STANDARD OPERATING PROCEDURES (SOP)

of

IGAD Promoting Peace and Stability in the Horn of Africa Region (IPPSHAR) Project “IGAD-CEWARN Rapid Response Fund”

Region EUTF05 – HoA – REG –36
ADA Reference Number: 6545-00/2017-SUB01

Version as of 22nd December 2020
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<tr>
<td>ADA HO</td>
<td>ADA Head Office</td>
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<tr>
<td>AEDC</td>
<td>Austrian Embassy Development Cooperation Office (ADA Office in Addis Ababa)</td>
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<tr>
<td>AEDC PM</td>
<td>AEDC IPPSHAR Programme Manager</td>
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<tr>
<td>AWP</td>
<td>Annual Work Plan</td>
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<tr>
<td>CEWARN</td>
<td>Conflict Early Warning and Response Mechanism</td>
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<tr>
<td>CEWERU</td>
<td>Conflict Early Warning and Response Unit</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<td>CPMR</td>
<td>Conflict Prevention Management and Response</td>
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<td>CSO</td>
<td>Civil Society Organisation</td>
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<td>DA</td>
<td>Delegation Agreement (EU – ADA)</td>
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<td>DoA</td>
<td>Description of the Action</td>
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<tr>
<td>DP</td>
<td>Development Partner</td>
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<tr>
<td>DSA</td>
<td>Daily Subsistence Allowance (per diem)</td>
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<td>DVU</td>
<td>Daily Vehicle Utilization</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EFT</td>
<td>Electronic Fund Transfer</td>
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<tr>
<td>EGSIM</td>
<td>Environmental, Gender and Social Impact Manual (ADA)</td>
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<tr>
<td>ES</td>
<td>Executive Secretary (IGAD)</td>
</tr>
<tr>
<td>ETB</td>
<td>Ethiopian Birr</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUD</td>
<td>European Union Delegation</td>
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<tr>
<td>EUR</td>
<td>Euro</td>
</tr>
<tr>
<td>EUTF</td>
<td>European Union Trust Fund</td>
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<tr>
<td>FAO</td>
<td>Finance &amp; Administration Officer</td>
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<tr>
<td>G/L</td>
<td>General Ledger (of the SunSytems)</td>
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<td>FAU</td>
<td>Finance and Administrative Unit</td>
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<tr>
<td>FBO</td>
<td>Faith-based organization</td>
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<tr>
<td>HoA</td>
<td>Horn of Africa</td>
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<tr>
<td>HOC</td>
<td>Head of Cooperation (AEDC)</td>
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<tr>
<td>IA</td>
<td>Implementing Agency</td>
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<tr>
<td>PSD FAO</td>
<td>IGAD PSD Finance and Administration Officer</td>
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<tr>
<td>IGAD</td>
<td>Intergovernmental Authority on Development</td>
</tr>
</tbody>
</table>
IGAD HQ  IGAD Secretariat Djibouti
LPA    Legal Procurement Advisor (ADA Team)
LPC    Local Peace Committee
M&E    Monitoring and Evaluation
MS     Member State
NGO    Non-Governmental organization
NL     Government of the Netherlands
OLAF   The European Anti-Fraud Office - Office européen de lutte antifraude
PC     Project Coordinator (IGAD PSD)
PCVE   Preventing / Countering Violent Extremism
PFCO   Procurement and Finance Compliance Officer (ADA Team)
PIPA   Project Operational Manual
PO     Procurement Officer (IGAD PSD Unit)
POM    Project Implementation Partnership Agreement (ADA – IGAD)
PSD    Peace and Security Division (IGAD)
PSD FO IGAD PSD Finance Officer
RfP    Request for Procurement
RRF    Rapid Response Fund
SIDA   Swedish International Development Cooperation Agency
SMT    Senior Management Team
SOP    Standard Operating Procedures
SteCom CEWARN-RRF Steering Committee
SunSystems Financial accounting software used by IGAD
TL     Team Leader (ADA Team)
TOR    Terms of Reference
VAT    Value Added Tax
Definitions

The “Action” is the programme titled “IGAD Promoting Peace and Stability in the Horn of Africa Region (IPPSHAR)”, financed by the EU Emergency Trust Fund for Africa (EUTF), co-financed by ADA, SIDA (Swedish International Development Cooperation Agency) and the NL (Government of the Netherlands). It is implemented by ADA via Indirect Management together with the project partners as described in the Description of the Action (DoA).

“ADA” refers to the “Austrian Development Agency”, i.e. the operational unit of the ADC, represented in Ethiopia by the AEDC Office in Addis Ababa.

“ADA Finance Officer” (ADA FO) as part of the ADA Project Team is based in the IGAD PSD premises in Addis Ababa and mainly supports the ADA PFCO, in particular to ensure monthly, quarterly, semi-annual and annual financial reporting to the AEDC Office/ADA HO and will prepare the required documents for ADA internal approval processes. In addition, the ADA FO has a crucial role in closing the project together with the ADA TL and the AEDC Office.

“ADA HO” stands for the Head Office of ADA, located in Vienna, Austria.

“ADA Legal Procurement Advisor” (ADA LPA) as part of the ADA Project Team is based in the IGAD PSD premises in Addis Ababa and is responsible for providing legal advice and legal assessments about compliance with procurement procedures and contract management rules to the IGAD PSD und Units, as well as to ADA Project Team. The ADA LPA verifies adherence to PRAG regulations (Practical Guide to contract procedures for EC external actions (2016.0 Version as published on Jan 15, 2016)) for all procurement activities carried out by IGAD and ensures adherence to ADA’s procurement regulations for all action activities carried out by the ADA Project Team.

“ADA Monitoring and Evaluation Expert” (ADA M&E Expert) refers to the person in the ADA Project Team to ensure a robust M&E framework and support the steering of the Action through rigorous monitoring, proper reporting and reflective learning practices. The ADA M&E Expert works closely with the IGAD, the EUTF M&E Team and the ADA unit for evaluation.

“ADA Procurement and Finance Compliance Officer” (ADA PFCO) as part of the ADA Project Team is based at the IGAD PSD premises in Addis Ababa and is responsible for the proper contract management of the entire Action. She/he in particular implements all required actions conducive to operationalizing the financial management, accounting and procurement structures and processes required for the implementation of the Action through ADA and through IGAD and ensure effective financial management and compliance with procurement requirements throughout the entire procurement and contract administration cycle. She/he is responsible for carrying out ex-ante/ex-post controls of procurement processes carried out in accordance with the SOP.

“ADA Project Team” refers to the project team employed by ADA but based at IGAD and/or working alongside IGAD’s staff, which is directly responsible for the day-to-day operational management of the Action, provides support to IGAD and conducts the vetting.

“ADA Team Leader” (ADA TL) refers to the person employed by ADA and based at the IGAD PSD premises in Addis Ababa, responsible for the implementation of the entire Action and for the supervision and coordination of the ADA Project Team.

“ADC” refers to the “Austrian Development Cooperation”.

“AEDC HOC” stands for Austrian Embassy Development Cooperation Head of the Coordination Office in Addis Ababa.

“AEDC Office” stands for Austrian Embassy Development Cooperation Coordination Office in Addis Ababa, managed by ADA.
“AEDC Programme Manager Peace Building & Conflict Prevention” (AEDC PM) refers to the international Programme Manager hired by ADA and located at the AEDC Office in Addis Ababa, responsible for supporting the implementation of the Action by liaising with ADA HO.

“Austrian Embassy in Addis Ababa” will represent the Action for ADA at the political level through the Ambassador at the PSC and the IGAD Partners Forum (IPF).

“Consultants” refers to short-term international and national experts contracted by ADA to work in and for the Action.

“CEWARN” stands for Conflict Early Warning and Response Mechanism and is a Unit belonging to the Peace and Security Division of IGAD, headed by a Director.

“CEWARN-Director” is the Director of the CEWARN Unit and is the main counterpart for the ADA-IPPSHAR Project Team in the implementation of the project. He is responsible for quality project delivery and approves emergency interventions and procurement processes through approval of RfP, deliverables, payments and reports.

“CEWARN-RRF” stands for the IGAD Rapid Response Fund and has been created to be able to react quickly to raising and escalating conflicts in the IGAD-region through emergency interventions and regular projects. RRF receives support through an ADA-IPPSHAR grant.

“CEWARN Assistant Accountant” is supporting the financial management activities of CEWARN-RRF by assisting with financial data entry and reporting and supports the RRF Response/Grants Officer with procurement and administrative issues.

“CEWARN-Finance and Administration Officer (CEWARN FAO)” manages under the supervision of the CEWARN Director financial, administrative and human resources activities, including supervision and coordination of all financial and administration support required and provided to the CEWARN Unit; management of the financial system by ensuring that appropriate control and reporting structures are maintained in accordance with IGAD and Partner’s financial rules & procedures, and serving as a focal point for CEWARN finance and administration matters in general (including budgeting, collection & execution of funds, HR and office operations);

“CEWARN Resource Center Assistant” is responsible for receiving, issuing and storing goods and supplies. Whereas, certifying that they meet the technical specifications and standards will be made by the user department.

“CEWARN-RRF Response Coordinator” reports to CEWARN Director and is responsible for liaising with CEWERUs and provides oversight and supervision for day-to-day activities of CEWARN-RRF

“CEWARN-RRF Response/Grants Officer” handles day-to-day activities of CEWARN-RRF, including preparation of draft reports, initiating of procurement processes and compiling information/data and for timely delivery of reports. S/he also liaises with the Member States CEWERUs and FAU’s on the proper execution of the response funds and liquidation of advances received.

“CEWERU” are the Conflict Early Warning and Response Units, part of the region-wide Conflict Early Warning and Response Mechanism. There is one Unit per MS. A CEWERU is composed of staff members of relevant ministries as representatives of the central government, representatives of the provincial administration, police, military, representatives of civil society, including religious organizations, academic institutions, research institutes and such other representatives as individual governments may designate. Each CEWERU has its own governance structure. CEWERUs monitor the performance of FAUs and Implementing Agencies (IAs), review and vet financial and progress reports and are co-signatories to the MS imprest account created for emergency interventions.
“**Delegation Agreement**” (DA) means the Agreement signed between ADA and the EU on 23 March 2018 for the implementation of the Action “IGAD Promoting Peace and Stability in the Horn of Africa Region (IPPSHAR)”; “**EU Delegation**” (EUD) means the Delegation of the European Union to the African Union in Addis Ababa.

“**FAU**” is the Finance and Administrative Unit hired under a service contract to provide financial management services in the Member States. There is one FAU per MS. A FAU will provide timely financial management and reporting services and serves as a co-signatory to the emergency imprest account. The service contract is between IGAD-CEWARN and FAUs are selected through normal procurement procedures. The service contract will detail tasks and responsibilities the FAU has towards IAs, CEWARN and the MS CEWERU.

“**IA**” stands for Implementing Agency, any legal entity which applies for and gets awarded a Sub-Grant from CEWARN-RRF, or a Service Contract in the case of Emergency Interventions. The Sub-grant Agreement / Service Contract is signed between IGAD-CEWARN (or delegated by IGAD-CEWARN to a CEWERU) and the IA. The Sub-grant Agreement / Service Contract between IA and IGAD-CEWARN will depict the responsibilities the IA has towards the FAU.

“**IGAD**” means the Intergovernmental Authority on Development, which as one of the Project Partners will implement the Action together with ADA.

“**IGAD Director of Finance & Administration**”, is the Head of the IGAD Finance and Administration Department which is based at the IGAD HQ in Djibouti; he will be the main counterpart for the ADA PFCO in regards to establishing effective processes and financial systems and financial reporting related to the CVE grant and IPPSHAR activities in general

“**IGAD Executive Secretary**” (IGAD ES) chairs the Project Steering Committee (PSC) and will be the main contact person for the Team Leader in regards to preparing strategic decisions and raise IGAD institutional issues related to staffing, processes, systems and performance.

“**IGAD Monitoring & Evaluation Unit**” is the main counterpart of the ADA M&E Expert to ensure coherent and coordinated reporting and analysis.

“**IGAD PSD**” is the IGAD Peace and Security Division located in Addis Ababa, Ethiopia, which is the main counterpart for the implementation of the Action.

“**IGAD Peace & Security Division Director**” (IGAD PSD Director) chairs the monthly, quarterly and semi-annual IGAD Peace and Security units’ management meetings and coordinates IPPSHAR activities of all Peace and Security units.

“**IGAD Peace & Security Senior Programme Coordinator**” (IGAD PSD PC) will be the main counterpart of the ADA TL for daily operations, contract management and contractual issues such as amendments and adjustments of budgets and work plans as well as M&E plans; as well as affecting payments, approving monthly financial reports as well as coordinating the timely PSD units’ contribution to semi-annual/annual reports.

“**IGAD PSD Finance & Administration Officer**” (IGAD PSD FAO) is the main counterpart for the ADA FO and ADA PFCO for monthly financial reporting and accounting for IPPSHAR expenditures and assists also CEWARN RRF with financial management and financial reporting.

“**IGAD PSD Procurement Officer**” is a member of the Peace and Security Department in Addis Ababa and assists CEWARN-RRF with procurement activities.
“Indirect Management” refers to the management mode in which the European Commission has entrusted the budget execution for the implementation of the Action to ADA as a pillar-assessed EU Member State agency in close cooperation with IGAD.

"IPPSHAR” stands for “IGAD Promoting Peace and Stability in the Horn of Africa Region” and is the project referred to in this document.

“IPPSHAR DoA” is the IPPSHAR Description of the Action.

A “Local Peace Committee (LPC)” is an entity belonging to the overall structure of CEWARN. A MS can have several LPCs. The tasks and responsibilities of a LPC are manifold and include receiving proposals for projects/activities, assessing the importance of the project/activity in local context, ensuring that the project is feasible, forward project/activity proposals to the CEWERU for evaluation, providing oversight of project/activity execution and monitoring proper implementation and disseminate information on CEWARN-RRF in general and specific projects/activities. In case of raising or escalating emergency situations requiring immediate and urgent reaction, the LPC Head might also be asked by the CEWERU to intervene and organize meetings to start a dialogue between conflicting parties.

“The Project” refers to the IGAD Promoting Peace and Stability in the Horn of Africa Region (IPPSHAR) funded Project – “Conflict Early Warning and Response Mechanism – Rapid Response Fund” - for which ADA and IGAD have signed a grant agreement.

“Project Implementation Partnership Agreement” (PIPA) refers to the agreement between ADA and IGAD, represented by the IGAD Executive Secretary. It lays out inter alia provisions regarding ADA ex-ante vetting of fund authorization, followed by ADA ex-post controls for implementation of the relevant part of the Action, including execution of activities through IGAD, as specified in this PIPA POM, which is an integral part of PIPA

“Project Implementation Partnership Agreement Project Operational Manual (PIPA POM)” refers to this project operational manual, which regulates those activities under the Action that are implemented by IGAD, as defined in the DoA, Annex III of the DA and the PIPA. It regulates project implementation carried out by IGAD and the required risk mitigation and management, reporting, and quality assurance measures under the supervision of the ADA TL and ADA Project Team (ADA ex-ante and ex-post controls for programme implementation through IGAD).

“Project Partners” means: a) IGAD, while the IGAD Secretariat is the signatory to the PIPA as well as of other grant agreements with ADA. In addition, ADA will sign grant agreements with b) other project partners/grant beneficiaries to contribute to the implementation of the Action.

The “CEWARN Project Steering Committee” (CEWARN SteCom) The CEWARN RRF Steering Committee is established to oversee and provide overall management to the operations of the Fund in the IGAD region. It will provide strategic guidance and oversight and decide on the allocation of resources to cross-border/regional, national and local levels. The Committee consists of the Director of the CEWARN Unit, who is also the Chairperson; one Representative of the Peace and Security Division of the IGAD Secretariat; one Representative from each Member State, and seven Representatives of Civil Society Organizations (CSO’s). The Committee will meet at least twice a year; or more often when the Chairperson sees the need for extraordinary meetings.

“Service Contract between IGAD-CEWARN and FAU” is the contract signed by IGAD-CEWARN – or the MS CEWERU on behalf of CEWARN with the FAU, describing the financial management and reporting services to be provided by the FAU.

“SIDA” refers to the Swedish International Development Cooperation Agency, which will co-finance the Action. The co-financing from SIDA will be managed by ADA based on an agreement entered into between ADA and SIDA (Multi-Donor Arrangement).
“NL” refers to the Government of the Netherlands, which will co-finance the Action. The co-financing from the NL will be managed by ADA based on an agreement entered into between ADA and the NL (Multi-Donor Agreement).

“VAT” refers to Value Added Tax.
1. Introduction

1.1 Project Background

The European Commission (EC) established the “Emergency Trust Fund for Stability and Addressing the Root Causes of Irregular Migration and Displaced Persons in Africa” (EUTF) and decided to finance the action entitled “IGAD Promoting Peace and Stability in the Horn of Africa Region” (IPPSHAR).

The Action is financed with the contributions from the EU, ADA, SIDA and the NL. Implementation of the Action is structured through a Delegation Agreement (DA), signed between the European Union (EU) and the Austrian Development Agency (ADA). The Intergovernmental Authority on Development (IGAD) has proposed ADA as the lead development partner for the management of IPPSHAR project funds while IGAD and ADA jointly implement the project activities.

Under IPPSHAR, several grants to be executed by IGAD are foreseen of which one of them is the Project to support the IGAD CEWARN-Rapid Response Funds (CEWARN_RRF).

Since IGAD has not yet passed the EU pillar assessment, the IPPSHAR CEWARN_RRF grant will be implemented according to PRAG using the Standard Operational Procedures (SOP) as described in these guidelines.

ADA as the indirect management agent of IPPSHAR is responsible to support IGAD and its peace and security units and institutions in achieving international standards in all its activities. At the same time, ADA needs to ensure that all costs incurred are eligible as per its Delegation Agreement with the EU. For these reasons, the SOP are tailored to the specific conditions of the CEWARN-RRF project to fulfil these goals and to mitigate risks in governance, financial management and procurement.

1.2 CEWARN’s governance and organizational structure

CEWARN’s RRF Steering Committee (SteCom) has sixteen voting members and is scheduled to meet on a biannual basis or more often when the Chairperson sees the need for extraordinary meetings. The Steering Committee will comprise the Director of the CEWARN Unit, one representative from each Member State, one representative from the Peace and Security Division of the IGAD Secretariat and seven Representatives of Civil Society Organizations. Donors will be invited as non-voting members, on a case by case basis observers will be invited too.

The SteCom will be chaired by the Director of the CEWARN Unit or his appointee, and the Response Coordinator or the Chairperson appointee shall serve as secretary of the SteCom meeting.

The CEWARN RRF SteCom is established to

- provide strategic guidance and oversight,
- decide on the allocation resources to cross-border/regional, national and local levels,
- help to express and align the views of CEWARN, IGAD Secretariat, Member States, Development Partners and other relevant stakeholders,
- approve the overall budget and work plan of CEWARN-RRF,
• review progress on projects and activities of CEWARN-RRF

The CEWARN Director is the main counterpart for the ADA-IPPSHAR Project Team in the implementation of the project. He is responsible for quality project delivery and approves emergency interventions and procurement processes through approval of Request for Proposals (RfP), deliverables, payments and reports.

He is supported by the CEWARN-RRF Response Coordinator, who is responsible for liaising with the CEWERUs in the MS and providing oversight and supervision for the day-to-day activities. He is further supported by the CEWARN-RRF Response/Grant Officer who handles the day-to-day activities, including preparation of draft reports, initiating of procurement processes and liaising with CEWERUs and FAUs on the proper usage of Response Funds and the advances disbursed.

1.3 Purpose and scope of the Standard Operating Procedures (SOP)

The SOP cover those activities that are implemented by CEWARN under the IPPSHAR-CEWARN RRF Project and in line with the signed grant agreement.

The SOP provide detailed explanations for the implementation mechanisms applicable for the execution of funds under the IPPSHAR CEWARN RRF grant. It sets detailed procedures pertaining to fund management, execution of the fund, roles and responsibilities for CEWARN, CEWERUs, FAUs, IAs, and ADA as the main actors, tasked with the implementation and vetting of the Action.

SOP provide guidance for the planning of all eligible activities and their implementation through the commitment, procurement, contracting, delivery and payment, as well as reporting on the proper use of the IPPSHAR funds and on the overall progress towards the attainment of the expected development results as stated in the CEWARN log frame that forms an integral part of IPPSHAR CEWARN RRF Project Document.

It further outlines the rules and procedures for awarding sub-grants within the Project.

1.4 Revisions to the SOP

Any revisions to these SOP shall be done in consultation with IGAD and require the written approval of the ADA HO as well as of IGAD. Revisions might be needed to fine tune and adjust procedures and applicable templates to ensure the effective, efficient and timely processing and reporting of approved planned actions and activities conducive to the expected outcomes outlined for IPPSHAR and summarized in the project log frame. Every amendment to the SOP must be in line with the IPPSHAR CEWARN grant agreement in its actual version and needs to be in writing.

1.4 Transition to IGAD procurement regulations

ADA will consider employing IGAD procurement regulations, once they have been successfully pillar assessed for indirect management. This will be anyhow subject to contract amendments to be concluded between all IPPSHAR Development Partners and IGAD.

1.5 Overview of the implementation mechanism and control structure

The implementation mechanism is designed to ensure the required levels of efficiency, effectiveness, transparency and accountability for the use of funds while helping to gradually
strengthen IGAD’s own processes and procedures to become EU pillar assessed for indirect management in the near future.

The main actors in the implementation process are CEWARN, through the direct involvement of the IGAD PSD, and ADA through the AEDC Office supported by ADA HO. The overall structure is further supported by a strong oversight mechanism by a Project Steering Committee (SteCom) as outlined above.

The controls will be performed by ADA’s Project Team, which will be working at the IGAD PSD, alongside the various offices in the IGAD PSD in Addis Ababa and Djibouti in a collaborative manner. The implementation and control mechanism provides for a combination of “vetting and non-objection” to be issued by ADA’s Project Team prior to IGAD’s moving into the next step of carrying out an eligible activity under the SOP, coupled with ex-post reviews of the proper recording and reporting of project funds and expenditures.

Vetting will commence with the formulation of the IPPSHAR CEWARN RRF Annual Work Plan (AWP) and budget and of the Procurement Plan and continues throughout all steps of the procurement, contracting and payment processes intended to ensuring that all activities are closely aligned with the attainment of the overall development objectives stated for the Action.

These control mechanisms together with ADA’s on going oversight of the overall programme implementation process aim at ensuring IGAD’s proper implementation of the SOP in full compliance with the provisions of the Grant Agreement and the applicable EU-PRAG Regulations.

Where vetting by the ADA Project Team results in the issuing of an objection and where IGAD nonetheless proceeds with a contracting procedure, ADA shall declare the respective expenditure ineligible for payment from the Project’s funds.

Vetting interventions and any explanatory letters attached will be issued in original and copy. The ADA Project Team will keep a database log of all documents vetted and a file of all letters identifying instances of non-compliance whereby these are filed in a manner permitting easy inspection.

Table 1 below illustrates the procedures to be carried out and approved by IGAD’s team that will be subjected to the ADA Project Team’s vetting. Detailed descriptions of processes are provided in Chapter 4. A list of names/functions authorized by IGAD to provide approvals & signatures is contained in Annex 3 attached to these SOP. The procedure applicable to changes of individuals currently fulfilling these functions occur is described in 8.1 of this document.
<table>
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<th>Action</th>
<th>Approval / Endorsement</th>
<th>Vetting / Validation</th>
<th>Objective</th>
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</thead>
<tbody>
<tr>
<td><strong>Strategic Level</strong></td>
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</tr>
<tr>
<td>Annual Work Plan (AWP)<strong>,</strong> Budgets &amp; Procurement Plan <em>(Templates – E1, A-01 &amp; A-1)</em> developed under the lead of the CEWARN Director and in close cooperation with the ADA Project Team</td>
<td>CEWARN_RRF, SteCom/CEWARN Director/PSD Director</td>
<td>ADA TL and AEDC HOC <em>(Template - A1a)</em></td>
<td>Ensures only eligible activities are funded by the IPPSHAR funds</td>
</tr>
<tr>
<td>Preparation of budget adaptation/ reallocation requests by CEWARN in close cooperation with ADA Project Team; ADA - IPPSHAR notification / repurposed budget line <em>(Template - A1b)</em></td>
<td>CEWARN_RRF, SteCom/CEWARN Director</td>
<td>ADA TL and AEDC HOC <em>(Template - A1b)</em></td>
<td>After consultation with an agreement by EUD and AEDC PM (written evidence)</td>
</tr>
<tr>
<td><strong>Procurement Management</strong></td>
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<tr>
<td>Request for Procurement (RfP) <em>(Template - A2)</em> prepared by CEWARN Response/Grant Officer; the CEWARN FAO confirms the availability of funds</td>
<td>CEWARN Director (approve)/IGAD PSD Director (endorses)</td>
<td>ADA PF CO, TL and AEDC HOC - depending on the thresholds <em>(Template - A2a &amp; A12d where applicable)</em></td>
<td>Ensures only those activities that have been approved for funding will be carried-out.</td>
</tr>
<tr>
<td>Selection and appointment of the evaluation/negotiation committee <em>(Template A-11b)</em></td>
<td>CEWARN Director</td>
<td>ADA TL and AEDC PM and AEDC HOC - depending on the thresholds <em>(Template - A11b)</em></td>
<td>Ensures tenders are evaluated by qualified IGAD staff</td>
</tr>
<tr>
<td>Preparation of the tender documents and procurement process carried out based on approved RfP by the PSD Procurement Officer in close consultation with ADA LPA <em>(Templates as per PRAG and F-1)</em></td>
<td>CEWARN Director</td>
<td>ADA PF CO and ADA TL and AEDC HOC - depending on the thresholds <em>(Template – A3a)</em></td>
<td>Ensures application of the proper procurement process.</td>
</tr>
<tr>
<td>Preparation of prior information <em>(PRAG Annex B1)</em> and contract notice <em>(PRAG Annex B2a)</em> by the PSD Procurement Officer</td>
<td>CEWARN Director</td>
<td>ADA PF CO and ADA TL and AEDC HOC - depending on the thresholds <em>(Template – A3b)</em></td>
<td>Ensures transparency in contract awards</td>
</tr>
<tr>
<td>Preparation of the short-listed candidates/offers by the evaluation committee</td>
<td>CEWARN Director</td>
<td>ADA PF CO and ADA TL and AEDC HOC - depending on the thresholds <em>(Template – A3c)</em></td>
<td>Ensures application of the proper procurement process and the participation of qualified contractors.</td>
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<tr>
<td>Proposed contract award recommendation (Template as per PRAG) from evaluation committee and draft contract (Template as per PRAG) and explanatory note (Template as per PRAG)</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL and AEDC HOC - depending on the thresholds (Template - A11a)</td>
<td>Ensures contracts are awarded based on the most economically advantageous tender. Ensures procurement process has been carried out properly.</td>
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</tr>
<tr>
<td>Preparation of the award notice for publication by PSD Procurement Officer (Template as per PRAG)</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL and AEDC HOC - depending on the thresholds (Template - A11d)</td>
<td>Ensures transparency in contract awards</td>
</tr>
<tr>
<td>Contract amendments proposed (Templates as per PRAG) by the CEWARN Response Coordinator in close cooperation with the PSD Procurement Officer and in consultation with the ADA LPA</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL and AEDC HOC - depending on the thresholds (Template - A12b)</td>
<td>Ensures that the contract is managed according to PRAG.</td>
</tr>
<tr>
<td>Contract termination proposed by the CEWARN Response Coordinator in consultation with the IGAD Legal Department as well as in close cooperation with PSD Procurement Officer and in consultation with the ADA LPA</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL and AEDC HOC - depending on the thresholds (Template - A12c)</td>
<td>Ensures that the contract is managed according to PRAG.</td>
</tr>
</tbody>
</table>

### Payment Process

#### 1. IPPSHAR Business Travel

<table>
<thead>
<tr>
<th>Travel Authorization form completed by the CEWARN traveler</th>
<th>CEWARN Director</th>
<th>ADA PFCO (Template - C1)</th>
<th>Ensures that travels are related to IPPSHAR Programme activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>After the mission CEWARN traveler submits IGAD Travel Advance Clearance Form</td>
<td>CEWARN FAO</td>
<td>ADA PFCO (Template - C4)</td>
<td>Ensures effective financial (imprest) management</td>
</tr>
</tbody>
</table>

#### 2. DSA to workshop participants

| The CEWARN Assistant Accountant has to prepare the Daily Subsistence Allowance Claim Form | CEWARN Director | ADA PFCO (Template - C2) | Ensures effective financial (imprest) management |
### 3. DSA payments and other expenses to be paid in cash (not preferred option)

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Instructions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CEWARN Assistant Accountant prepares a Payment Voucher for the activity</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL (Template D-1a)</td>
<td>Ensures effective financial (imprest) management</td>
</tr>
</tbody>
</table>

### 4. DSA payments and other expenses to be paid via bank transfer (preferred option)

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Instructions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CEWARN Assistant Accountant prepares a Payment Transfer Request Form</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL (Template D-1b)</td>
<td>Ensures effective financial (imprest) management</td>
</tr>
<tr>
<td>After the mission, the CEWARN Response/Grant Officer submits an Activity Report together with a Payment Settlement Report to the CEWARN FAO for checking.</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL (Template D-1c &amp; D-1d)</td>
<td>Ensures effective financial (imprest) management</td>
</tr>
</tbody>
</table>

### 5. Payment for goods and services

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Instructions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Vouchers (Template D-1) and Payment Transfer Request Forms (Template D-1b) are prepared by the CEWARN Assistant Accountant after deliverables (services or goods) have been rendered as specified in the contract</td>
<td>CEWARN Director</td>
<td>ADA PFCO and ADA TL (Template D-1a &amp; D-1b)</td>
<td>Ensures payments and transfers are only effected for services satisfactorily rendered or goods delivered for the quantities, quality and price contracted.</td>
</tr>
<tr>
<td>CEWARN FAO prepares letter instructing bank to effect EFT, cancels invoice with stamp “Paid by IPPSHAR” and signs check or letter for EFT</td>
<td>CEWARN authorized signatories (see Annex 3) approve payments</td>
<td>N/A</td>
<td>Ensures that payment goes to the intended supplier or contractor minimizing the risk of potential deviation of funds.</td>
</tr>
</tbody>
</table>

### Reporting

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Instructions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly financial report compiled by CEWARN FAO (Template D-2); Consolidation of the monthly financial reports by ADA PFCO/FO for discussion by the CEWARN monthly senior management meeting before being sent to AEDC HOC for approval</td>
<td>CEWARN Director</td>
<td>ADA PFCO</td>
<td>Ensure full accountability for proper use of project funds for eligible IPPSHAR Programme activities.</td>
</tr>
<tr>
<td>Quarterly financial and progress reports compiled by CEWARN FAO (Template D-3); Consolidation of the quarterly financial and progress reports by ADA PFCO/FO for discussion by the CEWARN senior management meeting before being sent to AEDC HOC for approval</td>
<td>CEWARN Director</td>
<td>ADA TL and AEDC HOC</td>
<td>Ensure full accountability for proper use of project funds for eligible IPPSHAR Programme activities.</td>
</tr>
<tr>
<td>Semi-annual and annual financial and progress reports compiled by CEWARN FAO (Template D-4); Consolidation of the semi-annual and annual reports by ADA PFCO/FO for discussion by the CEWARN FAO in the senior management meeting before being sent to AEDC HOC for approval</td>
<td>Semi-annual reports to be validated by ADA HO, then submitted to the PSC for endorsement and to the EUD in Addis Ababa for approval.</td>
<td>ADA TL and AEDC HOC</td>
<td>Ensure full accountability for proper use of project funds for eligible IPPSHAR Programme activities.</td>
</tr>
<tr>
<td><strong>Funding requests and fund transfers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The CEWARN FAO prepares Quarterly Funding Request (Template D-5)</td>
<td>CEWARN Director</td>
<td>ADA PFCO, ADA TL and AEDC HOC</td>
<td>Ensures that fund requests and transfers are for the IPPSHAR Programme</td>
</tr>
</tbody>
</table>

*) Vetting substitution is explained in Annex 4: Vetting Substitution Chain

In case of RRF the Annual Workplan considers scheduling and budgets for conferences, workshops, training events, awareness and sensitizing campaigns and procurement of goods and services; scheduling for emergency and regular projects is not possible as they are demand-driven, also the number of activities and their budgets can only be rough estimates!
2. Roles and Responsibilities IGAD vs. ADA

ADA’s main roles and responsibilities within this Project are as follows:

i. The AEDC HOC will supervise the ADA Project Team embedded at IGAD PSD as well as the overall progress of implementation of IPPSHAR including all grants. The ADA Project Team, which is working alongside IGAD PSD and CEWARN staff, will be responsible for vetting and validating all relevant steps of the planning, procurement, contracting, contract management, payment, reporting and overall fund accountability for the resources transferred to IGAD to implement the Project.

ii. Design, implement and manage an effective control mechanism embedded in IGAD’s operational structure, avoiding the creation of superimposed parallel management structures and thereby helping to increase ownership, strengthening IGAD’s capacity and increasing the overall sustainability of the Project.

iii. Provide support to IGAD and its units to continuously improve and strengthen processes and procedures enhancing fund accountability, financial reporting and overall development effectiveness through implementation of the Project.

iv. Support and facilitate EU and international strategic partnership building and access to networks and support the recruitment of experts, if required.

v. Support and facilitate policy dialogue of EU MS, if requested.

vi. Together with ADA HO, the AEDC office together with ADA Project Team is responsible for ensuring proper accountability for the use of EUD/ADA/SIDA/NL funds as approved by the IPPSHAR PSC and agreed upon in the DA and its corresponding amendments.

vii. ADA HO together with AEDC HOC together with ADA Project Team are responsible for reviewing monthly and quarterly financial and progress reports and on the basis of the corresponding funding requests, process and effect the transfer of resources to IGAD’s project bank accounts to pay for actual and forecasted commitments.

viii. The AEDC Office is responsible for holding a monthly review meeting with the ADA Project Team embedded at IGAD PSD to review progress regarding the (i) annual work plan, (ii) commitments, payments and procurement actions, as well as (iii) grants to IGAD and other organizations.

ix. The ADA Project Team provides support to CEWARN and IGAD PSD in the preparation of monthly, quarterly, semi-annual and annual reports on fund accountability, financial and progress reports.

x. The AEDC Office is responsible for reviewing all fund accountability, financial and progress reports and for submitting them to ADA HO for review and approval.

xi. The AEDC Office is also responsible for inviting together with CEWARN and IGAD PSD the EUD, SIDA and the NL as well as any other donor(s) who have joined the Action to participate in all management meetings and to review and comment semi-annual and annual progress reports to contribute to enhance the overall feedback and guidance provided to IGAD PSD and its units.
xii. ADA HO in coordination with the AEDC office will conduct on-site reviews of the overall adequacy of the performance of planning, procurement, contracting, payment, fund management and reporting processes and the proper design and operation of the internal controls to reduce the risk of errors or irregularities occurring in the regular course of implementation to ensure their detection, prevention, and correction in a timely manner. The result of ADA’s internal review work will contribute to strengthen ADA’s control mechanism as well as IGAD’s processes and controls.

xiii. The AEDC Office will also be responsible for coordinating with IGAD any requests from EC auditors to perform ad-hoc expenditure verification reviews or audits based on their annual risk-based audit plan.

**IGAD’s roles and responsibilities in connection with the IPPSHAR CEWARN Project are as follows:**

i. CEWARN coordinates internal review meetings such as management meetings, quarterly, semi-annual, and annual staff meetings where the ADA team will be invited.

ii. IGAD PSD coordinates the planning and reporting processes within IGAD PSD and its units and consolidates and submits required reports, work plans and budgets to the ADA Project Team for further discussion and final agreement in the respective IGAD senior management meetings.

iii. IGAD PSD supports the coordination of the communication between the ADA Project Team and the various IGAD programme offices and units.

iv. IGAD PSD coordinates and facilitates the meetings of the Committee of Ambassadors and jointly with ADA organizes the PSC meetings as well as the Coordination Meetings with Development Partners.

v. CEWARN prepares documentations and briefings to the PSC and jointly with the ADA Team Leader presents reports to the IPPSHAR development partner’s meetings when required.

vi. The IGAD Secretariat Finance and Administration Officer (FAO) consolidates and verifies the funding requests in line with the approved work plans and quarterly financial reports for finalisation with the ADA Project Team for submission to the AEDC Office.

vii. The CEWARN FAO prepares the financial reports based on the SOP templates and closely works with the ADA Project Team for submission to the AEDC Office.

viii. IGAD HQ undertakes all efforts to seek and ensure full reimbursement of VAT paid in the course of IPPSHAR implementation from IGAD MS.

ix. CEWARN ensures the IGAD PSD and IGAD HQs involvement in annual review processes.

x. IGAD HQ and PSD facilitate both the IGAD internal audit processes in PSD as well as the IPPSHAR CEWARN annual audits and ADA Head Office periodic inspections. Furthermore IGAD HQ and PSD facilitate ad-hoc audits, expenditure verifications and monitoring missions conducted by EU bodies.
3. Annual Work Plans and Budgets

3.1. Programme planning cycle

The CEWARN Director is responsible for coordinating the formulation of the Annual Work Plans (AWP) and budgets for the various activities according to the calendar year, which is coherent and part of the overall IGAD PSD budget and work plans. As the overall IPPSHAR project duration is from March 24, 2018 to 23 March 2022, the annual planning cycle for IPPSHAR also includes the quarter I (Jan-March) of the following calendar year.

The ADA Team Leader, who is embedded into the IGAD PSD structure, working in close collaboration with the IGAD PSD Director/PC, PSD staff and the CEWARN, will review, discuss and agree on the action specific work plans and budgets and contribute together with the ADA Project Team to the formulation of the AWP including the procurement plan (Templates E-1 and A-1).

3.2. Vetting and Approval of AWP, Budget and Procurement Plan

Once the AWP has been formulated, the ADA Team Leader together with the AEDC HOC will formally vet the AWP, budget and procurement plan for the same to be submitted for approval by the CEWARN RRF SteCom following the below mentioned steps.

Step 1: Drafting and approval of AWP, Budget and Procurement Plan and IGAD internal approval:

The CEWARN Response Coordinator with support from the CEWARN Response / Grant Officer and the CEWARN FAO will draft the AWP, Budget and the annual Procurement Plan and will forward the documents to the CEWARN Director for initial review and approval and who will then share it with the PSD Director for Endorsement. Once endorsed, the PSD Director will forward the AWP, Budget and Annual Procurement Plan to the ADA Team Leader for initial review and vetting

Step 2: Vetting of the AWP, Budget and Procurement Plan by ADA:

Once endorsed by the IGAD PSD Director, the AWP, budget and procurement plan will be formally vetted for a non-objection by the ADA Team Leader together with the AEDC HOC (Template A-1a).

Step 3: Approval by SteCom

The SteCom reviews and approves annual work plans (including budget and procurement plans)

Step 4: Uploading of Budget:

The CEWARN FAO will upload, upon clearance by the IGAD Head of Finance, the annual budget in the Sun Systems.

If it is found necessary to re-purpose funds allocated to specific activities within a work package or execute shifts between work packages or the specific objectives (below 25% of a budget line), these adaptations shall be recorded using the ADA – IPPSHAR Notification / Repurposed Budget
Line (Template A-1b). Prior consultation with and approval by the ADA Team Leader and ADA AEDC HOC is required. Such shifts shall be clearly articulated by the CEWARN Director in the Concept Notes of the Requests for Procurement. If such changes are not within the approved activities and/or outside the Specific Objectives of the Action (strategic changes) under IPPSHAR, guidance from the CEWARN RRF Steering Committee is needed and guidance shall be sought from ADA HOC concerning the need to adapt the project.

4. Procurement management

Procurement procedures carried out by IGAD under the IPPSHAR CEWARN RRF Grant, will be implemented in accordance with the provisions of the EU PRAG (version 2016.0, as published on 15 January 2016) (hereinafter ‘PRAG’); a summary of which is presented in the table of threshold matrix below.

These SOP have been developed according to the ‘Indirect Management Mode’ with both ex-ante and ex-post controls as per PRAG.

Ex-ante control mechanisms as per PRAG, which will apply for procurements carried under the IPPSHAR PIPA-POM, require approval before any procedure is launched and before the most important steps of a procurement procedure are taken. In this context ADA will act as entity responsible for approval and take the place of the EC. The CEWARN RRF SOP is built on this preventative ex-ante mechanism which will be applied as described in subsequent chapters of the SOP. Due to the urgency of emergency interventions expenses incurred during this kind of interventions can only be vetted ex-post.

The ex-post controls in general are provided for by the expenditure verification and audit opinion (see Chapter 10 of this document) to be carried out by an audit firm contracted for this purpose as per the reporting schedule defined below. The only exception are expenses for emergency interventions, which will be vetted by ADA-IPPSHAR right after the documentation is available.

Details and templates to be used for procurements as per PRAG are available at: http://ec.europa.eu/europeaid/prag/previousVersions.do (see Version 2016.0).

In order to process the implementation of the IPPSHAR CEWARN RRF Grant, additional templates to those belonging to PRAG shall be used by IGAD. These templates are attached to this CEWARN RRF SOP and listed in Annex 1.

Please note that no works contracts will be awarded under this Grant.

4.1. Procurement Planning

Procurement planning commences with the formulation of the AWP, which depicts each of the budget line items or activity and sub-activity involved. For each activity and sub-activity that conforms to the budget and AWP, the CEWARN Director and the CEWARN FAO working with the PSD Procurement Officer in close collaboration with the ADA Legal Procurement Advisor identify procuring objects, the applicable procurement threshold and method based on the nature and budget for each activity and sub-activity. Additionally, and based on the scheduling of each activity in the AWP, the PSD Procurement Officer together with the CEWARN Response Coordinator then sequence the activity ascertaining the estimated time involved in the applicable procurement method from initiation of the procurement process through to contract award.
Planning for procurement activities is coordinated by the PSD Procurement Officer based on the formulation of the AWP. The CEWARN Unit is responsible for formulating its procurement plan conducive to implementing the activities and sub-activities under the purview of the CEWARN Director, as the case may be (Template A-1), while the PSD Procurement Officer is responsible for preparing an annual consolidated Procurement Plan (Template A-01). The CEWARN Director approves the annual procurement plan and shares it with the PSD Director for endorsement. The final annual consolidated procurement plan, as part of the AWP and budget will be approved by the CEWARN SteCom, after being vetted and signed off by the ADA Team Leader and by the AEDC HOC (see Point 4).

4.2. Vetting of Procurement Requests based on agreed activity plans, procurement plan, and budgets:

The initiation and vetting of procurement(s) requests will be based on approved AWP, procurement plan and budget following the below mentioned steps:

Step 1: Define the needs:

The CEWARN Response Coordinator will identify the procurement need, based on the approved procurement plan, in order to initiate the procurement(s). This is defined in the concept note and the request for procurement for each intended tender. These requests will follow a standard template (A-2 Request for Procurement) and include information on:

• planned services/supplies to be procured within one activity as outlined in the approved work plan with a clear justification how these services/ supplies will contribute effectively to the achievement of the respective expected result,

• the estimated contract values (net of tax) per proposed service/ supply to be procured,

• a short description of the services/ supplies to be procured including detailed Terms of References for services and/ or detailed technical specifications for supplies (See PRAG Annex-B8f and C4f),

• the foreseen procurement procedure as per PRAG regulations,

• timetables for the respective procurement procedures.

Step 2: Approval of the Request for Procurement (RfP):

The detailed RfP will be submitted by the CEWARN Response Coordinator to the CEWARN Director for approval.

Step 3: Endorsement of the Request for Procurement (RfP):

The approved RfP is submitted to the IGAD PSD Director for endorsement.

Step 4: Vetting of the RfP:

The approved detailed RfP will be submitted by the CEWARN Director to be formally vetted and approved by the ADA PFCO and Team Leader (and the AEDC HOC, where applicable) prior to the initiation of any corresponding procurement process. The ADA PFCO and Team Leader have the responsibility and authority to vet all Requests for Procurement up to a threshold of EUR 100,000.00 (net). Procurement requests involving amounts above EUR 100,000.00 (net) require
the approval of the AEDC HOC who will co-sign the Non-Objection (Template A-2a). Any deviation from the procurement procedure as approved in the Procurement Plan will be subject to the legal opinion from the LPA and to approval by ADA PFCO and ADA Team Leader (and the AEDC HOC where applicable).

4.3. Appointment and Vetting of the Evaluation Committee(s)

An evaluation committee must be established for all procurement procedures, with the exception of the single tender one (less than or equal to EUR 20,000) and in cases of extreme urgency; crisis situation; extension of service and supplies contracts with the repetition of similar activities as in the original contracts; supplies quoted and purchased on a commodity market; and legal services (see Section 3.2.4.1. point i) as outlined under PRAG rules mentioned in Section 2.4.8.).

The evaluation committee will consist of at least three voting members who are qualified and impartial and a non-voting chairman and a non-voting Secretary, who will convene and keep notes of the sessions and keep attendance of the evaluation committee members. All members of the evaluation committee and any observers must sign a declaration of impartiality and confidentiality (see PRAG Annex A4) prior to carrying out any tasks related to the evaluation. Any evaluation committee member or observer who has or might have an actual or potential conflict of interest with any tenderer or applicant must declare it and immediately withdraw from the evaluation committee. The position of Secretary will be performed by the PSD Procurement Officer or if he/she is not available, the procurement officer will appoint a suitable replacement.

The **appointment and vetting of the committee** will be done as follows:

**Step 1: Selection and appointment of the evaluation committee:**

The members of the evaluation committee will be selected and appointed by the CEWARN Director who submit the same to the ADA for a non-objection (Template A-11c).

**Step 2: Vetting of the evaluation committee:**

The ADA Team Leader and the AEDC PM shall verify that the evaluation committee is constituted in good order and provide a non-objection/objection for the tenders of up to EUR 100,000. The ADA Team Leader, the AEDC PM, the AEDC HOC, where applicable, have the right to object to member(s) of the committee in case of manifest conflict of interest, lack of impartiality and lack of qualification to participate in the evaluation process. For tenders above EUR 100,000 the AEDC HOC will be involved in co-signing the non-objection/objection (Template A-11b).

**Step 3: Notification of appointments to the evaluation committee:**

Upon approval and issuance of a non-objection by ADA, the members shall be notified of their appointment to the evaluation committee by the PSD Procurement Officer.

4.4. Appointment and vetting of negotiation committee

A negotiation committee must be established for single tender procedure (PRAG 2.4.8). The negotiation committee will consist of at least two members who are qualified and impartial and a
non-voting Secretary, who will convene and keep notes of the sessions and keep attendance of the negotiation committee members. The negotiation committee and any observers must sign a declaration of impartiality and confidentiality (see PRAG Annex A4) prior to carrying out any tasks related to the negotiation. Any negotiation committee member or observer who has or might have an actual or potential conflict of interest with any tenderer must declare it and immediately withdraw from the negotiation process. The position of Secretary will be performed by the PSD Procurement Officer or if he/she is not available, the procurement officer will appoint a suitable replacement.

**The appointment and vetting of the committee will be done as follows:**

**Step 1: Selection and appointment of the negotiation committee:**

The members of the negotiation committee will be selected and appointed by the CEWARN Director and who submit the same to the ADA for a Non-objection (Template A-11c).

**Step 2: Vetting of the negotiation committee:**

The ADA PFCO shall verify that the negotiation committee is constituted in good order and provide a Non-Objection/Objection for the tenders of up to EUR 20,000.

**Step 3: Notification of appointments to the negotiation committee:**

Upon approval and issuance of a Non-objection by ADA, the members shall be notified of their appointment to the negotiation committee by the PSD Procurement Officer.

**4.5. Vetting of Procurement Processes**

After approval of the Request for Procurement (RfP) all steps of the procurement process will be carried out by IGAD staff. The ADA Legal Procurement Advisor will be available for consultation to provide technical assistance to IGAD staff related to procurement according to PRAG. Hence, IGAD staff will prepare tender documents, set up a tender team and conduct the whole procurement procedure as per PRAG regulations. However, all procurements are subject to the prior vetting and approval by ADA Project Team and the AEDC HOC as applicable.

The extent of vetting depends on the threshold of the respective tender, as follows:

**4.5.1. Contracts up to a threshold of EUR 2,500**

For the service and supply contracts of EUR 2,500 or below, invoices represent sufficient basis for purchases and payment will be made against invoice without prior acceptance of a tender following the steps below:

**Step 1: Requesting of the invoice:**

The CEWARN Assistant Accountant will request an invoice from the contractor.

**Step 2: Receive and record the invoice:**

The CEWARN Assistant Accountant will receive and record the invoice in the invoice records register and prepare an explanatory note to the CEWARN Director for approval.

**Step 3: Approval by the CEWARN Director**
Upon approval by the CEWARN Director, the CEWARN FAO will prepare a payment voucher (Template D-1) and present it to the CEWARN Director for his signature.

**Step 4: Approval by ADA Procurement and Finance Compliance Officer (PFCO):**

CEWARN FAO will present the approved payment voucher to the ADA PFCO who will review and approve the payment. In case of adverse observations, the ADA PFCO will outline the observations or lack of compliance, preventing the payment by preparing an objection against the payment by using the Objection to Payment Voucher or Payment Transfer Request Form (Template D-1a).

**Step 5: Payment of the invoice:**

The CEWARN FAO will prepare a cheque/letter instructing the bank to effect the transfer.

For these service and supply contracts no vetting of procurement request (section 4.2) will take place.

**4.5.2. Tender procedures for contracts with a value of more than EUR 2,500 and less than or equal to EUR 20,000**

All procurement of contracts whose estimated value is above EUR 2,500 and below or equal to EUR 20,000 may be made following the “single tender procedure”\(^1\) (alternatively a negotiated procedure can be used; see section 4.4.6) PSD Procurement Officer will in such cases invite one or more candidate(s) to submit an offer using simplified or standard tender dossier whichever is applicable for services and supply respectively; a negotiation report must be produced at the end of the negotiation and prior to the contract award, detailing how participant(s) in the negotiation were chosen, how the prices were set and explaining the grounds for the award decision.

The following steps shall be taken:

**Step 1: Prepare a tender dossier:**

PSD Procurement Officer in collaboration with the CEWARN Response/Grant Officer will prepare the tender dossier (PRAG B8o and C4).

**Step 2: Approval of tender dossier and letter of invitation:**

The tender dossier and the letter of invitation to the identified tenderer(s) will be submitted to and approved by the CEWARN Director (see Template F-1).

**Step 3: Vetting of the tender dossier and letter of invitation by ADA:**

The approved tender dossier and the letter of invitation to the identified tenderer(s) will be vetted by ADA PFCO and a non-objection/objection issued (see Template A-3a).

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\(^1\) Even though one offer is procedurally enough, it is strongly recommended that IGAD PSD collects more than one (at least 2) offers, in order to be able to make a financially and technically sound and transparent decision to be able to get a clear information on real market prices.
Step 4: Invite the tenderer(s) to tender:

The PSD Procurement Officer will send an invitation letter together with the tender dossier to prospective tenderer(s), allowing a reasonable time (up to 7 days) for the tenderer(s) to respond.

Step 5: Obtain the offer in writing:

The offer(s) from the tenderer(s) shall be obtained in a sealed envelope(s), in writing or by email (if only one tenderer is invited) by the PSD Procurement Officer.

Step 6: Open the tenderer(s) offer:

The PSD Procurement Officer will open the offer(s) and record in the tender opening register (PRAG Annex B9 & C5).

Step 7: Prepare tender opening report:

The PSD Procurement Officer will prepare the tender opening report of the tender opening proceeding to be signed by both the PSD Procurement Officer and the CEWARN Response/Grant Officer (PRAG Annex B10 & C6).

Step 8: Checking of compliance of received tenders with the original requirements:

The CEWARN Response/Grant Officer will check compliance of the offer with requirements using the grid indicated in the tender dossier.

In the case where more than one tenderer is invited (and more than one offer is received, the receipt of which must be in plain sealed envelopes) the evaluation procedure follows similar manner as in the competitive negotiated procedures detailed in section 4.5.3.1 (see step 7) The authority for vetting rests anyhow solely with the ADA PFCO.

Step 9: The appointment and vetting of the negotiation committee

As a negotiation committee has to be appointed, the appointment and vetting of it shall occur in line with section 4.4.

Step 10: Preparation of a negotiation report: The negotiation team, including one of the ADA project team members as an observer, will conduct a negotiation with the tenderer(s) and prepare a negotiation report with the recommendation for award to the CEWARN Director for approval according to section 4.6 (Template A10b).

ADA PFCO will monitor the implementation of the procurement procedure by IGAD staff and vet proper compliance with PRAG Regulation. In case of irregularities identified, the ADA PFCO, after consultation with ADA Legal Procurement Advisor, will inform the CEWARN Director, the PSD Procurement Officer and the ADA Team Leader. For errors resulting into deviations of applicable rules and procedures that can be remediated, ADA PFCO will provide IGAD with recommendations for remediating them and ensure the proper correcting action is taken by IGAD. In cases where no improvements of the process can be done, the procurement will be objected and IGAD staff will need to start a new procurement process.
4.5.3. Tender procedures for contracts above the threshold of EUR 20,000.00 and below EUR 300,000.00 (net) as well as for contracts equal and above EUR 300,000.00 (net)

The ADA Legal Procurement Advisor will be closely involved in IGAD’s procurement activities from a legal perspective to ensure adherence to EU PRAG regulations. To this end, the ADA Legal Procurement Advisor will be actively involved by IGAD staff in implementing the decision for a certain tender procedure to be applied (local open, competitive negotiated, etc.) as approved in the procurement request, the development of the tender dossier and documents (including TOR, selection criteria, call announcements, setting-up procurement evaluation committee, etc.) and all relevant steps of a pending procedure.

The ADA Legal Procurement Advisor will hence provide feedback and legal recommendations to IGAD staff to ensure compliance with EU PRAG regulations. For this purpose, he/ she will be duly informed and involved in all relevant steps (determination of bid submission periods, drawing up shortlists, answers to bidders’ requests for clarification, presence at opening of offers, participation at negotiations with bidders if applicable, all communications with bidders, supervision of examination of offers, exclusion and selection of offers, etc.). The ADA Legal Procurement Advisor will have access to all documents and procurement related communication and check relevant documents and decisions from a legal point of view.

The ADA Legal Procurement Advisor will provide feedback, support and legal recommendations to the CEWARN Director as well as relevant observations to ADA PFCO, ADA Team Leader and AEDC HOC as applicable.

In case of identified errors, deviations or irregularities, the ADA Legal Procurement Advisor will immediately notify ADA PFCO, ADA Team Leader and AEDC HOC, where applicable, as well as CEWARN Director and IGAD Secretariat Procurement department. ADA PFCO, ADA Team Leader and AEDC HOC, where applicable, will hence assess and verify any identified irregularities by proceeding accordingly. In cases where irregularities can be remediated ADA PFCO, Team Leader and AEDC HOC, where applicable, will provide IGAD with the corresponding recommendations for improvement. In cases where no improvements of the process can be done the relevant step of the tender procedure will be objected and IGAD staff will need to start a new procurement process.

Based on a recommendation by the ADA Legal Procurement Advisor, ADA PFCO and ADA Team Leader (if the estimated contract value is less than € 100,000) or PFCO and Team Leader together with AEDC HOC (if the estimated contract value is equal or above € 100,000) will vet the proper compliance of the respective tender procedures with PRAG Regulation, as outlined below.

4.5.3.1 Competitive negotiated procedure

The procurement of services whose estimated value is above EUR 20,000 and below or equal to EUR 300,000 and the procurement of supplies whose estimated value is above EUR 20,000 and below or equal to EUR 100,000 may be made following the competitive negotiated procedure.

Under this procedure, CEWARN invites at least 3 competent candidates (and in addition may advertise the same on the IGAD and ADA website) to submit offers using simplified and standard tender dossiers respectively; and selects the tender which offers the best value for money in case of services and the cheapest technically compliant offer in case of supplies following the below mentioned steps:
Step 1: Prepare a simplified and standard tender dossier and list of potential bidders to be invited:

The PSD Procurement Officer in collaboration with the CEWARN Response/Grant Officer will prepare a list of at least three (3) potential bidders, with justification, to be invited for the intended procurement and the tender dossier (PRAG Annex B8o & C4):

Step 2: Provision of legal opinion:

The ADA Legal Procurement Advisor will provide a legal opinion on tender dossier in respect to the PRAG regulations.

Step 3: Approval of the list of potential tenderers and tender dossier:

The CEWARN Director will review and approve the list of potential bidders and tender dossier (see Template F-1).

Step 4: Vetting of the list of potential tenderers and tender dossier:

The list of potential tenderers’ and tender dossier, will be vetted by ADA PFCO, ADA Team Leader and AEDC HOC as applicable and a non-objection/objection issued (see Template A-3a).

Step 5: Invite minimum 3 tenderers to tender:

After an approval and a non-objection from the CEWARN Director and ADA PFCO, ADA Team Leader (and AEDC HOC, where applicable), the PSD Procurement Officer will send invitation letters together with the tender dossier to prospective tenderers (and may similarly advertise the same in IGAD and ADA), allowing at least 30 days, for the tenderers to respond.

Step 6: Obtain offers in writing:

All the tenders shall be received in sealed envelopes and recorded in tender opening register (PRAG Annex B9 & C5).

Step 7: Appointment of the evaluation committee

The appointment and the approval of the evaluation committee follow the procedures detailed in section 4.3 above.

Step 8: Evaluation of offers:

The offers will be evaluated by members of the evaluation committee who must sign a declaration of impartiality and confidentiality (see PRAG Annex A4). The evaluation committee will compare offers (technical and financial offers) and select the best value service provider. Every offer received, should be assessed fairly and objectively using the criteria indicated in the tender dossier. The evaluation of offers is a three (3) stages process as detailed in the PRAG (points 3.3.9. to 3.3.10.5).

4.5.3.2. Local open tender procedure

The procurement of supplies whose estimated value is above EUR 100,000 and below or equal to EUR 300,000 may be made following the “Local open tender procedure”.
A full tender documentation needs to be prepared, the formats of which are available in the website: http://ec.europa.eu/europeaid/prag/annexes.do?group=C

In addition to the full tender dossier, CEWARN Unit will have the documentation and procedure approved and Non-objection issued as follows:

**Step 1: Prepare a tender dossier:**

The PSD Procurement Officer in collaboration with the CEWARN Response/Grant Officer prepares the tender dossier (PRAG Annex C2, C3 & C4).

**Step 2: Provision of legal opinion:**

The ADA Legal Procurement Advisor will provide a legal opinion on tender dossier and documents in respect to the PRAG regulations.

**Step 3: Approval of tender dossier:**

The CEWARN Director will review and approve the tender dossier (see Template F-1).

**Step 4: Vetting of the tender dossier:**

The tender dossier will be vetted by ADA PFCO, ADA Team Leader and AEDC HOC (Template A-3a).

**Step 5: Publication of the Contract Notice:**

The PSD Procurement Officer will advertise the contract notice on website of IGAD, ADA and on the MS websites and at least one newspaper of wide circulation in the MS with a link to download the tender documents. EU PRAG publication guidelines should be anyhow followed (EU PRAG Annex A11e).

**Step 6: Submission of tenders:**

The tenderers are given minimum 30 days from publication of the contract notice for submission of their offers.

**Step 7: Appointment of the evaluation committee**

The appointment and the approval of the evaluation committee follow the procedures detailed in section 4.3 above.

**Step 8: Evaluation and Selection process:**

The evaluation and selection process in the local open tender procedure is implemented under the same principles as in the competitive negotiated procedure (see section 4.5.3.1, Step 7). The same steps for approval and non-objection through ADA shall therefore apply.

4.5.3.3. Tender procedures for contracts above the threshold of EUR 300,000.00 (net)

Procurements of contracts whose estimated value is equal or above EUR 300,000 must be made following the “International restricted tender procedure” for service contracts and “International open tender procedure” for supply contracts respectively, unless a negotiated procedure is selected (see description of procedure under section 4.5.4.1).
4.5.3.3.1 International restricted tender procedures

The international restricted tender procedure follows a two-stage process.

In the first stage, a public invitation for submission of expression of interest is issued, applications are received and reviewed, and a short-list of candidates is formed. The short-listed candidates are invited to submit full proposal.

The specific steps in the two-staged process are detailed below:

**Step 1: Preparation of prior information and contract notices:**

The PSD Procurement Officer will prepare the prior information (PRAG Annex B1) and contract notice (PRAG Annex B2a) and submit the same to the CEWARN Director for approval.

**Step 2: Approval of prior information and contract notices:**

The CEWARN Director will examine the prior information and contract notices and approve the notices for publication and submit the same to ADA PFCO, ADA Team Leader and AEDC HOC for non-objection/objection.

**Step 3: Vetting of the prior information and contract notices:**

The ADA PFCO, ADA Team Leader and AEDC HOC will vet the prior information and contract notices and provide a non-objection/objection (Template A-3b).

**Step 4: Publication of the prior information notice:**

The PSD Procurement Officer will publicize a prior information notice setting out the specific characteristics of the planned tender procedure at least 30 days before the publication of the contract notice in the websites of IGAD, ADA and the Member States; and in addition, in at least one widely circulated newspaper in each Member State. EU PRAG publication guidelines should be anyhow followed (EU PRAG Annex A11e).

**Step 5: Publication of the contract notice:**

The PSD Procurement Officer will publicize a contract notice 30 days at minimum after publication of the prior information notice identifying the selection criteria thereon. The contract notice is published 30 days before the deadline for submission of expression of interest in the websites of IGAD, ADA and the Member States; and in addition, in at least one widely circulated newspaper in each Member State. EU PRAG publication guidelines should be anyhow followed (EU PRAG Annex A11e).

**Step 6: Appointment of the Evaluation Committee**

The CEWARN Director will appoint an Evaluation Committee to carry out the short-listing exercise as detailed in EU PRAG (points 3.3.2 PRAG Annex B4 & B5).

For the appointment of the members of the Evaluation Committee the rules set out under section 4.3 above apply.
**Step 7: Evaluation and selection of potential tenderers:**
The Evaluation Committee will short-list the candidates and prepare the evaluation report.

**Step 8: Approval of the short list:**
The Evaluation Committee will submit the evaluation report with the list of the shortlisted candidates to the CEWARN Director who will approve and submit the same for a non-objection.

**Step 9: Vetting of the short list:**
The ADA PFCO, ADA Team Leader and AEDC HOC will review the evaluation report and the list of shortlisted candidates and issue a non-objection/objection (Template A-3c).

Following the publishing of contract notice, and receipt of expressions of interest, completion of evaluation and notification of the shortlisted candidates the first stage in the process of the tender procedure is completed.

**Step 10: The second stage in the tender procedure:**
The carrying out of the second stage including the invitation, receipt and evaluation of the received full proposals/tenders - is implemented under the same principles/steps as within competitive negotiated procedures (see section 4.5.3.1 above). The same steps for approval and non-objection through ADA Project Team shall therefore apply.

4.5.3.3.2 International open tender procedure

The international open tender procedure is applicable for supply contracts. The procedure follows one step process where open invitation for submission of tenders is issued both on international level, IGAD and MS level.

**Step 1: Approval and vetting of publications:**

The preparation and approval steps of the publicity requirements by IGAD and ADA follows the same steps as in the first stage of International restricted tender procedure (section 4.5.3.3.1), but with PRAG Annex C1 & D1 and PRAG Annex C2 & D2 respectively; with a link to download the tender documents.

**Step 2: Selection process:**

The receipt of tender and selection process is implemented under the same principles as in the competitive negotiated procedure (see section 4.5.3.1 above). The same steps for approval and non-objection through ADA IPPSHAR Team shall therefore apply.

4.5.4 Procedures applicable without ceilings

4.5.4.1 Negotiated procedure

CEWARN may use negotiated procedure in exceptional and duly justified circumstances as detailed in EU PRAG (points 3.2.4.1. and 4.2.5.1) and award contract directly to contractors whatever the value of the contract. Prior to initiation of the procedure, as well as during the procedure, CEWARN shall have a non-objection from the ADA PFCO, Team Leader and (above the threshold of EUR 100,000) also from AEDC HOC, per the following steps:
Step 1: Prepare a simplified and standard tender dossier and name of the potential tenderer(s) to be invited:

The PSD Procurement Officer in collaboration with the CEWARN Response/Grant Officer will identify and submit the name of the tenderer(s), with justification, to be invited for negotiation for the intended procurement and the tender dossier (PRAG Annex B8o & C4).

Step 2: Approval of the tenderer(s) and tender dossier:

The CEWARN Director will review and approve the identified tenderer(s) and tender dossier (see Template F-1).

Step 3: Vetting of the identified tenderer(s) and tender dossier:

The tenderer(s) and tender dossier will be vetted by ADA PFCO, Team Leader and AEDC HOC as applicable depending on the threshold and a non-objection/objection issued (see Template A-3a).

Step 4: Appointment of the evaluation committee:

The appointment and approval of the evaluation committee follows the procedures detailed in section 4.3 above.

Step 5: Invite the tenderer(s) for a negotiation:

The PSD Procurement Officer as the secretary of the Evaluation Committee will invite the identified tenderer(s) for a negotiation, forwarding with the invitation and the tender dossier with terms of references or specifications. One member of the ADA project team will participate in the negotiation as an observer.

Step 6: Preparation of a Negotiation report:

The Evaluation Committee after a negotiation will prepare the negotiation report (PRAG A10a) and an award recommendation to be submitted to the CEWARN Director for approval.

Step 7: Approval of the negotiation report:

The CEWARN Director will approve the negotiation report and submit the same to ADA project team for vetting and no-objection issued in line with procedures of section 4.6 below.

4.5.4.2 Competitive Dialogue

The procedure is available in exceptional cases for complex procurements where CEWARN is objectively unable to specify the technical means of satisfying its needs or objectives; and where neither the direct use of the open procedure nor of the restricted procedure will result in the best value for money. It involves conducting dialogue with bidders directly with the aim of developing one or more suitable alternative solutions to meet the requirements. Individual bidders may develop more than one solution.

The dialogue will be conducted in successive stages, with the option of reducing the number of solutions (and therefore tenderers) at each stage. Solutions must be eliminated on the basis of applying the stated award criteria.
On the basis of this dialogue, tenderers are selected by the CEWARN and are invited to tender. All tenderers and all potential solutions can be considered for tender, although not if a tenderer or solution has been eliminated at an earlier stage. The contract is awarded on the basis of quality price ratio, normally 80%-20%, in accordance with PRAG rules.

Prior to initiation of the procedure, as well as during the procedure, CEWARN shall have a non-objection from the ADA PFCO, Team Leader and (above the threshold of EUR 100,000) also from AEDC HOC, per the following steps:

**Step 1: Preparation of contract notices:**

The PSD Procurement Officer will prepare the contract notice (PRAG Annex B2a) stating that the procurement is taking place under the Competitive Dialogue procedure and including minimum standards for participation in line with PRAG; award criteria and respective weightings; number of participants to be invited to participate in the dialogue and mode of dialogue and submit the same to the CEWARN Director for approval.

**Step 2: Approval of the contract notice:**

The PSD Procurement Officer will submit the contract notice to the CEWARN Director for approval.

**Step 3: Legal opinion:**

The PSD Procurement Officer will submit the approved contract notice for a legal opinion from the Legal Procurement Advisor.

**Step 4: Vetting of the contract notice:**

The PSD Procurement Officer will submit the approved contract notice together with legal opinion from the Legal Procurement Advisor to PFCO, ADA Team Leader and AEDC HOC where applicable (depending on the threshold) for vetting and non-objection/objection.

**Step 5: Publication of the contract notice:**

The IGAD Secretariat PSD Procurement Officer will publish the contract notice 30 days before the deadline for submission of applications in the websites of IGAD, ADA and the Member States; and in addition, in at least one widely circulated newspaper in each Member State. EU PRAG publication guidelines should be anyhow followed (EU PRAG Annex A11e).

**Step 6: Appointment of the evaluation committee:**

The CEWARN Director will appoint the evaluation committee, the approval and vetting of which will be done as detailed in section 4.3 above.

**Step 7: Evaluation of the Applications:**

The evaluation committee will conduct an evaluation and shortlisting of the candidates in a similar manner with the international restricted tender procedure (see 4.5.3.3.1 above and EU PRAG points 3.3.2).

**Step 8: Legal opinion:** The CEWARN Procurement Officer will submit the evaluation report together with the shortlisted candidates for a legal opinion from the Legal Procurement Advisor.
Step 9: Approval and vetting of the evaluation report and shortlisted candidates:
The evaluation report together with the shortlisted candidates (a minimum of three) will be approved by the CEWARN Director and vetted by PFCO, ADA Team Leader and AEDC HOC as applicable in the similar manner with the international restricted tender procedure (see 4.5.3.3.1 above).

Step 10: Invitation to participate in the Dialogue (ITPD):
Once the candidates have been short-listed the PSD Procurement Officer will send an ITPD together with description of the CEWARN units’ needs in a formal format to the candidates, requesting them to Submit an Outline Solution (ISOS). The invitation officially begins the dialogue stage. The ITPD will also define the timescales involved in the dialogue, the number of phases and submissions that will form the component parts of the dialogue, outline of the dialogue meetings and key issues for dialogue, and award criteria.

Step 11: The Dialogue – First stage:
The evaluation committee will conduct the dialogue with the shortlisted candidates in a successive manner based on the ISOS in order to refine the CEWARN unit’s requirement in a way that results in developing the best solution in terms of the functional specification.

Step 12: The Dialogue – Second stage:
The second stage after a refined specification by the CEWARN unit, the PSD Procurement Officer invites the candidates to Submit a Detailed Solution (ISDS). The submission of the ISDS will formally close the dialogue and allow the CEWARN unit to prepare the final terms of reference/technical specifications.

Step 13: Development of Final Terms of Reference/Specification and tender dossier:
At the end of the dialogue the CEWARN unit and the PSD Procurement Officer will develop the Final Terms of Reference/technical specifications and tender dossier respectively.

Step 14: Approval of the Final Terms of Reference /Specification and tender dossier:
The Final Terms of Reference/Specifications and the tender dossier will be submitted to the CEWARN Director for approval.

Step 15: Legal opinion:
The PSD Procurement Officer will submit the approved tender dossier including the Final terms of reference/specification for a legal opinion from the Legal Procurement Advisor.

Step 16: Vetting of the Final terms of reference/specification and tender dossier:
The PSD Procurement Officer will submit the approved tender dossier with the Final Terms of Reference/specification together with legal opinion from the Legal Procurement Advisor to PFCO, ADA Team Leader as well as to AEDC HOC where applicable (depending on the threshold) for vetting and non-objection/objection.
Step 17: Invitation to tender:
The PSD Procurement Officer will invite the candidates to submit tenders based on the Final Terms of Reference/specification.

Step 18: Selection process:
The receipt of tender and selection process is implemented under the same principles as in the competitive negotiated procedure (see section 4.5.3.1 above). The same steps for approval and non-objection through ADA IPPSHAR Team shall apply.

4.5.4.3 Framework contracts
CEWARN may establish framework contract(s) with single and/or multiple contractor(s). Under a framework contract CEWARN will be obliged to procure and the contractor(s) is/are legally obliged to provide the services or supplies according to the terms established in the framework contract. For this purpose, specific contracts will be awarded by CEWARN within the duration of the framework contract (for further information see: EU PRAG 2.4.5).

Framework contracts may be entered into after following any of the above-mentioned procurement procedures according to the same approval and vetting process under the following conditions:

Condition 1: Intention to enter into Framework contract: The invitation to tender and/or the tender dossier will indicate the intention to enter into a framework contract.

Condition 2: Minimum and Maximum number of contractors: The invitation to tender and/or the tender dossier will indicate the minimum and maximum number tenderers that may be a party to the framework contract.

Condition 3: Duration of the Framework contract: The duration of framework contracts may not exceed four years, save in exceptional cases justified in particular by the subject of the framework contract.

Condition 4: Misuse of the Framework contract: CEWARN may not make undue use of framework contracts or use them in such a way that the purpose or effect is to prevent, restrict or distort competition.

Condition 5: Award of contracts: The call off orders/award of specific contracts is made under the terms of the framework contract.

Before awarding a specific contract a non-objection from PFCO, ADA Team Leader, as well as to AEDC HOC, where applicable (depending on the threshold), shall be issued.

4.6. Vetting of Award Recommendation
The evaluation/negotiation committee, where applicable, will determine and recommend the bidder to be awarded the contract and submit its recommendations through the secretary for approval and non-objection following the steps below:

Step 1: Approval of the evaluation/negotiation Report and Recommendation for Award:
The respective evaluation/negotiation committee, where applicable, through the Secretary, will submit the evaluation/negotiation report and the recommendation for award to the CEWARN
Director who will review and approve/not approve the evaluation/negotiation report and recommendation for award together with the draft letter of notifications. *(PRAG Annex B11).*

**Step 2: Provision of Legal Opinion:**

The Secretary to the evaluation/negotiation committee, where applicable, will submit the approved evaluation/negotiation report including the award recommendation and the drafted award decision to ADA LPA for a legal opinion in respect with the PRAG regulations as applicable for tenders above EUR 20,000.

**Step 3: Vetting of the Award Recommendation:**

For tenders up to EUR 20,000, the ADA PFCO will vet the negotiation report and award recommendation. For tenders above EUR 20,000, the ADA PFCO and Team Leader, as well as the AEDC HOC for contracts whose estimated value is equal or above € 100,000, after having taken into consideration the opinion of the ADA LPA, will vet and issue a non-objection/objection to the evaluation/negotiation report, the award recommendation and the decision to award including the draft letters of notification, where applicable *(Template A-11a).* Non-objection is anyhow subject to the verification of the completeness of the documentation submitted.

### 4.7. Process for detected Irregularities or Fraud

If the ADA Project Team detects irregularities or evidence of fraud in the procurement and contract process, the ADA Team Leader shall notify AEDC HOC and the CEWARN Director immediately in writing thereof. ADA LPA shall contact the applicable internal oversight in IGAD via email to the Internal Audit Division at IGAD HQ for follow-up and ensure the appropriate accountability steps are taken. In case of serious irregularities and fraud the incurred expenditures will not be eligible.

### 4.8. Notifying the successful and unsuccessful tenderers

After the issuance of the non-objection to the award recommendation and the draft contract award decision by the CEWARN Director and by ADA, the successful and unsuccessful tenderers will be informed in writing (and via email) on the results of the evaluation and the award decision according to PRAG regulations *(PRAG Annex B13 & B8o2).* The successful tenderer is requested to submit the evidence substantiating the statements made in the tender within 15 days of the date of the notification letter. All letters of notification will be stored in a proper way according to section 4.9.

### 4.9. Contract preparation and signature

After 15 days, within which period CEWARN will have authenticated all the evidence substantiated in the tender, the CEWARN unit in coordination with IGAD Secretariat staff prepare a contract dossier for a legal opinion, non-objection and signature following the below mentioned steps:

**Step 1: Contract dossier preparation:**

The PSD Procurement Officer will prepare a contract dossier that includes:

a) Explanatory note *(PRAG Annex A6)*;
b) Copy of the letter of invitation, and/or contract notice, tender opening report, evaluation report and award recommendation, and copies letters of notification;

c) The proposed contract in four (4) originals stamped with the IGAD official stamp (PRAG B8o2);

d) Any additional document if needed according to applicable PRAG regulations.

Step 2: Provision of Legal Opinion:

The PSD Procurement Officer will submit the contract dossier to ADA LPA for a legal opinion in respect with the PRAG regulations as applicable.

Step 3: Vetting of the contract dossier:

The ADA PFCO and Team Leader, as well as the AEDC HOC for contracts whose estimated value is equal or above EUR 100,000, after having taken into consideration the opinion of the ADA LPA, will vet and issue a non-objection/objection to the contract dossier.

Step 4: Signature of Contract:

The CEWARN Director will sign and date all originals of the contract and initial all pages of the special conditions.

Step 5: Send the contract for signature:

The PSD Procurement Officer sends the signed originals of the contract to the successful tenderer, who must countersign them on or after the 15th day of receipt.

Step 6: Receipt and distribution of signed contract:

The successful tenderer keeps one original and returns the other(s) to IGAD Secretariat Procurement Unit together with any financial guarantee(s) required in the contract. The PSD Procurement Officer will distribute the contracts to the CEWARN unit.

4.10. Publication of award and vetting of award notice

For contracts above international thresholds (services > EUR 300,000 supplies > EUR 300,000), once the contract has been signed, the PSD Procurement Officer will draft the award notice (PRAG Annex B14) and submit it to the CEWARN Director for approval. The approved award notice will then be submitted to ADA PFCO and Team Leader and for contracts whose estimated value is equal or above EUR 100,000 as well to the AED HOC, for vetting (Template A-11d). Upon ADA PFCO, Team Leader and where applicable AEDC HOC’s Non-Object, PSD Procurement Officer will publish the award notice in the same way (same media and platforms) as the original contract notice was published.

4.11. Procurement Records

IGAD Secretariat Procurement Unit shall keep records for each procurement after the resulting contract has been completed or, if no contract resulted, after the procurement proceedings were terminated, for at least seven years after the end of Project.
The records for a procurement shall include all the preparatory documents, the originals of all applications/tenders/proposals submitted, and any related correspondence as indicated in Annex 2 to the CEWARN SOP. The IGAD PSD Procurement Officer shall file these records in a manner permitting easy inspection and access without delay upon request.
### Table 2: Threshold matrix

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<th>Procedure</th>
<th>Services</th>
<th>Supply</th>
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<tbody>
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<td>Under or equal to EUR 2,500</td>
</tr>
<tr>
<td>Single tender</td>
<td>Above EUR 2,500 - EUR 20,000</td>
<td>Above EUR 2,500 - EUR 20,000</td>
</tr>
<tr>
<td>Competitive negotiated procedure</td>
<td>Above EUR 20,000 - EUR 300,000</td>
<td>Above EUR 20,000 - EUR 100,000</td>
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<tr>
<td>International restricted procedure</td>
<td>Above EUR 300,000</td>
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<tr>
<td>International tender procedure</td>
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<td>Above EUR 300,000</td>
</tr>
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**Documents**

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<tr>
<td>Technical specifications</td>
<td>No</td>
<td>Yes – technical details and quantities of supplies</td>
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<tr>
<td>Bill of quantities</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Financial offer</td>
<td>Per-unit price or global price</td>
<td>Per-unit price or global price</td>
</tr>
</tbody>
</table>

**Selection and award**

| Evaluation committee   | Chairman, 3 voting members, and secretary (Not mandatory when single tender) | Chairman, 3 voting members, and secretary (Not mandatory when single tender) |
| Selection criteria     | Technical quality: 80% Price: 20% | Price: 100% (of technically compliant offer) |
Note: It is highly unlikely that under the grant budget procurement for services will surpass Euro 300,000 and procurement of goods will go over Euro 100,000
4.12. Asset Register

The CEWARN unit will proceed with the purchase of equipment in accordance with the approved Project’s budget in accordance to the PRAG rules. An Asset Register / Inventory List (Template F-4) of the items acquired in the course of the Action will be prepared and regularly maintained/updated by the CEWARN FAO.

The inventory will be clearly marked as “IPPSHAR Programme Inventory”. A sticker of the Action will be visibly placed on each item. The ADA Project Team and external Auditors will check the proper maintenance of the Action’s inventory during monitoring visits. The ADA Project Team will include updated information about the location of any such inventory in the reports to the EU in accordance with requirements set out in the Delegation Agreement, in evidence that the EU visibility obligation is respected. In addition, the CEWARN FAO will provide the required project inventory information to the ADA Project Team in the context of the annual reporting to the EU.

Equipment purchased with the Project’s funds will remain with IGAD and/or their partner organizations, the grant beneficiaries or final beneficiaries at the end of the Project, unless agreed otherwise between ADA and IGAD. Should a transfer be required, the handing over process needs to be documented by issuing and signing of an Asset Ownership Transfer Agreement (Template F-4a). The AEDC Office and the ADA Project Team must consult ADA HO in this process prior to any decision. It must be ensured further that the relevant provisions of the Delegation Agreement will be complied with (Article 9 General Conditions to the Delegation Agreement). Copies of the proofs of transfer of any equipment for which the purchase cost was more than EUR 5,000 per item, shall be attached to the final report. Proofs of transfer of equipment whose purchase cost was less than EUR 5,000 per item shall be kept by the beneficiary(ies) for control purposes.
5. **Contract administration**

Contract administration is an integral part of the process to ensure effective implementation of the IPPSHAR CEWARN RRF Grant. This is accomplished by ensuring that services and supplies received correspond to what was contracted in terms of quality, quantity, price and delivery times.

5.1 **Performance monitoring and supervision**

The principal responsibility for contract monitoring and supervision rests with the CEWARN unit through meetings, reports and inspection. Monitoring requires a proactive attitude geared to timely detect potential problems and implement swift corrective action when problems arise or preventative actions when problems can be anticipated.

Upon approval of an award recommendation and respective contract through vetting (Template A-11a) by ADA PFCO, Team Leader and AEDC HOC (depending on the thresholds) in line with the provisions of section 4 above, and upon signature of the corresponding service or supply contract by CEWARN Director, IGAD will act as the contracting party. The CEWARN unit will hence manage these contracts and keep them in their records. CEWARN shall file these contract records in a manner permitting easy inspection and access without delay upon request.

In case addenda to the contracts (e.g. changes in duration, price, scope, etc.) become necessary, IGAD staff will consult with the ADA LPA and shall inform ADA PFCO, and Team Leader, as well as AEDC HOC for contracts whose estimated contract value was equal or above € 100,000 to obtain their Non-objection for Addendum – Contract Modification (Template – A12b), before the Addendum – Contract Modification is signed. The same competences for objection/non-objection by ADA apply for all other approvals foreseen during contract execution.

5.2 **Delivery of services and receipt of supplies**

5.2.1 **Services**

For services, the contract will be monitored by the CEWARN Response/Grant Officer under the supervision of the CEWARN Director responsible for the coordination of the activity being undertaken.

The CEWARN Response/Grants Officer and the CEWARN Director will:

1. Monitor the activity and performance in accordance with the contract to ensure levels of service are maintained and that deliverables are submitted or completed on time, including submission of specific mission monitoring reports.
2. Ensure that all contractual obligations of IGAD are performed promptly and efficiently.
3. Ensure that all deliverables (and especially reports) are reviewed immediately and responded to in writing where necessary.
4. Contact the service provider to identify the causes of any failings in performance or failure to meet targets and inform the ADA LPA and ADA PFCO accordingly.
5. Issue a formal letter vetted by the ADA PFCO, after consultation with ADA LPA on matters of a legal, contractual or financial nature, to the service provider detailing the complaint if
the explanation given is unsatisfactory or if performance is not improved within a reasonable period of time.

6. Report to the PSD Procurement Officer, the CEWARN Director and ADA PFCO any continued breach by the service provider of his contractual obligations with copy to the Office of the Legal Counsel and ADA LPA.

7. Provide provisional approval of interim and final reports to be approved by the CEWARN Director and ADA PFCO, ADA Team Leader and AEDC HOC as applicable and carry out contractors’ performance assessments at the end of each project assignment. The contractor’s assessment form (PRAG template B15) shall be attached to the final report to be approved by the CEWARN Director and the ADA PFCO and ADA Team Leader and AEDC HOC (depending on the threshold).

5.2.2 Supplies

Contract supervision and administration for supplies is performed by the CEWARN FAO working in coordination with the PSD Procurement Officer and shall entail the following:

i. Monitoring the delivery schedules of all purchases to ensure that they are dispatched, delivered or collected on time including partial shipment.

ii. Receiving reports on any pre-shipment inspection of goods and contact the supplier in writing requesting rectification of any discrepancies or deficiencies.

iii. Contacting the supplier or shipper to identify the causes of any delay in delivery;

iv. Initiating and supervising any process for claims against insurance or the supplier.

v. Informing the ADA LPA and ADA PFCO and reporting to the PSD Procurement Officer when the supplier has failed to comply with his contractual obligations with copy to the Office of the Legal Counsel and ADA LPA.

vi. The contractor’s assessment form (PRAG Template C-10) shall be attached to the final report to be approved by the CEWARN Director and the ADA PFCO and ADA Team Leader and AEDC HOC (depending on the threshold).

5.2.3 Receipt of supplies

The CEWARN Resource Center Assistant is responsible for the receipt of supplies. When supplies are delivered, the Resource Center Assistant should:

i. Receive the goods into temporary storage.

ii. Examine the apparent condition of the goods and packing.

iii. Ask the supplier to open the packages (or arrange opening of the packages at the supplier’s expense).

iv. Examine and analyse the goods for conformity with the contract specifications and/or the samples provided. The PSD Procurement Officer sends a copy of the contract to the Storage Unit at the time of issuing the contract.
v. Reject all goods that are damaged or do not conform to the required specifications or samples.

vi. Prepare the Goods Received Note, recording the delivery, and descriptions, specifications and quantities of the goods examined and the reasons for accepting or rejecting the goods and prepare a goods received note (Template C-5a) for accepted supplies and complete a contractor's assessment form (PRAG B15 & C10).

vii. Release accepted goods to permanent storage after ensuring that goods received are in conformity with the specification mentioned in the Purchase Order or contract document.

viii. The receiver shall sign on the delivery note/shipment documents to acknowledge receipt.

ix. Receive and register the invoices and other documentation from the supplier or shipper.

x. Submit the original of the invoice received and of the Receiving Report along with the shipment documents to the CEWARN FAO, keeping a copy of the receiving report.

xi. Upon presentation of the Payment Voucher (Template D-1) or Payment Transfer Request Form (Template D-1b) to the ADA PFCO and ADA Team Leader for vetting, the correctness of the information presented (such as checking storage, checking numbers of goods received etc.) will be verified. The ADA PFCO and ADA Team Leader will approve the Payment Voucher (Template D-1) or Payment Transfer Request Form (Template D-1b) accordingly. Only in cases with irregularities, the ADA PFCO shall provide recommendations for remedial action as part of the explanation for the refusal to approve the payment and an objection to Payment Voucher or Payment Transfer Request Form (Template D-1a) will be issued and signed by the ADA PFCO and ADA Team Leader.

5.3 Payments

Contract payments require strict adherence to existing internal controls designed to ensure that payment is for services and supplies delivered in accordance to what was requested and contracted and for the quality and price contracted. IPPSHAR CEWARN RRF Grant Project funds will be managed by the CEWARN Unit, with the CEWARN FAO and the CEWARN Director as signatories for the funds, following the 4-eye principle. A list of staff authorized to sign for bank transfers and payment checks can be found in Annex 3 of this document.

All payments - without exception - must be based on an invoice, which must be submitted in duplicate, from the contractor/supplier, which must identify that the IPPSHAR CEWARN RRF Grant Project financed the services/goods.

Invoices for consultants, workshops, advances and other activities are received by the CEWARN FAO, who has to consult with the CEWARN Response/Grants Officer to confirm that the services invoiced were satisfactorily performed or received in compliance with the contracted quality, and dates. Based on that validation by the CEWARN Response/Grants Officer, the CEWARN FAO validates the invoice with the Request for Procurement (RfP) (Template A-2), including Concept Note and an overall budget estimate for the activity. The reception of goods in compliance with the agreed quality, quantity and date, will be confirmed by the CEWARN staff member who requested them. Depending on the nature of the goods the person who initiated the purchase of the goods can request support from other staff members who have the necessary expertise before
confirming compliance with quality and quantity of goods. If found in agreement with the conditions contracted, the CEWARN Assistant Accountant prepares the corresponding Payment Voucher (Template D-1) or Payment Transfer Request Form (Template D-1b) and initials passing the payment voucher along with the invoice and supporting documents for the approval of the CEWARN Director. The payment voucher, invoices and the supporting documents are then forwarded again to the CEWARN FAO for verification. In a next step, the documents are then forwarded to the ADA Project Team for vetting through the ADA PFCO and ADA Team Leader.

All payments should be cashless as far as possible: Therefore, cash payments should be reduced to those cases for which cashless payment is in fact not possible.

**Chart 2: Approval and disbursement procedures for grant funded services and supplies**

In case of observations, the ADA PFCO will outline the observations or lack of compliance, preventing the acceptance of the payment by preparing an objection against the payment by using the Objection to Payment Voucher or Payment Transfer Request Form (Template D-1a).

In cases where no observations are made, the ADA PFCO and Team Leader will only vet the corresponding Payment Voucher (Template D-1) or Payment Transfer Request Form (Template D-1b). An Objection to Payment Voucher or Payment Transfer Request Form (Template D-1a) will not be issued.
5.3.1 Payments for supplies

Require that the receiving officer signs a Goods Delivery Note, a copy of which will be attached to the Goods Received Note (Template C-5a), evidencing the quantity and quality of goods received. The Goods Received Note should be part of the documentation filed together with the Payment Voucher (Template D-1) and original invoices, since it is an essential control for the payment of the invoice from the contractor.

5.3.2 Advance payments

The use of advance payments is discouraged and shall be vetted at the initial stages of the tender dossier preparation by the ADA PFCO (Template D-1b).

5.3.2.1 Advance payment for supplies

The normal practice shall be to offer full payment following delivery or payment by Letter of Credit for international purchases.

5.3.2.2 Advance payments for consulting services

The provision of advance payments for mobilisation of consultants shall be subject to the terms stated in the bidding document. Any such advance payments may be initiated on receipt of an advance payment security in a form, acceptable to the IGAD.

The provision and methodology for repayment of any advance shall be fully defined within the contract document, including a provision for deductions to be made from approved certificates or stage payments to the contractor or consultant.

5.3.3 Terms of payments

Progress payments can be paid to contractors depending on the degree of completion and deliverables, which are included in the contract agreement.

Final payment shall be made to contractor up on successful completion of the contract agreement and fulfilment of the required documentation.

5.3.3.1 Supporting documentation and archiving

For the purposes of documentation and archiving, the minimum list of documents pertaining to procurement and finance (payment) to be archived is provided in Annex 2.

5.4 Contract fulfilment and termination

5.4.1 Contract expiration/extension and contract modifications

If there is a need to extend the term of the contract to enable completion of deliveries of supplies or services, the requesting Unit should duly justify and notify such condition to the PSD Procurement Officer, who after consultations with the ADA Legal Procurement Advisor, shall prepare an addendum to be approved by the CEWARN Director and submits the same to the ADA PFCO, ADA Team Leader, and AEDC HOC, where applicable, to obtain a non-objection (Template A-12b). The PSD Procurement Officer after approval and non-objection by the respective heads of programmes, and by ADA will forward the addendum to the relevant contractor.
In case other modifications to the contracts (e.g. price, scope, etc.) become necessary, PSD Procurement Officer will consult with the ADA LPA and shall inform ADA PFCO, Team Leader and AEDC HOC where applicable to obtain his non-objection for Addendum – Contract Modification (Template A-12b).

The Addendum – Contract Modification can only be forwarded to the contractor and signed by IGAD upon approval by ADA. In case of lack of approval by ADA additional costs arising out of the contract modification will not be eligible.

With regard to any contract modifications PRAG rules as well as Art 72 of Directive 2014/24 EU on public procurement shall be applied. Only modifications within the limits of PRAG and Art 72 EU Directive can be approved.

5.4.2. Contract termination

In case of irregularities or problems arising during contract implementation that warrant termination (non-compliance, non-performance or non-fulfillment of contractual obligations, etc., by contractors), the IGAD legal department will be involved, who must consult with the ADA LPA and the ADA PFCO, Team Leader and AEDC HOC, where applicable, about any steps and remedial measures to be taken.

Procedures for contract termination are stipulated in each contract and must be strictly adhered to in order to terminate a contract and to protect the interest of IGAD. The CEWARN Director should contact the PSD Procurement Officer when events that could ultimately lead to a termination have occurred. Termination for default is also cause for suspension and debarment.

If a termination of contract is necessary, it needs to be authorized by the IGAD CEWARN Director and subsequently requires written approval from the ADA PFCO, Team Leader and AEDC HOC where applicable a Non-objection to Contract Termination (Template – A12c).

In case of disagreement between ADA and IGAD, a solution shall be sought with at the IGAD IPPSHAR PSC level where the ADA Team Leader is a member. Disagreement will result in an ADA non-approval of payment by issuing an Objection to the Payment Voucher or Payment Transfer Request Form (Template D-1a), in particular if against ADA`s opinion the contract will not be terminated.
6. Travel expenses for CEWARN Project staff

Project related travel expenses must be duly justified and approved. All possible fare reductions, rebates, discounts, etc. should be claimed and the least expensive route chosen in the case of air travel. Initiation of a travel authorization requires filling the Travel Request and Authorization Form (Template C-1).

The travel authorization must indicate:

i. The purpose of the trip, an agenda and how will it contribute to the project;

ii. Expected departure and return dates;

iii. Expected costs/budget;

iv. Signature of the traveler;

v. Signature of the CEWARN Director and

vi. Signature of the ADA PFCO

Hotel and per-diem rates must be within the EU per-diem rates; however, in the case of CEWARN-RRF local activities the rates as shown in the annex to the Project Document apply. The rates will be displayed on the CEWARN-RRF website.

For disbursements in other currencies than EUR, proof from a bank or an official currency exchange office needs to be provided about the actual exchange rate applied for the transaction.

All payments should be cashless as far as possible: Therefore, cash payments should be reduced to those cases for which cashless payment is in fact not possible.

The CEWARN Response/Grants Officer verifies the Travel Request and Authorization Form prepared by the traveler. The document is presented to the CEWARN Director for approval. The CEWARN Assistant Accountant will proceed to prepare the travel advance based on the approved document (hotel costs based on actual amounts for approved list of hotels and DSA, discriminating overnight and daily DSA applicable rates). The Travel Request and Authorization Form is subject for vetting through the ADA PFCO.

Upon conclusion of the mission travelers are requested to submit the corresponding IGAD Travel Advance Clearance Form (Template C-4) plus a brief report on the results of the mission performed, workshop, conference or training attended. The traveler has to sign the IGAD Travel Advance Clearance Form, which is subject for approval through the CEWARN FAO and vetting through the ADA PFCO.

Subsequent travel requests can only be authorized if prior travel expenses have been settled by the CEWARN FAO.

Participants officially invited to workshops, trainings, conferences and other project activities from outside their hometown where an event takes place, are entitled to receive DSAs. The CEWARN Assistant Accountant has to prepare the Daily Subsistence Allowance Claim Form (Template C-2). The form needs to be signed by the claimant and is subject for approval through the CEWARN
Director and the CEWARN FAO. The ADA PFCO carries out the vetting. This procedure can also be applied alternatively for IGAD staff in cases where Travel Request and Authorization Form (Template C-1) and the subsequent Travel Advance Clearance Form (Template C-4) are not used.

6.1. Handling of travel and workshop related expenses to be paid in cash (not preferred option)

At the latest 2 weeks before an event takes place, where possible, the CEWARN Assistant Accountant prepares a Payment Voucher (Template D-1a) for the activity, specifying the amount needed for DSA and other expenses directly related to the implementation of the activity. As a next step, the CEWARN Assistant Accountant makes the preparation for EUR cash payments of DSA to participants during the implementation of the event. The amount needed must be in line with the overall budget for the activity, presented in the Request for Procurement (Template A-2). The Payment Voucher is subject for approval by the CEWARN Director and needs to be verified by the CEWARN FAO before it is presented to the ADA PFCO and ADA Team Leader for vetting. Other payments for expenses shall be done via transfer to the different service providers and suppliers from the IPPSHAR CEWARN RRF EUR account.

6.2. Handling of travel and workshop related expenses to be paid via bank transfer (preferred option)

Where possible, the funding of related travel and workshop expenses including DSA payments to participants will be channeled/remitted through the IPPSHAR CEWARN RRF Euro bank account. The CEWARN Assistant Accountant prepares - based on a forecast - a Payment Transfer Request Form (Template D-1b) for the activity. The request is subject for approval by the CEWARN Director and needs to be verified by the CEWARN FAO before it is presented to the ADA PFCO and ADA Team Leader for vetting.

For disbursements in other currencies than EUR, proof from a bank or an official currency exchange office needs to be provided about the actual exchange rate applied for the transaction.

After completion of the activity, the CEWARN Response/Grants Officer and the CEWARN Assistant Accountant have to submit an Activity Report for Workshops or other Events (Template D-1c) together with a Payment Settlement Report for Workshops and other Events (Template D-1d) to the CEWARN FAO for checking. The CEWARN Director needs to approve the documents before they are presented to the ADA PFCO and ADA Team Leader for vetting.

All payments should be cashless as far as possible: Therefore, cash payments should be reduced to those cases for which cashless payment is in fact not possible.

7. Vehicle utilization and maintenance

Vehicles might be purchased with IPPSHAR CEWARN RRF Grant funds and handed over directly after the purchase to the CEWARN unit. In addition, the Project will also rely on IGAD units existing vehicle fleet or alternatively renting vehicles in IGAD MS for purposes of supporting transportation of staff as part of project implementation.

In recognition of such utilization of IGAD’s vehicles, the IPPSHAR CEWARN RRF budget provides for covering the cost of fuel as well as regular maintenance, such as oil change, tire
repair/replacement, and other minor repairs required to keep the fleet in normal operating conditions.

Control of vehicle utilization is based on IGAD’s Daily Vehicle Utilization log (DVU) (Template C-3). In addition to the DVU, each vehicle has to have a Vehicle Maintenance Log (VML). The VML will be used to keep track of the regular maintenance of the vehicle. To this end, the driver would update the maintenance log with the regular maintenance performed to the vehicle, indicating the number of kilometers according to the odometer, the type of service/maintenance performed, the place where it was performed, the cost and the authorizing signature of the CEWARN FAO for maintenance. The original of the VML will be kept in a folder for each vehicle in the possession of the CEWARN FAO.

Control of fuel consumption will be the responsibility of the CEWARN FAO based on the DVU log (Template C-3).

On an ex-post basis, ADA FO will review vehicle utilization, fuel purchases and maintenance (based on logs) and payment vouchers that form an integral part of the monthly project expenditures included in the monthly financial reporting package.

8. Finance

8.1 IPPSHAR RRF Grant Project Accounts

An IPPSHAR Project Euro bank account in Austria has been established by ADA HO in Vienna to receive and manage funds from the EU and other financing partner organizations.

Additionally, IGAD has established for the implementation of the IPPSHAR RRF Grant Agreement an IPPSHAR RRF Grant Project Euro bank account in Ethiopia and will establish IPPSHAR RRF Grant Project Euro Sub-accounts in the other IGAD MS.

The IGAD ES will authorize senior CEWARN staff as signatories for signing contracts related to the procurement of services and supplies, the approval of project deliverables and for the authorization of payments to be transferred from the IPPSHAR RRF Grant Euro bank account at the Commercial Bank in Addis Ababa. Signatures must be made according to the four-eye principle (one signatory from Group A and one from Group B). No single signatory is allowed (Annex 3).

The IGAD ES will inform the Head of the AEDC Office (copy to the ADA Team Leader) in Addis Ababa immediately in writing (original letter) about any changes related to the list of signatories and will - in case of replacements of signatories or any other changes related to the signatory’s position - provide details, which include the name, position and a signature sample. The authorization letters from the IGAD ES and its annexes with the signature samples are kept at the AEDC Office in Addis Ababa.

Payments of IPPSHAR RRF Grant Project expenditures denominated in any other currency than Euro will be accounted for by using the actual exchange rate at which the EUR were converted at the time of the transfer by the bank (Commercial Bank of Ethiopia or the Sub-accountholders partner bank in the IGAD MS outside Ethiopia). This procedure will ensure that there are no exchange differences resulting from the EUR to the other currency payment. The conversion and
transfer transaction will be subject to vetting by ADA PFCO, as part of the vetting of the processing of the Payment Authorization.

Proposals for regular projects - after being reviewed, forwarded and recommended by MS CEWERUs – will be first evaluated by the CEWARN Response Coordinator before being vetted by ADA-IPPSHAR. Only once they have passed scrutiny by these three instances they will be presented to the CEWARN-RRF SteCom. Funds are only released after approval and authorization from the CEWARN-RRF SteCom.

In case of emergency interventions after approval and authorization from the CEWARN Director, vetting of the expenditures incurred by ADA Team - will take place only ex-post. However, replenishment of the imprest account for emergency interventions will be ex-ante.

8.1.1 IPPSHAR CEWARN RRF Grant Euro Account in Ethiopia

The IPPSHAR RRF Grant Project Euro bank account for the management of project funds has been established at the Commercial Bank of Ethiopia in Addis Ababa. The account details are stated below:

Name of the Bank: The Commercial Bank of Ethiopia
Town / City: Addis Ababa
Name of the Beneficiary: IGAD
Account Currency: Euro
Account Name: IGAD/RRF-GRANT/IPPSHAR GRANT FUND
Account Number: 1000316305303
SWIFT / BIC Code: CBETETAA

8.1.2 IPPSHAR RRF Grant Euro Sub-accounts in the IGAD MS outside Ethiopia

IPPSHAR RRF Grant Project Euro Sub-accounts in the other IGAD MSs outside Ethiopia will be established as soon as the selection process for the FAUs has been completed². Since no single signatory is allowed, the IGAD ES will authorize at least one FAU and at least one CEWERU representative as signatories in each MS. The FAU and CEWERU representatives in the MS outside Ethiopia shall be entitled to authorize payments to be transferred from the IPPSHAR RRF Grant Project Euro Sub-account. The original authorization letters with signature samples and the completed and stamped EC Financial Identification Form need to be presented to the Head of the AEDC Office (copy to the ADA Team Leader) in Addis Ababa.

In addition, the IGAD ES has authorized FAUs and CEWERUs as signatories to the approval of project deliverables and for the authorization of payments to be transferred from the IPPSHAR RRF Grant Project Bank Sub-account in the MSs where accounts in most capital cities have been established. Signatures must be also made according to the four-eye principle - always one FAU and one CEWERU representative; no single signatory is allowed (Annexes 3.2 to 3.6).

² As per October 2020
8.2. Funding requests and fund transfers

On a quarterly basis, the CEWARN FAO will prepare the financial and progress reports (Template D-3), consisting of the following:

i. A bank account reconciliation for the quarter showing bank balances in EUR at the end of the quarter and the reconciliation with the respective balances in the SunSystems general ledger kept for the Project;

ii. Financial report for the respective quarter according to the template; including a budget execution report showing each budget line item, the approved budget for the year and for the quarter, the amount committed and the expenditures actually incurred;

iii. A balance sheet and a statement of funds received and expended during the quarter;

iv. A funding request, detailing the actual expenditures and commitments (actual and forecasted) for the following quarter.

Funds to the IPPSHAR CEWARN RRF Project Euro account will be transferred from the ADA HO’s IPPSHAR project account based on quarterly funding requests (Template D-5). CEWARN will prepare the estimate with the assistance of the ADA Team Leader, based on the approved AWP and budget.

The funding request needs to be signed by the CEWARN FAO and the CEWARN Director and vetted by the ADA PFCO. The funding request will be reviewed and approved by the ADA Team Leader and the AEDC HOC before it is sent to the ADA HO (Department of Finance & Administration). ADA HO will review and evaluate IGAD’s funding request and the financial reports and - if in agreement - process the transfer of funds from the ADA HO bank account for the IPPSHAR CEWARN RRF Grant Project Euro account (see chart below).
8.3. Value Added Tax (VAT)

In regard to VAT refund obligations, while contractors’ invoices including VAT will be paid from IPPSHAR CEWARN RRF funds, IGAD PSD will be responsible for seeking VAT reimbursements in compliance with the provisions of the PIPA POM (IGAD Departments implementing grant funded activities are generally not entitled to reimburse VAT because they are lacking the necessary status towards the tax authorities in the IGAD MS). In the IGAD accounting system, the VAT must be presented separately for easy tracing of VAT payments made and the subsequent reimbursement requests accounted for. CEWARN FAO must document the efforts at MS level and report to the PFCO semi-annually about the status of reimbursement of VAT. This information will be included in the regular annual progress report to the EU. Unrecovered VAT will be deducted from the final settlement, to be considered at that time.

CEWARN FAO files the original invoice together with the concept paper, RfP, contract, payment voucher and a copy of the check or EFT letter.

CEWARN FAO follows up the VAT recovery processes carried out by the IGAD MS offices in the MS financial authorities.

Recovered VAT has to be transferred back to the IPPSHAR CEWARN-RRF Grant Project account on a regular basis.

The VAT reimbursement procedures are similarly organized in most of the IGAD MS - except in
South Sudan and Somalia, where those facilities are not yet in place. The task of VAT reimbursement VAT in the MS has been delegated to the IGAD Offices in the MS.

Any VAT reimbursed from the IGAD MS must be transferred back to the IIPPSHAR CEWARN-RRF project Euro account.

In case VAT cannot be claimed, IGAD shall liaise with ADA Head of Finance & Administration to have these amounts covered by IPPSHAR funds.

9. Accounting, financial reporting and reconciliations

9.1 Accounting

The CEWARN FAO ensures accounting for IPPSHAR CEWARN RRF Grant Project funds budget execution, which are kept separately from other IGAD’s funds and programmes in compliance with generally accepted accounting standards, in the same manner as IGAD accounts for its own funds and programmes.

CEWARN only accrues expenses resulting from services, goods received and not invoiced at year-end. However, for purpose of complying with the quarterly funding requests, IGAD will have to keep track of accruals since they would inform the amount of actual and expected commitments for the next quarter.

9.3. Financial Reports

CEWARN Director with the assistance of the ADA Project Team embedded at IGAD, will prepare financial reports and send them in electronic form to AEDC HOC.

The reports will be prepared in English as follows:

9.3.1. Monthly Financial Reports

On a monthly basis, the CEWARN FAO with the support of ADA FO/PFCO under the responsibility of the ADA Team Leader will prepare monthly reports (Template D - 2); specifically:

i. By the 5th day working day of the following month, a bank account reconciliation accompanied by the corresponding bank statement and a copy of the SunSystems General/Ledger system showing the bank balance from CEWARN FAO to ADA PFCO/FO. The reconciliation has to provide a full breakdown of all reconciled items, e.g. cheques paid but not debited from the bank account, bank charges not accounted for.

ii. By the 7th day of the following month, ADA PFCO/FO will consolidate IGAD and ADA monthly financial reports for discussion in the IGAD PSD senior management meeting as well as CEWARN management meetings

iii. By the 10th day the following month, the consolidated financial report will be presented to AEDC HOC for review and approval and then sent to ADA HO Head of Finance and Administration, finanzen@ada.gv.at, abrechnungen@ada.gv.at and cc to the head of reporting and financial accounting by the ADA FO.
9.3.2. Quarterly Financial Reports

On a quarterly basis, the CEWARN FAO with support of the ADA FO/PFCO under the responsibility of the ADA Team Leader will prepare quarterly progress reports (Template D - 3), which will be reviewed by the AEDC HOC and sent ADA HO Head of Finance and Administration, finanzen@ada.gv.at, abrechnungen@ada.gv.at and cc to head of reporting and financial accounting.

Same content by the same dates as stated above for the monthly report but covering the respective quarter.

i. A funding request (see above) prepared by CEWARN FAO including the amount of actual and expected commitments for the next quarter and actual expenditures.

ii. The senior IGAD PSD management as well as the CEWARN management in their meeting will discuss the quarterly financial, progress report, procurement plan and funding request before submission to the AEDC office.

The Quarterly Financial Report including the funding request has to be reviewed and approved by the ADA Team Leader and AEDC HOC, and subsequently sent to ADA HO Head of Finance and Administration for confirmation of balances of ADA project accounts. ADA HO Finance and Administration will initiate the fund transfer.

9.3.3. Semi-annual Financial Reports

On a semi-annual basis, the CEWARN FAO with support from the ADA FO/PFCO under the responsibility of the ADA Team Leader will prepare semi-annual financial progress reports (Template D - 4) to be submitted to ADA and the CEWARN RRF Steering Committee. CEWARN Director, and AEDC HOC and ADA HO Head of Finance and Administration will confirm these reports prior to the submission to the Steering Committee.

These reports will include the feedback of development partners and the CEWARN RRF Steering Committee; specifically:

i. Same content by same dates as stated for the quarterly report above, with the quarterly funding request, and covering the semester being reported prepared by ADA team with support of CEWARN FAO.

ii. Includes revised work plan and budget for the upcoming implementation.

9.3.4. Annual Financial Reports

This report will be reviewed by the AEDC HOC and ADA HO Head of Finance and Administration and then submitted to the CEWARN RRF Steering Committee for information.

On an annual basis, the CEWARN FAO with support from the ADA FO/PFCO under the responsibility of the ADA Team Leader will prepare annual financial reports. The AEDC Office and ADA HO (Head of Finance and Administration) will validate these reports prior to the submission to the CEWARN RRF Steering Committee for information and to the EUD in Addis
Ababa for approval. The annual progress reports will be sent to the EUD by the AEDC Office after authorization from ADA HO Head of Finance and Administration; specifically:

i. Same content by same dates as the semi-annual report prepared by ADA FO/PFCO with support of CEWARN FAO

ii. This report will be validated by the AEDC HOC and ADA HO Head of Finance and Administration and then submitted to the CEWARN RRF Steering Committee for information prior to sending it to the EUD in Addis Ababa for approval. See Table 5 Reporting schedule below.

9.3.5. Final financial statement and progress report

At latest one month after completion of the Action, CEWARN must submit to ADA Team Leader in electronic form the final report and the corresponding financial statements, including:

i. A summary of all project receipts, payments received and of the eligible expenditures incurred

ii. Where applicable, an overview of any funds unduly paid or incorrectly used which CEWARN could or could not recover itself

iii. The exact link to the webpage where, according to Article 6.3.3 of the General Terms and Conditions to the IPPSHAR CEWARN-RRF Grant Agreement for Support in the Field of Development Cooperation, where information on grant beneficiaries and contractors is available

iv. If relevant, details of transfers of equipment and remaining major supplies mentioned in Sections 1 (5) and 1 (6) of the Terms and Conditions to the IPPSHAR CEWARN-RRF Grant Agreement.
10. **Expenditure verification and audit opinion**

### 10.1. Preservation of records and access to documents

IGAD shall keep the required records and file all the vouchers, which are necessary to examine whether funds have been properly used, for at least ten (10) years and in any case until any ongoing audit, verification, appeal, litigation or pursuit of claim or has been disposed of; and allow ADA, the European Commission, OLAF and the European Court of Auditors, or any authorized representatives to conduct desk reviews and on-the-spot checks on the use made of the project funds on the basis of supporting accounting documents and any other document related to the financing of the project. IGAD shall also make available all relevant financial information (originals or copies) for auditing and expenditure verification. Documents must be accessible and filed in a manner permitting checks. All relevant financial information shall also be electronically archived and a copy of them shall be submitted once per month to AEDC.

To that end, CEWARN has to provide officials of ADA, the European Commission, OLAF, the European Court of Auditors, as well as the Austrian Court of Audit and their authorized agents, information and access to any documents and computerized data concerning the technical and financial management of operations financed under the project (such as bookkeeping records, vouchers, documents and records of procurement proceedings and grant proceedings, correspondence and any other relevant records), as well as to grant access to sites and premises at which such operations are carried out. IGAD will take all necessary measures to facilitate these checks in accordance with its regulations and rules. When such information is deemed confidential, ADA HO shall treat the same in accordance with its confidentiality rules.

ADA shall inform CEWARN of planned on-the-spot missions by representatives of the above-mentioned bodies in due time in order to ensure adequate procedural matters are agreed upon in advance.

Failure to comply with the obligations of records preservation, accessibility and financial checks constitutes a breach of a substantial obligation by CEWARN and a reason for discontinuation/reclaim of funds.

### 10.2. Internal expenditure verification

ADA HO (Department of Finance and Administration) will conduct on-site inspections such as internal controls, vetting-, accounting- and reporting processes. Prior to concluding their on-site visit, the ADA HO staff conducting on-site inspection shall brief the ADA Team Leader and AEDC HOC as well as IGAD team on the overall findings and recommendations and provide a written report, which will incorporate the comments/responses from the ADA and IGAD team. These visits will help strengthen the control mechanisms and ensure their overall relevance and effectiveness.
10.3. **External expenditure verification**

IGAD, in consultation with the ADA Team Leader and with ADA HO (Department of Finance and Administration) will select and contract an audit firm for the duration of the Project (i.e. 2-years) (but subject to yearly confirmation based upon an assessment of the overall quality of the audit process). These annual reports will cover expenditures under the IPPSHAR CEWARN RRF Grant. IGAD shall be invited to respond to the Audit findings.

An audit schedule will be agreed on, but will include at least two annual audits of the activities funded under the IPPSHAR CEWARN RRF grant will be carried out. This will enable grant project audit reports to be finalised before the annual overall IPPSHAR programme audits take place. The grant audit will be made available to the IPPSHAR programme auditors and be incorporated into the same.

10.4. **Ad hoc audits or expenditure verification**

Ad hoc audits or expenditure verification assignments could be contracted by the EC. These will be carried out in conformity with the risk analysis in the frame of the yearly audit plan exercise conducted by the EC.

11. **Narrative Progress Reports**

The CEWARN-RRF will prepare quarterly, semi-annual and annual narrative reports to be submitted to the CEWARN Director for approval who will share it with the PSD Director for endorsement, as the main coordinator of the IPPSHAR programme and counterpart to ADA. The PSD Director will submit the endorsed to the ADA IPPSHAR Team Leader for approval.

For the purpose of timely replenishments of the grant, IGAD will provide summary quarterly narrative and financial reports on the grant to ADA, which includes cash flow statements. On a quarterly basis, IGAD will have to provide a quarterly forecast to be approved by ADA before any funds will be replenished.

Internally, for every activity performed, there will be a report produced as well as a consolidated narrative and financial monthly report generated on project progress. These are the reports that will feed in the semi-annual and annual reports that will be submitted.

Once the CEWARN-RRF Steering Committee is fully operational, the periodic reports will be shared with the committee for strategic guidance.

For all positions funded by the IPPSHAR CEWARN RRF Grant it is necessary that the position holders fill out a monthly time-sheet, showing daily hours worked and leave taken. The time-sheet has to be approved by the supervisor. Leave taken has to be supported by a filled-out and approved leave request. The CEWARN Response/Grants Officer will consolidate the individual time-sheets into a monthly summary. The regular IGAD office hours, holidays and leave rules for specific duty stations have to be followed. The monthly time-sheets have to be shared with ADA on a monthly basis (Template G-1).
Upon completion of the project implementation activities, the project shall develop a final report as well as a lessons learned report to be shared with the Steering Committee, ADA and all donors and stakeholders, as per reporting requirements. Report obligations are further detailed in the Grant Agreement (see section 4 of the General Terms and Conditions).

Narrative Progress Reports should:

- provide a complete account of all relevant aspects of the implementation of the Project for the period covered;
- be drafted in a level of detail that matches that of the Project and Project budget;
- describe the implementation according to the activities envisaged in the Project;
- present the degree of achievement of Results as measured by corresponding Indicators;
- be laid out in such a way as to allow monitoring of the objective(s) and the means envisaged and employed;
- include any update of the communication plan (reports, publications, press releases and updates);
- be drafted in English

The following Narrative Reports are required:

- Quarterly narrative reports
- Semi-Annual Reports
- Annual Reports
- Final Report
12. Monitoring, performance measurement and evaluation

12.1 Ongoing and strategic monitoring

With the support of the CEWARN Response/Grant Officer, CEWARN-RRF (specifically the Field Monitors reporting to the CEWERUs) will be responsible for frequent and intensive monitoring of project activities. The CEWARN Response/Grant Manager, working closely with the IGAD Planning Unit as well as the PSD M&E Officer and with support from the ADA M&E Expert will develop monitoring tools adapted to the different types of activities. Monitoring will be an ongoing process but the findings will be reviewed on a regular basis and as part of the Quarterly Planning process. In order to be able to intervene as early as possible when projects or activities go off track, early monitoring visits depending on nature and characteristics of the project will be scheduled in line with the milestones / deliverables listed in the implementation schedule.

Comprehensive monitoring of both the planned activities and the wider context are critical for the success of the project. It is also important to monitor programme risks and assess conflict risks in the monitoring process. CEWARN will monitor the intervention in terms of its stated goals in the Log-frame Matrix as well as capturing negative and positive unintended outcomes, given the dynamic nature of programming.

CEWARN-RRF will also engage with the ADA’s IPPSHAR team in Addis Ababa as well as IPPSHAR Programme’s external monitoring team, Altai Consulting, who oversee implementation of the EUTF Horn of Africa Monitoring and Learning System (MLS) and provide them with disaggregated values on progress towards indicators of the overall IPPSHAR project. The CEWARN Director is responsible for control and supervision of the overall IPPSHAR project. The CEWARN Director approves reports prepared by the CEWARN Response/Grant Officer. The CEWARN Response/Grant Officer extracts the data for the M&E system, updates the log frame of the Project.

12.1.2 At the Steering Committee level

Monitoring will focus on effective planning and implementation for strategic guidance.

In the context of preparing the semi-annual reports for the CEWARN RRF SteCom, an in-depth project progress review will be conducted by the CEWARN Response Coordinator under the lead of the CEWARN Director, jointly with the PSD M&E Officer and with support from the ADA M&E Expert. This review will use evidence presented by collected indicator data as well as information from reflective project review meetings by the IGAD. The findings will be shared and discussed in the semi-annual PSC meetings and respective planning workshops. Required adjustments will be reflected in the above-mentioned action progress reports as well as in revised work-plans and budgets.

In addition, AEDC Office Team will carry out regular monitoring visits. Moreover, ADA HO staff will carry out annual monitoring trips prior to the PSC meetings where possible contributing and endorsing the annual progress reports, work-plans and budgets of the Project. Other EU MS contributing partners as well as EUD and ADA HO staff may join these monitoring trips organized by the ADA TL together with the IGAD staff.

All the above-mentioned systems set up for the Project will inform the semi-annual/annual progress reports of the Project and allow for strategic guidance by the PSC members.
12.2 Final evaluation

The final evaluation will be conducted towards the end of the implementation period to assess the achievements of the Project, particularly at the outcome/results level in regards to effectiveness, impact and sustainability. It is envisaged that an external team will carry out the evaluation. The evaluation will follow strict criteria to be agreed by project stakeholders. In addition to relevance, efficiency, effectiveness, impact and sustainability, IGAD will also pay special attention to (1) learning; (2) proof of concept; (3) replication and multiplication of project results; and, (4) coherence with national programmes and policies. IGAD will share results through an end-of-project workshop.
13. CEWARN-RRF Sub-Grants and Emergency Interventions

13.1 Introduction

Sub-granting is the award of a grant as a restitution of a service in the form of a project implemented by a third party. The main purpose of sub-granting is to allow small non-state actors to contribute to community-based development and access funds through the IPPSHAR project.


The CEWARN-RRF Project will award Sub-grants for regular projects/activities for up to USD 50,000 to Implementing Agencies (Sub-grantees) in the Member States, and conduct emergency interventions with a maximum cost of USD 10,000 by sending out CEWERU or LPC staff or awarding directly small grants under emergency/urgency conditions.

Sub-grants for regular projects/activities will have a maximum duration of up to six (6) months. In exceptional cases – requiring a more detailed Project Proposal and Budget and the CEWARN Steering Committee approval - Sub-grants over USD 50,000 and running over six (6) months can be awarded3.

Proposals for projects to be financed by the CEWARN Rapid Response Fund can come from local peace committees (LPC), or sub-regional peace councils, non-governmental organizations or concerned individuals and are submitted through the respective Conflict and Early Warning Early Response Units (CEWERUs) in the IGAD Member states. CEWERUs are the Focal Points and responsible for initial project proposals screening and evaluation, setting priorities for their MS (as resources are always scarce) and will monitor the performance of the Sub-grantees (IAs) and the physical and financial progress of the projects.

One step in the evaluation process conducted by the CEWERUs is to justify the appropriateness of the project proposals they recommend to CEWARN-RRF and to explain why the activities should be implemented using CEWARN-RRF grant funds.

In monitoring physical and financial progress, CEWERUs are supported by Finance and Administrative Units (FAU) in each Member State. FAUs are contracted by IGAD-CEWARN especially for the financial management and financial reporting.

A FAU is the Finance and Administrative Unit hired under a service contract to provide financial management and reporting services in the Member States. There is one FAU per MS. The FAU is awarded the contract through a competitive negotiated process; a FAU can be a profit-oriented accounting or audit firm present in the country and providing financial management and reporting services to similar projects or a non-governmental organization

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3 EU-rules allow only a maximum of Euro 60,000 (or its equivalent in other currencies, applying the official used exchange rate between EUR and USD) per third party support, except where achieving the objectives of the actions would otherwise be impossible or overly difficult.
with proven experience in providing such services to other organizations (see Annex 6 ToR for FAUs).

Once approved and implementation of a project has started, CEWERUs provide oversight on overall project execution and monitor project performance and performance of the FAU and the Local Peace Committee.

CEWERUs will systematically keep and update records for each project/activity by collecting and organizing all documents pertaining to a specific project/activity (one file box (hardcopies)) per project and one electronic folder per project/activity).

CEWERUs recommend legal action to IGAD-CEWARN against FAUs and/or IAs (based on the clauses in the signed Service contract with the FAU and the Sub-grant Agreement with the Implementing Agency).

In case of irregularities the CEWERU will follow-up with the specific FAU and request additional information and/or recommend to the Steering Committee withholding of following tranches to the IA or the imposition of penalties in case the FAU did not comply with its tasks and responsibilities.

Roles and responsibilities between CEWARN-RRF and CEWERUs, CEWERUs and FAUs, CEWERUs and IAs, and CEWARN and FAUs are regulated in different types of agreements for which templates exist. All templates will be reviewed by ADA-IPPSHAR and adapted if necessary. See CEWARN Rapid Response Fund Handbooks I and II annexed to the CEWARN-RRF Project Document (ProDoc).

The obligations of an Implementing Agency (IA – Sub-grantee) towards the FAU will be described in the Sub-grant Agreement between IGAD-CEWARN and the IA. The obligations of a FAU towards CEWARN and the MS CEWERU will be described in the service contract between IGAD-CEWARN and the FAU.

Both, IGAD, as well as the ADA-IPPSHAR team have at any given time the right to spot check ongoing or finalized regular CEWARN-RRF projects/activities and Emergency interventions.

13.1.2 Procurement

In case the project proposal/activity of an Implementing Agency foresees the procurement of goods and procurement cannot be done by CEWARN-RRF or the CEWERU the following international standards for procurement will be part of the Sub-Grant Agreement and have to be applied:

If the implementation of an RRF Sub-Grant Activity/Project requires procurement the following basic principles have to be observed:

- The contract awarded must offer value for money (i.e. the tender offering the best price-quality ratio) or, as appropriate, to the tender offering the lowest price.
- Avoid conflicts of interest
- Justify the choice of tenderers that are invited to submit offer(s)
• Evaluate the offers received against objective criteria which enable measuring the quality of the offers and which take into account the price

• The process has to be sufficiently and appropriately documented

• Not to award contracts to contractors in the EU exclusion list\(^5\)

If procurement activities are stretched over a longer period a quarterly procurement plan has to be part of the project proposal. It will be the responsibility of the CEWERU and the FAU to ensure that these standards are followed. The IPPSHAR team will carry out ex-post checks on compliance with the principles above. Failure to comply with these principles would render the related expenditure ineligible.

Emergency interventions can have a budget of up to USD 10,000. The vast majority of the total budgets will stay way under this threshold. Procurement – if any - therefore will mainly consist of providing food and beverages, reimbursement of transport costs, and in some cases also reimbursement or payment for accommodation for the people belonging to the conflicting parties requested or invited to participate in this intervention. If non-IGAD staff undertakes travel under these projects, DSA-rates must follow the rates as stated in Annex 5 to the RRF Grant Agreement.

In exceptional cases where it is not possible to receive invoices (e.g. the intervention takes place in a remote area), the CEWERU or LPC member accompanying the emergency intervention must ensure that a cash receipt is filled out and signed by the seller (Annex D-7), if in compliance with national law. In line with the General Conditions to the CEWARN RRF Grant Agreement, internal vouchers produced by the recipient as well as verbal or written confirmations by third parties, do not qualify as vouchers.

### 13.2 CEWARN-RRF Regular Projects/Activities (Sub-grants) under USD 50,000

The following steps describe in detail the approval and implementation process for regular CEWARN-RFF projects/activities (Sub-grants) from start to end:

**Step 1: Preparation of Call for proposal and guidelines to the applicant**

CEWARN will draft the call for proposals and the applicant guidelines. Applicant’s Guidelines shall obligatorily detail and specify, as a minimum requirement, all the points listed below:

(a) The exact total amount to be awarded in the form of sub-granting;

(b) Minimum and maximum amount that may be allocated to third parties per proposal;

(c) Objectives and results to be obtained by the sub-grantees;

(d) The definition of eligible applicants which may receive such financial support and the criteria to give it;

(e) A non-exhaustive list containing the types of activities which may be eligible for sub-granting;

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\(^1\) EU PRAG rules as specified in Annex IV to PRAG: *Procurement by grant beneficiaries in the context of European Union external actions*
(f) The definition of eligible and ineligible costs;
(g) Indications on how to apply;
(h) Indications on evaluation and selections of applications;
(i) An indicative time schedule of the awarding process.

**Step 2: Approval by CEWARN Director**

The call for proposal and the applicant’s guidelines will be submitted by the Response Coordinator to the CEWARN Director for approval.

**Step 3: Vetting of Call for proposal and guidelines to the applicants by ADA**

The ADA PFCO, ADA Team Leader and AEDC HOC will vet the call for proposal and applicant’s guidelines and provide a non-objection/objection (Template H-1).

**Step 4: Publication of the call for proposal**

The guidelines for applicants are published on the websites of CEWARN, CEWERU – if available, IGAD, ADA and in any other appropriate media (other websites, specialised press, local publications, etc.) in the MS.

Call for Proposals for regular projects/activities (sub-grants) are further made public through nationwide awareness and sensitizing campaigns organized by CEWARN-RRF in coordination with CEWERUs and grass-root organizations in the Member States. The awareness and sensitizing campaigns inform interested legal entities that funds are available and can be applied for and accessed following the criteria and Applicant’s Guidelines disseminated during the campaign(s) and published on the websites of CEWARN-RRF, the MS CEWERU, IGAD and ADA.

**Step 5: Submission of proposals**

The proposals have to meet the criteria published in the Application Guidelines in line with the call for proposals. Projects/activities should not have a budget over USD 50,000 and a live-time of less than six months. Proposals can be submitted throughout the life of the IPPSHAR CEWARN-RRF grant and the last deadline for submission of proposals will be published in the Applicant Guidelines.

Proposals can be submitted in two ways:

- **Option 1:** Submission of proposals for regular projects (sub-grants) via the Local Peace Committees

- **Option 2:** Submission of proposals for regular projects (sub-grants) directly to the MS CEWERUs

The LPC and the MS CEWERUs have to ensure that all proposals received are properly documented and evaluated in writing. The LPCs have to share the complete list of received proposals with the MS CEWERUs. The MS CEWERUs will collect and document all proposals received directly or via the LPC and will share the complete list with the CEWARN RRF Response Coordinator.
Step 6: Appointment of the evaluation committee and review of proposals

The MS CEWERUs function as the evaluation committees who will evaluate all proposals received directly by them or via the LPCs.

Proposals will be received by the LPC or the MS CEWERUs directly via email or mail or as indicated in the call for proposals. The contact details are published in the applicants guidelines.

- All proposals received by the LPCs will be documented whether they meet the criteria or not. Potential beneficiaries, whose proposals meet the criteria published in the applicant guidelines, but are still in need of improvement (e.g. not in the right format, missing explanations/justifications, calculation errors in the budget, etc.) will be advised on the necessary improvements to be made and will be asked to submit their final proposals.

The complete list of proposals received by the LPC together with a recommendation which one(s) should be considered for funding will be submitted to the MS CEWERU.

- All proposals received by the MS CEWERUs will be documented whether they meet the criteria set in the call for proposal and the Applicant Guidelines or not. Potential beneficiaries, whose proposals meet the criteria published in the applicant guidelines, but are still in need of improvement (e.g. not in the right format, missing explanations/justifications, calculation errors in the budget, etc.) will be advised on the necessary improvements to be made and will be asked to submit their final proposals.

The MS CEWERUs will collect all proposals received directly or via the LPCs and share the full list together with the result of the evaluation committee with the CEWARN Response Coordinator. As per the Applicant guidelines, proposals can be received throughout the life of the Project but no later than the date of submission specified in the applicant guidelines. The list of proposals should show all proposals received, indicate whether they met the published criteria and whether they are recommended for funding.

Step 7: Proposal received for review and approval by CEWARN-RRF in Addis Ababa

The Member State CEWERUs will submit the full list of all proposals received including documentation and the evaluation report to CEWARN-RRF in Addis Ababa, the CEWARN Response Coordinator and Response/Grant Officer will review the proposal recommended for funding one last time before forwarding it to the Director of CEWARN-RRF. If the CEWARN Director agrees with the recommendations coming from the CEWERU and the CEWARN staff, he approves and sends the proposal with all the documentation to the ADA Team Leader for reviewing and vetting.

Step 8: Vetting of Evaluation Report

The ADA PFCO, ADA Team Leader and AEDC HOC will review the evaluation report and the list of proposals and issue a non-objection/objection (Template A-3c).

Step 9: Submission to CEWARN-RRF Steering Committee

Once a no-objection is issued by the ADA-IPPSHAR team, the CEWARN Director will present the proposal(s) to the Steering Committee in the next bi-annual (or extraordinary) meeting for approval.
Step 10: CEWARN-RRF Steering Committee approval

The Response Coordinator will present the proposal(s) in a regular or extraordinary meeting of the Steering Committee; eight plus one voting member of the total of sixteen members of the Steering Committee have to be present and the majority decides.

Step 11: Preparation of the Sub-Grant Agreement between CEWARN and IA

Once approved by the Steering Committee, the Response Coordinator will inform the respective CEWERUs about the decision and ask the CEWERU to prepare a draft for the Sub-Grant Agreement, which will then be shared with the CEWARN Director for approval. The existing template for Sub-grant agreements in the RRF handbook (annex to the project document) will be used and tailored to the specific conditions if necessary.

Step 12: Vetting and approval of the Sub-Grant Agreement by CEWARN-RRF

Once approved by the CEWARN Director, s/he will share it with the ADA-IPPSHAR Team Leader for vetting

Step 13: Vetting and approval of the Sub-grant Agreement by ADA

The ADA-IPPSHAR Team Leader will review and approve the Sub-grant agreement and return it to CEWARN-RRF

Step 14: Signing of the vetted and approved Sub-grant Agreement

Based on the No-objection from ADA-IPPSHAR, the CEWARN Director will proceed and sign together with the Implementing Agency the Sub-grant Agreement

Step 15: Initiating the fund-flow

The CEWERU will share the signed Sub-grant Agreement and send at the same time a (first) funding request to the CEWARN Director.

Step 16: Initiative of fund transfer to the Member State Account

Based on the receipt of the fund request, the CEWARN-RRF Assistant Accountant will prepare a payment voucher and will send it to the CEWARN Director for approval and to the CEWARN-RRF FAO for verification.

Step 17: Vetting of the payment voucher by ADA-IPPSHAR

The payment voucher will be vetted by the ADA PFCO and ADA TL and returned to CEWARN.

Step 18: Fund transfer to the Member State Account

The CEWARN team in Ethiopia will process the transfer to the IPPSHAR RRF Grant Project Sub-accounts in the MS. The Sub-accounts in the MS have not yet been established since the FAU selection process has not yet been completed. As per October 2020 it is expected that the CEWARN Director authorizes at least one FAU and at least one CEWERU representative as signatories to the Sub-account in the MS. The FAU and the CEWERU are co-signatories to the account (4-eyes principle to be applied).

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6 As per October 2020
Step 19: Fund transfer to the account of the Implementing Agency

Both, the CEWERU and the FAU as dual-signatories instruct the bank to make a (first) transfer to the bank account of the Implementing Agency.

Step 20: Reporting of the Implementing Agency

Based on the reporting schedule outlined in the Sub-grant Agreement the Implementing Agency will provide narrative and financial reports to the CEWERU and FAU. The FAU is responsible for timely delivery and correctness of the financial reports and collection of the supporting documents (originals or where not possible verified photocopies).

The IA will send narrative and financial reports as outlined in the reporting schedule of the Sub-grant agreement to both the FAU and the CEWERU.

Step 21: Financial report

The FAU is responsible for reviewing the financial report and ensuring its correctness and that all supporting documents are on file. The FAU will confirm to the CEWERU that the documents are in order and can be shared with CEWARN RRF for approval.

Step 22: Narrative report

The CEWERU will review the narrative and financial reports received from the IA and the FAU and once approved, share them with CEWARN RRF for review and approval.

Step: 23: Review of reports by CEWARN

The CEWARN RRF Response Coordinator with assistance from the RRF Response/Grants Officer will review and share it for approval with the CEWARN Director

Step 24: Review and approval from the CEWARN Director

Once approved, the CEWARN Director will share the narrative and financial reports with the ADA TL for vetting.

Step 25: Vetting by the ADA team

The ADA Team Leader and ADA PFCO will vet the reports (deliverables) and authorize the payment transfer (Template D-1b) or provide an Objection to the payment transfer (Template D-1a)

Step 26: Liquidation of funds transferred to the IA

If the payment schedule attached to the Sub-grant foresees payment in tranches, the next tranche can be transferred, again following the Steps from Step 11 onwards

Step 27: Finalization of a project/activity – final liquidation

Once the liquidation/settlement report is accepted by the CEWERU and CEWARN-RRF and vetted by ADA-IPPSHAR, the FAU can submit the invoice for its services. CEWARN will initiate the payment process. Reimbursables will be treated as stipulated in the service contract between CEWARN and FAU.

A payment voucher will be prepared by CEWARN RRF staff as outlined in the payment process above.
13.3 CEWARN-RRF Emergency Interventions

One of CEWARN-RRF’s major objectives is to be able to intervene as quickly as possible to arising or escalating conflicts in Member States or across the border regions of Member States. CEWARN-RRF has therefore created a region-wide early warning network, major components are CEWERUs, Local Piece Committees and field monitors; all of which closely collaborate with grass-root level organizations.

Through this mechanism, it is possible to identify arising and escalating conflicts at an early stage. Once a warning about a conflict goes up the reporting chain, the process is as follows:

A) Identification of arising and escalating conflicts within the MS

**Step 1: Identification and notice of an emerging or escalating conflict reaches the CEWERU**

Once the news of an emerging or escalating conflict reaches the MS CEWERU, the CEWERU will verify the alarm through other sources (e.g. through the Local Peace Committee, local media and other contacts in the region).

**Step 2: Preparation of a concept note and budget for an Emergency Intervention**

The CEWERU declares the alarm as justified and as meeting the criteria for CEWARN-RRF emergency funding. Emergency interventions must fall under “Conflict Prevention Management and Response”.

The Member State CEWERU (with the assistance of their own Technical Support Unit, and in coordination with the LPC, and other Member State organizations) identifies the CEWERU staff or LPC member to be engaged for immediate and urgent conflict resolution and asks them to prepare a concept note and budget. The concept note must include the location, the conflicting parties, explains the reason/root for the conflict and what kind of intervention is recommended to avoid or de-escalate the conflict, and the size/number and composition of the intervention/mediation team. The concept note should also specify the fund disbursement modality.

If CEWERU staff or LPC staff is sent to the conflict location it is the Head of the CEWERU, who designates the responsibility for carrying funds and making the necessary local payments.

**Step 3: Submission of concept note to the CEWERU**

In case the CEWERU or LPC takes care of the Emergency Intervention, the CEWERU will prepare the Concept Note and Budget.

**Step 4: The request for an emergency intervention is sent to CEWARN-RRF**

The concept note together with a budget estimate and a recommendation in favor of the local organization to be used for an emergency intervention is sent to the CEWARN Director.
Step 5: Review and approval by the CEWARN Director

The Director of CEWARN will review and approve (or not) the Emergency Intervention. The documentation for any Emergency Intervention will be subject to ex-post reviews by ADA-IPPSHAR.

Step 6: Fund release

The approval from the CEWARN Director will trigger the fund release from the imprest account.

Subsequently or simultaneously to the approval by the CEWARN Director the Response Coordinator will inform the respective CEWERUs.

Step 7: Reporting

Based on the reporting schedule outlined in the Concept Note the staff sent by the CEWERU head will provide narrative and financial reports to the CEWERU and FAU. Where the FAU Finance Officer is accompanying the mission, s/he will gather all supporting documents and receipts. The FAU is responsible for timely delivery and correctness of the financial reports and collection of the supporting documents (originals or where not possible verified photocopies).

The person sent and designated by the CEWERU head will send narrative and financial reports as outlined in the reporting schedule of the Concept Note to both the FAU and the CEWERU.

Step 8: Financial report

It is the responsibility of the FAU to gather in a timely manner all the supporting documentation for Emergency Interventions by contacting the person designated by the CEWERU Head in the concept note for the mission as responsible for payments and collecting supporting documents. The FAU will confirm to the CEWERU that the documents are in order and can be shared with CEWARN RRF for approval.

Step 9: Settlement of advances issued

Based on the documentation received and reviewed the FAU prepares the liquidation report and submits it to the CEWERU.

Step 10: Approval of narrative and financial report by the CEWERU

After review and approval of the reports by the CEWERU the CEWERU will share the reports with CEWARN for approval with the recommendation to pay the FAU for its services and to replenish the bank account.

Step 11: Review and approval of the reports by CEWARN-RRF

The CEWARN Director will review and approve the narrative and financial reports and share them with the ADA Team Leader for vetting

Step 12: Ex-post vetting of the reports by the ADA-IPPSHAR team

The ADA-IPPSHAR Team Leader and PFCO will review and vet the reports and identify ineligible costs if any

Based on the approved liquidation report the FAU will issue an invoice for the service provided together with a list of the expenses the FAU incurred when providing the services (reimbursables).

**Step 14: Payment for FAU services and reimbursement of incurred costs**

Upon approval of the FAU (and CEWERU) reports the CEWARN Response Coordinator will recommend to the CEWARN Director to pay and reimburse the FAU.

**Step 15: Replenishment of the Emergency Imprest Account**

Any time when money is released from the emergency imprest account the CEWARN-RRF Response Coordinator will recommend to the CEWARN Director to replenish the IGAD IPPSHAR RRF bank account in the respective Member State. At any given time, an amount equivalent to USD 10,000 for Emergency Interventions should be in the account in order to respond quickly and effectively to other emergency situations.

**Step 16: No-objection from ADA-IPPSHAR**

The CEWARN Director, through her/his staff, will seek a No-objection from the ADA-Team to pay the FAU and to replenish the Emergency Imprest Account.

**Step 17: Preparation of the payment/transfer vouchers**

After receiving the No-objection note from ADA-IPPSHAR, the CEWARN-RRF Assistant Accountant will prepare the payment vouchers, which will be verified by the CEWARN-RRF FAO and approved by the CEWARN Director.

**Step 18: Payment to FAU**

Payment for services is transferred to the FAU account listed in the Service contract between IGAD-CEWARN and the FAU.

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**B) Identification of arising and escalating cross-border conflicts**

**Step 1: Notice of an emerging or escalating conflict reaches the CEWERUs of two or more MS**

The CEWERUs and CEWARN-RRF (if already notified) will verify the alarm through other sources (e.g. through Local Peace Committees, local media and other contacts in the region).

**Step 2: Preparation of a concept note and budget for an Emergency Intervention**

The CEWARN/CEWERUs confirm the alarm as justified and as meeting the criteria for CEWARN-RRF emergency funding. Emergency interventions must fall under “Conflict Prevention Management and Response”.

CEWARN in coordination with the Member States CEWERUs, (with the assistance of their own Technical Support Unit, and help from the LPC and, and other Member State organizations) identify the local organization (herein after referred to as the Implementing Agency) to be engaged for immediate and urgent conflict resolution. CEWARN will develop a Concept Note and Budget. The Concept Note must include the location, the conflicting parties, explain the reason/root causes for the conflict and what kind of intervention is recommended to avoid or de-escalate the conflict, and the size/number and composition of the intervention/mediation team.
The Concept Note should also specify the fund disbursement modality.

**Step 3: Approval of an Emergency Intervention by the CEWARN Director**

The approval by the CEWARN Director triggers the fund release from the Emergency Imprest Account in the MS to the person listed in the Concept Note (either a member of CEWARN or staff from a MS FAU).

The concept note and budget will also show and explain how costs will be shared between the MS – if applicable.

All other steps and principles follow Scenario A
14. Contractual relationships between parties involved in the implementation of CEWARN-RRF activities/interventions

The following contractual relationships govern the roles and responsibilities between the different entities involved in the implementation of CEWARN-RRF Regular Projects/Activities and Emergency Interventions:

1) Limited-time draw down Service Contract between CEWARN & FAU. This Service Contract determines the tasks and responsibilities of the FAU towards the Implementing Agencies, the CEWERU and CEWARN. For regular projects, disbursements are made according to the project implementing agreements. FAUs follow up and check reports as agreed. If all goes according to the agreement, FAUs report to CEWARN and MS CEWERU and request release of more funds based on a forecast. If reports are late and tranches are not settled, the follow up disbursements for regular projects will be withheld. If still remaining unsettled or unanswered, FAUs will not receive their agreed remuneration. Monitoring visits will be scheduled by CEWERUs, CEWARN and/or ADA-IPPSHAR as needed.

2) Project Implementation Agreement (Sub-grant Agreement) between CEWARN & Implementing Agency, one per Activity/Project/Emergency intervention. The Sub-grant Agreement comes with a work plan, budget and payment schedule and details inter alia what obligations the Implementing Agency (Sub-grantee) has towards the CEWARN.

3) In case an IA is identified and contracted for an Emergency Intervention a Service Contract has to be signed and a Negotiation Report is required. In this case, EU-PRAG regulations for procurement have to be followed, as described above under 4. Procurement Management.

All contractual relationships stated above between the parties involved in operationalizing the RRF will be reviewed and vetted by the ADA-IPPSHAR team before they are signed (LPA, PFCO, GE).

Specifically, the LPA will support CEWARN with the review of existing templates and the finalisation of the different types of agreements to ensure that all necessary standards are enshrined in those agreements. The ADA IPPSHAR Team Leader (TL) will confirm.

In addition, the ADA-IPPSHAR team will be an observant member of the FAU selection committee. If the proposal(s) received by (a) FAU candidate(s) in a given MS is (are) determined as inadequate, ADA reserves the right to object and will provide a written explanation. The evaluation committee will then agree on a way forward to identify an appropriate FAU.

Those Implementing Agencies (IA) delivering all required reports on time can be listed as exemplary performers on the IGAD CEWARN website.
Annex 1: List of Templates

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>TEMPLATES FOR SERVICE &amp; SUPPLY CONTRACTS</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Consolidated annual procurement plan</td>
</tr>
<tr>
<td>2</td>
<td>Procurement plan for services and supplies</td>
</tr>
<tr>
<td>3</td>
<td>Non-objection to AWP &amp; budget and procurement plan</td>
</tr>
<tr>
<td>4</td>
<td>ADA - IPPSHAR notification / repurposed budget line</td>
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<tr>
<td>5</td>
<td>Request for procurement</td>
</tr>
<tr>
<td>6</td>
<td>Non-objection to request for procurement</td>
</tr>
<tr>
<td>7</td>
<td>Non-objection to tender dossier</td>
</tr>
<tr>
<td>8</td>
<td>Non-objection to prior information contract notice (restricted tenders)</td>
</tr>
<tr>
<td>9</td>
<td>Non-objection to short list recommendation (restricted tenders)</td>
</tr>
<tr>
<td>10</td>
<td>Negotiation report for single tender procedures (contracts between EUR 2,500 - 20,000)</td>
</tr>
<tr>
<td>11</td>
<td>Non-Objection to evaluation report, draft contract and letters of award</td>
</tr>
<tr>
<td>12</td>
<td>Non-objection to evaluation committee</td>
</tr>
<tr>
<td>13</td>
<td>Selection and appointment of the evaluation/ negotiation committee</td>
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<tr>
<td>14</td>
<td>Non-objection to award notice for publication</td>
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<tr>
<td>15</td>
<td>Non-objection to addendum (contract modification)</td>
</tr>
<tr>
<td>16</td>
<td>Non-objection to contract termination</td>
</tr>
<tr>
<td>17</td>
<td>Non-objection to negotiated procedure for procurement of services and supplies</td>
</tr>
<tr>
<td><strong>ADMINISTRATIVE TEMPLATES</strong></td>
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<tr>
<td>18</td>
<td>IGAD travel request &amp; authorization form</td>
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<tr>
<td>19</td>
<td>DSA claim form</td>
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<tr>
<td>20</td>
<td>Daily vehicle utilization</td>
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<tr>
<td>21</td>
<td>Travel advance clearance form</td>
</tr>
<tr>
<td>22</td>
<td>Goods received note</td>
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<tr>
<td>23</td>
<td>Goods issue note</td>
</tr>
<tr>
<td>24</td>
<td>Purchase order</td>
</tr>
<tr>
<td>25</td>
<td>Approval request for tender dossier</td>
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<tr>
<td>26</td>
<td>Tender register</td>
</tr>
<tr>
<td>27</td>
<td>Contract register</td>
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<tr>
<td>28</td>
<td>Asset register / inventory list</td>
</tr>
<tr>
<td>29</td>
<td>Asset ownership transfer agreement</td>
</tr>
<tr>
<td><strong>FINANCIAL TEMPLATES</strong></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Payment voucher</td>
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<tr>
<td>31</td>
<td>Objection to payment voucher or payment transfer request form</td>
</tr>
<tr>
<td>32</td>
<td>Payment transfer request form</td>
</tr>
<tr>
<td>33</td>
<td>Activity report for workshops and other events</td>
</tr>
<tr>
<td>34</td>
<td>Payment settlement report for workshops and other events</td>
</tr>
<tr>
<td>35</td>
<td>Monthly financial report</td>
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<td>36</td>
<td>Quarterly financial report</td>
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<tr>
<td>37</td>
<td>Semi-annual financial report</td>
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<tr>
<td>38</td>
<td>Funding request</td>
</tr>
<tr>
<td>39</td>
<td>VAT refund template for Ethiopia</td>
</tr>
<tr>
<td><strong>IGAD WORKPLAN &amp; BUDGET TEMPLATE</strong></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>IGAD annual work plan &amp; budget</td>
</tr>
</tbody>
</table>

41 Time sheet template for positions funded under the IPPSHAR-CEWARN-RRF grant, taken and adapted from the template from the Salary Grant (Template G-1)

41 Non-Objection (Template H-1)

42 Cash Receipt (Template D-7)
Annex 2: List of procurement and financial documents to be archived

- Bank payment vouchers / in a chronological order with all supporting document/
- Cash Payment Vouchers / in a chronological order with all supporting document/
- Bank statements
- All Receipt vouchers / it can be fund received, advance, other
- All bank related advice / debit or credit
- Bank related corresponding letter
- Field trip reports
- All endorsement letters in regarding to training and related.
- Concept notes
- All procurement process and related documents with all supporting documents:
  - Request for procurement
  - Letter of invitation to the contractors
  - Contract notices
  - Tender dossiers
  - No-objections
  - Legal opinions
  - Appointment letters of the evaluation/negotiation committees
  - Offers from the contractors
  - Tender opening reports and attendance sheets
  - Evaluation/negotiation report
  - Observers reports where applicable
  - Declaration of impartiality by evaluators
  - Extract of the results from “the EU exclusion site”
  - Notification letters to contractors
  - Contract document
  - Copies of deliverables: - inception report, draft report and final report

- Different vouchers (Cash Payment Voucher, Cheque Payment Voucher, bank Cheque book and related)
- Vehicle maintenance & movement record book or log sheet.
- Training reports
- Non-objections
- VAT reimbursement invoice with all supporting documents
- Attendance sheet for training participants
- Fixed Asset register and annual inventory report
- Audit related report
- Monthly expenditure report / General Ledger in the SunSystems / hard copy
- Income & Expenditure report / hard copy
Annex 3: IPPSHAR Project - List of Signatories to the RRF Grant Account in Ethiopia and the Sub-accounts in the other Member States

Sub-Accounts to be established as soon as FAUs are selected
Ref: AFD 200/20/129  Date: 17th February 2020

Commercial Bank of Ethiopia
International Banking Division
Addis Ababa, Ethiopia

Dear Sir,

Subject: Request for renaming of the bank account

We refer to our letter Ref. No ES/10/402/5/20 dated 9 January, 2020 regarding request to open the Euro current account in the name of IGAD/CEWARN Rapid Response fund, however the donor has requested us to change the above bank account name to IGAD/RRF-grant IPPSHAR grant fund.

The signatories of the new account shall be
Mr. Camlius Omogo or Mr. Yacob Chaka and

Mr. Kalayu Bezaith or Mr. Seife Kidane

Further detailed procedural information shall be communicated by CEWARN Director, Mr. Camlius Omogo.

Thank you,

Workneh Gebeyehu (Ph.D)
IGAD Executive Secretary
Annex 4: Vetting Substitution Chain

The four-eyes principle has to be guaranteed in all vetting processes. In general the superior substitutes absence of subordinate team-member.

1) AEDC HOC
2) ADA Team Leader
3) ADA PFCO

- Where ADA PFCO + ADA Team Leader are requested to co-sign,

In absence of ADA TL → AEDC HOC substitutes
In absence of ADA PFCO → ADA TL substitutes ADA PFCO + AEDC HOC substitutes TL

- Where AEDC HOC is requested to sign,

In absence of AEDC HOC → AEDC PM substitutes.

When ADA PFCO and ADA TL are absent (e.g. in case of sickness or emergency reasons), AEDC PM and AEDC HOC are entitled to sign for both parties to ensure the four-eye principle.
Annex 5: Duties and Responsibilities of RRF Assistant Accountant:

Ensure that the financial records are maintained in accordance with generally accepted auditing standards;

Ensure compliance with any financial regulations and procedures that may be required in the proposal and implementation of RRF Grant projects;

Facilitates/ Liaises with CEWERU Finance Administrative Units with regard to financial reporting and documentation;

Maintain RRF files, reports and other records;

Provide overall financial and accounting coordination in the implementation of the CEWARN RRF Grants;

Prepare IPPSHAR payment/transfer requests for payments and transfers after approval by authorized official;

Prepare staff travel advance payments and follow-up for clearance on time;

Track overdue advance payments and send out written reminders;

Assists in CEWARN's meetings, trainings, and conferences when required;

Handles finances and make payments whenever necessary;

Assist the Finance & Administration Officer in preparing RRF Grant financial reports;

Reviews and ensures the credibility of payment documents before receiving for processing and custody;

Prepare and issue local purchase orders after approval by authorized officer;

Maintain proper files and records for the following: paid payment vouchers, invoices, receipts, books, statements and records;

Undertake any other responsibilities assigned by the CEWARN Director and/or CEWARN Finance & Administration Officer.
ANNEX II: TERMS OF REFERENCE

Terms of Reference (ToR) for the selection of Finance and Administration Unit (FAU) in IGAD Member States.

1. BACKGROUND INFORMATION

1.1 Partner Country

IGAD Member States Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan and Uganda

1.2 Contracting Authority

Conflict Early Warning and Response Mechanism of the Intergovernmental Authority on Development (CEWARN).

1.3 Country Background

IGAD (bringing together eight Member States - Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda) was established in 1996 superseding the Intergovernmental Authority on Drought and Development (IGADD) founded in 1986 to bring together the Member States to collectively address effects of recurring and severe drought in the region. In 1996, the Member States revitalized IGADD and expanded cooperation among its Member States giving effect to IGAD with expanded mandate, including promotion of peace and security, thus positioning IGAD to be a premier regional organization for achieving peace, prosperity and regional integration.

In 2002, IGAD Member States established IGAD-CEWARN by a Protocol making a strategic decision to utilize conflict early warning and response to prevent violent conflicts in the region. Based on demand and necessity IGAD established the CEWARN RRF unit, which developed an early warning and response system to address peace building and conflict resolutions in the IGAD region.

1.4 Current situation in the sector

The Rapid Response Fund (RRF) attempts to address prevalent conflicts in the region. This has made rapid response interventions very crucial and the rapid response fund mechanism is successfully working for more than a decade. During this period, the member states of IGAD identified independent and capable institutions, which can assist with the peace building and conflict resolution activities and management of resources. One of the major tasks and key responsibilities in operationalizing RRF is the administration, and management of funds transferred to the Member States. For this purpose, contracting the Finance and Administration Units (FAU's) is required.

2. OBJECTIVE, PURPOSE & EXPECTED RESULTS

2.1 Overall Objective

The overall objective of this assignment is to select appropriate institutions, which could act as Finance and Administration Unit (FAU) to the Member States.
2.2 Specific Objective(s) of the assignment
The specific objectives of the assignment are: to provide financial management and reporting services to the CEWERU’s of each Member State, including the co-administration of a separate bank account, holding the funds for emergency interventions, as well as for receiving transfers from the CEWARN unit for regular project activities.

2.3 Purpose
The purpose of this contract is as follows:
- The main purpose of this assignment with FAU is to ensure financial management and financial reporting to the CEWERU in each Member State, including the co-administration of a separate bank account which is aimed at keeping funds for the implementation of emergency and regular projects. The FAU will have crucial role in facilitating the implementation of projects and other activities by implementing agencies in the member states.

2.4 Results to be achieved by the contractor
- Ensure that adequate financial controls are in place to maintain documentation and proper accountability of expenditures;
- Ensure the financial transactions are properly authorized, recorded, have adequate supporting documentation, filed, maintained and can be easily extracted for the purpose of preparing financial statements; and financial audits;
- Preparing and submitting timely and reliable financial documents and financial reports;
- Prepare project financial reports, statement and submit to CEWERU for clearance as required;
- Check and ensure that all procurement process and expenditures of the project are in accordance with the IGAD procedures.

3. ASSUMPTIONS AND RISKS

3.1 Assumptions underlying the project
The support to IPPSHAR CEWARN RRF project is divided into two parts. The first part is organized as a grant, which captures funds reserved for project implementation in the IGAD member states along with the necessary staff. It shall be administered by CEWARN with project funds flow to the member states through the FAU’s. This is reflected in part A of the budget. It is this part of the fund which requires the support of FAU’s to the CEWERU and CEWARN.

In this context, it is expected that with the contracting of finance and administration units (FAU’s),
- Implementation of project will be fast tracked
- Monitoring and field visits will be enhanced
- Timely completion and reporting expected and
• Transparency will be improved.

3.2 Risks

Some of the risks identified in the appraisal of the project are:
• Non accounting by the Implementing Agencies (IAs) in the Member States
• Delayed settlement of project expenditures
• Member States conception of being unfairly treated
• Project proposals that are not CPMR related might be proposed and approved
• Monitoring and tracking doesn’t work as intended
• Delayed approval and decision making process may lead to late responses and
• Violent conflicts in project areas disrupting timely implementation of projects.

4. SCOPE OF THE WORK

4.1 General

4.1.1 General description of the assignment

• The assignment involves the provision of financial and administrative support on the handling of funds that are intended for the achievement of peace, security and stability for the attainment of economic integration and development of the IGAD region. The scope of work involves the following: Co-manages the Euro bank account to be opened in the name of the national CEWERU; this includes fund releases for emergency interventions, based on written instructions, supported by a written authorization from the CEWARN director and a CEWERU representative. Any fund release request has to be accompanied by a concept note explaining the objective of the intervention, scope and duration, as well as a budget estimate.

• Ensure full and timely liquidation of monies released for emergency interventions, including the collection and compilation of original invoices and receipts whenever applicable and the monthly reporting on the usage/expenditure for emergency interventions. Bank statements and bank reconciliation statements need to be attached to the financial reports.

• Confirm through on site visits (when applicable) that emergency interventions take place as planned.

• Co-manage the Euro bank account opened in the name of the national CEWERU; this includes co-signing fund releases to implementing agencies for regular project activities.

• Any fund release request for regular project activities has to come with the necessary written authorizations (in case of regular projects it is the RRF steering committee which authorizes). The authorization needs to be accompanied by the project/activity proposal, a signed contract agreement with the implementing agency, a budget breakdown and a payment schedule (when applicable).

• Ensure full and timely liquidation of monies transferred to the implementing agency, including the collection and compilation of original invoices and receipts.
• Inform the CEWERU and CEWARN on unjustified delays in the liquidation of transfers already made, so necessary decisions can be made.

• Monthly financial reporting on expenditures and transfers.

• Ensure that transfers to implementing agencies – based on agreed payment schedules and liquidation of previous transfers - are made on time.

• Ensure that the Euro member state account is replenished on time, based on bank balance and known commitments (payment schedules).

• Visit on regular basis implementing agencies and review that their financial records are up to date.

• Financial reporting to the CEWERU and CEWARN unit.

• Inform the CEWERU and CEWARN unit of any irregularities, financial and others.

• Carry out any other administrative/financial assignments as requested by the Project Manager

4.1.2 Geographical area to be covered

This contract includes all IGAD Member States. Accordingly, FAU assignments are planned to commence in all Member States as soon as the FAU selection process is finalized and service contracts are signed. The assignment starts when a contract is signed and funds flow to the dedicated bank account and ends when the contract expires.

4.3 Project Management

4.3.1 Responsible body

CEWARN IGAD will be responsible for the overall project management and the Rapid Response Unit (RRF) within CEWARN will fully engage with implementation and project oversight. However, direct responsibility of overseeing and managing the project will be the responsibility of respective CEWERU's in each Member States.

4.3.2 Management structure

The structure of CEWARN incorporates the policy arm consisting of the IGAD assembly of Head of States, Council of Ministers, Committee of Ambassadors, the administrative arm consisting of the IGAD Secretariat, and the technical arm consisting of CEWERU's and the CEWARN unit. CEWARN RRF follows a bottom up approach and project proposals emanate from the grass root level either from Local Peace Committees (LPC’s), NGO's, Community Based Organizations (CBO's), Faith Based Organizations (FBO's) or any other local peace actors operating in the project area. RRF unit in CEWARN and CEWERU's in each Member State will be responsible in liaising with FAU's.
5. LOGISTICS AND TIMING

5.1 Location

The project locations are in all IGAD Member States. FAU assignments are planned to commence in all Member States as soon as the selection process is finalized and service contracts have been signed.

5.2 Start date and period of implementation

The intended start date is **June 05, 2020** and the period of implementation of this assignment will be twenty-one (21) months from this date.

5.3 Staff

Note that civil servants and other staff of the public administration of the partner country, or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

Organizational capabilities

Organizations to be selected to this responsibility should have a working experience at the local levels and

At least 5 years of overall experience/operation

- Accounting department/unit of the organization staffed with qualified accountants, preferably certified
- Good in-house IT infrastructure and IT support (e.g. no. of PC’s, UPS, laptops etc.), operating systems, printers, internet connection and licenses.
- Written policies/regulations on finance and procurement, HR, administration, asset register as well as travel regulations
- Experience in working at grassroots level (in the field especially in the target region)
- Having offices in the target region will be an advantage.
- Solid financial foundation
- Accounts audited annually by external auditors without significant findings
- Adequate staffing and office space

FAU’s are requested to make available the staff they have listed in their proposals for this engagement (or staff with similar educational background and experience).

5.3.1 Support staffs and backstopping

The Contracting Authority is not responsible for additional experts or support staff, which the contractor may require, other than those expressly mentioned in these ToRs.
5.4 Office accommodation

The contracted FAU’s will use their own premises, facilities, vehicles, equipment & furniture while implementing the financial administrative tasks.

Facilities to be provided by the contractor

The contractor shall ensure that experts are adequately supported and equipped. In particular, it must ensure that there is sufficient administrative, logistical, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

Equipment

No equipment is to be purchased on behalf of the contracting authority as part of this service contract or transferred to the contracting authority at the end of this contract.

5.5 Lump sums

Finance and Administration Units (FAU’s) shall receive an agreed percentage of service fee on the actual amount spent and properly liquidated and reported.

6. REPORTS

6.1 Reporting Requirements

FAUs will have to submit monthly financial reports to CEWERU’s and CEWARN on advances and transfers made, their liquidation, remaining balance together with bank statements and bank reconciliation statements. Each field visit has to be documented by a narrative report, accompanied by original receipts and invoices for costs incurred.

A final comprehensive narrative report is required about the status of the projects under implementation or already completed, which should include challenges encountered and opportunities identified when providing the services indicated in the ToR and the service contract, this should also include a short assessment of the project management capabilities of the implementing agency.

6.2 Submission and approval of reports

All reports and any other documentation to be produced by the FAU as part of this assignment have to be in English or French. If originals are in a different language other than the two, they have to be translated into English or French. Financial and Narrative reports will be submitted to CEWERU and CEWARN. However, financial reports need to be accompanied by original payment documents and to be sent to CEWARN unit. Approval of the narrative reports will be done by CEWERU’s.

7. MONITORING AND EVALUATION

7.1 Definition of indicators

The project proposal needs to clearly specify information about the goals, results, activities, indicators, and intended impacts, the target groups, the level of implementation, possible risks, monitoring mechanisms, cross cutting issues, cooperation with other stakeholders, a budget
plan and about the existence of partner organizations so as to plan coordination and avoid duplication of efforts.

7.2 Special Requirements

Monitoring visits planned by the FAU’s need to be submitted to the respective CEWERU’s and when justified by the CEWERU’s, it will be submitted to IPPSHAR through CEWARN unit for final clearance.