

**TECHNICAL AND FINANCIAL FILE
STUDY AND EXPERTISE FUND (SEF)
RWANDA**

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**THE BELGIAN
DEVELOPMENT COOPERATION .be**

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ABBREVIATIONS

BI	Beneficiary Institution
BTC	Belgian Technical Cooperation
DGD	Directorate General for Development Cooperation and Humanitarian Aid
ICP	Indicative Cooperation Programme
FMT	Fund Management Team
MINECOFIN	Ministry of Finance and Economic Planning
PAREC	Programme d'Appui à la Réalisation d'Etudes et d'Expertises
QCC	Quality Control Committee
SC	Steering Committee
SEF	Study and Expertise Fund
SPIU	Single Project Implementation Unit
TFF	Technical and Financial File
ToR	Terms of Reference

ANALYTICAL RECORD OF THE INTERVENTION

DGD National Number	
BTC Navision Code	RWA 1509711
Partner Institution	Ministry of Finance and Economic Planning
Duration of Specific Agreement	48 months
Duration of implementation	36 months
Contribution of the Partner Country	None
Belgian Contribution	EUR 710,000
Estimated date for Signature of Specific Agreement	2015
Sector (CAD codes)	43010 Multisector Aid
Objective	Institutional and organizational capacity building efforts have been supported in the priority sectors of the Belgian-Rwandan Cooperation (ICP 2011-2014) and in support to the Paris Declaration.

1 SITUATION ANALYSIS

1.1 ICP 2011 – 2014: Study and Consultancy Fund

The framework for this programme is the one described in the ICP for the Study and Consultancy Fund (PAREC).

ICP Extract chapter 5.3.5:

“Belgium will continue to support the Study and Consultancy Fund. This instrument will continue to help Rwanda in:

- *study and appraisal of actions in the priority sectors and cross cutting issues identified in this ICP;*
- *study and appraisal of actions in support of coordination and harmonization of donor support.*

An amount of 2 M€ is foreseen for the replenishment of the Study and Consultancy Fund”

1.2 PAREC Specific Agreement

On the 28th of October 2010 a Specific Agreement was signed between the Rwandan Republic and the Kingdom of Belgium regarding the PAREC “Programme d’Appui à la Réalisation d’Etudes et d’Expertises” for a duration of 5 years (60 months).

The initial budget of that programme amounted to EUR 1,154,935.95. It was subsequently increased with two tranches of funds from the ICP 2011-2014 (EUR 400,000 and EUR 890,000), and was also increased with the balances of closed projects (EUR 1,287,473.06).

The programme is managed by MINECOFIN and BTC.

1.3 Decision to evolve from PAREC to a Study and Expertise Fund

PAREC Steering Committee 8 December 2014

The steering committee of the PAREC discussed the necessary evolution of the modalities and confirmed on the 8th December 2014 the following:

Gaps (in the Specific agreement and procedure manual)	Agreed solutions on December 8th 2014
Not enough flexibility as all activities need to be awarded through a procurement process, leaving no room for execution agreement.	Allow the principle of the use of the execution agreement modality between a government institution and BTC and MINECOFIN for implementing studies in the sectors of concentration of the Belgian direct bilateral aid. Allow the principle of the possibility for BTC to recruit an expert under a BTC employment contract to implement an expertise request, upon request from the beneficiary institution and after approval of MINECOFIN (duration between 6 and 24 months)
No mention about post-intervention sustainability	Add in the scope of the fund activities linked to analysis or improvement of post-intervention sustainability and maintenance of

follow-up	project investments
Not clear enough about the responsibilities of BTC and the management modality	For each study and expertise request, the request will specify the systems and responsibilities to be used to manage the request.
Does not provide BTC the needed resources to properly manage the individual requests and the project at large	Joint management of the Fund and of the requests by BTC and MINECOFIN will be financed through the Study Fund based on a service level agreement between the fund and MINECOFIN and the BTC Representation.

2 STRATEGIC ORIENTATIONS

2.1 Guiding principles of the Study and Expertise Fund

One of the key elements for ensuring a successful implementation of the Fund is to set clear and transparent criteria in addition to well defined guidelines applying to the management and use of the Fund. The guiding principles provided below constitute the basis for the definition of the eligibility criteria of requests coming from partner ministries or institutions.

2.1.1 Be a fund that can respond to emergent needs

A strong asset of the Fund is that it is designed as an instrument to allow rapid mobilisation of resources for studies and expertise. Specific needs that may not have been identified at the moment of the formulation of sector programmes, or that fall outside of the scope of these programmes, can be covered through the Fund.

2.1.2 Ensure ownership of the partner country

The requests for studies and expertise arise from the institutions of Rwanda themselves.

2.1.3 Ensure complementarity with other interventions supported by the Belgian bilateral cooperation

The purpose of the Study and Expertise Fund is to respond to capacity development efforts in complementarity and in coherence with other forms of support foreseen in the ICP, bearing in mind that the central pillar for capacity development support will lie in the large sector programmes that seek to strengthen the policy/strategic level and operational level (technical capacity/competences) of the priority sectors of the Belgian Cooperation in Rwanda with a considerable envelope foreseen for capacity building purposes at sector level.

2.1.4 Ensure the needs of different levels (national and local level), and across priority sectors and beneficiary institutions are taken into account

Equitable opportunities to submit proposals for the Fund and a fair distribution of resources should be envisaged:

- (i) between the central and provincial as well as district level
- (ii) between the different sectors and cross-cutting issues

2.1.5 Harmonisation / Donor coordination

In order to ensure coherence of actions and to avoid duplication of activities implemented across a given sector or on a given theme or issue, requests should be submitted on the basis of prior verification with relevant national stakeholders and other development partners.

The fund can also be used to support donor coordination activities by Belgium/BTC or MINECOFIN in priority sectors of the ICP.

2.2 Beneficiary institutions

The direct beneficiaries of the Fund will be the Rwandan public institutions at central, provincial and local levels that are linked to the priority sectors and transversal themes identified in the ICP.

3 INTERVENTION FRAMEWORK

Given the nature of the intervention i.e. a “Fund” the Logical Framework approach does not apply.

The Fund has an objective as described in the ICP and the various studies and expertise subscribe to that objective.

3.1 Objective of the Fund

Institutional and organizational capacity building efforts have been supported in the priority sectors of the Belgian-Rwandan Cooperation (ICP 2011-2014) and in support to the Paris Declaration

3.2 Activities financed by the Fund

All the activities financed by the Fund contribute to the Fund objective. The activities that are eligible to be financed by the Fund are the following:

Studies

Specific studies can be sought in response to needs within the priority sectors or related to Aid Effectiveness or to cross-cutting issues.

Expertise

National, regional or international experts can be contracted to be seconded to public institutions of the priority sectors, whether on specific and temporary assignments or with a broader mandate defined in view of strengthening systems where technical expertise is needed.

Workshops/Seminars

The Fund can also be used for financial support to seminars organised by partner institutions whether for purposes of multi-stakeholder consultation (e.g. planning exercise, policy design), dissemination of results from surveys, studies or evaluations as well as for briefings on specific guidelines or tools related to general strengthening of country systems for staff members of partner institutions within the priority sectors.

3.3 Indicators and means of verification

The Fund will be monitored through an established M&E framework that can be used for **accountability**, for **systematic learning** and for **strategic steering purposes**.

DAC criteria	Indicator	Source of verification
Relevance	Distribution of number of requests across different priority sectors and cross-cutting themes	Fund Annual reports
Effectiveness	Users' satisfaction about the quality of the activities supported by the Fund	Annual satisfaction surveys addressed to beneficiary institutions having received support

Efficiency	Rapidity of requests treatment: time between the submission of requests and the approval (or rejection) of these; time between the approval decision and the kick-off of the implementation; and any other amount of time that is relevant for the efficiency of the management of the intervention	Statistics elaborated by the Fund management Team
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3.4 Risk Analysis

3.4.1 Implementation risks

Risks	Alleviation measure	Risk Level
Lack of requests from BI	Elaboration and promotion of written procedures in a user-friendly way and availability of Fund Management Team to reply to questions and needs for clarification.	Low
Insufficient follow-up of funded activities by BI during implementation	Signature of a clear written implementation framework (agreement on division of roles and responsibilities in every step) for each activity.	Moderate
Duplication with activities supported by other development partners active in the sector or other interventions supported by the Belgian Cooperation	Role of Fund Management Team to liaise with teams working in BTC sector programmes as well as with other development partners.	Low

3.4.2 Effectiveness risks

Risks	Alleviation measure	Risk Level
Activities are not related to sector priorities	Role of the Fund management team to keep track of the principles presented in the TFF (further translated into objective criteria in the operational procedures manual) and to raise concerns at the Steering Committee when deemed necessary.	Low
Inequitable distribution of financing and support among sectors (for e.g. due to small	Role of the Fund Management Team to monitor spending allocations and assess why some sectors may not be benefiting from the Fund, what weaknesses might lie within BI. Bring these to the attention of the	Moderate

number of requests from a given sector either submitted or approved)	Steering Committee and propose solutions or adjustments.	
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3.4.3 Sustainability risks

Risks	Alleviation measure	Risk Level
Results of studies, expertise or seminar not sufficiently shared.	Role of the Fund Management Team to liaise with on-going BTC interventions in the priority sectors to follow up on the sharing of the fund activities results within their partner institution.	Moderate

3.4.4 Fiduciary risks

These risks are considered minor given the limited amount of individual activities and the presence of the Fund Management Team to ensure a good management.

4 RESOURCES

4.1 Financial resources

The Belgian contribution amounts to EUR 710,000 (from the ICP 2011-2014). The detailed budget per year is presented in a table in Annex 7.1.

The Belgian contribution can be increased after an exchange of letters.

4.2 Human resources

4.2.1 Fund Management Team (FMT)

Function	Number of months	Appointed and contracted by	Financed by
Fund Manager	36 months half time	MINECOFIN	The Fund via a Service Level Agreement with MINECOFIN
Fund Co-Manager	36 months half time	BTC	The Fund via a Service Level Agreement with BTC

A description of the two functions and profiles is given in Annex 7.2.

MINECOFIN will appoint the national Fund Manager.

BTC will appoint the national Fund Co-Manager who will be the direct counterpart of the Fund manager to support the implementation of the Fund.

The Fund Manager and Co-Manager will be financed half time by the Fund.

They will be based in their respective institutions but will meet on a very regular basis.

4.2.2 Recruited Experts seconded to beneficiary institutions

International, regional or national experts can be financed by the Fund to work with Beneficiary Institutions. They are recruited by BTC or by the Beneficiary Institutions for a maximum of 2 years. If recruited by BTC, they are seconded to the Beneficiary Institutions. They function under the hierarchical authority of BTC if they sign a contract with BTC and under the one of the beneficiary institution if they sign a contract with the beneficiary.

Job Opening: Every job is accessible for men and women equally. Women will be encouraged to apply.

Evaluation: Experts seconded to beneficiary institutions will be evaluated jointly by BTC and by the beneficiary institution

Missions: Each mission has to be approved jointly by BTC and by the beneficiary institution

Contract extension: A contract extension must be considered and managed as a budget modification of the expertise (even if it doesn't imply any budget increase)

4.3 Other Resources

4.3.1 Services

- Studies
- Targeted consultancies and advisory services. (This is another channel to hire national, regional or international expertise for beneficiary institutions. The choice between channel 4.2.2 or this channel is made jointly and pragmatically).

4.3.2 Furniture and Equipment

Some small office material can be purchased for creating the proper physical working conditions for the Programme managers. This will include:

- Purchase ICT equipment and other basic office materials required for the functioning of the Programme manager and co-manager

4.3.3 Logistical support

A logistical support must be linked to a study or expertise financed by the Fund and the part of the budget devoted to logistical support cannot exceed 30% of the study or expertise budget.

A logistical support consists essentially in:

- “Small-scale” supplies: small-scale equipment (computers, printers, office furniture), fuel, paper, photocopies of reports etc.,
- “Small-scale” services (leasing a meeting room, leasing transport equipment, leasing communication materials, reproducing reports,...)
- Methods of operation: transport expenses (fuel), reimbursement of expenses incurred in the course of the assignment according to the scales laid down by the sponsors (provided that the assignments have been duly approved by management), subsistence expenses for participants (on condition that these are deducted from any daily allowances allocated as assignment expenses), etc.

4.4 Other Commitments

It is important to note that as agreed upon in the General Development Cooperation convention signed on the 18th of May 2004 between both governments, any tax, including VAT on the supplies and equipment, works and services is covered by the Government of Rwanda.

5 IMPLEMENTATION MODALITIES

5.1 Legal framework and administrative responsibilities

The legal framework of this intervention is governed by:

- The General Agreement between the Belgian Government and the Rwandan Government was signed on the 18/05/2004
- The Indicative Cooperation Program (2011- 2014) between the Government of Belgium and the Government of Rwanda was signed 18/05/2011
- The Specific Agreement – of which this present Technical and Financial File (TFF) is part - signed between the Government of Rwanda and the Government of Belgium.

There is a joint Belgian-Rwandan administrative responsibility for the execution of this intervention.

The Rwandan party designates the Ministry of Finance and Economic Planning (MINECOFIN) as the administrative entity responsible for executing the intervention.

The Belgian party designates the Directorate-General for Development and Humanitarian Aid (DGD) represented by the Belgian Embassy in Kigali as the Belgian entity responsible for the Belgian contribution.

DGD delegates the fulfilment of its obligation to the Belgian Development Agency (BTC) represented by the BTC Resident Representative in Rwanda as the Belgian entity responsible for the execution and follow-up of the intervention.

5.2 Institutional anchoring

Institutionally, the Fund is anchored in the Ministry of Finance and Economic Planning (MINECOFIN) within the Single Project Implementation Unit (SPIU).

5.3 Technical and operational Responsibility

There is a joint Belgian-Rwandan technical and operational responsibility for the execution and achievements towards the specific objective of the Fund.

This joint responsibility is assumed both at the level of the Steering Committee and of the Fund Management Team.

5.4 Financial Responsibility

This intervention will be executed according to two management modality modes: “Co-management” and “BTC management”.

The Authorizing Officer is the BTC Resident Representative in Rwanda, for the activities in BTC management.

For activities under the co-management modality the External Finance Unit Director of MINECOFIN is the Authorizing officer and the Resident Representative of BTC is the Co-Authorizing officer.

5.5 Fund Management Cycle

The purpose of this sub chapter is to describe the different phases in the management cycle of the

Fund and to describe in which way each activity is managed in terms of actors, responsibilities and specific tools.

The procedure manual will further detail these elements.

5.5.1 PHASE 1: Set up the Study and Expertise Fund and ensure that it is known among the institutions of the priority sectors

Elaboration of an operational procedures manual

Actors	Fund Management Team
Responsibility :	Joint
Specific tool :	NA

The manual of procedures will explain in simple but detailed and didactic terms the way in which a partner institution has to submit an application for intervention from the programme and, if approved how it will be implemented.

This manual will be drawn up at the beginning of the programme, at the latest 3 months after the first Steering Committee.

This manual will specify in particular:

- the criteria for justifying a decision in relation to an application
- the basic structure and the guide for drawing up an application for funding
- the methodological guidelines to draft relevant terms of reference for the needed study or expertise
- models of budget and time-frame for interventions
- criteria for assessing the studies and expertise reports, etc.

Promotion and communication

Actors	Fund Management Team
Responsibility	Joint
Specific tool	Yearly communication Plan

The Fund Management Team will carry out activities to make the programme widely known. These activities will consist of:

- Information and training for the target beneficiary institutions, in particular by means of dispatching and explaining the manual of procedures described above.
- Development and publication of a programme leaflet
- Development of a website setting out how the programme operates and presenting its tools (application template for funding, editorial guidelines and terms of reference (TRs), various

models: time-frame, budget, etc.)

- Six-monthly meetings with key target beneficiary institutions to identify opportunities that could be translated into requests addressed to the Fund
- Other activities to be decided on in accordance with the circumstances.

The activities for making the programme widely known will focus as a priority on the decentralised institutions in the areas of concentration defined by the ICP.

The FMT will have its communication plan and budget approved each year by Steering Committee.

5.5.2 PHASE 2: Apply for funding

Formulation and submission of applications

Actors	Potential beneficiary institutions
Responsibility	National
Specific tool :	Templates and guidelines for application (to be developed in the manual of procedures intended for users, on the basis of the existing framework)

Draft the application form

An application for funding may relate to any combination of the various types of realisations (Study, expertise, workshop/seminars).

An application for funding (and its terms of reference) must be drawn up by the beneficiary institutions.

Application form must be accompanied by the terms of reference which, at this stage, may be outlined briefly.

If not fully elaborated in the application, beneficiary institutions must specify in the application form whether support is requested from the Fund Management Team in order to finalise the terms of reference.

Submit the application form

The application must be sent by the director of the beneficiary institution (the applicant) to the Fund Management Team.

Support to the formulation of applications

Actors	Fund Management Team
Responsibility	Joint
Specific tool :	Templates and guidelines for application

The Fund Management Team will provide methodological guidance to the beneficiary institutions in the formulation of applications. On a demand-driven basis, the FMT will support the sectors in defining the modality which may best be suited to respond to their needs under the different options available within the Fund. Requests will have to be concise and clearly formulated.

5.5.3 PHASE 3: Implement the Studies, Expertise and Workshops/seminars in a qualitative way

Processing and validating the applications

Actors	Fund Management Team Steering Committee
Responsibility	Joint
Specific tool :	template for evaluating the application with regards to the Fund's objective and limitations (to be developed in the manual of procedures)

The Fund Management Team examines the applications with regards to the conformity with the objective and limitations of the fund and with regards to the quality of the technical content.

The Fund Management Team could request support from the Rwandan public institutions and from BTC experts in Rwanda/HQ or via an external consultancy to support them in analysing the technical content of the applications to the Fund.

The FMT fills in an evaluation template and forwards it together with the application form to the steering committee.

The Steering committee approves or rejects the request on the basis of the relevance of the request detailed in the application (and not according to the “first come, first served principle”).

Note: The FMT may contact the applicant if the application is not properly filled out in order to ensure compliance.

Finalisation of ToR and set-up of a framework for implementation

Actors	BI and Fund Management Team
Responsibility	Joint
Specific tool :	NA

Once the requests are approved, the Fund Management Team will liaise with the applicant to ensure that ToR are finalised in view of the kick-off of the activity.

For each accepted application, the FMT will agree with the applicant on a chronogram, referring to the different tasks and deadlines.

The FMT is responsible for planning the public procurements, the recruitments and the grants agreements to execute the programme. This planning is based on the validated applications and the ones being processed and on the operational planning of the activities in progress and statistics about the duration of the contracting processes.

Implementation of activities financed by the Fund

Actors	BI and Fund Management Team
Responsibility	Joint
Specific tool :	NA

The Fund will finance activities as specified in the application submitted by Beneficiary Institution (BI) and further specified in the ToR. The BI will deal with the necessary tendering processes in close consultation with the Fund Management Team.

Studies and expertise can be contracted according to 3 processes:

- Public tendering (Service contracts)
- Recruitment (Employment contracts)
- BTC Grants Agreements with public institutions

Workshop/Seminars can be contracted according to 2 processes:

- Public tendering (Service contract)
- BTC Grants Agreement with public institutions

Monitoring and resolution of bottlenecks

The indicators in chapter 3.3 will be closely monitored by the Fund Management Team and serve to identify issues related to the functioning of the Fund. The Monitoring system is further described in chapter 5.7.5.

When the Fund Management Team faces a bottleneck issue, it will bring the issue to the attention of the Steering Committee and propose specific solutions (including adjustments of certain procedures where necessary).

5.5.4 PHASE 4: Fund Administrative closure

Six months before the expiration of the Specific Agreement, the Fund Management Team must prepare a financial statement with the BTC Representation according to BTC procedures. BTC must check the financial statement before it is presented to the closing Steering Committee to be organised before the expiration of the Specific Agreement.

After the end of the Specific Agreement, no expenditure will be authorised except expenditures linked to commitments taken before the end of the Specific Agreement and detailed in the Minutes of the Steering Committee organised before the expiration of Specific Agreement.

After having fulfilled the requirements related to the programme closure, the signatories to the bank account will officially close the account.

Equipment purchased under "BTC-management" will remain the property of BTC during the Fund implementation. The SC will propose a destination for this equipment during the last meeting of the SC before the expiration of the Specific Agreement.

5.6 Implementation and follow-up structures

5.6.1 Steering Committee (SC)

Role of the SC

The Steering Committee (SC) is the highest level of decision of the Fund. It is responsible for providing the necessary strategic guidance to the Fund management Team and assuring that the Fund objective is achieved.

The SC is mandated to:

- Ensure that the roles and responsibilities of the different institutions and entities involved in the Fund are clearly defined
- Approve the Fund operational procedures manual
- Formally approve (or reject) the requests during the SC meeting, based on recommendations made by the Fund Management Team. For this, the SC will meet at least quarterly. Specific meetings will be organized if needed.
- Provide implementation and policy guidance to all stakeholders
- Approve the work plan of the Fund, including the financial planning
- Approve the annual reports
- Endorse the recommendations of the mid-term and end-term reviews (including ensuring the implementation of approved changes recommended by the mid-term evaluation report)
- Ensure that the external audit is carried out by an accredited accounting firm, appraise any findings and recommendations and follow up on their implementation
- Approve eventual adjustments or modifications in the TFF, while respecting the specific objective, duration and total budget as described in the specific agreement while ensuring coherence and feasibility of the actions; recommend any essential modifications of the objective, the total budget and/or the duration of the Fund to the Rwandan and Belgian Government
- Approve the action plan related to the closing process (planning, last operational and financial commitments), the final report and the final closure of the project, following the procedure mentioned in the guidelines "Closing procedures" provided by BTC
- Approve any changes in the composition and responsibilities of the SC.

Composition of the SC

The SC will be composed of the representatives of the following institutions as voting members:

- Chair: Representative of MINECOFIN
- Co-Chair: BTC Resident Representative
- Representative of the Belgian Embassy in Kigali

The PSC may invite external experts or other stakeholders as resource persons on an ad hoc basis (non-voting members).

Operating mode of the SC

- The SC meets upon invitation of its chair at least twice a year. Extraordinary meetings can be held upon request of one of its members. The invitation shall be received by the members at least 7 days before the meeting. The invitation shall include an agenda, suggested decisions and supporting documents;
- The SC meets for the first time (at the latest) three months after the signature of the Specific Agreement;
- The SC establishes its rule of order during its first meeting;
- Decisions of the SC shall be taken by consensus. Decisions of each meeting of the SC shall be recorded in minutes signed by its present voting members;
- A SC is held at the latest three months before the end of the project activities in order to approve the final report and prepare the modalities of the project closure;

5.6.2 Fund Management Team (FMT)

Role of the FMT

The FMT is the operational level of the Fund. It takes operational decisions and manages the fund activities on a day to day basis in order to fully implement the fund strategy, in time and within budget, as approved by the PSC. The main responsibilities of the FMT are to:

- Ensure the implementation of activities in accordance with the TFF and the approved work plans
- Ensure that all activities outputs are linked to the specific objective through a close monitoring based on pre-defined indicators
- Provide technical guidance on methodology and strategy
- Establish the work plan and budget that will be presented to the Steering Committee during the first 3 months of the Fund
- Prepare the Fund manual – at the latest 6 months after the start of the intervention – to be submitted to the SC, which includes:
 - o Operational procedures manual
 - o Communication plan
- Prepare the quarterly Monitoring operational reports (MONOP)
- Prepare the annual reports and the final report
- Undertake regular monitoring and report on monitoring findings
- Act as the secretariat of the SC.
- Tender for the procurement of goods and services in conformity with applicable regulations
- Prepare and manage the Grant Agreements
- Ensure the follow-up of the previous study fund.
- The Fund Management Team will act as the Secretariat for SC and will provide the necessary information to its members in advance of each meeting.

The procedures for the functioning of the FMT will be described in detail in the Fund’s operational procedures manual.

Operating mode of the FMT

The FMT operates under the mutual authority of MINECOFIN and BTC.

For matters executed in joint responsibility, decisions are taken by consensus between the MINECOFIN Fund Manager and the BTC Fund Co Manager.

5.6.3 Beneficiary institutions (BI)

In the Beneficiary Institutions, two roles can be distinguished:

- The “**applicant**” who has a role of strategic follow-up. He/she is a national director within the beneficiary institution and has interactions with the Steering Committee.
- The **person charged with the execution of the request** is a staff member of the BI at managerial level. He/she is in charge of finalising the ToR, budgets and calendar of the activities to be financed by the Fund and overseeing procurement if any. Once the tender is awarded, this person will ensure the activity is duly implemented, jointly with the fund managers.

5.7 Operational Management of the intervention

5.7.1 Public Procurement management

Services (studies and specific expertise) can be contracted through public tendering.

The duration of services financed by the Fund cannot exceed 24 months.

Procurement processes shall be implemented according to the Rwandan Law on Public Procurement, or in some instances according to Belgian law, and the Fund Manual of Procedures that will be developed. In addition, specific BTC requirements apply, as described in BTC project execution Guidelines for Rwanda.

5.7.1.1 Procurement planning

System:	RWA system <u>and</u> BTC system
Responsibility:	Joint

BTC requires a quarterly procurement plan for all project procurement processes.

Procurement planning is performed by the Fund management Team, with the support of the procurement services of MINECOFIN and of BTC representation.

5.7.1.2 Procurement execution

System:	RWA or BTC system for each study, according to its specific context, BTC system for some clearly defined activities listed below
Responsibility:	Joint responsibility for all studies, regardless of the system used BTC responsibility when the BTC system is compulsory (see list below)

All bidding documents must mention that the Study and expertise Fund finances the activities.

In addition to the Rwandan system, “no objection” by BTC is required at 2 key moments of the tendering process: before launching and before awarding.

The contract must be signed by Rwanda with a BTC visum for non-objection.

The contract must specify that all invoices are to be addressed to the Study and Expertise Fund.

The authorizing power, depending on thresholds, for launching and awarding is distributed as indicated here under.

RWA	BTC	Threshold (X Equivalent EUR):
Fund manager	Fund Co-manager	$X \leq 25,000$
MINECOFIN	Resident Representative	$25,000 < X \leq 85,000$
MINECOFIN	Resident representative, after review by local independent lawyer appointed by BTC	$85,000 < X \leq 200,000$
MINECOFIN	Resident representative, after review by local independent lawyer appointed by BTC and by BTC HQ	$X > 200,000$

X is the amount of the tender, VTA included, in EUR or converted from FRW in EUR on the day of publication, using the EUR buying rate of exchange on the National Bank of Rwanda website.

Compulsory use of the BTC procurement system:

The tendering processes that will obligatorily use the BTC procurement system under BTC responsibility (BTC Management) are:

- Consulting services for supporting BTC backstopping, if required
- Audit services for the Fund audit on behalf of BTC
- Consulting services for the Mid-Term Review
- Consulting services for the End-Term Review
- Capitalization services (BTC framework contract)
- Other procurements validated by the PSC

5.7.2 Grant Agreements management

Actors:	FMT + BTC Representation + BTC HQ
Responsibility:	joint
Tools:	BTC Grants guide and templates

A Grant Agreement is a direct financial contribution -from a project/program budget- by way of gift or payment of a non-commercial nature to a specific beneficiary organization in order to finance the implementation of activities and/or their operations, in order to contribute to the achievement of results and objectives of the project/program.

To allow the Fund to delegate the implementation of some activities to key public actors the specific Grant Agreement modality will be used.

The beneficiaries of Grant Agreements financed by the Fund must be public actors.

The specific BTC guide for the attribution, elaboration and follow-up of Grants Agreements applies.

Subject to their amendment by BTC, the conditions for Grant agreements in the context of a project/programme will apply. They are presented in Annex 7.3.

5.7.3 Experts employment contracts

Process	Responsibility			
	Fund Manager	Fund Co-Manager	Experts contracted by BTC and seconded to BI	Experts contracted by the BI
Advertise the job opening	MINECOFIN	BTC	BTC	BI
Pre select candidates	MINECOFIN	BTC	Joint	Joint
Select candidates	MINECOFIN	BTC	Joint	Joint
Get the no-objection from the Rwandan government/from BTC	MINECOFIN	BTC	BTC	BI
Sign an employment contract with the expert	MINECOFIN	BTC	BTC	BI
Arrange the expert installation	MINECOFIN	BTC	Joint	Joint
Evaluate the expert	MINECOFIN	BTC	Joint	Joint
Manage the expert's missions	Joint	Joint	Joint	Joint
Terminate the experts' contract	MINECOFIN	BTC	BTC	BI

BTC or BI Human Resources management procedures apply.

The duration of the contract will cover a minimum period of 6 months and initially maximum 1 year and can later be extended to a total of maximum 2 years.

This type of contract also allows for the provision of either intermittent or ongoing expertise and also includes the possibility of collaborating with public institutions from Belgium or elsewhere in the world.

5.7.4 Financial Management

5.7.4.1 Bank Accounts and payments

System:	RWA system <u>and</u> BTC system
Responsibility:	Joint responsibility for the RWA system BTC responsibility for the BTC system

Account in joint responsibility (co-management):

As soon as the specific agreement has been signed, an account in EUR will be opened at the National Bank of Rwanda (NBR). Payments from this account require a double authorization (BTC and RWA), according to the following specifications:

Authorizing Officer for RWA	Authorizing officer for BTC	Threshold (EUR)
Chief budget officer or delegate	BTC Resident Representative	Up to 200,000
Chief budget officer or delegate	BTC Resident Representative (with a mandate from HQ)	> 200,000

Account in BTC responsibility (direct-management):

For local expenses under BTC responsibility, an intervention account will be opened at BTC, with double BTC authorization, according to the BTC internal mandate structure.

The necessary accounts for operating the execution agreements will be opened in accordance with the general conditions of BTC execution agreements (see Annex 7.3.) and the Fund Co-manager will monitor that these conditions are respected.

Payments (referring to the scheme on p.18):

- For public procurements, documents providing evidence (invoices) must be sent to the FMT which will verify them in terms of form and validity, before passing them on to the BTC representation accountant who will prepare the payment by bank transfer.
- For recruitment by BTC, all expenses are managed directly by BTC.
- For expenses incurred in connection with execution agreements, the procedures laid down in the agreement will apply.

5.7.4.2 Financial planning & Funds Transfer

System:	BTC system
Responsibility:	Joint responsibility or BTC responsibility

The FMT will be responsible for the periodic planning of expenses and treasury requirements, in

collaboration with the Senior Controller at the BTC representation. The financial programming is based on the operational planning, public procurement planning and planning of execution agreements for the following quarters and years.

First funds transfer: Once the signed specific agreement has been notified to BTC, a first cash call can be sent by the FMT to the BTC representation, per responsibility mode (co-management & BTC management). The requested amount must correspond to the needs for the first three months of implementation.

Following funds transfers: The account is replenished quarterly according to BTC rules and regulations.

Cash management tasks are performed by the BTC representation accountant. The authorizing officers both sign the quarterly cash calls in co-management. The signature of cash calls in direct-management follows BTC internal procedures.

5.7.4.3 Budget modifications

Upon the approval of new activities (studies, consultancies, expertise, etc.) by the Steering Committee, the budget needs to be modified in order to reflect the new situation. The FMT prepares a budget modification proposal in which the budget line “balance for new studies and expertise” (either in BTC or co-management) is reduced and new budget lines representing the new activities are created, for an equal amount,

The BTC representation accountant verifies this proposal, and checks its consistency with the SC minutes, before making the necessary changes in the BTC financial tool.

5.7.4.4 Accountability and expenses justification

Each month, the accounts must be drawn up and approved according to BTC procedures. This work will be undertaken by the BTC representation accountant. The accounts must be signed for agreement by the FMT.

The accounts comprise an electronic file, documents providing evidence and bank statements. Supporting documents for all payments must be kept at the BTC representation.

5.7.4.5 Management of assets

All investment assets acquired in connection with the studies and the expert reports shall be considered as the property of the beneficiary institution as soon as they are purchased by the programme, with the exception of assets acquired in connection with international expert reports for the experts' own operation. These shall remain in the ownership of the BTC once the expert report is completed

The PMU and its partners undertake to carry out proper inventory management in the institutions, allowing the use and intended purpose of these investments to be monitored once the study has been completed, in particular on the occasion of any audits of the programme.

5.7.4.6 Monitoring individual budget for studies and expert reports

A detailed budget will be drawn up for each application approved under the responsibility of the FMT,

according to a standard framework (see Annex 2) allowing, among other things, the monitoring of the limitations imposed on the items of logistical support and investment.

The frequency of the budgetary monitoring of the individual studies and expert reports will be defined by the specific terms of the study. It will occur at least on a quarterly basis.

Exceeding the budget is not authorised.

Budget for logistical support for international experts: the amount of the necessary logistical support is defined on a case-by-case basis during the drafting of the Terms of Reference for the international expert report in compliance with the authorised maximum amount (see 3.4.2).

5.7.4.7 Reviewing individual budget for study and expert reports

The budget for an activity underway may be reviewed.

The budgetary review of an activity underway must be specially requested and that request will be treated like any other addressed to the programme.

5.7.5 Monitoring

5.7.5.1 Monitoring of individual studies and expertise

Every study or expertise funded must provide periodic reporting. This reporting will be carried out by the service provider, the expert recruited or the person responsible for the execution of the request. The reporting mechanism will be foreseen in the terms of reference of the request.

5.7.5.2 Fund monitoring

Operational monitoring (including planning)

System:	BTC system
Responsibility:	Joint responsibility

Operational monitoring refers to both planning and follow-up of the Fund's management information (inputs, activities, outputs). It is an **internal** management process of the Fund Management team and is done every 3 months.

Annual Monitoring

System:	BTC system
Responsibility:	Joint responsibility

Annual Monitoring refers to an annual participatory reflection process in which Fund management team reflects about the achievements, challenges, etc. of the past year, and looks for ways forward in the year(s) to come. The PSC approves or disapproves recommendations made by the management team.

Final Monitoring

System:	BTC system
Responsibility:	Joint responsibility

The purpose of final report is to ensure that the key elements on the project's performance and on the development process are transferred to the partner organization, the donor and BTC and captured in their "institutional memory".

This enables the closure of the fund (legal obligation for back-donor of BTC), the hand-over to the partner organization and the capitalization of lessons learned. It can be considered as a summary of what different stakeholders might want to know at closure or some years after closure of the fund.

5.7.6 Evaluation: Mid-term review and end-term review

System:	BTC system
Responsibility:	BTC responsibility

Reviews are organised twice in a lifetime of an intervention: at mid and end of term. BTC-HQ is responsible for organising the reviews. The ToR of the reviews and their implementation are managed by BTC Brussels, with strong involvement of all stakeholders. The role of the Steering Committee is to approve or disapprove the recommendations made in the reviews.

5.8 Audits

5.8.1 Intervention audits by BTC

System:	BTC system
Responsibility:	BTC responsibility

Audits will be organised by BTC during the intervention implementation period. A qualified external financial auditor selected and contracted by BTC, will execute the auditing. BTC will elaborate the Terms of Reference and select the audit firm. The audit will include the following items:

- verification of the existence and the respect of procedures;
- verification if the accounts of the intervention reflect reality
- verification of the economic and efficient use of funds

The auditor's reports will be presented to the SC. If necessary, the FMT will elaborate an action plan in order to improve the intervention procedures and to prove that corrective measures have been taken.

Terms of Reference of BTC audits are a BTC responsibility and will be shared with MINECOFIN for information.

5.8.2 Intervention Audits by External Control Bodies

System:	BTC system or RWA system
Responsibility:	BTC responsibility or RWA responsibility or Joint responsibility

Each year, BTC accounts are audited by the Belgian government auditors, who have the right to audit any intervention implemented by BTC. BTC internal audit chief officer is also free to decide to audit any intervention implemented by BTC.

The Rwandan authorities, either SPIU or its parent ministry MINECOFIN or the Office of the Auditor

General for State Finances of Rwanda can also decide to audit the intervention. In this instance, the Director of Intervention is the primary respondent to the auditor's requests.

Intervention audits reports are mutually shared and presented to the SC.

In case the intervention is audited by the Auditor General Office of Rwanda, it will be clear at the beginning of the audit which systems are to be used. It should be avoided to audit the intervention compliance to the Rwandan system where the TFF clearly states that the BTC system must be used.

Moreover the scope of control will focus on the co-management budget whereas the direct management budget will remain under full responsibility of BTC and therefore governed by the jurisdiction of its external control bodies (Belgian Government auditors). If necessary, information on amounts spent in "BTC management" can be provided.

5.9 TFF Modifications

The present TFF may be amended by mutual consent of the parties. It is essential to install an attitude of expecting and encouraging a practice of regular modifications based on the insights gained during the implementation. The task of the intervention management unit and the PSC is to assess the quality of the argumentation for the suggested changes and to request further explanation if necessary.

Careful consideration must be given not to change the present TFF in a way that would unnecessarily change the Objective and Expected Outcomes of the intervention as originally agreed between the parties. A formal agreement by the Belgian government is needed for the following changes:

- Modification of the duration of the Specific Agreement;
- Modification of the total Belgian financial contribution;
- Modification of the Specific Objective of the intervention.

The request of the above modifications has to be approved and motivated by the Steering Committee. The exchange of letters requesting these modifications shall be initiated by the Rwandese party and shall be addressed to the Embassy of Belgium. The following changes to the TFF will have to be approved by the Steering Committee:

- The execution modalities;
- The program Results and activities and their respective budgets;
- The composition and responsibilities of the Steering Committee;
- The mechanism to change the TFF.

All other changes to the TFF should be approved by the chairman of the PSC and the BTC resident representative. The adapted version of the TFF shall be communicated to the BTC headquarters and to the Embassy of Belgium in Kigali.

6 CROSS CUTTING THEMES

6.1 Environment

The Fund systematically seeks to incorporate environmental and sustainable development issues in the terms of reference of the studies and expertise.

The Fund ensures to integrate environmental concerns in its daily operating (equivalent EMAS)

6.2 Gender

The Fund will respect the « gender mainstreaming » approach, aiming at integrating the gender dimension in its preparation planning, implementation as well as in the follow up and evaluation of individual studies and expertise.

Female applications for expertise recruitment will be encouraged as well as the submission of requests entailing a “gender mainstreaming” component.

7.2 ToR long-term personnel

Fund Manager

Description of role

The Fund manager will be responsible for ensuring effective understanding of and achievement of Fund objectives. He/she will also be responsible for planning, executing, and monitoring the Fund implementation to predetermine timelines and budgets. Reporting to the MINECOFIN and ensuring quality control throughout the Fund lifecycle are central to this position.

Key Tasks/Responsibilities

MINECOFIN will designate a Fund manager for 36 months to implement Fund under this Belgian grant. She/he will perform the following tasks:

- Assume overall responsibility for the successful execution of the Fund activities and ensure Fund objectives are accomplished within prescribed timeframe, funding parameters and in compliance with national /donor standards.
- Ensure smooth technical, administrative and budgetary management of the Fund, including development of annual and quarterly work plans and project reports.
- Arrange and prepare for project audits
- Conduct assessments to ensure the Fund activities are based on existent needs and that regular progress towards meeting identified gaps is assessed and documented.
- Document and ensure lessons are learned. During annual reviews coordinate the planning and of the project leading to both improved process consultation and sustainable results.
- Oversee Fund budget execution and develop quality reports for management.
- Monitor and evaluate Fund environment, progress and effectiveness, recognize potential problems, risks, develop corrective measures.
- Establish operating procedures for the Fund in adherence to the Fund goals.
- Prepare briefing documents; develop and update information materials to promote knowledge sharing of the Fund amongst all stakeholders.
- Regularly liaise with the Fund Co-Manager to maintain awareness of Fund objectives and ensure support for implementation of Fund activities
- Organise stakeholder's meetings and facilitate discussions
- Communicate monitoring information to management and key stakeholders in a timely manner, so as to ensure that "lessons learned" are taken into account
- Put in place arrangements to facilitate sharing of Fund financial information with both internal teams and external partners
- Ensure timely data collection and analysis for the purpose of preparing quarterly and annual reports, which take stock of the Fund progress and highlight actual and potential problems or challenges affecting the Fund's deliverables
- Ensure that the M&E framework is in line with emerging institutional developments and

priorities

Profile:

This post requires a development practitioner, with a relevant Postgraduate degree in Project Management and Administration or a related discipline. Specifically the Project Coordinator shall have:

- Proven experience in management (minimum 5 years is an advantage)
- Experience in monitoring and evaluation of projects,
- Understanding of capacity building and its measurement of results
- Proven Experience in Strategic Planning
- Proven experience in risk management
- Proven knowledge of the Rwandan public procurement system

Skills and Competencies

Qualifications required:

- Previous experience in managing similar funds/projects
- Strong English, oral and written communication skills
- Strong IT skills, particularly Word, Excel, PowerPoint and Microsoft Project.
- Critical thinking and problem solving skills
- Planning and organising
- Communication skills

Desired behavioural skills:

- Organisational drive: the role consists of organising the management and deployment of the programme so the candidate needs to display a high capacity of personal organisation (management of time and deadlines)
- Capacity for listening, understanding and empathy
- Willingness to share his or her knowledge, both in writing (guide, report, manual, etc.) and orally.
- Tenacity when negotiating, staying focused on the 'client' and 'results': looking for concrete solutions to organisational problems in complicated environments,
- A real sensitivity to cross-disciplinary topics.

Fund Co-Manager

Description of role

The role of the Fund co-manager is to see to the operational management of the Fund in close collaboration with the Fund manager in a spirit of receptivity, heightened capacity and sharing of knowledge and skills and that the beneficiary institutions see the benefit of applying to the programme and understand and master the procedures for doing so.

The role includes responsibilities of a technical, administrative and financial nature, in the definition, planning, execution, monitoring, evaluation and closing of the applications.

In the area of technical management:

- Contributing, if necessary to drafting applications for study and expert reports,
- Processing applications, prior to their acceptance so as to judge whether they come within the programme's objectives and are of a sufficiently high technical quality,
- Finalising the terms of reference for the activities accepted in collaboration with the applicant institutions and determining optimal methods for implementing the studies (public procurement, employment contracts, execution agreements, etc.),
- Support the implementation of the activities in collaboration with the persons in charge of implementation within the beneficiary institutions.

In the area of public procurement and execution agreements

- Concluding public procurement contracts in close collaboration with the procurement specialist at the BTC representation and the beneficiary institutions within the framework of the mandate granted to them by BTC,
- Concluding execution agreements in close collaboration with staff at the BTC representation and the beneficiary institutions within the framework of the mandate granted to them by BTC,
- Managing the contractual aspects of public procurement and execution agreements, including bringing them to an end.

In the area of HR management:

- Contributing to the successful integration of international experts into the beneficiary institutions and supporting experts in their assignments,

In the area of financial management:

- Monitoring whether the financial processes are operating properly in general, in support of the BTC representation and within the framework of the mandate granted by BTC
- Producing periodic financial reports,
- Monitoring individual budgets for study and expert reports and suggesting revisions to the budget.
- Monitoring how the accounts are stocked, in the context of the execution agreements.

In the area of reporting:

- Drawing up periodic reports (MONOP) on the basis of the periodic reports provided by those in charge of implementation.

- Drawing up periodic and annual reports on the programme,

In the area of evaluation:

- Participating in the evaluation of study and expert reports

Profile

Qualifications required:

- Experience in monitoring and evaluation of projects,
- Experience in public procurement management and administrative and financial management in general,
- 3 years of experience in project management,
- Ability to use the basic computer tools for offices (knowledge of financial management and operational planning tools is a plus)
- Perfect knowledge of the English language (comprehension, oral and written expression),

Desired behavioural skills:

- Organisational drive: the role consists of organising the management and deployment of the programme so the candidate needs to display a high capacity of personal organisation (management of time and deadlines)
- Capacity for listening, understanding and empathy
- Willingness to share his or her knowledge, both in writing (guide, report, manual, etc.) and orally.
- Tenacity when negotiating, staying focused on the 'client' and 'results': looking for concrete solutions to organisational problems in complicated environments,
- A real sensitivity to cross-disciplinary topics.

7.3 Grant Agreement template

Template Subsidy Agreement to be attached to the TFF

<i>How to fill out this Subsidy Agreement.</i>
<ul style="list-style-type: none">• The <...> must be replaced by relevant information for the Subsidy Agreement in question.• <i>Text in <italics> gives you an idea which kind of information is required.</i> Phrases between [] must only be included if necessary.
All other parts of these template instructions must not be changed.

This template agreement must be used when, for a project or programme, BTC and its institutional partner – in accordance with Article 8 of the Law establishing BTC and with the granting conditions mentioned in the TFF – want to grant a subsidy to an institution or organisation that meets the following criteria:

- A public institution or a private not-for-profit association,
- which has development as one of its objectives,
- which is established or represented in the partner country concerned, and
- the activities of which suit the programmes or projects implemented by BTC.

In accordance with said Article of the Law establishing BTC, the Subsidy Agreement comprises "*the description of the activities, the amount, the financing modalities, the reporting obligations including the justification of the use made of the means, the conditions leading to the obligatory return of the subsidy, if the organisation defaults, and BTC's control modalities*".

This template always is applicable and *respects* the BTC procedures, which means:

- Respects the separation of duties (see...)
- Respects the principles of good administration such as transparency, equal treatment, non-cumulation, non-retroactivity, duty of care, formal and material justification, impartiality...

The guidelines for elaborating, following up and managing Subsidy Agreements are laid down in the Guide to grant subsidies.

The following procedures exist:

- Procedure 1: Call for proposals;
- Procedure 2: Direct granting.

The grant conditions are included in the TFF and consist of eligibility criteria (including the exclusion criteria) and of evaluation criteria.

No offer, gift or payment, no remuneration or advantage of any kind constituting an illegal act or corrupt practice has been given or will be given to anyone, directly or indirectly, in view of or as a compensation for the grant award decision. Any act of this nature is sufficient ground to justify annulment of this agreement.

The template of the agreement must be respected. It consists of the following elements:

- This Subsidy Agreement;

- Annexe I: Description of the Action to subsidize
- Annexe II: Budget and financial planning
- Annexe III: Logical framework and operational planning
- Annexe IV: Templates for reporting
- Annexe V: Template Request for payment
- Annexe VI: Template Transfer of assets ownership]
- Annexe VII: Legal (private or public) entity form
- Annexe VIII: Public procurement principles (for a private beneficiary party)
- Annexe IX: Financial identification sheet

Each agreement must be identified by a number or a specific reference and must be part of an administrative file with a 'Subsidy cover page'.

Text in *italics* and in yellow is for instruction or information purposes and must be deleted from the final version.

DO NOT FORGET TO DELETE ALL INSTRUCTIONS!

SUBSIDY AGREEMENT

UNDER THE FRAMEWORK OF THE **<PROJECT/PROGRAMME: include name and NAVISION code>**

Number of the Subsidy Agreement <fill in the reference or identification number of the Subsidy Agreement>

BETWEEN:

<The institutional partner> represented by, address

And

The Belgian Technical Cooperation, represented by Mr/Mrs <Name of the Resident Representative or the project manager, depending on the amount of the Subsidy Agreement>, address

Hereinafter referred to as "the contracting authority"

on one hand,

and

<full name of the public of private institution, acronym >, represented by Mr/Mrs <name of the representative> with registered office at <address> (hereinafter referred to as "the beneficiary party")

on the other hand

PREAMBLE

Having regard to the Law of 21 December 1998 establishing the Belgian Technical Cooperation as a public-law company with social purposes, Article 8, amended by Article 5 of the Law of 20 January 2014;

[Having regard to <Refer here to all regulations, standards and procedures that govern the execution of this agreement >];

Having regard to the Specific Agreement, < reference of the Specific Agreement concerned >;

Having regard to the TFF attached thereto;

[Having regard to the Call for proposals <no. > published on < date > on BTC's website;]

[Having regard to the evaluation report dated < date >];

Considering that <Confirm the public or private nature of the beneficiary parties listed for the subsidy according to the BTC Law:
<Refer to the regulatory or legal statutes or deeds of these beneficiary parties that demonstrate that nature >

THE FOLLOWING HAS BEEN AGREED UPON:

Article 1 – Object of the Agreement

The object of this agreement is the granting by the contracting authority of a subsidy in view of the achievement of the action described in Annexe I, which hereinafter is referred to as "the action".

[The general objective of the action is: (only included in case there are several specific objectives)

The specific objective(s) of this agreement is/are:

<Briefly describe the activities that the intervention will finance>

[The logical framework and] operational planning are available in Annexe III

Article 2 – Amount of the Subsidy

The total maximum sum of the subsidy granted by the contracting authority is < fill in the maximum amount in figures and words> euros, [where applicable, fill in the amount in national currency] in accordance with Annexe II.

ARTICLE 3 – ENTRY INTO FORCE AND PERIOD OF IMPLEMENTATION

The Subsidy Agreement is concluded for a period of < number of months> months, as from <fill in the date (start of activities)> and ending on <fill in the date (end of the activities: at least 6 months before the end of the Specific Agreement)>.

Article 4 – Eligible costs

4.1. Eligible costs

The beneficiary party may use the subsidy for the following expenditure:

- a) The services, goods, staff, equipment and infrastructure needed for the execution and coordination of the action.
- b) Capacity development and in particular training, awareness-raising, study tours, seminars, studies and/or consultancy actions of the beneficiary party;
- c) The follow-up of the activity and the drafting of reports;
- d) Overhead costs.

Under this framework the following direct costs of the beneficiary party are eligible:

- a) The personnel costs of staff assigned to the activity corresponding to the actual gross remunerations and wages, including social charges and other costs constituting part of remuneration; these should not exceed the salaries and costs normally paid by the beneficiary party unless justification is provided that this excess is indispensable to the achievement of the activity;
- b) Travel and staying-over costs, provided they correspond to habitual practices of the beneficiary party or do not exceed applicable tariffs at BTC's;
- c) The costs for works and purchase of equipment specifically destined for the needs of the activity;
- d) The costs of consumables;
- e) The costs emanating from other agreements backed by supportive documents of the beneficiary party for the needs of the implementation of the activity (public contracts within the meaning of Article 7.3.);
- f) Costs directly emanating from the requirements of the agreement (dissemination of information, specific evaluation of the activity, audits, translations, reproduction, insurances, etc.), including costs of financial services (in particular transfer costs and financial guarantee costs when required under the agreement);
- g) Duties, levies and any other taxes or charges, including the value-added taxes, which have been paid and cannot be recovered by the beneficiary party;
- h) Meals, drinks and snacks are accepted for the activities in the partner country if they are part of and required for these activities, justified and of a reasonable amount.

The percentage for overhead costs is maximum < x%> (and never in excess of 7%). Overhead costs are calculated on the basis of actual expenditure. Overhead costs are lump sum and must not be justified.

The following costs are always ineligible:

- i) Debts and debts-related charges;
- j) Provisions for losses or any future debts;
- k) The debit interests;

- l) Costs declared by the beneficiary party and borne under the framework of another action or borne by another donor;
- m) The purchase of land or buildings, unless these purchases are indispensable to the direct implementation of the action, in which case property rights must be transferred to the final beneficiaries at the latest at the end of the action;
- n) Currency exchange losses;
- o) Credits granted to third-party bodies unless specified in this agreement.

4.2. Eligibility criteria of expenses:

Actual expenditure incurred by the beneficiary party(/ies) must meet all of the following criteria:

- a) Expenses must be incurred during the duration of the activity as defined in Article 3. The following need to be kept in mind:
 - (i) Service-related costs must pertain to activities conducted during the implementation period. Supply-related costs must concern the delivery and installation of goods during the implementation period. The signing of a contract, the placing of an order or the commitment of an expenditure during the implementation period for future services or supplies do not fall under this requirement;
 - (ii) The costs presented must be paid before the final execution reports are submitted. They may be paid later in as far that they are mentioned in the final execution report, with the estimated day of payment;
- b) They can be identified and verified, they are included in the beneficiary party's accounts and determined in accordance with accounting standards applicable in the country where the beneficiary party is established and with the beneficiary party's customary analytic accounting practices;
- c) They meet applicable legal fiscal and social provisions;
- d) They are reasonable, justified and respect the principle of good financial management, in particular concerning economy and effectiveness.

ARTICLE 5 – FINANCING MODALITIES

The funds will be transferred in instalments on the basis of a request, the template for which is given in Annexe V. Each instalment is considered an independent subsidy in application of this agreement. The amount of the sum of these instalments may in no case exceed the total amount of the subsidy mentioned in Article 2.

[A final instalment of 10% will be reserved for payment following the production of the final execution report and all supporting documents justifying the global amount of the subsidy.]

Bank account: (Except derogation BTC Manager Controlling)

The funds are solely transferred to the following bank account: *<fill in the bank details of the beneficiary party>*

The payments are made in euros, (except justification accepted by BTC), for both funds transferred to the beneficiary party and for any recovery (see Article 10).

The beneficiary party must open a separate bank account (or a separate subaccount allowing for the identification of the funds received). This account will be opened in euros, if this is possible in the country. This account or subaccount must allow to:

- Identify the funds transferred by the contracting authority;
- Identify and follow up the operations performed with third parties;
- Distinguish between the operations performed under this agreement and other operations.

The account will be closed once any reimbursements owed to the contracting authority have been made (and after settling the final amount of the funds used).

Article 6 - Accounting

The beneficiary party systematically keeps detailed statements and accounts about the implementation of the action, under the form of a suitable double-entry bookkeeping system. This accounting system is incorporated in the beneficiary party's accounting system, or is complementary to it. Such accounting system is managed following the policies and rules applicable in the country in question. The accounts and expenses related to the action must be simply identifiable and verifiable.

Article 7 – General obligations of the beneficiary party

7.1. The beneficiary party undertakes to use the funds transferred under this agreement solely for the ends for which the subsidy is granted, and to respect the granting conditions listed in this agreement. It ensures that the object of this agreement is executed correctly and will take appropriate measures where necessary to remedy any problems found during the implementation period.

7.2. It undertakes to use the funds in conformity with the principles of economy, effectiveness, efficiency and transparency and to use a highly effective and transparent accounting system that can provide assurance about the good use of the funds transferred.

7.3. Public contracts using funds granted by the contracting authority under this agreement may concern only a limited part of the total amount and will be launched and awarded following public procurement procedures applicable to Subsidy Agreement as described in the Specific Agreement (or the TFF).> for a public beneficiary party <following the public procurement principles given in Annexe VIII> for a private beneficiary party.

7.4. The beneficiary party undertakes to take all necessary precautions to prevent conflicts of interests and immediately informs the contracting authority of any situation constituting a conflict of interests or likely to lead to a conflict of interests. There is a conflict of interests when the impartiality and objectiveness of any person's functions based on this agreement are compromised by family or emotional ties, political or national affinity, economic interests or any other kind of shared interest with another person.

7.5. It also undertakes to take appropriate measures to avoid instances of irregularity, fraud, corruption or any other illegal activity in the management of the activities. All suspected and proven instances of irregularity, fraud and corruption related to this agreement, as well as the measures taken in this context by the beneficiary party, must be immediately reported to the contracting authority.

7.6 In order to promote sustainable development, the parties agree that it is necessary to promote respect for environmental and social standards recognised by the international community such as the basic conventions of the International Labor Organization (ILO) and the international environmental protection agreements.

For the purpose, the beneficiary party undertakes to include in its public contracts and, where applicable, calls for tenders, a clause following which the parties undertake to observe these standards in compliance with applicable laws and regulations in the country where the subsidized activity is realized.

Such commitments will have to be extended to any sub-contractors. The contracting authority reserves the right to ask the beneficiary party for a report on the environmental and social conditions in which the activity will be conducted.

Article 8 - Liability

1) The beneficiary party is solely liable for complying with all legal obligations that are incumbent upon it through this agreement.

2) In no case and on no account can the contracting authority be held liable for damages, regardless of their nature, which may have been caused during the implementation of this agreement.

Article 9 – Rejection of requests for payment

The contracting authority reserves the right to adjourn or definitively reject any request for payment and to terminate the agreement if one of the following occurs:

- a) The beneficiary party does not respect one of the stipulations of this agreement;
- b) Incorrect declaration;
- c) Unlawful act: It is or becomes unlawful or impossible for the beneficiary party to execute one of its obligations under this agreement;
- d) Abandonment or suspension of the activity;
- e) Acts of corruption or fraud;
- f) Change of situation of the beneficiary party following which it does not fall within the scope of application to be eligible as a beneficiary party for subsidies granted by BTC (see Article 14 – Changes and Article 8 of the Law of 21 December 1998 establishing "Belgian Technical Cooperation" as a as a public-law company);
- g) Non-compliance with subsidy grant conditions or with this agreement by the beneficiary party.

Article 10 – Recovery

The beneficiary party is to immediately reimburse the amount of the subsidy, if:

- 1° It does not respect the subsidy grant conditions;
- 2° It does not use the subsidy for the ends for which it was granted;
- 3° It hinders control as mentioned above.

When the beneficiary party fails to supply the justifications referred to in Article 11, it is bound to reimburse the amount that is not justified.

The contracting authority may suspend the payment of subsidies as long as, for subsidies received earlier from the contracting authority, the beneficiary party fails to produce the justifications referred to in Article 11 or to subject itself to the control provided for in Article 12 of this agreement.

In case the subsidy grant conditions are not respected, the contracting authority may terminate the agreement.

Article 11 – Justification: Planning, narrative reports and financial reports

The financial and operational planning of the first year of implementation is available in Annexe III of this agreement. In case of a multi-year agreement, the beneficiary party will provide a new operational and financial planning at the end of each year of implementation for the following year.

The beneficiary party must justify the use of the funds received in the (narrative and financial) execution reports where it has to clearly demonstrate that the funds transferred have been used for the ends for which they were granted. The financial reports must be accompanied of supporting documents.

Consequently, every <specify the frequency>, a narrative report and a financial report will be transferred to the contracting authority and each request for payment will be accompanied of a financial report (see template in Annexe VI).

A final report will be needed at the end of the subsidized activities and transferred by <specify period after or deadline for reception after end of activities > at the latest. Where applicable, the final report must be accompanied of a copy of the document transferring the assets to the final beneficiaries (Annexe VII).

Article 12 – Control

By accepting the subsidy, the beneficiary party recognises the contracting authority's right to proceed to on-site control of the use made of the funds granted and of all accounting documents of the beneficiary party in order to avoid cases of double financing.

The beneficiary party accepts that the contracting authority proceeds to evaluation missions and that it proceeds – directly or through an external auditor of its choice – to document-based and on-the-spot checks. Consequently, the beneficiary party undertakes to keep available to the contracting authority all documents related to this agreement for five years following final payment.

Article 13 – Force majeure

In case of force majeure, after consultation, the parties can fully or partially suspend the implementation of the activities, if circumstances make it too difficult or too dangerous to continue to pursue them. In such a case, each party undertakes to inform the other party, and to provide all necessary details, as soon as possible, as well as the expected date for resumption. If the agreement is not terminated, the beneficiary party, with the agreement of the contracting authority, will do everything possible to start or further pursue activities again, once circumstances permit.

Article 14 – Changes

When executing the subsidized activity, the beneficiary party may not:

- a) Redefine or modify the activity or the objectives as described in Article 1 and Annexe I;
- b) Act for other missions than those that have been explicitly entrusted to it through this agreement.

The beneficiary party informs the contracting authority without delay of any significant change to its procedures or systems, legal, financial, technical or organisational situation as well as any other circumstances that could influence, slow down or compromise the implementation of the activity or all or part of the requirements that the beneficiary party must meet.

The contracting authority reserves the right to demand additional measures, in order to remedy this situation, or the right to terminate this agreement (see above).

Article 15 – Applicable legislation and regulations

This agreement is governed by Belgian law.

In case of dispute concerning the performance of this agreement, the parties will do everything possible to find an amicable solution.

In the event of a dispute for which no amicable solution can be found, only the Courts of Brussels shall be competent.

Article 16 – Confidentiality

The contracting authority and the beneficiary party undertake to maintain the confidentiality of all documents, information or other materials that are communicated confidentially and this until the end of a seven-year period to be counted from the last payment. Even if the European Commission is not the contracting authority, it can nevertheless access all documents communicated to it, for which it maintains similar confidentiality.

Annexes

The following documents are attached to this agreement and are an integral part thereof:

- Annexe I Description of the Action to subsidize
- Annexe II Budget and financial planning
- Annexe III Logical framework and operational planning
- Annexe IV Templates for reporting
- Annexe V Template Request for payment
- Annexe VI Template Transfer of assets ownership
- Annexe VII Legal (private or public) entity form
- Annexe VIII Public procurement principles (for a private beneficiary party)

Annexe IX Financial identification sheet

In case of conflict between provisions of the annexes and those of the Subsidy Agreement, the latter prevail.

Done at < **specify the place** > in < **two or three** > copies, one of which is for a representative of BTC, one of which is for the representative of < **name of the partner institution** > for information purposes and one of which is for the beneficiary party.

For the beneficiary party

Name

Capacity

Signature

Date

For (institutional partner)

Name

Capacity

Signature

Date

For BTC

Name

Capacity

Signature

Date

ANNEXE I - STRUCTURAL ACTION TO SUBSIDIZE < **THE IDENTIFICATION NUMBER OF THIS
SUBSIDY AGREEMENT**>

1. Description of the Action

<insert sections 2.2.1, 2.2.2 and 2.2.4 of PART B of the complementary request form>

ANNEXE II- Budget and financial planning

[In case of a call for proposals insert section 2.2.6 of PART B of the complementary request form]

ANNEXE III- Logical framework and operational planning

[In case of a call for proposals insert section 2.2.5 and 2.2.3 of PART B of the complementary request form]

ANNEXE IV – TEMPLATES FOR REPORTING <FILL IN THE IDENTIFICATION NUMBER OF THE
SUBSIDY AGREEMENT>

< Include instructions here for writing

- the various execution reports ('narrative and financial reports');
- the final report

If an audit has been carried out, the report thereof will be attached to this report, also specifying, if applicable, the measures taken or the 'action plan' that has been elaborated to remedy the problems found by the audit.

Request for payment n° <...>

Date of the request for payment <...>

To the attention of

<ITA Project Management Unit, address>

Name and address of the beneficiary party: < >

Period covered by the request for payment: < >

Dear Madam, Dear Sir,

I hereby ask you to pay instalment n° **or** [the balance] under the above-mentioned Subsidy Agreement.

The amount requested is: <fill in the amount> euros

Please find the following supporting documents in attachment:

- *Execution report (narrative and financial reports)*
- *Audit reports*
- *Supporting documents*

For the request for payment to be acceptable, all required documents must be attached. The payment must be made into the bank account referred to the Subsidy Agreement.

I declare on honour that the information in this request for payment is complete, sincere and exact, that the costs presented can be considered eligible in conformity with the provisions of the Subsidy Agreement and that this request for payment is backed by supporting documents that can be controlled.

Yours truly,

Signature

ANNEXE VI: TEMPLATE TRANSFER OF ASSETS OWNERSHIP

ANNEXE VII: LEGAL (PRIVATE OR PUBLIC) ENTITY FORM

ANNEXE VIII: Public procurement principles (for a private beneficiary party)

ANNEXE IX: Financial identification sheet