Mechanism

The Standard Bidding Documents include a paragraph that explains the process in case interested bidders require any clarification of the qualification documents and on how to respond to respective requests. Replies to request for clarifications shall be sent simultaneously to each recipient of the original Tender Documents or published in the same medium as the tender notice in sufficient time to enable potential Applicants/Bidders to take appropriate action, which means no later than ten (10) calendar days prior to the submission deadline. For procurements under bracket 2 the delay for replying to clarification requests can be reduced to a minimum of five (5) calendar days prior to the submission deadline.

Furthermore, the PATRIP Foundation needs to be informed about complaints and their resolution (e.g. applicants/bidders who consider that actions or decisions by the Implementing Partner in the course of the tender process result in an unfair disadvantage may file a procurement related complaint). The Standard Bidding Documents include information on how such complaints need to be addressed and lay out the process that Implementing Partners need to follow. The award of a contract shall not take place until all complaints have been handled adequately.

7.3 Currency of Bid

The bidding documents specify the currencies in which the bid price is to be expressed. Usually, the currencies of bids are commonly used international currencies (such as USD or EUR) and/or the national currency of the country in which the consulting services or goods and works will be delivered. With regard to possible changes in the exchange rates during the procurement process, the relevant date for the conversion of bid prices will be specified. For the purpose of comparing prices, bid prices shall be converted to a single currency selected by the Implementing Partner (local currency or fully convertible foreign currency) and stated in the bidding documents. The Implementing Partner shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank) or by a commercial bank or by

an internationally circulated newspaper for similar transactions on a date selected in advance, with such a source and date to be specified in the bidding documents, provided that the date shall not be earlier than 4 (four) weeks prior to the deadline for the receipt of bids, nor later than the original date for the expiry of the period of bid validity. It should be as near to the bid opening date as possible. Furthermore, the rate to be used for the conversion will be indicated (usually the selling rate published by an official source on a specific date).

When defining the currency of contract and payments the laws of the country in which the project is implemented must be taken into consideration, especially, where it is mandatory by law that bids and payment are made in local currency.

7.4 Currency of Payment

Payment of the contract price shall be made in the currency as defined in the bidding document.

7.5 Performance Security and Retention Money (Goods and Works)

Contracts for works and single responsibility contracts require security in an amount sufficient to protect the Implementing Partner in case of breach of contract by the Contractor. This security must be provided in an appropriate form and amount, as specified by the Implementing Partner in the bidding document. The amount of the security may vary, depending on the type of security furnished and the nature and magnitude of the works or facilities. A portion of this security must extend sufficiently beyond the date of completion of the works or facilities to cover the defects, liability or maintenance period up to final acceptance by the Implementing Partner. Contracts for works may provide for a percentage of each periodic payment to be held as retention money until final acceptance.

In contracts for the supply of goods, the need for performance security depends on the market conditions and commercial practice for the particular kind of goods. Suppliers or manufacturers may be required to provide a security in an appropriate and reasonable amount to protect against non-performance of the contract. The security shall, if required, also cover warranty obligations and any installation or commissioning requirements.

7.6 Submission of Bids

Technical bids (for goods, works and services) and the financial bids must be submitted in separate sealed envelopes.

However, for bracket 2 tenders (restricted tender based on a short list of at least three qualified bidders) and where the technical offer is evaluated on a 'Pass' and 'Fail' basis (for goods and works), the technical and the financial bid can also be submitted in one envelope.

For bracket 3 and 4 at least one original hard copy of the technical and financial bid (including an electronic copy separate for each bid) each must be sent to the Implementing Partner, by the deadline given in the request for tenders. After that date, no amendments or additions may be made to the bids. Any attempt to do this can result in exclusion from the remainder of the selection process. The technical bids will be opened immediately after the expiry of the deadline. The

envelopes containing the price quotations remain sealed and are only opened for those applicants who have passed the technical evaluation as per criteria set out in the bidding documents.

7.7 Neglecting of Bids

Bids are disregarded if:

1. Anybody involved in the tender procedure has influenced the selection procedure with illegal payments or by granting or promising other advantages, or if circumstances suggest that such influence has been exercised;
2. A bid has been received after expiry of the deadline;
3. The bid does not fulfil the criteria in the request for tenders in essential points, if it is incomplete or contains inadmissible restrictions;
4. The statement by the applicant that he is associated with other companies does not clearly show that the former or the latter will not apply to participate in the same project as manufacturers, suppliers or construction firms;
5. The consultant and/or the construction company has not submitted a Declaration of Undertaking in compliance with the specimen provided by PATRIP Foundation; and
6. Persons or entities acting in concert of a bidder are listed on a relevant sanction list.

7.8 Bid Opening

Bracket 2:

As bracket 2 bids may follow a single envelope procedure – in case the technical offer is evaluated on a 'Pass' and 'Fail' basis – a record of the bid opening session shall be prepared and signed by the members of the bid evaluation committee. The bid evaluation committee shall comprise members duly approved by the management of the Implementing Partner, having technical, financial and procurement expertise required to assess the relevant bidding documents.

Brackets 3 and 4:

Bracket 3 and 4 bids, which are to be submitted in two separate sealed envelopes (technical and financial), must be opened at the place and time specified in the bidding documents. The technical bid opening will take place in public, with the name of the bidder and the list of submitted documents being read out and recorded, but without the total amount of the bid and any alternative bids being read out aloud. The financial bid opening session will take place with those bidders, who have qualified technically. A record of the bid opening sessions will be prepared, signed by the members of the bid evaluation committee. The bid evaluation committee shall at least comprise of members duly approved by the management of the Implementing Partner having technical, financial and procurement expertise required to assess the bidding documents. For bracket 3 and 4 bids a representative from the PATRIP Foundation shall be invited to attend the bid opening.

7.9 Assessment of Bids

Consulting Services

Consulting Services: Bracket 1

Services can be directly awarded to a qualified consultant of choice who has submitted a price quotation, the Declaration of Undertaking and a letter of acceptance of the tasks as described in the ToR.

Consulting Services: Brackets 2 to 4

Bids will be assessed by the Implementing Partner. When consultancy contracts are being awarded the technical qualifications of the applicants and the quality of the services offered are of decisive importance.

The bid for services should show that the terms of reference and their objective have been fully understood by the applicant, and that the methods and resources proposed are suitable and will be employed appropriately to fulfil the tasks required.

Technical Bids for services will be assessed based on a list of criteria established in advance, normally accounting for 80% of the overall rating of the bids. To qualify technically, bidders have to achieve at least 70% of technical scores as described below under 'Remarks on the Assessment of Bids for Consulting Services'. Where deemed necessary the technical threshold for qualification can be lowered to 60%. However, there must be very good reasons for this and this would only be possible in special cases.

In principle Financial Bids will be assessed based on the total price quoted (excluding customs and excise duties, taxes and levies in the project-executing agency's country) and after correcting of any arithmetical errors and deducting cost items which are not to be included in the assessment, as per the request for tenders. Incidental costs and additional services that are paid separately can be assessed by quantity, should this be the only way of making price quotations comparable. Items missing in a specific bid can be added on the basis of the most expensive bid opened, in specific cases. For the purpose of comparison, the total adjusted price calculated will be converted to the currency that is to be applied in the assessment as stated in the request for tenders, at the exchange rate fixed. The steps taken to calculate the total adjusted price will be explained in detail in the assessment report.

The price quotation will generally account for 20% of the overall rating. If it is to be given greater weight, e.g. in the case of supervision of construction work, this must have been stated in the request for tenders.

The price quotation with the lowest adjusted price will receive the maximum possible number of points (generally 20). The number of points awarded to the other price quotations opened is calculated by dividing the total adjusted price of the lowest bid by the total adjusted price of each of the other bids and by multiplying these with the maximum possible number of points achievable.

Final Evaluation (technical & financial bids): The technical bid with the highest rating will receive the maximum possible number of points (generally 80). The number of points awarded to the other bids for services is reached by dividing the rating of each by the rating of the top bid for services, and then multiplying by the maximum possible number of points. The number of points given for

the price quotation will be added to the number awarded for the technical bid. The order of the applicants will be determined by the total number of points awarded. The bid with the highest total number of points will be the best bid received.

If an extension of the validity period of the tender becomes necessary, the reasons are to be stated in the evaluation report. An extension of the validity period may not lead to changes in the bid prices.

Remarks on the Assessment of the Bids for Consulting Services

The Implementing Partner shall ascertain whether the bids for services meet the eligibility requirements such as:

- the procurement guidelines;
- the terms of reference;
- fulfilling the objectives of the services;
- documents have been properly signed;
- bids are accompanied by the required securities or required declaration signed as specified;
- bids are substantially responsive to the bidding documents;
- bids are otherwise generally in order, and
- methods and resources proposed are suitable and appropriate to fulfil the task.

If a bid is not substantially responsive, that is if it contains material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall neither be permitted nor invited by the Implementing Partner to correct or withdraw material deviations or reservations once bids have been opened.

Assessment

In assessing the bids for services brief and precise statements should be employed. As the assessment is made by professionals, applicants shall refrain from explanations in a textbook style manner. The documents shall be complete, clear and arranged in a readable manner. Particularly in the case of more complex terms of reference the presentation shall include diagrams, tables and graphics. The Implementing Partner shall evaluate each technical proposal (using an evaluation committee of three or more specialists in the sector), taking into account several criteria: (a) the bidder's relevant experience for the assignment, (b) the quality of the methodology proposed, (c) the qualifications of the key staff proposed, (d) transfer of knowledge, if required in the ToR, and (e) the extent of participation by national experts among key staff in the performance of the assignment.

Only those applicants who receive not less than the minimum number of points required as laid down in the request for tenders can be considered in the assessment of the price quotations.

The weighting of the criteria will be fixed in the request for tenders in accordance with the requirements of the project. On the technical level the weighting of the "concept and methodology" part will generally be between 55%-60% in the case of a study, and 40%-45% for construction supervision. The weighting for the "qualifications of the assigned personnel" has to be adjusted accordingly. Where sub-criteria have been agreed between the Implementing Partner

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and the PATRIP Foundation these will be given in the request for tenders with their relevant weighting,

The following criteria for the assessment of the bids for services are meant for information purposes only, and are to be adjusted to the relevant bidding process:

Technical Criteria			Points
1.	Concept and methodology		40 - 60
1.1	Clarity and completeness of bid:	approx. 10%	
1.2	Critical analysis of the objective of the project and the terms of reference	approx. 30%	
1.3	Proposed concept and methodology, including a work programme, a staffing schedule and monitoring and coordination mechanisms	approx. 60%	
2.	Qualifications of assigned personnel		60 - 40
2.1	Qualifications of key personnel to be employed on the project, in particular the project manager	approx. 90%	
2.2	Qualifications of the personnel in the home office who will monitor and control the team, and provide back-up services	approx. 10%	
Total			100

Notes on the Criteria

Clarity and completeness of the bid

The bid for services must take full account, in contents and form, of the terms of reference and the conditions on the bid for services in the request for tenders. All components of the bid for services that are required must be presented. 'Clarity' of a bid refers to a clear structure of a bid. Textual statements shall be supported with appropriate tables, lists and other editorial aids in accordance with the complexity of the terms of reference and a balanced use of annexes, to keep the main text clear and precise. If there are minor omissions in relation to the terms of reference, points will be deducted. Omissions that considerably restrict comparison with other bids can cause the applicant to be excluded.

Critical analysis of the objective of the project and the terms of reference

The bid for services must show that the applicant has considered the objective of the project and of the terms of reference and that his concept is based on critical and in-depth deduction from this. Any doubts about the suitability, consistency and feasibility of individual aspects and the concept as a whole must be expressed. The methodological section must take constructive account of these while avoiding inadmissible restrictions.

Proposed concept and methodology, work programme and staffing schedule, control mechanisms and project coordination

The bid for services must present the methodological approach and the programme of work in such a way that their suitability in regard to the terms of reference can be assessed and can be compared with other qualified bids: this includes a work programme and a staffing schedule. If according to the professional judgement of the assessors and of PATRIP Foundation there is an evident discrepancy between the terms of reference and the quantities given, the bid may not be considered. The bid shall clearly describe how the task will be undertaken and the resources used, how project activities are divided between team members, how the coordination with project stakeholders (beneficiaries and partners) is to be organised and how the quality of work is to be

assured. The bid must be supplemented with diagrams, tables and, in the case of a complex project with appropriate graphics.¹

Qualifications of key project personnel, in particular of the project manager

The curricula vitae of the expert personnel - for lump sum contracts the key personnel - shall have a cover sheet containing a summary and include, here or in the text, a brief statement by the applicant on their suitability for the envisaged work and function under this particular project (in more detail for local experts). For lump sum contracts the bidder must also state the composition of the entire project team - without listing any names – and the planned periods of assignment of the experts. These personal qualifications will not be assessed in absolute terms but in relation to the tasks to be performed, in accordance with the functions and technical fields required, and in comparison with the experience and requirements profile. The assessment of the formal criteria (training, professional experience, regional experience, knowledge of languages, management and training experience) will vary according to the terms of reference and the function.

The assessors will also consider whether all necessary technical and functional areas are covered in accordance with project requirements. Particular attention will be given to the project manager's qualifications, as she/he bears the operative responsibility for the performance of the services. In her/his case management experience, knowledge of languages, knowledge of planning methods and experience in moderation will generally be rated more highly than for other skilled personnel proposed.

Qualifications of key personnel offering back-up services from the home office and monitor and control the team

The bidder must show that he (on his own or in conjunction with partner firms) can provide competent back-up services for the team working in the field on all technical questions that may arise during project implementation, using experienced inhouse personnel that he can control and monitor the work. Generally, professional expertise and management experience shall be rated higher than knowledge of languages or the region. In the case of long-term services and detailed studies the support from the home office shall be rated higher than in the case of short studies, as in such case more responsibility lays with the project manager.

¹ At least as follows:

- Summary of planned programme (bar graph:interdependent work stages, persons handling each stage, deadlines for discussions, decisions and submission of reports, etc.)
- Staffing schedule (bar chart:times and places of assignment for each professional, continuous/ intermittent assignment, activity; including a table stating the precise periods of duty for each professional, by places of assignment)

Goods and Works

Goods and Works Bracket: 1

The contract can be directly awarded to a supplier of choice offering the required items to be procured.

Goods and Works: Bracket 2

The purpose of the evaluation is to determine the most advantageous offer by assessing the relevant factors of the individual bids and by subsequently comparing all bids submitted. If specified in the bidding documents, the evaluation includes not only the price offered but also other factors that are relevant to the success of the project and that can be quantified.

Technical Bids for goods and works will be assessed based on a list of criteria established in the request for quotation sent to at least three qualified bidders, such as the delivery or construction period, personnel available, equipment lists, costs of operation and total useful life, supply of spare parts, service, and the qualification for training local personnel, to ensure that the goods and works comply with the requirements of the tender. A point scoring of the technical bids will not be undertaken but rather a simple compliance check against quantifiable evaluation criteria is to be applied and to be specified in the Request for Quotation (RfQ). At the time of setting the evaluation criteria in the RfQ, minimum thresholds for each quantifiable criteria should be set.

Financial Bids will be assessed for arithmetic correctness and if a bid price appears to be unusually low in relation to the services to be rendered the bidder will be requested to submit a written breakdown of his price calculation. If, after review of the notes submitted by the bidder, reasonable doubts persist as to whether the required goods and works can be provided from the rates offered and if this is reasonably expected to pose a considerable risk to the performance of the contract, the bid in question will have to be excluded.

To enable a comparison of bids, the evaluation of the bid prices will consider the import duties and taxes actually applicable. Under works contracts, contractors are responsible for all duties, taxes, and other levies and bidders must take these factors into account in preparing their bids. The evaluation and comparison of bids shall be carried out on this basis. The financial bid evaluation for works must be strictly in monetary terms. In cases where competition between qualified bidders would be seriously distorted as a result of local regulations or double taxation agreements, an appropriate procedure will be defined before the start of the tender to redress such distortion, a corresponding note will be included in the bidding documents.

Final Evaluation (technical & financial bids): Generally, the lowest bid price, which complies technically, is decisive. A statement must be provided in the bid evaluation report explaining the technical suitability of the winning bid.

If an extension of the validity period of the tender becomes necessary, the reasons are to be stated in the evaluation report. An extension of the validity period may not lead to changes in the bid prices. The extension entitles the bidders to withdraw their bids upon expiry of the original binding period without allowing the bid bond to be drawn.

Negotiations with the bidder as well as alterations of bids between the opening of the bids and the award of the contract are not admissible. However, clarifications from the bidders that are necessary for the evaluation of the bids may be sought. Neither the clarifications demanded nor

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Part II: PROCUREMENT GUIDELINES

the alterations made by the bidder may lead to any changes in the contents or price of the bid. Queries on the part of the Implementing Partner and responses from the bidder must be in writing.

Goods and Works: Bracket 3

The purpose of the evaluation is to determine the most advantageous offer by assessing the relevant factors of the individual bids and by subsequently comparing all bids submitted as per specifications provided in the bidding documents.

The Technical Evaluation will be carried out in two steps:

Step 1 - Compliancy Check, assessing that the Declaration of Undertaking and the Tender Security have been submitted and are compliant and that the financial envelope is separate and sealed. If these documents are not submitted according to the relevant criteria of the Standard Bidding Documents, the bidder will be disqualified immediately without any further evaluation.

Step 2 - Technical Qualification: Evaluation of general company information (letter of submission, bidder information form, work experience, financial capability, staff resources, present projects) and specific company information (company's equipment, method statement, time schedule, additional information, completed and initialised tender documents). Each criterion will be evaluated separately on a 'Pass' and 'Fail' basis and according to the relevant criteria of the Standard Bidding Documents. Should the bidder score one or more 'Fail(s)' in this section, the company will be considered non-responsive and be excluded from any further evaluation. Tenders are only technically qualified, if all documents are submitted and all points are described to full satisfaction of the evaluation committee and as requested in the bidding documents. Only in the case where the general company information is insufficient due to an obvious unintentional omission in the submission, a query for additional information (about general company information- see listing above) from the bidder can be requested to compliment the bidder's submission. Any clarifications sent to bidders and relevant responses received including the requested documents, must be documented in the tender evaluation report. There will be no scoring or ranking of technical proposals.

The technical evaluation report must be submitted to PATRIP Foundation for NOC prior to opening the financial bids.

Financial Evaluation: The financial envelopes of those bidders will be opened who are technically qualified, e.g. being compliant with requirements of the Step 1, the Compliancy Check and have received no 'Fails' under Step 2, Technical Qualification.

The financial bids will be checked for any arithmetic errors, and corrected as per the relevant clause of the Standard Bidding documents. The most favourable bidder is the one with the lowest price and compliant with technical evaluation Step 1 and Step 2 above. The lowest bid price is not necessarily decisive.

If a bid price appears to be unusually low in relation to the services to be rendered the bidder will be requested to submit a written breakdown of his price calculation. If, after review of the notes submitted by the bidder, reasonable doubts persist as to whether the required goods and works can be provided from the rates offered and if this is reasonably expected to pose a considerable risk to the performance of the contract, the bid in question will have to be excluded. In such cases Implementing Partners are to submit a tender evaluation report for approval by PATRIP Foundation

describing the process of how the assessment of unit rates was undertaken, which resulted in the exclusion of the bidder for whom reasonable doubts existed as to whether the required goods and works could be provided from the rates offered. The report must also include a suggested way forward on how to conclude the tender process.

To enable a comparison of bids, under bracket 3¹ the evaluation of the bid prices will consider import duties and taxes actually applicable. Under works contracts, contractors are responsible for all duties, taxes, and other levies and bidders must take these factors into account in preparing their bids. The evaluation and comparison of bids shall be carried out on this basis. Bid evaluations for works must be strictly in monetary terms. In cases where competition between qualified bidders would be seriously distorted as a result of local regulations or double taxation agreements, an appropriate procedure will be defined before the start of the tender to redress such distortion, a corresponding note will be included in the bidding documents.

If an extension of the validity period of the tender becomes necessary, the reasons are to be stated in the evaluation report. An extension of the validity period may not lead to changes in the bid prices. The extension entitles the bidders to withdraw their bids upon expiry of the original binding period without allowing the bid bond to be drawn.

Negotiations with the bidder as well as alterations of bids between the opening of the bids and the award of the contract are not admissible. However, clarifications from the bidders that are necessary for the evaluation of the bids may be sought. Neither the clarifications demanded nor the alterations made by the bidder may lead to any changes in the contents or price of the bid. Queries on the part of the PATRIP Foundation or the Implementing Partner and responses from the bidder must be in writing and must be made part of the evaluation report.

7.10 Contract Negotiations

After having received PATRIP Foundations NOC on the final evaluation report, the Implementing Partner may negotiate the contract with the first ranked bidder. Contract documents shall follow the PATRIP Foundation contract template which is part of the standard bidding documents.

If these negotiations are not successful, the results of the unsuccessful negotiations shall be documented in the minutes of negotiation to be sent to PATRIP Foundation for approval with the recommended way forward, e.g. to approach the second ranked bidder. Resumption of negotiations with a bidder after negotiations have failed is not permissible.

The result of the final negotiations has to be documented in the minutes of negotiation to be sent to PATRIP Foundation for approval. The Implementing Partner will carry out the negotiations speedily and generally limit them to the following points:

1. clarifying the work and the methods to be used, where necessary adjusting the staffing schedule;

¹ While tenders under bracket 4 for projects funded via KfW follow the same procedures as for bracket 3, kindly note that **financial offers for tenders under bracket 4** shall be evaluated **excluding taxes, import duties and similar costs**.

2. regulations in the contract on other cost items that were not included in the assessment of the price quotation.

Fees and unit prices for incidental costs are in principle not subject to a negotiation, as these were taken into account in assessing the price quotation. In appropriate cases for mobilization advances, advances on consulting services should be regular progress payments, and reasonable retention amounts to be released upon compliance with the obligations under contract.

If a lump sum remuneration was agreed upon, the payment schedule is to be fixed in accordance with the planned services to be rendered.

An exchange of the personnel or key personnel who are firmly committed to the project after the bid has been submitted cannot be made without the approval of the Implementing Partner. An exchange of personnel can result in the bid being reassessed. The alternative expert must have at least an equal qualification. Changes of key personnel do not require an approval, but are to be communicated to the PATRIP Foundation. However, the PATRIP Foundation reserves the right to ask for the CVs of the alternative candidates.

7.11 Information to the Bidders

Consulting Services

After the award of the contract, the other bidders will be informed in writing that their bid was not successful and whether their bid fulfilled the general and technical procurement conditions. After the evaluation of the Technical Proposals, tenders that have not achieved the minimum required technical score will be notified in writing. Their Financial Proposals will be returned to them unopened.

Goods and Works

On request of the applicants the Implementing Partner may inform unsuccessful bidders about the main weaknesses of their bids. No details on the awarding decision will be disclosed. The applicants who were not included in the assessment of the price quotations are given back their price quotations unopened.

7.12 Cancellation of the Bidding Process

The bidding process may be cancelled if

1. It is in non-compliance with PATRIP Foundation procurement guidelines;
2. The project funded by PATRIP Foundation has been cancelled;
3. Circumstances underlying the invitation to tender have changed materially;
4. No bid satisfies the criteria for the award of the contract;
5. Competition was inadequate;
6. The conditions for a fair competition have not been implemented;
7. The price quotations are obviously unreasonable and/or exceed the financial resources earmarked for the contract. In this case, the Implementing Partner, with approval by PATRIP Foundation may, as an alternative to re-tendering, enter into negotiations with the winning tenderer to try to obtain a satisfactory offer.
8. No bid was received that is considered as substantially responsive; or

9. The technical or financial bases of the procurement have changed materially prior to the award.

Competition is usually inadequate if noticeably fewer bids qualified for evaluation than could be expected from the size of the market, if the prices appear to be undoubtedly excessive or if there is obvious price fixing.

If no substantially responsive bid was received a new qualification procedure may be dispensed with and a new bidding process may be initiated or the contract may be awarded to another qualified bidder.

If the lowest bid was higher than the estimated cost, this alone is no reason for cancelling the bidding procedure. If the lowest responsive bid is clearly higher than the cost estimate, the causes must be analysed to determine whether a reasonable price could be achieved through a new bidding process. If this is not to be expected, after cancellation of the procurement process, negotiations may be conducted with the bidder who has submitted the most advantageous responsive bid, in order to determine how a reasonable contract price can be reached by adjusting the scope of the contract and/or by altering the distribution of risks and burdens.

The cancellation of the bidding process must be notified to all bidders stating the reasons. If the bidding process is cancelled a new procurement process is usually conducted under different circumstances that ensure greater competition, for instance, by changing the object or the terms of the procurement.

8 PROCUREMENT PLAN

The overall objective of the procurement plan is to inform the PATRIP Foundation about how project procurements have been planned and how they will be undertaken and managed throughout the duration of the project. The preparation of a realistic procurement plan for a project is critical for its successful implementation and monitoring. The procurement plan defines the following:

1. Items to be procured with justification statements and timelines;
2. Type of tender procedures;
3. Brackets and ceilings to adhere to, and
4. NOC approval process to follow.

The procurement plan must be submitted as part of the project documents for approval by PATRIP Foundation before implementation.

The Implementing Partner shall update the procurement plan throughout the duration of the project, if required. Updates shall include procurement contracts that have already been awarded. All modifications to the procurement plan shall be sent to the PATRIP Foundation for no-objection before implementation.

Once a procurement plan has been approved, Implementing Partners still need to request NOCs for the actual purchases, adhering to the processes laid out in the section on tender brackets (see Section 6. TENDER BRACKETS above).

The procurement plan must be submitted according to the PATRIP Foundation template.

9 FIXED ASSET REGISTER

All assets procured under PATRIP Foundation funding as part of the direct activity costs (AC) and activity support costs (AS) valuing equal to or higher than EUR 100 or the equivalent in the relevant local currency, having an useful life of equal to or more than 12 months, must be recorded in an asset register and physically clearly marked as property of PATRIP Foundation. This threshold applies to individual items. Whenever an asset is being handed over, a separate hand-over protocol shall be signed by the Implementing Partner and the recipient, and the respective asset marked accordingly in the fixed asset register.

Prior to the end of the project the PATRIP Foundation will specify as to how the project equipment is to be used after the completion of the project. If feasible, assets shall be used in future PATRIP Foundation projects or be returned to PATRIP Foundation.

Assets may not be sold, handed over or scrapped without prior approval by the PATRIP Foundation. All assets that have been damaged beyond repair or have been stolen must be reported to PATRIP Foundation without delay.

Fixed Asset Registers shall be maintained for:

1. Register of assets with a purchase price equal to or greater than EUR 100;
2. Register of assets sold;
3. Register of assets handed over/donated; and
4. Register of assets broken and/or stolen.

Implementing Partners are requested to use the PATRIP Foundation templates, unless their own inventory management register contains at least the same information, and submit an updated asset register on 31st January and on 31st July of every year and at the end of the project period.

Declaration of Undertaking - Template

Reference name of the Application/Offer/Contract: _____ ("Contract")⁴

To: _____ ("Implementing Partner")

1. We recognise and accept that KfW⁵ (via PATRIP Foundation) only finances projects of the Implementing Partner ("IP")⁶ subject to its own conditions which are set out in the Funding Agreement it has entered into with PATRIP Foundation which has entered into a Funding Agreement with the IP. As a matter of consequence, no legal relationship exists between KfW or PATRIP Foundation and our company, our Joint Venture or our Subcontractors under the Contract. The IP retains exclusive responsibility for the preparation and implementation of the Tender Process and the performance of the Contract.
2. We hereby certify that neither we nor any of our board members or legal representatives nor any other member of our Joint Venture including Subcontractors under the Contract are in any of the following situations:
 - 2.1) being bankrupt, wound up or ceasing our activities, having our activities administered by courts, having entered into receivership, reorganisation or being in any analogous situation;
 - 2.2) convicted by a final judgement or a final administrative decision or subject to financial sanctions by the United Nations, the European Union or Germany for involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings; this criterion of exclusion is also applicable to legal Persons, whose majority of shares are held or factually controlled by natural or legal Persons which themselves are subject to such convictions or sanctions;
 - 2.3) having been convicted by a final court decision or a final administrative decision by a court, the European Union, national authorities in the Partner Country or in Germany for Sanctionable Practice in connection with a Tender Process or the performance of a Contract or for an irregularity affecting the EU's financial interests (*in the event of such a conviction, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this conviction is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction*);
 - 2.4) having been subject within the past five years to a Contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during such Contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;

⁴ Capitalised terms used, but not otherwise defined in this Declaration of Undertaking have the meaning given to such term in KfW's "Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries".

⁵ To be adapted throughout the document in case of other donor institution.

⁶ The IP means the purchaser, the employer, the client, as the case may be, for the procurement of Consulting Services, Works, Plant, Goods or Non-Consulting Services.

- 2.5) not having fulfilled applicable fiscal obligations regarding payments of taxes either in the country where we are constituted or the IP's country;
 - 2.6) being subject to an exclusion decision of the World Bank or any other multilateral development bank and being listed on the website <http://www.worldbank.org/debar> or respectively on the relevant list of any other multilateral development bank (*in the event of such exclusion, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this exclusion is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction*); or
 - 2.7) being guilty of misrepresentation in supplying the information required as a condition of participation in the Tender.
3. We hereby certify that neither we, nor any of the members of our Joint Venture or any of our Subcontractors under the Contract are in any of the following situations of conflict of interest:
- 3.1) being an affiliate controlled by the IP or a shareholder controlling the IP, unless the stemming conflict of interest has been brought to the attention of KfW (and PATRIP Foundation) and resolved to their satisfaction;
 - 3.2) having a business or family relationship with an IP's staff involved in the Tender Process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of KfW (and PATRIP Foundation) and resolved to its satisfaction;
 - 3.3) being controlled by or controlling another Applicant or Bidder, or being under common control with another Applicant or Bidder, or receiving from or granting subsidies directly or indirectly to another Applicant or Bidder, having the same legal representative as another Applicant or Bidder, maintaining direct or indirect contacts with another Applicant or Bidder which allows us to have or give access to information contained in the respective Applications or Offers, influencing them or influencing decisions of the IP;
 - 3.4) being engaged in a Consulting Services activity, which, by its nature, may be in conflict with the assignments that we would carry out for the IP;
 - 3.5) in the case of procurement of Works, Plant or Goods:
 - i. having prepared or having been associated with a Person who prepared specifications, drawings, calculations and other documentation to be used in the Tender Process of this Contract;
 - ii. having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for this Contract;
4. If we are a state-owned entity, and compete in a Tender Process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
5. We undertake to bring to the attention of the IP, which will inform KfW (and PATRIP Foundation), any change in situation with regard to points 2 to 4 here above.
6. In the context of the Tender Process and performance of the corresponding Contract:
- 6.1) neither we nor any of the members of our Joint Venture nor any of our Subcontractors under the Contract have engaged or will engage in any Sanctionable Practice during the Tender Process and in the case of being awarded a Contract will engage in any Sanctionable Practice during the performance of the Contract;

- 6.2) neither we nor any of the members of our Joint Venture or any of our Subcontractors under the Contract shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or Germany; and
- 6.3) we commit ourselves to complying with and ensuring that our Subcontractors and major suppliers under the Contract comply with international environmental and labour standards, consistent with laws and regulations applicable in the country of implementation of the Contract and the fundamental conventions of the International Labour Organisation⁷ (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the relevant environmental and social management plans or other similar documents provided by the IP and, in any case, implement measures to prevent sexual exploitation and abuse and gender-based violence.
7. In the case of being awarded a Contract, we, as well as all members of our Joint Venture partners and Subcontractors under the Contract will, (i) upon request, provide information relating to the Tender Process and the performance of the Contract and (ii) permit the IP and PATRIP Foundation and KfW or an agent appointed by either of them, and in the case of financing by the European Union also to European institutions having competence under European Union law, to inspect the respective accounts, records and documents, to permit on-the-spot checks and to ensure access to sites and the respective project.
8. In the case of being awarded a Contract, we, as well as all our Joint Venture partners and Subcontractors under the Contract undertake to preserve above mentioned records and documents in accordance with applicable law, but in any case for at least six years from the date of fulfilment or termination of the Contract. Our financial transactions and financial statements shall be subject to auditing procedures in accordance with applicable law. Furthermore, we accept that our data (including personal data) generated in connection with the preparation and implementation of the Tender Process and the performance of the Contract are stored and processed according to the applicable law by the IP, PATRIP Foundation and KfW.

Name: _____ In the capacity of: _____

Duly empowered to sign in the name and on behalf of⁸: _____

Signature: _____ Dated: _____

⁷ In case ILO conventions have not been fully ratified or implemented in the Employer's country the Applicant/Bidder/Contractor shall, to the satisfaction of the Employer, the PATRIP Foundation and KfW, propose and implement appropriate measures in the spirit of the said ILO conventions with respect to a) workers grievances on working conditions and terms of employment, b) child labour, c) forced labour, d) worker's organisations and e) non-discrimination.

⁸ In the case of a JV, insert the name of the JV. The person who will sign the application, bid or proposal on behalf of the Applicant/Bidder shall attach a power of attorney from the Applicant/Bidder.

III. EXCHANGE RATE POLICY

III. EXCHANGE RATE POLICY

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1. KEY DEFINITIONS

Exchange rate

The ratio between two currencies, used for converting one currency into another currency.

Exchange rate difference

The difference resulting from converting a given number of units of a currency into another currency at different exchange rates.

Functional currency (local currency)

The currency of the primary economic environment of the organisation. The primary economic environment is the one in which the organisation primarily generates and expends cash.

Foreign currency

A currency other than the functional/local currency.

Foreign currency transaction

A transaction that is denominated in or requires settlement in a foreign currency.

Date of transaction

The date on which the transaction first qualifies for recognition in accordance with International Financial Reporting Standards.

2. GENERAL RULES

The PATRIP Foundation provides funding to Implementing Partners in Euro (EUR) and requires that all financial transactions relating to PATRIP funds are also reported in Euro.

In order to present an accurate picture of the usage of PATRIP funds and also to avoid financial irregularities, Implementing Partners must follow certain rules regarding bank account maintenance and exchange rate reporting, especially as most financial transactions of Implementing Partners, such as procurement and local salaries, are denominated in the local currency.

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Implementing Partners must maintain a EUR account exclusively dedicated to PATRIP Foundation funding in order to facilitate transfer of PATRIP funds and also to minimize losses due to exchange rate fluctuations. Expenditures in EUR can also be financed from this bank account.

Implementing Partners must also maintain a local currency account dedicated to PATRIP Foundation funding, since expenses will be incurred in the local currency. Funds should be kept in the EUR account and only transferred from the EUR account to the local currency account once a replenishment of the local currency account is required. If a substantial amount of expenses is incurred in more than one operational currency, such as the local currency or USD, a separate designated bank account for each currency shall be maintained in the country where the project is being implemented and the payments are being made.

If the local regulations do not permit the opening of a foreign currency account the Implementing Partner may maintain a local currency account only. The liability of risk associated with exchange rate fluctuations between the EUR and the local or functional currency will lie with the Implementing Partner. PATRIP Foundation will not be liable for any losses due to exchange rate fluctuations.

As proof of the exchange rates at which money has been received or converted all relevant bank statements and receipts must be provided to PATRIP Foundation with the Semi-Annual Statement of Expenditure reports.

At the end of a project any amount of project funding held in local currency must be transferred into EUR and reported to the PATRIP Foundation.

3. REPORTING OF EURO ACCOUNT BALANCE

Implementing Partner must use the reporting template shown below to keep track of and report account balances of their PATRIP Foundation EUR accounts and submit the document with the Statement of Expenditure reports:

NAME OF BANK						
PATRIP FOUNDATION, GRANT (AMOUNT)						
Title of Account :						
Account No:						
Currency:						
Bank Address:						
Implementing Partner:						
Sr.No	DATE	VOUCHER NO.	PARTICULARS	DEPOSITS	WITHDRAWALS	ACCOUNT BALANCE
				EUR	EUR	EUR
1	01.01.2023	RV 1000	Received from PATRIP	250.000		250.000
2	02.01.2023	BPV 2000	Transfer to local currency account		100.000	150.000
3	30.06.2023		Closing Balance			150.000
4	01.07.2023		Opening Balance			150.000
5	09.07.2023	BPV 2005	Transfer to local currency account		100.000	50.000
6	25.10.2023	BPV 2010	Transfer to local currency account		25.000	25.000
7	31.12.2023		Closing Balance			25.000

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Part III: EXCHANGE RATE POLICY

4. EXCHANGE RATE REPORTING

Because the exchange rate between the EUR and the local currency is not constant the Weighted Average Exchange Rate (WAER) shall be used for reporting of financial transactions to PATRIP Foundation. In order to calculate the WAER, the Implementing Partner needs to maintain a record of the equivalent balance in EUR of the local currency account(s).

Initially the exchange rate at which the first amount of funds is transferred from the Implementing Partner's dedicated PATRIP Foundation EUR account to the Implementing Partner's dedicated PATRIP Foundation local currency account, will be used for reporting purposes. Once further EUR amounts are transferred to the local currency account the Weighted Average Exchange Rate shall be applied to reflect the exchange rate of those local currency funds, which might still be in the account from the previous transfers.

For the final 10% withhold amount, Implementing Partners shall use the last WAER exchange rate for the bridge financing of the final 10% withhold amount for the financial reporting in the SoEs.

The reporting template below, which will be provided by PATRIP Foundation with the project documents, automatically calculates the WAER. Following two procedures shall be followed illustrated in Example 1 and Example 2.

Example 1

Assuming that the Implementing Partner has only expenses in a local currency (for example PKR) and according to the exchange rate policy maintains a foreign currency account in EUR, and a local currency account in PKR and that the following transactions are made:

1. January 01, 2023: Funds received from PATRIP Foundation of EUR 250,000
2. January 02, 2023: Transfer of EUR 100,000 from EUR account to local currency (PKR) account at 240.00 PKR/EUR
3. January 20, 2023: Cash (withdrawal) of PKR 2,400,000
4. April 10, 2023: Expenditure (withdrawal) of PKR 12,000,000
5. July 9, 2023: Transfer of EUR 100,000 from EUR account to local currency (PKR) account at 314.00 PKR/EUR
6. August 30, 2023: Expenditure (withdrawal) of PKR 21,000,000
7. October 25, 2023: Transfer of EUR 25,000 from EUR account to local currency (PKR) account at 305.00 PKR/EUR

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NAME OF BANK												
PATRIP FOUNDATION, GRANT (AMOUNT):												
Title of Account :												
Account No:												
Currency:												
Bank Address:												
Implementing Partner:												
S.No	DATE	VOUCHER NO.	PARTICULARS	DEPOSITS			WITHDRAWALS			ACCOUNT BALANCE		
				PKR	Exchange Rate	Equivalent EUR	PKR	Exchange Rate	Equivalent EUR	PKR	Exchange Rate	Equivalent EUR
1	02.01.2023	BPV 1001	Transfer from EUR to PKR account	24.000.000	240,0000	100.000				24.000.000	240,0000	100.000
2	20.01.2023	CPV 2001	Cash withdrawal for expenses				2.400.000	240,0000	10.000	21.600.000	240,0000	90.000
3	10.04.2023	BPV 1002	Payment to M/s.ABC for supply of Furniture				12.000.000	240,0000	50.000	9.600.000	240,0000	40.000
4	30.06.2023		Closing Balance					240,0000	-	9.600.000	240,0000	40.000
5	01.07.2023		Opening Balance					240,0000	-	9.600.000	240,0000	40.000
6	09.07.2023	BPV 1007	Transfer from EUR to PKR account	31.400.000	314,0000	100.000		240,0000	-	41.000.000	292,8571	140.000
7	30.08.2023	BPV 1009	Payment to M/s.XYZ 2nd invoice of construction work				21.000.000	292,8571	71.707	20.000.000	292,8571	68.293
8	25.10.2023	BPV 1011	Transfer from EUR to PKR account	7.625.000	305,0000	25.000		292,8571	-	27.625.000	296,1111	93.293
9	31.12.2023		Closing Balance					296,1111	-	27.625.000	296,1111	93.293

Example sheet for calculating the Weighted Average Exchange Rate

The table above shows the transactions as per Example 1. Implementing Partners must use the template to record the transactions in order to calculate the EUR and the local currency balances and the Weighted Average Exchange Rate.

In the example, the initial exchange rate applied is 240.00 PKR/EUR as this is the rate at which the bank had calculated the currency exchange of the funds from EUR to PKR. For the first two expenses, shown in the figure under “WITHDRAWALS”, this exchange rate is used to calculate and report the EUR equivalents of the PKR expenses, as no other EUR transfers take place.

Under “ACCOUNT BALANCE”, the PKR balance is calculated by adding PKR deposits to and subtracting PKR withdrawals from the previous PKR balance.

Similarly, the equivalent EUR balance is calculated by adding EUR deposits to and subtracting the EUR equivalent of the withdrawals from previous EUR balance.

The Weighted Average Exchange Rate (WAER) is calculated by dividing the PKR balance by the EUR balance.

When the second transfer of EUR 100,000 to the PKR account is made at an exchange rate of 314.00 PKR/EUR, there is still a balance of PKR 9,600,000, equivalent to EUR 40,000, in the account. Thus, funds are available in the account, that have been transferred with two exchange rates: the first tranche at 240 PKR/EUR and the second tranche at 314 PKR/EUR.

To reflect the weighted average exchange rate (WAER) the new PKR balance is divided by the new EUR balance, so $41,000,000/140,000 = 292.8571$ PKR/EUR. This becomes the new exchange rate for reporting, until further EUR are transferred to this account at a different exchange rate.

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Example 2

Example 2 assumes that the Implementing Partner has expenses in multiple operational currencies. According to the exchange rate policy the Implementing Partner maintains a foreign currency account in EUR, an operational currency account in USD and a local currency account in PKR. Following transactions have been made:

1. January 01, 2023: Funds received from PATRIP Foundation of EUR 200,000
2. January 02, 2023: Transfer of EUR 100,000 from EUR account to operational currency account (USD) @ 1.05 USD/EUR as per actual exchange rate
3. January 02, 2023: Cash (withdrawal) USD 5,000
4. April 10, 2023: Transfer of USD 75,000 from operational USD account to local currency account (PKR) at 270.00 PKR/USD
5. May 02, 2023: Cash (withdrawal) of PKR 2,400,000
6. May 20, 2023: Expenditure (withdrawal) of PKR 12,000,000
7. July 10, 2023: Expenditure (withdrawal) of PKR 2,500,000
8. July 10, 2023: Transfer of EUR 100,000 from EUR account to operational currency account (USD) @ 1.10 USD/EUR
9. July 15, 2023: Funds received from PATRIP Foundation of EUR 150,000
10. July 15, 2023: Transfer of USD 50,000 from operational USD account to local currency account (PKR) at 284.5 PKR/USD
11. September 20, 2023: Expenditure (withdrawal) of USD 25,000
12. September 20, 2023: Expenditure (withdrawal) of PKR 15,600,000
13. October 20, 2023: Transfer of EUR 50,000 from EUR account to operational currency account (USD) @ 1.12 USD/EUR

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NAME OF BANK												
PATRIP FOUNDATION, GRANT (AMOUNT):												
Title of Account :												
Account No:												
Currency:			USD									
Bank Address:												
Implementing Partner:												
S.No	DATE	VOUCHER NO.	PARTICULARS	DEPOSITS			WITHDRAWALS			ACCOUNT BALANCE		
				USD	Exchange Rate	Equivalent EUR	USD	Exchange Rate	Equivalent EUR	USD	Exchange Rate	Equivalent EUR
1	02.01.2023	BPV 1001	Transfer from EUR to USD account	105.000	1,0500	100.000				105.000	1,0500	100.000
2	02.01.2023	CPV 2001	Cash withdrawal for expenses				5.000	1,0500	4.762	100.000	1,0500	95.238
3	10.04.2023	BPV 1002	Transfer from USD to PKR account				75.000	1,0500	71.429	25.000	1,0500	23.810
4	31.06.2023		Closing Balance					1,0500		25.000	1,0500	23.810
5	01.07.2023		Opening Balance					1,0500		25.000	1,0500	23.810
6	10.07.2023	BPV 1007	Transfer from EUR to USD account	110.000	1,1000	100.000		1,0500	-	135.000	1,0904	123.810
7	15.07.2023	BPV 1008	Transfer from USD to PKR account				50.000	1,0904	45.855	85.000	1,0904	77.954
8	20.09.2023	BPV 1009	Payment to M/s.XYZ 2nd invoice of construction work				25.000	1,0904	22.928	60.000	1,0904	55.026
9	20.10.2023	BPV 1011	Transfer from EUR to USD account	56.000	1,1200	50.000		1,0904	-	116.000	1,1045	105.026
10	31.12.2023		Closing Balance				-	1,1045	-	116.000	1,1045	105.026

NAME OF BANK												
PATRIP FOUNDATION, GRANT (AMOUNT):												
Title of Account :												
Account No:												
Currency:			PKR									
Bank Address:												
Implementing Partner:												
S.No	DATE	VOUCHER NO.	PARTICULARS	DEPOSITS			WITHDRAWALS			ACCOUNT BALANCE		
				PKR	Exchange Rate	Equivalent USD	PKR	Exchange Rate	Equivalent USD	PKR	Exchange Rate	Equivalent USD
1	10.04.2023	BPV 1001	Transfer from USD to PKR account	20.250.000	270,0000	75.000				20.250.000	270,0000	75.000
2	02.05.2023	CPV 2001	Cash withdrawal for expenses				2.400.000	270,0000	8.889	17.850.000	270,0000	66.111
3	20.05.2023	BPV 1002	Payment to M/s.ABC for supply of Furniture				12.000.000	270,0000	44.444	5.850.000	270,0000	21.667
4	30.06.2023		Closing Balance					270,0000		5.850.000	270,0000	21.667
5	01.07.2023		Opening Balance					270,0000		5.850.000	270,0000	21.667
6	10.07.2023	BPV 1005	Payment to M/s.XYZ 1st invoice of construction work				2.500.000	270,0000	9.259	3.350.000	270,0000	12.407
7	15.07.2023	BPV 1007	Transfer from USD to PKR account	14.225.000	284,5000	50.000		270,0000	-	17.575.000	281,6172	62.407
8	20.09.2023	BPV 1009	Payment to M/s.XYZ 2nd invoice of construction work				15.600.000	281,6172	55.394	1.975.000	281,6172	7.013
9	31.12.2023		Closing Balance					281,6172		1.975.000	281,6172	7.013

Example sheets for calculating the Weighted Average Exchange Rate using the PATRIP Foundation template

The tables above show the transactions as described in Example 2. Implementing Partners must use the template provided by PATRIP Foundation to record the transactions and to calculate balances in EUR, the operational currency USD and the local currency PKR and the Weighted Average Exchange Rate.

In the example, the initial exchange rates shown are 1.05 USD/EUR and 270.00 PKR/USD as these were the rates at which the bank had calculated the currency exchanges of the funds from EUR to USD and subsequently from USD to PKR. In the USD exchange rate sheet, the first expense amounting to USD

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5,000, shown in the figure under “WITHDRAWALS”, this exchange rate is used to calculate and report the EUR equivalents of the USD expenses, as no other EUR transfers took place. Subsequently, in the PKR exchange rate sheet, the first two expenses amounting to PKR 2,400,000 and PKR 12,000,000 shown in the figure under “WITHDRAWALS”, this exchange rate is used to calculate and report the USD equivalents of the PKR expenses, as no other USD transfer took place.

To reflect the Weighted Average Exchange Rate (WAER) of the subsequent transfers from EUR to USD and from USD to PKR the explanation is the same as shown in Example 1.

Please note that in Example 2 funds from the EUR to the PKR account can be transferred directly.

In cases where Implementing Partners have multiple field/regional offices, where it is not practical to make payments from the designated bank accounts, payments can be made from the general operational bank accounts, and reimbursements can be made from the designated EUR, USD and local currency bank accounts on monthly or semi-annual basis. Applying this approach requires submission of a derogation request accompanied with a justification and description of their relevant financial management, respectively accounting system, for prior approval of PATRIP Foundation, see section 2. GENERAL RULES.

4.1. Expenses in a Third Currency

If a transaction is carried out in a third currency, for example an Implementing Partner in Pakistan incurs expenses in another currency than EUR or PKR, the following procedure should be used for reporting purposes: the third currency shall be converted into the functional currency (local currency) using the exchange rate at which it was converted, either the open market rate or the Oanda rate, and then the functional currency shall be converted into EUR using the Weighted Average Exchange Rate.

5. EXCHANGE RATE GAINS OR LOSSES

Exchange rate losses are not eligible costs and will not be compensated by the PATRIP Foundation. Similarly, the Implementing Partner must pledge to use funds from exchange rate gains solely for the implementation of PATRIP projects.

These rules also apply to gains and losses resulting from conversions between the local currency and other currencies used for the project.

Implementing Partners bear all the risks associated with foreign currency fluctuations and the liability of the PATRIP Foundation is limited to funds committed in the Financing Agreement and in the Special Agreement.

6. RETENTION MONEY

In goods and works contracts falling under Bracket 2, 3 or 4, and depending on the nature of goods and works procured, certain percentages of the total contract amount shall be retained by Implementing Partners as retention money. This percentage ranges from 5-10% of the total contract amount with contractors/suppliers. The retention money withheld from a contractor’s running bills and the final payments to be claimed in the SoEs, shall not be mixed with the project funds as this has an implication on the exchange rate reporting. Therefore, the retention money shall either be kept as a pay order, a

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bank draft or in a separate bank account. The other option is that the total retention money is recorded and claimed in the SoEs with the final invoice of the contractor at the end of the project. The final retention money, once released, shall be reported in relevant SoEs.

IV. PROGRESS REPORTING

IV. PROGRESS REPORTING

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Implementing Partners are required to report physical and financial progress of project activities to the PATRIP Foundation on a regular basis. Part IV of the manual discusses the technical and narrative reporting requirements by the Implementing Partners and Part V the financial reporting requirements.

Where Implementing Partners implement more than one project for PATRIP Foundation at the same time, separate progress and financial reports per project must be prepared.

A summary of the reporting requirements can be found at the end of this chapter.

1. INTRODUCTION

The Implementing Partner shall report the progress of project activities to the PATRIP Foundation on a monthly and semi-annual basis, as well as submit a Final Project Report at the end of each project. Apart from the required reports, the Implementing Partner shall immediately report all events and circumstances that might jeopardize the achievement of the overall objective and results of the project to PATRIP Foundation, as stipulated in the Special Agreement.

Implementing Partners are also required to document the implementation of their projects photographically (before, during and after). Where feasible, similar viewpoints should be used for the photographs so that the project progress can be documented.

In the following, different reporting requirements and formats will be explained. However, depending on the donor funding specific reporting requirements might be included in the contract with the Implementing Partner. The respective articles can be found in the Special Agreement.

2. MONTHLY IMPLEMENTATION PROGRESS SHEET (MIPS)

The MIPS is to be used by Implementing Partners to report the quantitative progress of project activities to PATRIP Foundation on a monthly basis. For each project a MIPS is to be submitted which shows the progress of each activity and its deviation against the original work plan. The MIPS shall be submitted as per the PATRIP Foundation template.

The MIPS shall be submitted as an electronic copy (Excel and signed pdf) by the 10th day of the month following the reporting period and as per communication protocol.

3. SEMI-ANNUAL PROGRESS REPORT (SPR)

The Semi-Annual Progress Report must be brief and concise and provide an overview of the project's achievements and activities undertaken in a narrative and tabulated form. The report also has to contain GPS coordinates (Excel or KML files) of all project locations, if the security and legal situation permits. If coordinates cannot be shared for security or legal reasons, the Implementing Partner will provide information on the project location on district level. In case the Implementing Partner uses a system for Remote Management, Monitoring and Verification (RMMV), the use of the system and project-specific outputs should be mentioned in the Executive Summary.

The report must address at least the following sequence of aspects and follow the template provided by PATRIP Foundation:

1. Summary Sheet;
2. Executive Summary;
3. Project design changes in relation to the approved project documents;
4. Status on obtaining relevant MoUs and NOCs. Once received, these documents are to be attached to the report of the respective period.
5. Progress on key achievements of the current reporting period as per approved work plan and logframe, including reporting against the indicators contained therein,
6. Progress on physical (infrastructure) activities undertaken compared to the planned progress supported by photographs including time stamp and GPS coordinates;
7. Progress of (soft) activities undertaken supported by photographs;
8. Progress on the implementation and adherence to the PATRIP Foundation Environmental & Social Policy;
9. Grievance reporting and application of the Grievance Mechanism in the project.
10. Measures taken to ensure donor visibility or explanation why visibility measures could not be implemented (please refer to Section I.6 Visibility).
11. Financial progress status compared to planned financial progress in a tabular format;
12. Risk management, challenges or unexpected circumstances encountered (e.g. security situation, implementation delays due to unforeseen circumstances, ...) and how those are or were managed and/or resolved;
13. Brief overview of the geo-political, security, social and economic environment or other relevant developments in relation to implementation of the project and their effects on the project during the reporting period;

14. Approved work plan and an updated work plan for next six months (bar chart) based on the approved work plan.
15. Where applicable, evidence of social and economic cross-border cooperation/relations stimulated by the projects.
16. If appropriate, case studies and statements by beneficiaries (mandatory at least once a year)
17. High quality photos for PR purposes, such as: photos of PATRIP beneficiaries, community (training) sessions, workshops, photos of people using PATRIP infrastructure, photos of landscapes in which project is being implemented (please refer to the PATRIP communications guidelines)

The Semi-Annual Project Reports shall be submitted as a soft copy (pdf) one month after the end of each reporting period to the PATRIP Foundation, see Section 6 Reporting Frequency Schedule. When a project has ended during the reporting period, the final project report shall be submitted instead.

4. FINAL PROJECT REPORT (FPR)

At the end of the project the Implementing Partner shall submit a Final Project Report consisting of the following sections, using the template provided by PATRIP Foundation:

1. Summary Sheet
2. Executive Summary
3. Background (rationale for project intervention including problem addressed)
4. Project achievement(s)
 - Project objective
 - Progress against indicators and target values (as per contract and logframe), i.e.
 - Has the project achieved its objectives?
 - Results achieved / non achieved? Use of outputs?
 - Activities as per approved project document
 - “Hard” activities, Physical infrastructure: Main activities – sub activities
 - “Soft” activities, community work
 - Others as relevant
 - Project Implementation (e.g. process, Implementing Partners)
 - Description of future O&M procedures, as stipulated in the NOCs/MoUs, to safeguard the long-term sustainability of the project
 - Compliance with the implementation and adherence to the PATRIP Foundation Environmental & Social Policy
5. Finance
 - Complete overview of budget and expenditure with dates for budget revisions, if applicable

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- Deviations from original budget and cost schedule (justification of significant over-/under-expenditures/ shifting budget lines/shifting between projects)
 - Interest earned, if any
 - Balance left
 - List of assets procured under the project
 - Handing over of assets protocol as per PATRIP Foundation approved strategy
6. Impact
- Since PATRIP-funded projects are contributing to different objectives of different donors, projects have donor- and context-specific outputs and indicators. Therefore, requirements regarding impact reporting are specified in the Results Matrix and Logframe, which is part of the Detailed Project Proposal
7. Challenges and Constraints and how these were managed and/or resolved.
- Risks
 - Security Situation
 - Setbacks
8. Lessons Learnt during the implementation of the project and how the new learnings will be helpful in the future
9. Photographic documentation, preferably from before, during and after, and preferably from the same viewpoint
10. Case studies
- at least two success stories of direct and indirect beneficiaries
 - where applicable, evidence of social and economic cross-border cooperation/relations stimulated by the project,
11. High quality photos for PR purposes such as:
- Photos of PATRIP beneficiaries, community (training) sessions, workshops, photos of people using PATRIP infrastructure, photos of landscapes in which project is being implemented (please refer to the PATRIP communications guidelines).
12. Attachments
- Maps indicating the project location(s)
 - List of NOCs / MoUs signed under the project
 - Fixed Asset Register of items procured by Implementing Partner for implementation of the project, if any
 - Handing-over/taking-over certificates of project facilities, including complete inventory details of assets handed over

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- 'As-built-drawings' / documents of all infrastructure measures financed through the Programme and a list of deviations (duly approved by PATRIP Foundation) from the original project documents

The Final Project Report shall be submitted as a soft copy (pdf) two months after the end of the project to the PATRIP Foundation, see Section 6 Reporting Frequency Schedule.

5. FOLLOW-UP REPORT ON COMPLETED PROJECTS

After the final check that all shortcomings identified during the defect liability period have been addressed satisfactorily, for the subsequent release of the retention money to the contractor, Implementing Partners are required to submit a brief report about the operational status of the project, reporting on the satisfactory Operation & Maintenance mechanisms of the project as per signed MOU and the handing over protocol.

6. REPORTING FREQUENCY SCHEDULE

The table below summarizes the progress reporting requirements towards PATRIP Foundation:

Reporting Document	Frequency	Reporting Period	Submission Date	Submission to
Monthly Implementation Progress Sheet (MIPS)	Monthly	All calendar days of a month	10 th calendar day of the month following the reporting period	Please refer to the respective communication protocol agreed between PATRIP Foundation and the Implementing Partner
Semi-Annual Progress Report (SPR)	Semi-Annually	January-June; and July- December	31 st of July and 31 st of January respectively	
Final Project Report (FPR)	Once	Entire Project Implementation Period	Within two months after project completion	
Follow-Up report on completed project	Once	Period between end of project and end of defect liability period	After (satisfactory) completion of defect liability period. Generally latest 12 months after project completion	

V. FINANCIAL REPORTING

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Implementing Partners are required to report physical and financial progress of project activities to the PATRIP Foundation on a regular basis. Part IV of the manual discusses the technical and narrative reporting requirements by the Implementing Partners and Part V the financial reporting requirements.

Implementing Partners are required to adhere to the approved budgets during the course of the project implementation. Deviations from approved budgets may result in ineligibility of expenditures claimed.

For a summary of the reporting requirements refer to Section 4 of this part.

1. STATEMENT OF EXPENDITURE (SoE)

The Statement of Expenditure (SoE) is to be used by the Implementing Partner to report utilization of project disbursements to PATRIP Foundation and to ensure timely liquidation of project funds.

The SoE is an Excel-based reporting format that shows the utilization of the total budget, the half-yearly budget and the half yearly expenditures of a project, broken down into individual expense categories defined by PATRIP Foundation. The SoE also provides the PATRIP Foundation with an overview of the Implementing Partner’s liquidity requirements through the cash forecast for the next reporting period if a disbursement is foreseen. In case the Implementing Partner has sufficient funds to meet expenses during the next reporting period, the forecast shall be submitted as ‘Nil’. The guidelines to complete the cash forecast can be found in the SoE Template, Read me Cash forecast file.

The financial data for the SoEs is to be generated from the Accounting Information System (AIS) of the Implementing Partners, however the reporting to PATRIP Foundation is done through formats developed by PATRIP Foundation for SoEs. The figures and classification of accounts in the SoE report are based on the existing financial reports and classification of accounts of the Implementing Partners.

Implementing Partners must establish a separate SoE for each project.

This Manual contains guidelines, procedures and instructions for the preparation of the Statement of Expenditure with the aim to meet the following objectives and features:

1. Uniformity in the preparation of the SoE report;
2. Classification of accounts and timing of submission of SoE report;
3. Attachment of various source documents to be used in the preparation of the SoE report.

2. GUIDELINES FOR PREPARATION OF THE STATEMENT OF EXPENDITURE

The SoEs shall be submitted on semi-annual basis. The SoE reporting shall start from the 1st of January, respectively 1st of July, and will cover a reporting period of six months each. Therefore, there will be two reporting periods in a calendar year, i.e.

- o January - June
- o July - December

Depending on the starting date of the project as stated in the Financing Agreement and Special Agreement the semi-annual SoE report shall be submitted according to the above-mentioned periods of a calendar year. When a project has ended during the reporting period, the SoE shall still be submitted as per reporting schedule.

2.1. Chart of Accounts

A prescribed and uniform system of accounts shall be used by the Implementing Partner for all PATRIP Foundation funded projects. To assure that project accounting transactions are properly recorded and classified, the Implementing Partner's bookkeeper must develop a project-related chart of accounts at the beginning of the individual project.

The Implementing Partners shall develop account categories and cost centres as per approved budget categories by PATRIP Foundation. Account codes of subcategories can be allocated as per provision in the AIS of the Implementing Partner. The chart of accounts should be organized to provide complete and comprehensive project records.

If additional accounts are required during the course of the project, which were not included in the original Chart of Accounts, these should be established as needed and communicated to PATRIP Foundation in a timely manner.

Implementing Partners shall submit the list of detailed charts of accounts against each individual project to PATRIP Foundation with the first semi-annual SoE. These charts of accounts will be used as a basis to identify the expenditures relevant to PATRIP Foundation and the subsequent liquidation of funds.

2.2. Format of the SoE

The template for the semi-annual SoE Excel file contains individual project-wise overview sheets. The overview sheet shows the total expenditures against the total budget of a project as approved by PATRIP Foundation and laid down in the Financing Agreement. Half-yearly budgets and the monthly expenditures of those half-year periods are recorded in the same sheet. The financial data

in the overview sheet is directly linked to the monthly expense against each budget category in the half-yearly budgets. Summary of expenses against each budget category shall be generated from the AIS and as per project specific chart of accounts and are to be entered by the Implementing Partner against each budget category on a monthly basis, updating the overview sheet automatically. Should the ledgers be in multiple currencies a transaction list showing the exchange rates from the operational currencies to EUR must be submitted as a supporting document to facilitate the reconciliation. The SoE report must be submitted to PATRIP Foundation on a semi-annual basis.

The template of the Excel file of the SoE is provided by PATRIP Foundation which contains a 'read me' sheet with instructions of how to use the SoE template, as well as a 'Cash forecast' sheet with a 'read me' explaining how the Cash forecast shall be filled and submitted together with SoE.

2.3. Supporting Documents to be submitted with a SoE

The financial data reported by an Implementing Partners in the SoE must be generated through the Implementing Partners' Accounting Information System (AIS).

When submitting a SoE Implementing Partners must provide scanned copies of the following documents, ensuring that the quality of the scanned documents is high:

1. Filled out SoE overview and relevant half-yearly budget sections signed and stamped by an authorized signatory (including name & designation of the authorized signatory and signing date), one per project.
2. Copies of the expenses ledgers as per individual budget categories and automatically generated by the AIS.
3. Copies of payment vouchers for expenses greater than or equal to EUR 1,500 with complete supporting documents. However, PATRIP Foundation can also request any other document or voucher below the specified limit for review purposes.
 - o All invoices, supporting documents of expenditure and payment vouchers must be stamped "Paid for PATRIP Foundation".
4. List of charts of accounts for PATRIP Foundation project-related expenditures as per the partner's AIS, to prove that related expenditures are claimed. The chart of accounts must be submitted with the 1st semi-annual SoE and after changes to the chart of accounts have been made;
5. Bank statements and reconciliations of the designated bank accounts of the complete half year.
6. Exchange rate calculations as per PATRIP Foundation Exchange Rate Policy.
7. The final retention money, once released, shall be reported in relevant semi-annual SoEs.
8. The SoE shall be submitted together with a Document Checklist to ensure that the submitted report is complete in all respects.

The 'read me' section in the SoE file provides further details about the documents to be submitted with the semi-annual SoE.

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PART V: FINANCIAL REPORTING

2.4. Review of Statement of Expenditure (SoE)

The PATRIP Foundation Monitoring Consultant reviews the SoEs on behalf of the PATRIP Foundation. In case of incomplete supporting documents or any other observations, an email explaining the deficiency will be sent by the PATRIP Foundation Monitoring Consultant to the Implementing Partners. Implementing Partners are then required to address the deficiency within five working days otherwise the review will be finalized and deductions will be made against incomplete supporting documents. Upon satisfactory review of the SoE and relevant supporting documents the SoEs are sent to PATRIP Foundation.

As a further control measure an accountancy firm commissioned by PATRIP Foundation reviews the SoE of Implementing Partners for compliance with the Financing Agreement and the Special Agreement on sample basis.

2.5. Submission of SoEs and supporting documents

The SoE and all relevant supporting documents shall be submitted as an electronic copy (Excel and duly signed pdf) by latest the 31st day of the month following the end of each reporting period. The documents shall be uploaded under the “IP File Sharing” section of the PATRIP Foundation Cloud. Implementing Partners will be issued with a dedicated Username and Password by PATRIP Foundation to access the Cloud. Please refer to the PATRIP Cloud Sharing Guidelines of how to upload the SoEs to the PATRIP Cloud.

For frequency of submission and sending the relevant cover email please refer to the Reporting Frequency Schedule in Section 4.

3. FINANCIAL AUDITS

3.1. Financial Monitoring Audit by the PATRIP Foundation Consultant

The PATRIP Foundation Monitoring Consultant has been given the role of reviewing and verifying the technical and financial progress reported by the Implementing Partners. For this purpose, the Consultant undertakes regular monitoring visits, which also include the financial audit of Implementing Partner accounts and procedures and operational policies of, or related to, PATRIP Foundation projects. Such audits are carried out at least once a year.

3.2. External Audit

The Implementing Partner shall maintain adequate records, accounts, procedures and operational policies to monitor and record the progress of the project, in accordance with sound accounting practices.

The Implementing Partner accounts, including those relevant to PATRIP Foundation funded projects, shall be audited annually by a firm of Chartered Accountants having a satisfactory Quality Control Review (QCR) rating by the Institute of Chartered Accountants or an equivalent body of its respective country.

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PART V: FINANCIAL REPORTING

The Implementing Partner will maintain proper books of accounts and records unequivocally showing all costs of goods and services required for PATRIP Foundation projects and clearly identifying the goods and services financed by the PATRIP Foundation. The Implementing Partner shall facilitate the audit of its accounts by the external auditor and any other person/firm engaged for this purpose. All relevant information and records that the auditor requires shall be provided. The audit should be carried out at least annually covering a calendar year. In some cases, it may be necessary to agree on a shorter time period, e.g. within six months after the funds in a dedicated account have been fully utilized.

The time period for submission of the audit report and the management letter to the PATRIP Foundation by the Implementing Partner should not exceed three months after the end of the calendar year, or reporting period if a different reporting period has agreed on with PATRIP Foundation. PATRIP Foundation may request access for review and/or the submission of original signed audit reports, relevant documentation shall be kept for at least ten years after completion of the assurance engagement.

The costs for the audit can be financed from the PATRIP Foundation Financial Contribution according to the budgeted amount for the audit. The audit shall be conducted in accordance with International Standards on Assurance Engagements as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISAE 3000 revised and will include such procedures as the auditor considers necessary (including on-site visits). The Terms of Reference for the external audit are attached to the Special Agreement, their use is mandatory. It is the responsibility of the Implementing Partner to check the audit reports submitted by the external auditor and ensure compliance of the same. Audit reports with incomplete information will not be entertained.

4. REPORTING FREQUENCY SCHEDULE

The table below summarizes the financial reporting requirements towards PATRIP Foundation:

Reporting Document	Frequency	Reporting Period	Submission Date	Submission to
Letter Designating Authorized Signatories	Once, or when changes to signatories occur	Entire project	Prior to Signing of Financing & Special Agreement, or when changes occur	Please refer to the respective communication protocol agreed between PATRIP Foundation and the Implementing Partner
Statement of Expenditure (SoE) including all supporting documents	Semi-Annually	January-June; and July-December	31 st of July and 31 st of January respectively	
Fixed Asset Register	Six-monthly, and attached to the FPR	January-June and July-December	By 31 st of January and 31 st of July of every year	
External Audit Report	Annually	Whole calendar year (January-December) unless otherwise stipulated by PATRIP Foundation	Within three months after the end of the relevant calendar year, or reporting period.	

VI. DISBURSEMENT GUIDELINES

VI. DISBURSEMENT GUIDELINES

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1. BANK ACCOUNT

Upon signing of the Financing Agreement, Implementing Partners shall open a separate bank account designated exclusively for funding received by PATRIP Foundation. This account is to be kept as a EUR account in order to avoid losses from currency devaluation and to allow retransfer of funds at all times, unless prohibited by law of the relevant country.

A dedicated PATRIP Foundation local currency account in the country of where the project is implemented shall also be maintained by the Implementing Partner. Should there be more than one local/operational currency in which expenditures are incurred by the Implementing Partner, separate dedicated operational currency accounts shall be maintained for each currency (refer to Part III, Example 2 of the Exchange Rate Policy).

Funds received by the Implementing Partner from PATRIP Foundation shall not be mixed with funds from other sources in case the Implementing Partner has multiple sources of funding.

The Implementing Partner shall not internally transfer and utilize PATRIP Foundation funds for other activities, which are not funded by the PATRIP Foundation.

The designated bank accounts of the Implementing Partner for PATRIP Foundation funding shall be operated with a minimum of two joint signatories duly authorized by its Board of Directors/General Body. All disbursements by the Implementing Partner to contractors/suppliers/vendors providing goods and services will be made from the designated account, preferably through crossed cheque.

After signing of the Financing and Special Agreement account information of the dedicated PATRIP Foundation project bank accounts maintained in EUR and the local/operational currencies are to be shared immediately with the PATRIP Foundation in writing using the template provided by PATRIP Foundation, as well as a schematic of flow of funds including all relevant bank account details. The information must also contain the name of signatories who are duly authorized by the Board of Directors for operation of the bank account and a specimen signature, as well as the confirmation that the bank account is exclusively dedicated to PATRIP Foundation funding. The bank account details shall contain the following:

- o A confirmation letter by the bank confirming that accounts have been opened on behalf of the Implementing Partner for the agreed purpose, including the following details:

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PART VI: DISBURSEMENT GUIDELINES

1. Banking details
2. The address of the bank branch
3. The account holder's data as declared to the bank
4. Bank stamp & signature of bank representative
5. Date and signature of the account holder

2. DISBURSEMENT REQUESTS

Disbursement of PATRIP Foundation funds for project implementation activities to Implementing Partner are based on the receipt of disbursement request applications. Disbursement requests are divided into three types:

- o *Advance Request for Disbursement*, generally one fifth (20%) of the Financial Contribution or as stipulated in the Special Agreement
- o *Subsequent Requests for Disbursement*, will only be made under the condition that the recipient proves to the PATRIP Foundation that it has obtained the necessary Non-Objection-Certificates (NOC), Memoranda of Understanding (MoUs), land allocation document, and environmental & social documents, in such target regions where and if applicable, and upon utilisation of 70% of funds as per project progress.
- o *Request for Final Disbursement*, generally one tenth (10%) of the withhold amount of the Financial Contribution of an individual project

When submitted, all disbursement requests must be signed by the authorized signatories communicated to PATRIP Foundation. All disbursement request applications shall be numbered chronologically pertaining to a specific Financing and Special Agreement. Guidelines of how to fill out the three different disbursement request forms are provided in the 'Readme file' of the Disbursement Request Form, which is provided by PATRIP Foundation.

It is to the discretion of the PATRIP Foundation to release the exact amount requested by the Implementing Partner or to disburse a lower amount based on observations on the progress of the project. In such cases PATRIP Foundation may request the Implementing Partners to revise the relevant disbursement requests. Upon receipt of a disbursement, Implementing Partners must send an acknowledgement of receipt as a confirmation letter supported by the transaction details.

2.1. Advance Request for Disbursement

After signing the Financing and Special Agreements and approval of the full-fledged detailed project documents, the Implementing Partner shall request the PATRIP Foundation to remit an initial mobilisation advance amounting to one fifth (20%) of the Financial Contribution or as stipulated in the Special Agreement and as per amount mentioned for that specific project in the annexed project documents. PATRIP Foundation will disburse the funds at the request of an authorized person signing the request.

For the submission of an advance request for disbursement Implementing Partners shall use following PATRIP Foundation templates:

1. Advance Request for Disbursement cover letter

2. Statement of 20% Advance Request

The templates include a covering letter addressed to the PATRIP Foundation by the Implementing Partner showing the disbursement request application number, the amount requested, and the bank account details and any other information required for the transfer of funds. The “Statement of 20% Advance Request” template shall be filled out by the Implementing Partner and attached to the advance request cover letter. The PATRIP Foundation template is to be used for all disbursement requests.

2.2. Subsequent Request for Disbursement

After submission of the required documents, and upon utilization of 70% of the advance disbursement, Implementing Partners are entitled to request additional project funds. Any subsequent disbursement will only be made under the condition that the Recipient proves to the PATRIP Foundation that it has obtained the necessary Non-Objection-Certificates (NOC) and Memoranda of Understanding (MoUs) in such target regions where and if necessary (see chapter I. General Guidelines, Section 3. Memorandum of Understanding), and upon utilisation of 70% of all (cumulated) previously disbursed funds under the subject project(s) as measurement of project progress.

The amount of the next disbursement is based on the advance cash forecast for the upcoming six months, or as per project progress and approved Project Budgets of the individual project(s).

For the release of these funds the “Subsequent Request for Disbursement” form shall be used. The form contains following attachments:

1. Subsequent Request for Disbursement cover letter
2. Statement of Disbursement & Expenditure
3. Statement of Adjusted Cash Forecast

In case the following documents have not been submitted prior to submitting the first “Subsequent Request for Disbursement”, these shall be attached for the first “Subsequent Disbursement Request” as well

4. Memoranda of Understanding
5. NOCs and/or (official) project registration documents (as necessary for project implementation)
6. In case of Category B+ Projects a project-specific or adjusted generic Environmental and Social Management Plan (ESMP) (please refer to the PATRIP Foundation Environmental and Social Policy for more details)

The explanation for the Subsequent Request for Disbursement cover letter is the same as for the “Advance Request for Disbursement”, except for “subject”, “description” and “enclosed attachments”.

The “Statement of Disbursement & Expenditure” shows in a tabular form the total amount disbursed to an Implementing Partner against individual projects, the total expenditure reported for the period and the balance amount remaining with the Implementing Partner.

The “Statement of Adjusted Cash Forecast” shows in a tabular form a link between disbursement, utilization, forecast and the adjustment of the 10% withhold amount of each project. For subsequent requests of disbursement, this helps to track the disbursement status of individual projects.

Following conditions need to be fulfilled before submitting a subsequent request for release of payment:

1. The request is valid as per the implementation progress to be seen from the Semi-Annual Progress Report(s) (SPR); and
2. The semi-annual SoE(s) of the respective half year showing the 70% utilization of all (cumulated) previously disbursed funds under the subject project(s) funds, has been submitted and approved.

2.3. Request for Final Disbursement

PATRIP Foundation will withhold 10% of the Financial Contribution of all individual projects as per the signed Financing Agreement and Special Agreement between PATRIP Foundation and the Implementing Partner. As and when the individual project is completed the Implementing Partner can request the release of the 10% withhold amount for an individual project.

For the release of the 10% withhold amount of a project Implementing Partners shall use the “Request for Final Disbursement” template. Before submitting the final disbursement request Implementing Partners have to undertake all payments of amounts due under a project and subsequently request a reimbursement by PATRIP Foundation of the amounts.

Should there be an unspent balance amount available under a project this amount will be adjusted in the final payment.

Following conditions need to be fulfilled before submitting the “Request for Final Disbursement” for the release of 10% withhold amount:

- The project/projects have been successfully implemented and the Final Project Report (FPR) has been submitted and approved.
- The PATRIP Foundation Monitoring Consultant has conducted a technical audit of the project and all rectification works have been completed.
- The final SoE for the reporting period in which the project ended has been liquidated satisfactorily. The PATRIP Foundation Consultant will conduct the financial audit during their regular monitoring visit.

Unspent balances at the end of the half-year period will be adjusted in the subsequent disbursement by the PATRIP Foundation funding. If there is an unspent balance at the expiry of the project agreement, the unspent balance will be adjusted or reimbursed to the PATRIP Foundation as per directions of the PATRIP Foundation.

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