

REGIONAL TRADE FACILITATION PROGRAMME PROGRAMME MANAGEMENT MANUAL

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ABBREVIATIONS

COMESA	Common Market for Eastern and Southern Africa
DFID	Department for International Development
DFIDSA	DFID Southern Africa
EPA	Economic Partnership Agreement
EU	European Union
FM	Fund Manager
ILO	International Labour Organisation
ITC	International Trade Centre
Logframe	Logical Framework
MoU	Memorandum of Understanding
MoV	Means of Verification
NGO	Non-Governmental Organisation
OVI	Objectively Verifiable Indicator
PAC	Programme Advisory Committee
PCN	Project Concept Note
PD	Programme Director
PM	Programme Manager
PMC	Programme Management Consultants
PMM	Programme Management Manual
PPU	Procurement Policy Unit (DFID)
PMU	Programme Management Unit
QMR	Quarterly Monitoring Report
RFP	Request for Proposal
RIFF	Regional Integration Facilitation Forum
RTFP	Regional Trade Facilitation Programme
SADC	Southern African Development Community
SME	Small and Medium Enterprise
SP	Service Provider
SPS	Sanitary and Phyto-Sanitary
TAP	Technical Advisory Panel
TBT	Technical Barriers to Trade
TOR	Terms of Reference
TBD	To Be Determined
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development

WCO World Customs Organisation

WTO World Trade Organisation



Definitions:

Service Provider(s) The term refers collectively to the individuals, institutions, organizations or companies contracted to deliver technical services.



REGIONAL TRADE FACILITATION PROGRAMME FOR SOUTHERN AFRICA

PROGRAMME MANAGEMENT MANUAL

1 BACKGROUND

- 1 The defined Goal of the Regional Trade Facilitation Programme (RTFP) is 'Sustainable job creation and increased incomes for the poor within the SADC region'. The defined Purpose is 'To facilitate increased trade in Southern Africa for the benefit of the poor'.
- 2 Interventions made under this programme are thus intended not only to increase economic and trade opportunities but also to improve the living conditions of poor people directly and indirectly through the facilitation of trade. The programme will also support research on trade issues, activities by trade associations for the facilitation of trade, and trade-related activities of NGOs and other civil society organisations.
- 3 Under the second Phase of the programme it will have a wider regional coverage than strictly Southern Africa so as not to cause unnecessary divisions within existing regional integration organisations in eastern and southern Africa. Furthermore, activities and initiatives will be supported rather than any particular institution *per se* although work with SADC and COMESA will continue to constitute major elements of the programme. The programme is financed by the British Government through the Department for International Development (DFID).
- 4 Following a Strategic Review of the output-to-purpose in early 2005, the programme was re-focussed. Under the first phase of the programme, interventions were made through four Channels as follows:
 - Channel 1 was for projects initiated by the regional institutions, SADC and COMESA;
 - Channel 2 was for projects involving partnerships between SADC or COMESA and international organisations engaged in various areas of trade facilitation;
 - Channel 3 provided funding for research organisations and trade-related activities of private sector organisations and civil society, with particular concern for small-scale traders and producers; and



- Channel 4 was for projects contributing to objectives but not accommodated in Channels 1-3.
- Under the second phase of the programme, funds and implementation procedures for Channels 1, 2 and 3 will be merged together. Finance and implementation procedures for Channel 4 will remain as before.

5 In Phase II the RTFP will be involved in two types of activity (or a combination of both), these being:

- Direct, output-orientated, technical inputs provided to regional organisations, national governments and recognised private sector institutions by RTFP management and staff on long-term contracts or staff recruited to provide targeted and specified outputs; and
-
- monitoring and supervision of programmes implemented by third parties on behalf of the RTFP in pursuance of the aims and objectives of the RTFP.
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6 The outputs for the programme have been redefined in Phase II of the programme as follows:

1. Output 1: Streamlined Customs/border Procedures and Common Regional Transit System
2. Output 2: Pro-poor trade agreements negotiated at WTO and as part of EPAs.
3. Output 3: Improved functioning of Regional Trade Agreements (SADC, SACU, COMESA).
4. Output 4: Increased Participation by Local Communities in the Production and Export of Selected Pro-poor commodities
5. Output 5: Improved Trade Policy Capacity

7 The programme is guided by a Logical Framework shown in Annex A.



2 MANAGEMENT AND ORGANISATIONAL STRUCTURE OF THE RTFP

2.1 Overall Structure

8 The RTFP is being implemented over a five-year period, which commenced on 4 November 2004 and which, following a subsequent amendment, will conclude on 31st October 2009. Imani Development (International) Ltd manages the project as the Programme Management Consultants (PMC).

9 A Programme Advisory Committee (PAC) was established in Phase I to guide the activities of the PMC and the PMU and coordinate its activities with the work of other donor agencies. The PAC is chaired alternately by representatives of SADC and COMESA. Under Phase II, an Executive Committee has been established to assume a governance role and approve work programmes and specific projects whereas the PAC now acts as a steering committee.

10 The reporting and operational structure of the RTFP is described below and illustrated in Figure 1.

2.2 DFID South Africa

11 The DFID Regional Office in Pretoria has overall responsibility for the RTFP. A DFID Programme Officer administers the programme.

12 DFID exercises its responsibility in part through its participation in both the Executive Committee and the PAC.

13 The Programme Management Consultants are accountable to DFID. With regard to the interventions of the programme, the PMC are responsive to the Executive Committee.

2.3 Executive Committee:

14 An Executive Committee comprising DFID, the Programme Management Consultants and the Programme Director has been formed for Phase II of the programme. It has a governance role and approves work programmes and specific projects where appropriate (i.e. above the stipulated limits for decision by the PMU). The Executive Committee will meet at least once every three months to review the progress of the programme and to consider new projects and initiatives.

Figure 1: Structure of the Regional Trade Facilitation Programme

[SEE SEPARATE FILE]



2.4 The Programme Advisory Committee

2.4.1 Functions

15 The PAC has a consultative role with the following Terms of Reference:

- To act as a steering committee for the Regional Trade Facilitation Programme;
- To receive reports from the Programme Management Unit
- To review and contribute ideas to the Work Plans proposed by the Programme Management Unit;
- To assist with ensuring that programme activities do not duplicate activities planned or under way with other donors;
- To give advice to the Programme Management Unit on the implementation of agreed work plans.

2.4.2 Membership

16 Membership of the PAC has been expanded under Phase II and in addition to representatives of the main regional organisations SADC and COMESA; representatives of donor agencies supporting substantial similar trade facilitation programmes in the Southern Africa region, namely the EC, USAID and GTZ and a representative of Imani Development (International), it now includes the World Bank and United Nations Development Programme (UNDP) as well as Southern African Customs Union (SACU). The East African Community (EAC) will be consulted but shall not be a member of the PAC. The Programme Director is an ex-officio (non-voting) member of the PAC.

17 A PAC meeting shall proceed only if at least four members are represented including at least one representative from either SADC, COMESA or SACU.

18 All members may be represented by up to two people at PAC meetings, one of which should be a specifically nominated person who will attend meetings of PAC on a regular basis in order to achieve continuity and background knowledge of the activities and progress of the RTFP.

2.4.3 Frequency of Meetings

19 The PAC shall meet at least twice per year in Pretoria, although additional meetings may be called.

2.5 Programme Management Consultants

20 As noted above, the Programme Management Consultant comprises Imani Development (International) Ltd.

2.6 Programme Management Unit

21 The Programme Management Consultant has established a Programme Management Unit (PMU) with responsibility for management of the programme's administrative and technical functions. Its full time staff comprises a Programme Director, a Programme Manager and a Programme Administrator. For Phase II, the Programme Management Unit (PMU) has been transferred from Gaborone, Botswana to Pretoria.

22 Duties of the Programme Management Unit are:

- developing initiatives for projects which are coherent with the programme's outputs, goal and purpose;



- preparing work programmes which ensure that trade facilitation activities will benefit the poor
- liaising with the SADC and COMESA Secretariats and related institutions with a view to developing beneficial programmes and minimising unnecessary divisions;
- liaising with representatives of national governments, international organisations, research organisations, industry based organisations, and civil society organisations in order to be responsive to changing regional developments and needs
- providing direct technical assistance services where necessary
- liaising with DFID and other donors as appropriate to reduce duplication and to strengthen related initiatives;
- Preparing Terms of Reference (TORs), and contracts as required;
- adhering to procurement, grant and financial management procedures;
- monitoring the implementation of individual projects in a collaborative and active manner;
- providing secretariat services to the PAC and liaising with PAC members;
- maintaining databases and a website for the RTFP;
- directing technical work undertaken through the RTFP;
- monitoring the outputs of the RTFP;
- preparation of quarterly progress reports;
- ensuring adherence to budgets and sound overall financial management of the RTFP.

23 More specific duties relating to financial management are listed in Section 8.

2.7 Financial Management and Procurement

24 Financial Management and procurement is considered in detail in Sections 7 & 8 below.



3 ELIGIBILITY CRITERIA AND PROCEDURES FOR PROJECT SELECTION

3.1 Eligibility Criteria

25 The eligibility criteria are as follows:

A project must further the designated Goal and Purpose of the RTFP. The Goal of the RTFP is sustainable job creation and increased incomes for the poor within the SADC region. The Purpose of the RTFP is to facilitate increased trade in Southern Africa for the benefit of the poor.

26 A project must, therefore, be concerned with the development of international or regional trade. The project should open new opportunities for trade, or expand or facilitate existing trade.

27 A project must have a regional impact. A project should directly involve at least two countries of SADC or COMESA, and have significant beneficial potential impact on others.

28 In accordance with the RTFP Goal and Purpose, a project must have a direct or indirect impact on the poor.

29 The project must directly contribute to at least one of the designated RTFP outputs (see Section 1 above for revised RTFP outputs).

30 The projects must generate activities that are likely to be sustainable once the RTFP support ceases. Alternatively, projects must develop skills that are likely to have long term application in the region.

31 The project must demonstrate good long term returns for money expended. That is, the benefits arising from the project must be at least equivalent, taking all aspects into account, to the sort of benefit that could be obtained in other activities from expenditure of a similar sum of money.

32 Project proposals must include designated indicators that will permit a reasonable assessment to be made of the progress and ultimate success of the project.

33 Projects must not duplicate existing projects, though they may complement or strengthen existing activities.

34 Priority will be given to projects that directly enhance the role of women in international and regional trade.

35 Projects should improve or protect the environment. As a minimum requirement, projects should demonstrate minimal adverse impact on the environment, and whsuch minimal damage is unavoidable, there must be substantial offsetting benefits. The project proposal must demonstrate that any potentially adverse environmental impact is minimized. Projects that offer substantial enhancement of the environment will be given priority in the Programme.

36 Projects should take into account the high incidence of HIV/AIDS in the region. Appropriate measures should be incorporated in project proposals to overcome adverse impacts arising from HIV/AIDS. Projects that offer respite and support to those subject to HIV/AIDS or improve protective measures against HIV/AIDS in the context of trade development will receive special consideration in the Programme.

37 Certain types of expenditure will not be eligible for funding under the RTFP:



Day-to-day administrative expenses and regular staff-related costs incurred by project promoters when implementing interventions. The programme will however meet staff travel costs, where they are incurred in the execution of RTFP projects.

- 38 Purchases of equipment of a capital nature, except when provided in concert with long-term technical assistance.

3.2 Procedures for Projects Implemented under the Work Programme:

- 39 The procedure for project administration is as follows:

Project identification

- 40 In consultation with SADC, COMESA, national governments, private sector institutions, civil society organisations or research partnerships, the PMU will identify a suitable area for intervention and design a programme of activities.

Project Methodology

- 41 The PMU will identify the most appropriate technical methodology for implementation of the project. Projects will be implemented through the contracting of technical services or through Agreements as appropriate.

- 42 Technical services will be commissioned, employing the procurement procedures set out in Section 7, for the provision of direct, output-oriented, technical inputs required to implement projects formulated in response to the needs of programme partners (such as the regional integration organisations).

- 43 For projects which have been developed by bona fide commodity producer associations, research organisations, etc which may not have the resources to finance a programme of activities and which are viable and coherent with the RTFP goals, an Agreement may be entered into. Such Agreements are intended for the use of highly specific pro-poor trade activities.

- 44 The PMU will agree upon the scope of work to be carried out, the budget with which it will be financed and will enter into an agreement with the organisation to finance an imprest account. The imprest account will only be replenished upon the receipt of supporting documentation for each tranche. This Agreement in effect replaces the Accountable Grant Agreement which was previously administered directly by DFID for beneficiaries of Channel 3 programmes under Phase I of RTFP.

Eligibility check

- 45 The eligibility of the final project document will be checked by the PMU.

Approval of projects costed at less than £100,000

- 46 The PMU will propose projects for funding in the relevant work programme. Approval of the work programme by the Executive Committee will constitute *de facto* approval of the projects. However, should a project be developed after the work programme and budget have already been approved, if the total estimated expenditure on the project is less than £100,000, the PMU may approve the project. When the project is approved, following acceptance of the TOR by both parties, a contract between the RTFP and the service provider is prepared by the PMU and signed by both parties.

Approval of projects costed at or above £100,000

- 47 As above, approval of the work programme by the Executive Committee will constitute *de facto* approval of all projects contained therein. However, for projects costed at or above £100,000 which are subsequently developed, the PMU will provide TOR or project summary to the Executive Committee. When the project is approved by the Executive Committee, a contract between the RTFP and the service provider will be prepared by the PMU and signed by both parties.

Project monitoring



- 48 The PMU will monitor implementation of projects and provision will be made in terms of Reference for all projects to report on activities. However, for projects of more than two months duration progress reports will be submitted at regular intervals to the PMU, together with final end of project reports.

Approval of final payment

- 49 The project beneficiary will, where appropriate, provide a statement indicating that in terms of quality and compliance, the Terms of Reference have been fulfilled to its satisfaction before final payment is made to the contracted parties.

Project evaluation

- 50 The PMU may appoint consultants to undertake project evaluation. Procurement of consultancy services for evaluation will be in accordance with the procedures of the Procurement Management Manual.
- 51 Where a company of the Imani Development Group is proposed to be involved in implementation, this shall be made clear in the TORs or project summary provided to the Executive Committee.

3.3 Procedures for Projects under Channel 4: Strengthening DFID Capacity to Lead Trade-Related Programming & Policy Work

- 52 Under Channel 4 projects may be financed which have been deemed by DFID to contribute to their trade related programming.

Identification of Projects

- 53 Projects will be mainly generated by DFID in consultation, where necessary, with the PMU and the PMC. DFID will be responsible for the preparation of TORs. The PAC will be informed through dissemination of the Quarterly Reports.

Selection of Service Providers

- 54 The PMU will select Service Providers in consultation with DFID. The selection will be done in accordance with the procedures set out in Section 7 below.

Project Monitoring

- 55 The PMU will monitor implementation of projects through reporting arrangements set out in TORs.

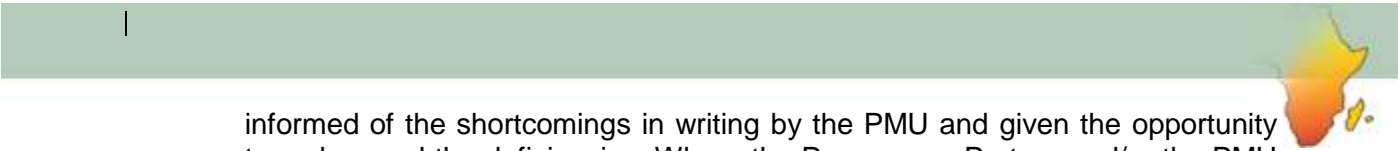
Project Evaluation

- 56 The PMU may appoint consultants to undertake project evaluation. Procurement of consultant services for evaluation will be in accordance with the procedures set out in Section 7 below.

3.4 Quality Assurance

- 57 Contracts for project implementation will include provision for withholding payment, or a proportion of payment, until certification is received from Programme Partners that a contract has been satisfactorily completed.
- 58 In the event that the Programme Partner and/or the PMU deem that a Service Provider has failed to fulfil a contract satisfactorily, the Service Provider will be

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informed of the shortcomings in writing by the PMU and given the opportunity to make good the deficiencies. Where the Programme Partner and/or the PMU remain dissatisfied with performance under a contract, and the service provider disputes the judgement, a mutually agreed third party will be asked to arbitrate. Where arbitration fails, normal legal procedures will be engaged.



4 MONITORING AND EVALUATION

4.1 Components of Monitoring and Evaluation Processes

59 Monitoring and evaluation will be carried out in four principle processes:

1. *Monitoring of projects undertaken by service providers*
Service providers are required to produce regular reports on project progress and final reports on completion of projects.
2. *Quarterly Reports prepared by the PMU and submitted to the PAC and the Executive Committee.* The PMU will also prepare a programme completion report in the closing months of the programme.
3. *Annual Output to Purpose Reviews (OPRs)* carried out by consultants commissioned by DFID.
4. *Evaluations of particular projects may be commissioned by the PMU*, in consultation with DFID. A final evaluation of the programme may also be commissioned by DFID.

60 Quarterly Reports provide summary accounts to the PAC and the Executive Committee on the activities of the programme and progress in fulfilling programme objectives. They assess progress against the logical framework and work programmes and identify any factors impeding programme activities, with appropriate remedies.

61 The Annual Output to Purpose Review Report assesses overall programme performance in the previous year. It gives an indication of lessons of experience that should be shared via learning networks. Furthermore, it identifies any necessity to revise the logical framework, identifies new risks, and updates and reviews the stakeholder analysis. It will identify key issues and recommendations for consideration by the Executive Committee for a particular year.

62 The programme completion report provides an assessment of the extent to which the planned outputs have been achieved and whether this has been done within the time-scale planned. It provides an opportunity to assess the likely wider and longer-term impact of the RTFP and provides a guide to future monitoring of similar interventions.



5 AMENDMENT AND TERMINATION OF APPROVED PROJECTS

5.1 Amendment of Projects Approved under the Work Programme:

63 A Programme Partner or the PMU may wish to amend a project already under implementation. Where the amendments, in the judgement of the PMU, are soundly justified on technical grounds, do not significantly alter the original targeted outcomes of the project and do not involve more than a 10% increase in the project budget, and the increase can be accommodated within the overall budget of the programme, the PMU shall have authority to authorise amendments.

64 Where the amendments significantly alter the nature of the project, and in particular where the amendments involve:

- Outcomes that are significantly different from those originally targeted when the project was approved; and/or
- Additional expenditures exceeding the budget approved in the project contract by more than 10%; and/or
- The recruitment of new service providers,
-

65 The PMU shall refer the amendments to the Executive Committee for approval. If, however, a project budget remains below £100,000, the PMU will circulate revised Terms of Reference or Project Summary to members of the Executive Committee and proceed if no objections are received within 10 days.

66 Activities on the project shall be temporarily suspended until the Executive Committee has made a determination. The PMU may, however, approve project suspension measures that will allow the project to restart promptly if approval is given by the Executive Committee.

67 Amendments sought by the PMU must be communicated in writing to the project beneficiaries where appropriate with explanation and justification. Consultations shall be held as necessary to agree suitable amendments.

68 Amendments sought by project beneficiaries must be communicated in writing to the PMU with explanation and justification, so as to permit the PMU to make an effective assessment of the need for amendment.

69 The PMU shall inform the project beneficiaries of its decision in writing within a period of two weeks of the PMU receiving the written request for amendment.

5.2 Amendment of Approved Projects: Channel 4

70 The above projects may be revised in consultation between DFID and the PMU. Revisions are acceptable so long as they remain within the overall Goal, Purpose and objectives of the programme.

5.3 Termination of Approved Projects

71 Provision for termination of approved projects is as follows:

- 1 Approved projects may be terminated on grounds of fraud, other malpractice, or negligence on the part of agents of the project beneficiaries, the implementer or other agents involved with the project. Where the PMU receives indications of such grounds, it shall be entitled to suspend immediately all activity on the project concerned. When fraud, other malpractice or negligence is established to the satisfaction

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of the PMU, the PMU shall seek the authority of the Executive Committee to terminate the project and take measures to recover expended funds.



- 2 In the event that a project fails to meet the objectives set out in its TOR within the established timeframes, or otherwise fails to fulfil undertakings in the TOR, due to incompetence or lack of due diligence on the part of the implementer or other agents involved with the project, the PMU shall be entitled to suspend the project and suspend all payments to the project pending rectification of the situation. Where no rectification is possible, in the judgement of the PMU, the PMU shall seek the authority of the Executive Committee to terminate the project and take measures to recover expended funds.
- 3 Where project beneficiaries perceive that a project is being implemented unsatisfactorily on account of any of the factors in 1 or 2 above, they shall communicate in writing their concerns to the PMU in sufficient detail as to enable the PMU to gain confirmation of alleged shortcomings. If the PMU is satisfied that the allegations are correct, it shall proceed as in 1 or 2 above.



6 PLANNING AND BUDGETING

6.1 The Programme Management Unit

72 The PMU is responsible for planning of RTFP activities in pursuit of the Goal and Purpose of the RTFP and the five designated outputs.

The PMU is responsible for preparing and seeking Executive Committee approval for the annual work programmes of the RTFP.

The PMU will ensure that:

- The costs of implementation of approved projects in accordance with the schedules established in their terms of reference can be accommodated within available funds;
- Funds are allocated so as to spread funds across the outputs of the RTFP (subject to activities of other donors);
- Project expenditures are maintained within their approved allocations, subject to the provisions for PMU discretion on expenditure indicated elsewhere;
- Project expenditures accord with commitments in Work Programmes or with arrangements for urgent projects set out in preceding sections;

73 When introducing urgent projects for approval, the PMU shall ensure that the new projects can be accommodated within the funds available for the relevant period.

Further details on financial management are set out in Section 9 below.

6.2 Work Programmes

74 Work Programmes form the main medium for programme planning, approval and budgeting. Work Programmes will be produced covering twelve month periods. They will provide:

- Reports on work undertaken by the PMU.
- An account of work to be undertaken in the forthcoming twelve month period. Terms of Reference or project summaries for projects for approval by the Executive Committee will be provided along with the Work Programme.
- The budget for the forthcoming twelve month period, incorporating proposed project expenditures and other expenditures of the RTFP Programme Management Consultants.
- Work Programmes will include an assessment of the impact of the programme in the previous year.



7 PROCUREMENT PROCEDURES

7.1 Service Requirement Types

75 It is foreseen that procurement on the RTFP will be almost exclusively for expert technical services with some five types of technical resource needs which could be identified to enable the implementation of Work Programme activities, namely:

- Appointment of technical experts.
- Study visits to institutions or benchmark organisations.
- Training courses at academic or other places of learning.
- Workshop arrangement or attendance.
- Production of guides and communication material.
-

76 Limited amount of goods and equipment could be procured.

7.2 General Procurement Principles

77 Procurement under the programme will be:

- Fair
- Equitable
- Transparent
- Competitive
- Cost effective
- Timely

78 Procurement will also promote the participation of service providers from the eastern and southern African region without compromising the above principles.

7.3 Procurement of Technical Resources

79 The PMU will be responsible for all stages of the procurement process. This includes:

- Drafting terms of reference or specifications for the services required consistent with the Terms of Reference or project summaries approved by the Executive Committee.
- Compiling a shortlist of at least three potential service providers for restricted tenders over GBP 100,000 – GBP 250,000 following advertisement of the work on the RTFP & DFID websites.
- Preparing and issuing tender documentation including tender procedures, TORs, evaluation criteria and weights.
- Receiving and recording tenders submitted in accordance with the tender procedures in the tender documentation.
- Convening an evaluation or interview panel including participation by the relevant beneficiary.
- Evaluating the tenders or applications in accordance with the evaluation criteria and weights and selecting the most technically and commercially competitive tender.
- Negotiate and sign a contract with the selected service provider.
- Manage and monitor the inputs and outputs of the service provider in accordance with the agreed TORs, timeframes and contract.



- Payment of the service provider within 30 days on presentation of a valid invoice.

80 A contract template for short term service contracts is provided at Annex B.

7.4 Procurement Procedures

- Sole sourcing for technical services – for contracts budgeted at less than GBP 100,000 and for work which is highly specialized, discussions may be entered into with one service provider. For work of a less specialized nature, a short list of three potential Service Providers will be drawn up who will be invited to make technical and financial submissions to be assessed by the Executive Committee. Where it is proposed to source from a company of the Imani Development Group, TORs circulated to the Executive Committee will make this clear. The beneficiary will be informed of the Executive Committee's nomination of the Service provider and will be asked for consent to enter into a contract.

- Restricted tendering – for contracts budgeted over £100,000. The Terms of Reference for the proposed contract will be advertised on the RTFP and DfID South Africa websites not less than eight weeks before the contract in question is due to begin. The advertisement will indicate a deadline for submissions of not less than one month prior to commencement of the contract. Following the process of advertising, a shortlist of at least three potential service providers would be developed in consultation with the relevant beneficiary. An evaluation panel shall be established, proposals ranked against the predetermined criteria, the preferred service provider selected, and contract negotiations undertaken. Offers shall be invited and shall be made in two envelopes: one for the technical proposal and one for the financial proposal.

- Full competitive tendering – for contracts budgeted at above GBP 250,000. This will entail local or international advertising, establishment of an interview or evaluation panel, ranking of proposals against predetermined criteria, selection of preferred service provider and contract negotiations. A shortlist of at least three companies will be selected from the offers for consideration by the evaluation panel.

81 Imani Development Group is specifically precluded from participating in any open or restricted tender.

7.5 Procurement Exceptions

82 In cases where the contract is budgeted at more than £100,000 and the nature of the service to be provided is highly specialised and only one possible Service Provider is known to exist, or where the nature of the service requires continuation of services previously contracted for with a certain Service Provider, a sole sourcing selection process can be considered. The potential Service Provider would be asked to submit a proposal to carry out the activity, and this proposal would be assessed in terms of its quality, timeliness and cost effectiveness. In cases where there is only one known Service Provider, efforts will nonetheless be made to obtain competitive fee and cost rates for the services to be provided. The PMU will also look for economies such as reductions in fee rates when entering into contracts for the continuation of specialised services.

83 Any exception to the above procurement procedures must be submitted to the Executive Committee for approval. The submission should include a rationale for the exception.

7.6 Evaluation Process Guidelines

84 The decision to award a contract to a prospective service provider must be based on a determination of which tenderer has the best likelihood of successfully completing the contract. Proposal evaluation is the process of evaluating both the proposal and the tenderer to determine whether the contract can be successfully



accomplished by that tenderer by means of that proposal. It forms the basis of choosing between competing offers.

85 Proposals will be evaluated in two phases: firstly according to the technical offer and secondly according to the financial offer. Marks for the financial offer will constitute 10% of the total marks to be awarded whereas 90% of the marks will be for the technical offer. The envelopes with the financial offers shall not be opened until the evaluation for the technical offers has been completed.

86 Proposals should be evaluated solely on an examination of the relevant evaluation factors and the relative importance of each evaluation factor.

87 Evaluation factors are those aspects of a proposal that will be measured, quantitatively and qualitatively, to arrive at an integrated assessment as to which proposal is likely to best meet the needs as described in the Terms of Reference. (This naturally means that the evaluation factors must be a true reflection of the requirements expressed in the TOR.) Evaluation factors can be divided into two categories:

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- Critical factors are the essential characteristics that a tenderer and/or his proposal must possess. If a proposal does not satisfy any of the critical factors, then it can immediately be rejected. This can also be referred to as minimum requirements.
-
- Discriminating factors allow for trade-off between proposals (those that meet critical factors).

88 To compensate for important differences between evaluation factors, weights are allocated to the factors. For each proposal, each evaluator individually assigns a score to each evaluation factor. These scores are weighted according to the relative importance of the evaluation factor. The subtotal of the weighted scores is an indication of the degree to which that proposal satisfies the RFP. Weighted score ranking is not a decision; it is merely a consistent and defensible method of arriving at a comparative judgment point.

89 Typically, weighting will be given to the following:

-
- Price.
- Technical requirements of personnel.
- Perceived ability to render the services required.
- Flexibility (to adapt to client requirements).
- Availability to meet deadlines.
- Preference criteria – i.e. regional companies and individuals.

7.7 Procurement of Goods

90 The procurement of goods on behalf of beneficiaries is subject to the general procurement principles outlined above. Provided the budget for the equipment or goods is less than £100,000, the PMU will administer the procurement through the solicitation of quotations from suppliers against specifications. Quotations will be evaluated primarily in terms of price, serviceability and quality and the purchase order issued to the most cost effective quotation providing value for money. Quotations may also be evaluated in terms of adherence to timeframes, after-sales service and other criteria where these have been included in the specifications.

91 If the budget for the goods is greater than £100,000, the PMU will consult DFID's Procurement Policy Unit (PPU), which will require procurement to be contracted to a DFID registered procurement agent acting as agent of DFID. DFID will make payments for equipment directly to the procurement agent's DFID client account.

92 Ownership of any goods procured on behalf of the beneficiaries will be vested in those beneficiaries.



8 FINANCIAL MANAGEMENT

8.1 Financial Management Principles

8.1.1 Objectives

93 The objectives of the financial management processes and procedures, that the Programme Management Unit will institute and adhere to, are to ensure that:

- The funds made available by DFID for the programme are expended only on those tasks/outputs that will achieve the stated goal and purpose of the program.
- Beneficiaries and Service Providers are aware of the budget restrictions and that the expenditure on the predetermined outputs/activities/tasks does not exceed the allocated budget.
- Service Providers are paid within 30 days of receipt of their invoice, subject to contractual clauses governing the release of funds or the satisfactory completion of the work;
- DFID and beneficiaries are fully aware of the financial status of the Programme through regular financial reporting.
-

8.1.2 Financial Management Framework

94 The Programme Management Consultant and the Programme Management Unit are the accounting partners on the Programme. They will perform the tasks as follows:

- The PMC will maintain accounting records to provide all interested parties with appropriate and relevant financial information relating to the Programme.
- The PMU will ensure that no contract is signed unless the activity and budget is provided for in the most recently approved RTFP Work Programme and Budget, or has been approved under the procedures for approval of urgent projects described in Section 3 above.
- The PMU will ensure that any amendments to the RTFP Work Programme and Budget incorporate already existing contracts.
- The PMU will provide relevant budgetary information to ensure that the beneficiaries and Service Providers do not overspend their allocated budgets.
- The PMU will prepare projected cash flows to ensure that the Programme maintains a sound fund position at all times.
- The PMU will approve the payment of valid invoices by Service Providers only in terms of contracts, ensuring that the quality of services or goods delivered is satisfactory.
- The PMC will ensure that the programme is properly reimbursed for all expenditure incurred on behalf of DFID.
- The PMC will provide DFID with relevant financial reports to confirm that funds provided by DFID for the specific purposes of the Programme have been properly spent.
- The PMC will maintain audit trail for control purposes.

95 Accounting records will be kept in such a manner as to ensure that relevant fund information can be obtained. The PMC Shall keep accurate and systematic accounts, files and records. The Records shall clearly identify, among other things, the basis upon which invoices have been calculated. Records will be kept throughout the duration of the RPTF and for six years following its termination.

96 The Consultant shall upon request provide DFID or its representatives including the National Audit Office, unrestricted access to the Records in order that the Records may be inspected and copied. The Consultant

shall co-operate fully in providing to DFID or its representatives answers to such enquiries as may be made about the Records.



8.2 Budget and Expenditure Management Procedures

8.2.1 Budget and Expenditure Management Guidelines

97 The following guidelines will be applicable to budget and expenditure management:

- The PMU is responsible for ensuring that the total budget allocated to the Projects in the latest approved RTFP Work Programme and Budget are not exceeded.
- The PMU is responsible for ensuring that the budget allocated for each contract is agreed with the respective Service Provider before the relevant tasks are commenced.
- Funds made available for the Service Providers may only be used in accordance with the Programme procedures in this Manual.
- The PMU will ensure that the payment of fees to Service Providers are in line with the commitments in the RTFP Work Programme and Budget or with approved commitments for urgent projects.

8.2.2 Budget Management Procedures

98 The budget management procedures to be followed on the Programme are:

- Programme budgets are summarised on the RTFP Work Programme and Budget by Project and Output.
- The budgetary commitments are recorded on a budget control sheet. The budget control sheet will be used when determining whether amendments to the RTFP Work Programme can be made and whether contracts or grant agreements can be signed.
- The PMU keeps a record of each claim for payment and determines the status of the allotted budget before the claim is authorised.
- The PMU regularly reviews payments which have been made in order to determine whether the remaining work under a contract can be completed within budget. Where additional funds are required for valid reasons the PMU will consider a budget adjustment, consulting as appropriate with the Executive Committee.
- Once the approved budget/commitment is reached, no further claims or requests for advance are accepted.

8.2.3 Expenditure Management Procedures

99 Payments by the PMU will be made against invoices submitted by Service Providers. Invoices must provide:

- The name of the payee
- Payments will only be made to contracted project implementers. No payments will be made to third parties;
- Bank data for the payee
- Payments will only be made by direct transfer into a bank account. The payee bank details should be supplied i.e. bank name, branch, address, telephone number, account number and swift code and sort code (if applicable);
- The amount payable; and
- Description of the goods or services for which payment is sought including the period of time to which the invoice refers.
- The invoice should be dated and signed by an authorised signatory.



- 100 The PMU verifies the invoice or request and, if approved, payment is made.
101 Authorised payments will be effected within 30 days of receipt of invoice or
102 On projects lasting up to 45 days payment will be made after the completion
103 On projects lasting more than 45 days, implementers may submit monthly
request.
of the project.
invoices in arrears.

8.3 Financial Management Reporting

104 Financial reporting will be done in a manner that provides full transparency and that ensures visibility on the fund status of the programme.

- The PMU will prepare consolidated quarterly forecasting reports to the Executive Committee. These will be based on the annual work programmes.
- The PMU will submit consolidated expenditure reports at the end of each quarter, within twenty-one days of the end of the quarter.
- The reports will be structured in the following manner:
 - a. Details for each Output, Project or Grant.
 - b. Consolidated report of the entire Programme consisting of the expenditure incurred by the PMU, by Imani Development (International) Ltd and by DFID.
- Annual financial reports will:
 - a. Support the quarterly monitoring reports and the annual work programmes and budgets.
 - b. Consist of expenditure and forecasting reports.
 - c. Report on budget utilisation versus project completion.
- The annual financial report will:
 - a. Contain a summary of actual expenditure for the year.
 - b. Compare actual expenditure to budget.
 - c. Contain a forecast of expenditures over the next year.

8.4 Fund Account

105 The PMC will maintain separate accounts for funds expended through programme channels and funds expended in programme management. Separate invoices related to the two accounts will be presented to DFID. All bank charges, interest earned or charged, foreign exchange gains or losses, or any other income or expense in terms of the account will be to DFID's account. The PMC and PMU will ensure that these charges are kept to a minimum through the efficient management of payments and invoices.

8.5 Sound Fund Management Assurance

106 The Procedures Manual will be followed, giving assurance that sound practice is being followed.

107 An external auditor may conduct an audit on the fund reports at the request of DFID as required.