

## **Service contract**

between:

**Centre for the Development of Enterprise**  
Exponential Building

Plot 54351, Central Business District

Private Bag 00148, Gaborone

(hereinafter referred to as the CDE)

and:

**Citizen Entrepreneurial Development Agency  
(CEDA)**

Prime Plaza, Plot 54358

Corner PG matante Road and Khama Crescent  
Extension, CBD

Tel: (+267) 364 4020 Fax: (267) 364 4001

Private Bag 00504 Gaborone, Botswana

Email address: sshowa@ceda.co.bw

(hereinafter referred to as the contractor)

**CDE file n°: BWP/1429/01**

### **1. TITLE OF PROJECT AND COUNTRY**

SME Diagnosis by the Citizen Entrepreneurial Development Agency (CEDA)

### **2. OBJECTIVE AND NATURE OF SERVICES**

The **contractor** shall perform the following services, as defined in detail in the attached Terms of Reference (Annex 3) to the highest professional standards:

The diagnosis of 10 SMEs to be undertaken by CEDA associate experts under the supervision of a team leader along the standards established as per the CDE diagnosis tools (kindly refer to Annex 3 attached)

### **3. DURATION OF SERVICES, WORK PROGRAMME**

The service will start on the date when the last of the two parties signs and will be terminated in **December 2014** when the final deliverables (i.e. 10 final SME diagnosis reports will be forwarded to CDE):

The work programme will be carried out according to the Terms of Reference, Section 5 of this contract (cost of services) and the budget details given in Annex 4.

The **contractor** will make mission arrangements in close consultation with CDE (and the beneficiary, where applicable).

The **contractor** shall be responsible for taking the steps needed to obtain visas and for making any other necessary travel arrangements, as appropriate.

This contract shall enter into force on the date when the last of the parties signs and shall expire upon satisfactory completion of the services described in this contract, and upon acceptance of the final report, but **not later than 20 December 2014**.

#### **4. CONSULTATIONS AND REPORTS**

The **contractor** and the **CDE** shall inform each other immediately of any events that may affect the execution of the contract.

The contractor will submit to CDE a final report in **English**

The final report shall be in line with the requirements defined in the Terms of Reference. It shall detail all actions undertaken, as well as the results obtained and recommendations. It shall also contain **a concise executive summary** with main activities, findings, results and recommendations.

Reports shall be submitted as follows:

- Final reports not later than **12 December, 2014 to allow the review of the same by the team leader.**

## 5. COST OF SERVICES

N°	Type of Cost	Unity	Unit Cost (Euros)	Qty	Total Cost (Euros)
<b>1</b>	<b>HUMAN RESOURCES</b>				
<b>1.1</b>	<b>Experts' fees</b>				
1.1.1	Expert 1	man/day	100	17	1,700.00
1.1.2	Expert 2	man/day	100	17	1,700.00
1.1.3	Expert 3	man/day	100	17	1,700.00
1.1.4	Expert 4	man/day	100	17	1,700.00
1.1.5	Expert 5	man/day	100	17	1,700.00
1.1.6	Expert 6	man/day	100	17	1,700.00
	<b>TOTAL HUMAN RESOURCES</b>				<b>10,200.00</b>
<b>2</b>	<b>DIRECT COSTS</b>				
2.1	Telecommunications and mail	Lump sum			
2.2	Office Supplies & others	Lump sum			
	<b>TOTAL DIRECT COSTS</b>				<b>0.00</b>
<b>3</b>	<b>REIMBURSABLE COSTS</b>				
3.1	Transport costs for expert				
3.1.2	Local travel	Trip			0.00
3.2	Per diem for expert*				
3.2.1	Per diem during the diagnostics	maximum	100	17	1,700.00
	<b>TOTAL REIMBURSABLE COSTS</b>				<b>1,700.00</b>
<b>4</b>	<b>GRAND TOTAL</b>				<b>11,900.00</b>

This contract is fee-based. The cost of the services to be provided is as follows:

\* Fees shall be paid for each day actually worked up to the maximum budgeted, and according to the timesheet to be submitted. The fees include all salary costs of the experts, taxes and social charges, visa costs, and the margin of the contractor (see document GEN14, 'Eligible costs and supporting documents required').

\*\* Per diem shall be paid for each overnight stay in the country of mission (for maximum per diems, see website)

\*\*\* All costs not specifically mentioned under the categories direct costs and reimbursable costs are part of the fees.

NB The conversion rate for local currency will be at the monthly rate in which expenses have been made as published on the CDE website: <http://ec.europa.eu/budget/inforeuro/index>

The above-indicated prices are fixed and shall not be revised.



## 6. PAYMENT OF SERVICES

Payments by the **CDE** to the contractor will be made upon receipt of the appropriate invoices and supporting documents, as follows:

<b>Advance payment :</b> <b>3,570.00 EUR</b>	Upon receipt of the payment request for advance payment (or invoice for advance payment), copy of the signed original contract and confirmation from the contractor confirming that the intervention has started.
<b>3,570.00 EUR</b>	Upon the receipt of an invoice, and supporting documents justifying at least 100% of the advance payment, and upon the reception of preliminary reports of the 10 SMEs that underwent the analysis from the team leader.
<b>Final payment:</b> <b>4,760.00 EUR</b>	Upon receipt of the final invoice, receipt and acceptance of the final reports (10) by the CDE, submission of the original supporting documents justifying all fees and expenses (see CDE guide on 'eligible cost and supporting documents required').

The actual payments made may vary from the above, and depend on the advancement of work and the (reimbursable) costs incurred by the service provider. For all payments, the contractor must submit an official invoice according to the (tax) laws of its country. CDE does not pay VAT or similar taxes.

CDE retains the right to perform 'in-situ' verification at the address of the contractor. CDE may also enlist an auditor to do so.

The payments due to the contractor by the CDE will be made by **bank transfer** to the account below, which **shall be mentioned by the contractor** on the invoices including **account number – IBAN or SWIFT code and full address of the bank**:

Account name: **Citizen Entrepreneurial Development Agency**  
Bank name: **Standard Chartered Bank**  
Bank address: **P O Box 496, Gaborone, Botswana**  
Account Nr: **0100158058800**  
Swift code: **SCHBBWGXXX**

All invoices should be addressed to the Director, for the attention of the Accounts Department **[either]** in Brussels **[or at the Regional Office]**. In order to be eligible, the invoice should indicate the following:

- the mention "INVOICE" on the company's letter-headed paper;
- an invoice number;
- the amount to be paid and the currency;
- the date of issue;
- the CDE project and commitment numbers;
- the bank account details (IBAN format, with BIC code for foreign payments) as stipulated in this contract;
- a heading.

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13.8

Electronic invoices should be sent to the address [invoice@cde.int](mailto:invoice@cde.int) and should include the mention **"this invoice is in conformity with the original"** to be eligible.

CDE makes payments within **45 calendar days** from the receipt of the complete and correct payment request with supporting documents, and depending of the type of payment, 45 calendar days after approval of the related report.

Excess amounts paid to the contractor and reclaimed by CDE will be refunded by the contractor within **45 calendar days** of receiving such request.

Any payments to the contractor by other parties are subject to **separate agreements** and are excluded from CDE's liability.

## **7. GENERAL PROVISIONS AND CODE OF CONDUCT FOR CDE CONSULTANTS AND EXPERTS**

See annexes 1 and 2.

## **8. ADDITIONAL SERVICES**

*The CDE may request the service provider to extend / repeat the services under the same contractual conditions and with the same Terms of Reference. The request for additional services will be made no later than six months after the end of the mission. The value of the additional services may not exceed the value of the initial contract. Such additional services will be formalised through a contract addendum.*



## **9. OTHER STIPULATIONS**

**Contact Details:**  
**Rotafina Donco**  
**Operations officer**  
**SAF RFO**  
**[Rdo@cde.int](mailto:Rdo@cde.int)**

Data given in CDE's standard 'enterprise/project form' must be checked/updated and confirmed (see also Terms of Reference: description of tasks).

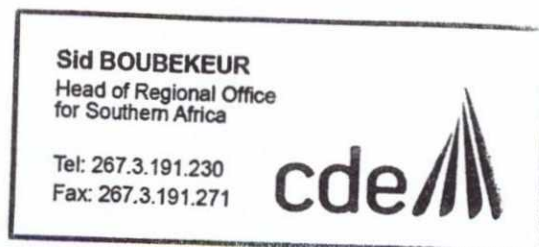
All deliverables (final reports, manuals, publications) resulting from this contract shall be clearly marked with an appropriate statement acknowledging the assistance provided by the CDE, e.g. this assistance/ study/ etc. 'has been supported with a contribution of the Centre for the Development of Enterprise (CDE), ref. [www.cde.int](http://www.cde.int).'

## 10. SIGNATURES

Authorized officer of CDE	Contractor
<p><i>Name, title and signature:</i></p> <p><b>Name:</b> Sid Boubekeur</p> <p><b>Title:</b> Head Southern Africa Regional office</p> <p><b>Signature:</b></p>  <p><i>Date and place of signature:</i></p> <p><b>Date:</b> 03/11/2014</p> <p><b>Place:</b> Gaborone, Botswana</p>	<p><i>Name, title and signature:</i></p> <p><b>Name:</b> TITABO TITAMANE</p> <p><b>Title:</b> CEO</p> <p><b>Signature:</b></p>  <p><i>Date and place of signature:</i></p> <p><b>Date:</b> 10/11/2014</p> <p><b>Place:</b> GABORONE, Botswana</p>

Annexes to this contract:

- Annex 1: General provisions for consulting services < Form **SSP11** >
- Annex 2: Code of conduct for consultants and experts < Form **SSP12** >
- Annex 3: Terms of Reference < Form **SSP13** >
- Annex 4: Budget template < Form **SSP14** >
- Annex 5: Manual on eligible costs < Form **GEN14** >
- Annex 6: Instruction to contractors and beneficiaries regarding Invoice / Payment request < Form **GEN12** >



**ANNEX 1 - GENERAL PROVISIONS FOR CDE CONSULTING SERVICES**

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## 1. NOTICES AND WRITTEN COMMUNICATIONS

- 1.1. Whenever there is a deadline for the receipt of a written communication, the sender (e.g. the contractor or the CDE) should ask for an acknowledgement of receipt of its communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of the communication.
- 1.2. Any notice, consent, approval, certificate or decision by any person required under the contract shall be in writing, unless otherwise specified, and shall not be unreasonably withheld or delayed.
- 1.3. Any oral instructions or orders shall be confirmed in writing.

## 2. OBLIGATIONS OF THE CONTRACTOR

- 2.1. The contractor shall perform the services under the contract with due care, efficiency and diligence, in accordance with the best professional practice. As the contractor is an advisor for CDE, the contractor shall as a general rule not have decision-making responsibility.
- 2.2. The contractor shall respect and abide by all laws and regulations in force in the Beneficiary country and shall ensure that its personnel, their dependants, and its local employees respect and abide by all such laws and regulations. The contractor shall indemnify the CDE against any claims and proceedings arising from any infringement by the contractor, its employees and their dependants of such laws and regulations.
- 2.3. The contractor undertakes to observe the accepted laws of industrial and commercial confidentiality. The contractor will at all times protect the reputation and interests of the CDE and will ensure that any statements, reports and representations made are presented as those of the contractor and its staff as private individuals and do not necessarily reflect the views of CDE. All reports will include on the front page a disclaimer, specifically stating that the conclusions of the report do not necessarily reflect the opinion of the CDE.
- 2.4. The contractor shall comply with instructions given by the CDE. Where the contractor considers that such instruction go beyond the contractual requirements, it shall notify CDE explaining its opinion.
- 2.5. The contractor shall treat all documents and information received in connection with the contract as private and confidential, and shall not, save in so far as may be necessary for the purposes of the performance thereof, publish or disclose any particulars of the contract and the results achieved without the prior consent in writing of the CDE. The afore-mentioned includes statements to the press, seminar papers, scientific studies, and similar publications that refer to or make use of the work undertaken with CDE financing.
- 2.6. If the contractor is a consortium of two or more persons or legal entities, all such shall be jointly and severally bound to fulfil the terms of the contract. The person or entity designated by the consortium to act on its behalf for the purposes of this contract shall have the authority to bind the consortium, which must be stipulated in a consortium agreement.
- 2.7. Any alteration of the composition of the consortium without the prior written consent of the CDE shall be considered to be a breach of contract.
- 2.8. Unless otherwise requested or agreed by the CDE, the Contractor shall take the necessary steps to ensure that the financial contribution of the CDE is given adequate publicity. These steps must follow the rules applicable in the **Communication and Visibility Manual for CDE Actions** defined and published by the CDE in our website ([www.cde.int/...](http://www.cde.int/...)) (Form GEN10)



### **3. RECORD KEEPING**

- 3.1. The days and hours of work of the contractor and its personnel in the Beneficiary country shall be fixed by the laws, regulations and customs of the Beneficiary country and the requirements of the services. The contractor shall keep full accurate and systematic records and accounts in respect of the services in such form and detail as is sufficient to establish accurately that the number of working days and the reimbursable expenditure identified in the contractor's invoice(s) have been duly incurred for the performance of the services.
- 3.2. For fee-based contracts, timesheets recording the days worked by the contractor's personnel must be maintained by the contractor. The timesheets must be signed by the expert and approved by the person indicated by the CDE (the "Project Manager") on a monthly basis. The amounts invoiced by the contractor must correspond to these timesheets. Time spent travelling exclusively and necessarily for the purpose of the Contract, by the most direct route, may be included in these timesheets.

### **4. INSURANCE, SOCIAL CHARGES, LOSSES AND DAMAGES**

- 4.1. For the period of implementation of the tasks, the contractor shall obtain medical insurance for all persons employed or hired under the contract. The CDE shall be under no liability in respect of the medical expenses of the contractor.
- 4.2. Under no circumstances does CDE become a party to expenses incurred by the contractor in respect of insurance, fiscal and social charges or medical care. Any loss damage or injury suffered by the contractor in connection with the performance of the contract shall be borne exclusively by him.

### **5. PROPERTY RIGHTS**

- 5.1. Except otherwise provided for, the intellectual and physical outputs and rights emanating of the services under the present contract shall be the collective property of all parties that contributed to its financing. No party may dispose of the result of the services provided by the contractor to the detriment of another party. However, if within six months after the date of execution of the contract no action to exploit the results thereof has been undertaken by the sponsors, CDE will be entitled to freely use these results for any other action it may envisage.

### **6. SUB-CONTRACTING**

- 6.1. The contractor may not without the prior and express consent of CDE transfer or assign all or any part of the rights and obligations deriving from the contract nor enter into sub-contracts concerning the performance of the study or of a part thereof, nor allow third parties to replace him de facto to any of these ends. Any authorisation from the CDE entitling the contractor to sub-contract part of the work shall not discharge the contractor from his obligations to CDE under the contract. Save as expressly otherwise authorised by the CDE, the contractor shall include in sub-contracts all necessary provisions to enable CDE to enjoy and exercise the same rights and guarantees in relation to the sub-contractors as it enjoys and exercises in relation to the contractor himself.

## 7. PERSONNEL

- 7.1. The contractor shall not make changes to the agreed personnel without the prior written approval of the CDE. The contractor must on its own initiative propose a replacement in the following cases:
- (a) In the event of death, in the event of illness or in the event of accident of a member of staff.
  - (b) If it becomes necessary to replace a member of staff for any other reasons beyond the contractor's control (e.g. resignation, etc.).
- 7.2. Moreover, in the course of performance, and based on a written and justified request, the CDE can ask for a replacement if it considers that a member of staff is inefficient or does not perform its duties under the contract. Where a member of staff must be replaced, the replacement must possess at least equivalent qualifications and experience. The remuneration to be paid to the replacement cannot exceed that received by the member of staff who has been replaced. Where the contractor is unable to provide a replacement with equivalent qualifications and/or experience, the CDE may either decide to terminate the contract, if the proper performance of it is jeopardised, or, if it considers that this is not the case, accept the replacement, provided that the fees of the latter are renegotiated to reflect the appropriate remuneration level.
- 7.3. Additional costs incurred by the replacement of staff are the responsibility of the Contractor. The replacement of any expert, whose name is listed in the Contract, must be proposed by the Contractor within 15 calendar days from the first day of the expert's absence. If after this period the Contractor fails to propose a replacement in accordance with paragraph above, the CDE may apply liquidated damages up to 10% of the remaining fees of that expert to be replaced. Find below the documents required for replacement of experts:
- (a) The shortlist and selection memo (plus respective Terms of Reference-TOR).
  - (b) Communication from the Project Manager, having analysed the new CV proposed, and giving non-objection.
  - (c) The budget proposal showing no increase in terms of fees and salaries.
  - (d) Resignation letter of the leaving expert (if CDE proposed the change, no resignation letter will be required).

## 8. DELAYS AND NON-PERFORMANCE

- 8.1. The contractor shall in good time inform CDE of any delay in the execution of the contract and simultaneously submit evidence for appraisal by CDE that the delay is justified. If the contractor fails to comply with this obligation or if the justifications given are not considered adequate, CDE reserves the right to apply a 1% penalty per day of delay on payments already made for the services not rendered.
- 8.2. In the event of non-performance by the contractor of any obligations arising from the contract, CDE may serve on the contractor by registered mail a notice requiring completion of the contract. If within one month of such notification completion of the contract has not taken place, CDE shall be entitled to terminate the contract without further formality.
- 8.3. In case of inadequate performance of the services provided for in the contract, CDE reserves the right to deduct from the total cost of the contract an amount corresponding to those parts of the tasks that in the judgement of CDE were not adequately performed.



## 9. ADMINISTRATIVE AND FINANCIAL PENALTIES

- 9.1. Without prejudice to the application of penalties laid down in the contract, if the Contractor has been guilty of making false declarations, has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations the Contractor may be permanently excluded from all contracts and grants financed by the CDE budget or EDF. The Contractor may justify its arguments against the exclusion within 30 days of notification of it by registered delivery or equivalent. In the absence of a reaction from its part or of the written withdrawal of the exclusion by the CDE within 30 days of the above-mentioned arguments, the decision imposing the exclusion will become binding.
- 9.2. Where, after the award of the contract, the award procedure or the performance of the contract proves to have been subject to substantial errors, irregularities or fraud, and where this is attributable to the Contractor, the CDE may refuse to make payments, may recover amounts already paid or may terminate all the contracts concluded with this Contractor, in proportion to the seriousness of the errors, irregularities or fraud.

## 10. AMENDMENT OF THE CONTRACT

- 10.1. Substantial modifications to the contract, including modifications to the total contract amount and replacement of an expert whose Curriculum vitae is part of the contract, must be made by means of an addendum. If the request for an amendment comes from the Contractor, the latter must submit such a request to the CDE at least 30 days before the amendment is intended to enter into force, except in cases which are duly substantiated by the Contractor and accepted by the CDE. Within 30 days the CDE shall, by written notice to the Contractor and where appropriate, grant such amendment, either prospectively or retrospectively, or inform the Contractor that the request for amendment is declined. Any activity carried out by the Contractor without an amendment of the contract is made at the Contractor's own financial risk.
- 10.2. However, where the amendment to the Budget of Description of the Action does not affect the basic purpose of the contract and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget (fee-based contract – **Form SSP14**) headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum), the Project Manager appointed by CDE may order the revision to the budget. This method may not be used to draw on the contingency reserve, nor to increase the total amount of fees.
- 10.3. The Project Manager shall have the power to order any variation to any part of the services necessary for the proper implementation of the tasks, without changing the object or scope of the contract. Such variations may include additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timing of implementation of the services. Such variations may not include replacement of an expert whose Curriculum Vitae is part of the contract. No such order for a variation may imply any extension of the period of implementation of the tasks or, for a fee-based contract, any change in the total amount of the contract.
- 10.4. Prior to any administrative order for variation, the Project Manager shall notify the Contractor of the nature and form of such variation. As soon as possible, after receiving such notice, the Contractor shall submit to the Project Manager a written proposal containing:
- (a) a description of the service to be performed or the measures to be taken and a programme for implementation of the tasks; and
  - (b) any necessary modifications to the programme of implementation of the tasks or to any of the Contractor's obligations under the contract; and



- (c) For a fee-based contract, any adjustment to the contract budget (revision between budget headings) or ultimately the contract value in accordance with the following principles:
- (1) where the task is of similar character and executed under similar conditions to an item priced in the budget breakdown the equivalent numbers of working days shall be valued at the fee rates contained therein;
  - (2) where the task is not of a similar character or is not executed under similar conditions, the fee rates in the contract shall be applied to the estimated numbers of working days so far as is reasonable, failing which, a fair estimation shall be made by the Project Manager;
  - (3) where a variation is necessitated by a default or breach of contract by the Contractor, any additional cost attributable to such variation shall be borne by the Contractor.

10.5. Following the receipt of the Contractor's proposal, the Project Manager shall decide as soon as possible whether or not the variation shall be carried out. If the Project Manager decides that the variation shall be carried out he/she shall issue the administrative order stating that the variation shall be carried out under the conditions given in the Contractor's proposal or as modified by the Project Manager in accordance with Art. 10, paragraph 4.

10.6. On receipt of the administrative order requesting the variation, the Contractor shall proceed to carry out the variation and be bound by these General Conditions in so doing as if such variation were stated in the contract.

10.7. The Contractor must use the **Form GEN-03** for notifying any modification of its bank account.

10.8. This Contract can be modified only during its execution period. Any change to the contract which has not been made in the form of an administrative order or an addendum or in accordance with Article 10, paragraph 7, shall be considered null and void.

## 11. LEAVE ENTITLEMENT

11.1. For a fee-based contract, the annual leave to be taken during the period of implementation of the tasks must be at a time approved by the Project Manager.

For a fee-based contract, the fee rates are deemed to take into account the annual leave of up to **2 months** for the Contractor's personnel during the period of implementation of the tasks. Consequently, days taken as annual leave shall not be considered to be working days.

11.2. The Contractor will only be paid for the days actually worked. Any cost related to sick or casual leave will be covered by the Contractor. The Contractor shall inform the Project Manager of any impact of such leave on the period of implementation of the tasks.

## 12. FINANCIAL GUARANTEE

12.1. For all pre-financing payments exceeding € 100,000, the contractor must provide a financial guarantee of a financial institution to the satisfaction of CDE. The financial guarantee may not include an expiration date.

12.2. For smaller pre-financing payments, an analysis of financial risks determines whether CDE must ask such a guarantee.

12.3. For fee-based contracts, any existing financial guarantee shall be released when the pre- financing is reimbursed in accordance with the Contract (Form SSP10).

APL

Signature

12.4. For global price contracts, the financial guarantee will be released simultaneously with the final payment.

12.5.

### **13. RECOVERY OF DEBTS FROM THE CONTRACTOR**

13.1. The Contractor shall repay any amounts received in excess of the final amount due within 45 days of having been issued a debit notice by CDE.

13.2. Should the Contractor fail to make repayment within the above deadline, the CDE may increase the amounts due by adding late payment interest:

- (a) at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,
- (b) at the rediscount rate applied by the central bank of the beneficiary country if payments are in the currency of that country,
- (c) on the first day of the month in which the deadline expired, plus seven percentage points. The late-payment interest shall apply to the time which elapses between the date of the payment deadline, and the date on which the Contractor's account is debited. Any partial payments shall cover the interest thus established.

13.3. Amounts to be repaid to the CDE may be offset against payments of any kind due to the Contractor. This shall not affect the right of the Contractor and the CDE to agree on repayment by instalments.

13.4. Bank charges arising from the repayment of amounts due to the CDE shall be borne entirely by the Contractor.

### **14. REVISION OF PRICES**

14.1. Unless otherwise stipulated in the special conditions, the global price of a global price contract and the fee rates of a fee-based contract shall not be revised.

### **15. PAYMENT TO THIRD PARTIES**

15.1. At the request of the Contractor, CDE may execute payments on behalf of the Contractor. All orders for payment to third parties must be carried out in accordance with Article 6.

15.2. Notification of beneficiaries of assignment shall be the sole responsibility of the Contractor.

### **16. TERMINATION OF THE CONTRACT**

16.1. The CDE may terminate the contract after giving 7 calendar days notice to the contractor in any of the following cases:

- (a) the contractor fails to carry out the services in accordance with the contract;
- (b) the contractor fails to comply with the instructions given by the CDE;
- (c) the Contractor assigns the contract or sub-contracts without the authorisation of the CDE;



- (d) the contractor becomes bankrupt or is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
  - (e) the contractor has been convicted of a criminal or civil offence, corruption, fraud, money laundering or similar situation that may be detrimental to the financial interests and reputation of the CDE;
  - (f) the contractor has been guilty of grave professional misconduct proven by any means which the CDE can justify;
  - (h) following another procurement procedure or grant award procedure financed by the CDE budget, the contractor has been declared to be in serious breach of contract for failure to comply with its contractual obligations;
  - (i) any organisational modification occurs involving a change in the legal personality, nature or control of the contractor, unless such modification is recorded in an addendum to the contract;
  - (j) any other legal disability hindering performance of the contract occurs;
  - (k) the contractor fails to provide the required guarantees or insurance, or the person providing the underlying guarantee or insurance is not able to abide by its commitments;
  - (l) where after the award of the contract, the award procedure or the performance of the contract is shown to have been subject to substantial errors, irregularities or fraud.
- 16.2. Prior to, or instead of, terminating the Contract as provided for in this Article, the CDE may suspend payments as a precautionary measure without prior notice.
- 16.3. Upon termination of the contract or when it has received notice thereof, the Contractor shall take immediate steps to bring the services to a close in a prompt and orderly manner and in such a way as to keep costs to a minimum.
- 16.4. The Project Manager shall, as soon as is possible after termination of the contract, certify the value of the services already delivered and all sums due to the Contractor as at the date of termination.
- 16.5. If the CDE terminates the contract, it shall without prejudice to its other remedies under the contract, be entitled to recover from the Contractor any loss it has suffered up to the value of the services which have not been satisfactorily completed unless otherwise provided for in the Special Conditions.

## 17. TERMINATION BY THE CONTRACTOR

- 17.1. The contractor may, after giving 7 calendar days notice to the CDE, terminate the contract if:
- (a) CDE fails to pay the contractor the amounts due within forty five (45) days of submitting a correct and un-contested invoice with supporting documents including approved reports;
  - (b) CDE consistently fails to meet its obligations after repeated reminders;
  - (c) the Beneficiary of the service contract fails to make available its contribution, to the extent that performance of the contract is impossible.
- 17.2. Such termination shall be without prejudice to any other rights of the CDE or the Contractor acquired under the contract.



- 17.3. In the event of such termination, the CDE shall pay the Contractor for any loss or injury the Contractor may have suffered. Such additional payment may not be the amount for services delivered (timesheets).

## **18. FORCE MAJEURE**

- 18.1. Neither party shall be considered to be in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure that arise after the date of notification of the award or the date when the contract becomes effective.
- 18.2. The term 'force majeure', as used herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of war, whether declared or not, blockades, insurrections, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either party and which by the exercise of due diligence neither party is able to overcome. If this situation persists for 90 calendar days, either party has the right to cancel the contract. The contractor will be paid an amount proportional to services delivered.

## **19. DECEASE**

- 19.1. If the Contractor is a natural person, the contract shall be automatically terminated if that person dies. The heirs of the contractor will be paid an amount proportional to services delivered. However, the CDE shall examine any proposal made by his/her heirs or beneficiaries if they have notified their wish to continue the contract within 30 days of the date of decease. The decision of the CDE shall be notified to those concerned within 30 days of receipt of such a proposal.
- 19.2. If the Contractor is a group of natural persons and one or more of them die, the survivors or heirs shall propose to CDE the continuation or termination of the contract, and the conditions under which this will take place. This proposal must be made within 30 days of the date of decease. The decision of the CDE shall be notified to those concerned within 30 days of receipt of such a proposal.
- 19.3. Any persons taking over the contract shall be jointly and severally liable for the proper performance of the contract to the same extent as the Contractor.

## **20. CONCILIATION AND ARBITRATION**

- 20.1. The Parties shall make every effort to settle amicably any dispute relating to the contract which may arise between them.
- 20.2. Any dispute on the execution of the contract that parties cannot solve amicably may be presented to a single conciliator chosen with common consent of the CDE and the Contractor. The conclusion of the conciliator is not binding.
- 20.3. If the amicable settlement or the conciliation procedure fails, each party may refer the dispute to either arbitration or a commercial court in Brussels, Belgium.
- 1.1. *For further detail refer to:* **Decision No 3/90 of the ACP-EEC Council of Ministers of 29 March 1990 adopting the general regulations, general conditions and procedural rules on conciliation and arbitration for works, supply and service contracts financed by the European Development Fund (EDF) and concerning their application (Official Journal L 382, 31/12/1990 P. 0001 – 0107)**

## 2. DEFINITIONS

- The Project Manager: the person responsible for monitoring the implementation of the Contract on behalf of the Contracting Authority.
- The Contracting Authority: Centre for the Development of Enterprise (CDE).
- The Contractor: Any natural or legal person or public entity or consortium of such persons and/or bodies selected having signed this service agreement with CDE after the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract.

**ANNEX 2 - CODE OF CONDUCT FOR CONSULTANTS AND EXPERTS**

Experts or consultants engaged under contract by CDE shall observe and be bound by the following code:

1. Their relations with CDE and its clients shall be governed strictly by the principles of mutual trust and good faith, and the fees to which they are entitled shall constitute their only remuneration for the work undertaken, except as provided for by clauses below.
2. The consultants and experts shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the Contract. Such *conflict of interests* could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests that could arise during performance of the Contract must be notified in writing to CDE without delay.
3. Consultants and experts shall refrain from any contact that would compromise their independence or that of its personnel. They shall not accept, without the approval of CDE, any financial inducement, trade commission, allowance or other indirect remuneration in connection with the work for which they are engaged.
4. They shall not, without disclosing the fact in writing to CDE and its clients, be directors or employees, or shareholders in, or act as agents for, any contracting or manufacturing company, or firm or business, with which they may have occasion to deal on behalf of CDE and its clients, or have any financial interest in such business.
5. They shall not receive, directly or indirectly, any royalty, gratuity or commission on any patented or protected article or process used in work which they are carrying out for CDE and its clients, unless and until such royalty, gratuity or commission has been authorised in writing by CDE.
6. Consultants or experts, while working for CDE, must present themselves as consultants or experts engaged by CDE for a specific mission. They must not therefore introduce themselves as representatives dispatched on behalf of their own companies. They shall at all times protect the reputation and interests of CDE and shall make it clear that any views they may express are their own private views, and not necessarily those of CDE.
7. They shall not solicit CDE's clients for new missions as independent advisers or consultants, either directly or through an agent, and shall not pay anyone, whether by way of commission or otherwise, to help them obtain such work.
8. They shall not act as intermediaries for payments made on behalf of CDE or its clients, unless so requested by CDE and its clients; nor shall they place contracts or orders in connection with work that CDE has employed them to undertake, except with the authority of, and on behalf of, CDE and its clients.
9. They shall neither communicate to anyone nor publish any information or matter, not previously known to them or not in the public domain, which has been communicated to them in confidence by CDE and its clients, without the express authority of the latter two parties.



10. They shall accept responsibility for all work carried out by them, or under their supervision or direction, and shall take all reasonable steps to ensure that persons working under their authority are competent to carry out the tasks assigned to them.
11. They shall not work for more than one client at a time on the same matter or problem without disclosing this fact to both or all of the clients with a common or conflicting interest therein who have retained their services or entered into a contract with them in connection with the said matter or problem.
12. If, in accordance with the terms of their contract, they sub-contract part of the work involving professional advice, or interpretation, or experimental work, to a third party, they shall indicate to CDE and its clients which part of the work has been sub-contracted and to whom (or to what organisation).
13. They shall observe this Code at all times; however, if the Code appears to be in conflict with recognised practices in the country in which they are employed under their contract, they shall bring this fact to CDE's notice for guidance.
14. Any study or report prepared under a consultancy contract shall be the property of CDE and its client(s) and may not therefore be used by anyone else, not even by the consultant(s) or expert(s) who prepared it, except with CDE's specific approval, and even then only if it has not been acted upon within six months of its completion.
15. They shall not employ minors or work for or with companies where minors are employed. They shall report any findings of this kind immediately to the CDE. The definition of a minor is determined by the laws of the country of the assignment.

### Annex 3: Terms of Reference

**Terms of reference**  
**Local Service Provider**  
**SME diagnosis by CEDA**

#### 1. Background

Under the framework of the Private Sector Development Strategy (PSDS), the Ministry of Trade and Industry (MTI) and Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), in partnership with the EU and the CDE, developed the Private Sector Development Programme (PSDP) which was launched on May 2013 in Gaborone.

The PSDP is meant to address some key areas of the PSDS. The PSDP which will run for duration of 3 years has a budget of €2.3 million and aims to stimulate and sustain growth through diversification of the economy while building the capacities of institutions and human resources that support the private sector. Other funding partners promoting specifically Women Entrepreneurship provide additional complementary support. The EU is the contracting authority for the PSDP, the MTI is the supervising agency, CDE is the executing agency, and BOCCIM is responsible for monitoring and evaluation of PSDP.

Key private sector development partners which played a vital role during formulation of the PSDP and will be involved in the programme are BOCCM, Botswana Investment and Trade centre (BITC), Local Enterprise Authority (LEA), Citizen Entrepreneurial Development Agency (CEDA), Botswana Exporters and Manufacturers Association (BEMA), Botswana Bureau of Standards (BOBS), Botswana National Productivity Centre (BNPC), Hospitality and Tourism Association of Botswana (HATAB), Botswana Tourism Organisation (BTO) and Botswana Innovation Hub (BIH).

Following the call for expression of interest which was launched in October 2013, inviting Small, Medium and Micro size Enterprises (SMMEs) to apply for consideration under the PSDP a total of Seventy (30) Micro Enterprises from all over the country were pre-selected to benefit from the technical assistance of PSDP for a two-year duration.

In order for the PSDP to have an impact, the provision of adequate advisory services for the final selection of beneficiary companies is required. It is in this context that the PSDP coordinating unit is planning to hire the service of local experts who were trained on SME diagnosis by CDE. During the training sessions held in 2014, some intermediary organisations, namely LEA, CEDA and BNPC showed great interest in developing such expertise through the level of participation of their staff.

CDE would like to partner with LEA, CEDA and BNPC to undertake the diagnosis of 30 selected Micro Enterprises under the PSDP. This assignment will be undertaken under the supervision of a Team leader who will be recruited directly by CDE.

Bilateral meetings between CDE and CEDA selected the below 10 SMEs to be audited by CEDA.

NAME	LOCATION	SUB SECTOR	SECTOR
Abijoe Investments	Pandamatenga	Cabbage, tomato, green pepper, rape	Agro Industry



African Excursions	Maun	Tours to the Okavango Delta, CKGR, Moremi	Hotel & Tourism
Boidus	Gaborone	Architecture, ICT and Construction Research	Construction & Public Works
Chobe Pure	Kazungula	Still water	Agro Industry
Foodnet Holdings	Bokaa	Piggery	Agro Industry
Gracious Grounds Horticulture Production	Maun	Vegetables, cabbages, tomatoes, green pepper, butter nut	Agro Industry
Lithoflex Inks(Pty)Ltd	Mogoditshane	Printing ink Manufacturer	Manufacturing
Puku Safaris	Kazungula	Transfers of clients from border to lodges and game drives	Hotel & Tourism
UKA Energy	Gaborone	Aquaponics	Agro Industry
Wisegreen Pty Ltd	Maun	horticulture	Agro Industry

### 3. Scope of activities of CEDA

The diagnosis will be undertaken by CEDA trained experts under the supervision of a team leader along the standards established as per the CDE diagnosis tool:

- 1) Assess CDE diagnosis tools and prepare the interview forms
- 2) Conduct interview with the management and key staff to understand the different elements of the company
- 3) Identify company's strengths and weaknesses and analyse the identified bottlenecks
- 4) Select company's critical needs elements for further assessment
- 5) Prepare a workable Plan that should focus attention and resources on actions that will have a significant impact on company's performance
- 6) Organise a validation workshop with managing directors and key staff
- 7) Prepare a report on the diagnosis results, emphasizing areas of interventions
- 8) Prepare a list of recommendations directed to the management

CEDA will ensure that the relevant experts are selected and mobilized to undertake the diagnosis and liaise with the team leader to consolidate the final list of the experts.

CEDA will also make sure that relevant meetings (roadmap, update, quality assurance) between the local experts who will be involved in the diagnosis take place with the team leader.

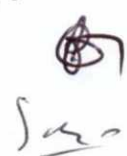
The experts will be coordinated by CEDA whereas technical oversight, guidance and quality assurance of the diagnosis will be supervised by the team leader.

### 2.2. Expected deliverables (output)

LEA will ensure the following:

- A total of 10 final reports are forwarded to the team leader two weeks prior to the deadline of the overall contract (12 December 2014) to give room for review and advice from the team leader.
- The final report will provide details on:
  - o Company Information
  - o Executive Summary
  - o Diagnosis results
  - o Historical and Financial Analysis
  - o Priority Sub-Sector for Intervention
  - o Conclusion

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- Recommendations

### 3. Timeline

The SME diagnosis is expected to kick-start on the date when the last of the two parties signs and will be terminated in **December 2014**

### 4. The profiles of the experts

- A bachelor's degree in economics, development economics, business administration, commerce or any other relevant field.
- Participated in the training of Trainers workshop on the applicability of the CDE SME diagnosis tool.
- Similar experience working with SMEs in other fields.
- Report writing experience ( in English)
- Available during the underlined dates to dedicate

### 5. Selection of experts

CEDA should ensure that the SME diagnosis experts mobilized to undertake the diagnosis have the capacity to undertake the assignment in addition to ensuring that they participated in the training of trainers' course on SME diagnosis. Further, the mobilized experts should avail their time as stipulated to undertake the assignment. The final selection of the local experts by CEDA should be rubberstamped by the team leader.

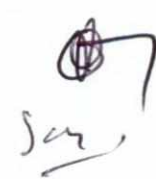
## Annex 4. Budget

**Table 1: SME diagnosis budget**

N°	Type of Cost	Unity	Unit Cost (Euros)	Qty	Total Cost (Euros)
<b>1</b>	<b>HUMAN RESOURCES</b>				
<b>1.1</b>	<b>Experts' fees</b>				
1.1.1	Expert 1	man/day	100	17	1,700.00
1.1.2	Expert 2	man/day	100	17	1,700.00
1.1.3	Expert 3	man/day	100	17	1,700.00
1.1.4	Expert 4	man/day	100	17	1,700.00
1.1.5	Expert 5	man/day	100	17	1,700.00
1.1.6	Expert 6	man/day	100	17	1,700.00
	<b>TOTAL HUMAN RESOURCES</b>				<b>10,200.00</b>
<b>2</b>	<b>DIRECT COSTS</b>				
2.1	Telecommunications and mail	Lump sum			
2.2	Office Supplies & others	Lump sum			
	<b>TOTAL DIRECT COSTS</b>				<b>0.00</b>
<b>3</b>	<b>REIMBURSABLE COSTS</b>				
<b>3.1</b>	<b>Transport costs for expert</b>				
3.1.2	Local travel	Trip			<b>0.00</b>
<b>3.2</b>	<b>Per diem for expert*</b>				
3.2.1	Per diem during the diagnostics	maximum	100	17	1,700.00
	<b>TOTAL REIMBURSABLE COSTS</b>				<b>1,700.00</b>
<b>4</b>	<b>GRAND TOTAL</b>				<b>11,900.00</b>

A service contract will be issued to CEDA for the intervention by CDE.

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## Eligible costs and supporting documents required

### **A. Eligible costs (strictly according to the contract budget)**

	Eligible costs	Explanatory note	How to fill in the budget	Supporting documents to be produced
<b>1</b>	<b><u>Human resources</u></b>			
1.1	Fees for <u>external</u> experts contracted	<p>The fees cover:</p> <ul style="list-style-type: none"> <li>- the actual remuneration of the expert per day or per month of work. Working days are defined by the customs and practices of the beneficiary country. Travel days are always considered working days, unless the shortest travel route is not followed or unneeded stops are made</li> <li>- all related costs: fiscal charges, social security, medical cover, family benefits, insurance, holiday rights, pension payments etc</li> <li>- office costs of the contractor, including internet and regular telecommunication costs</li> <li>- general overhead costs of the contractor</li> <li>- the margin of the contractor</li> </ul> <p><u>Note:</u> service providers (but not necessarily experts employed by them) must be nationals of ACP or EU countries eligible for EDF funding.</p> <p>The fees for these external experts vary in relation to their level of training, expertise, professional experience etc. The rates may not exceed those generally accepted on the market in question and the selection procedure must conform to the CDE regulation on market consultation (see point E).</p>	Use one budget line per category of expert.	<p>Original invoice of the external service provider with timesheet duly signed by expert and project Supervisor (CDE staff or Beneficiary)</p> <p>Beneficiary to submit proof of payment to service provider in the form of:</p> <ol style="list-style-type: none"> <li>1. Bank Transfer Advice (debit) to account as indicated in the contract, or</li> <li>2. Bank debit of cheques</li> </ol>



1.2	<p>Labour cost for Beneficiary (and partners')</p> <p>staff involvement for all contracts signed with non-profit organizations (covered by Beneficiary)</p> <p>Applies to cost-sharing and grant contracts</p>	<p>For all contracts signed with non-profit organisations, staff assigned to the action is paid according to their salary and not based on a price. The same approach as stipulated in the EU financial regulations will be applied for the calculation of the labour costs.</p> <p><u>Calculation of the daily rate :</u></p> <ul style="list-style-type: none"> <li>- Addition of annual gross salary, social security and all charges up the salary in stricto sensu divided by 220 days.</li> </ul>	<p>Use one budget line per category of personnel and specify the category (e.g.: 1.2.1. Project co-ordinator at xxx euros/day; 1.2.2. Logistics specialist at yyy euros/day; 1.2.3. Administrative personnel at zzz euros/day).</p>	<p>Calculation of the daily rate, Itemised statement per expert, with timesheet certified by the Beneficiary.</p> <p>(see below, point C presentation of invoices)</p>
<b>2 Per Diem (daily allowance) and other fixed costs</b>				
2.1	<p>Per diem (daily allowance) during travel</p> <p>Applies to consultants and to staff of beneficiaries in cost-sharing and grant contracts</p>	<p>The Per Diem is proposed by the contractor / Beneficiary in the financial offer, with a maximum the daily rate applied by the European Commission to the country concerned. The rates are available on the European Commission site at the following address:  <a href="http://ec.europa.eu/europeaid/perdiem/index_en.htm">http://ec.europa.eu/europeaid/perdiem/index_en.htm</a></p> <p>The per diem is a fixed daily allowance that covers:</p> <ul style="list-style-type: none"> <li>- costs of accommodation, food and local transport (bus, train, taxi in the home and in the host country, including to / from the airport, when less than 100 km), private telecommunication, and all other personal expenses.</li> </ul> <p>The per diem varies in relation to the country. The per diem is payable for each overnight stay in a hotel or guesthouse on site for missions of the service provider or staff member outside his normal place of posting, including weekend days. Per diem is not paid for nights on the plane. However, per diem is due if the travel leads to overnight stay at a transit location. In case of free of charge stay with family, friends, project partners or otherwise, half per diem may be claimed.</p>	<p>Use one budget line per country concerned and specify the estimated number of days and the applicable rate.</p> <p>The estimate must be accurate. The number of per diem days in the budget and the rate is the maximum</p>	<p>Itemised statement of the time per person and per country + copy of transport documents (air ticket + boarding pass + air ticket invoice). In case of lost boarding pass the hotel invoice can be presented. The hotel bill may be asked to justify the per diem.</p> <p>In the event that the beneficiary chooses to pay cash to participants in seminar/workshop, the</p>

				participants should co-sign against the amount received
2.2	<p>Telecommunications and mail charges.</p> <p>Applies to cost-sharing and grant contracts</p>	<p>Telecommunications and mail charges are a fixed amount for all telecommunications by telephone, fax, e-mail, and sending mail by post or courier. This may be expressed in the budget as an amount or a % of the total of eligible costs.</p> <p>This is applicable to cost-sharing and grant contracts. For service contracts, these costs are normally included in the fees. However, in exceptional cases these may be included in the budget as a 'lump sum' direct cost.</p>	Specify a fixed amount (lump-sum)	None
2.3	<p>Costs of consumables and supplies.</p> <p>Applies to cost-sharing and grant contracts</p>	<p>Allowance covering outlays for office supplies and normal consumables such as paper, toner, etc. This may be expressed in the budget as an amount or a % of the total of eligible costs.</p> <p>This is applicable to cost-sharing and grant contracts. For service contracts, these costs are normally included in the fees. However, in exceptional cases these may be included in the budget as a 'lump sum' direct cost.</p>	Specify a fixed amount (lump-sum)	None



3	Reimbursable expenses			
3.1	<p>Travel costs</p> <p>Applies to consultants and to staff of beneficiaries in cost-sharing and grant contracts</p>	<p><u>Visa costs:</u></p> <p>Real cost of visa to the consular services and possibly visa service bureau</p> <p><u>Travel by air:</u></p> <p>The cost of return travel by air is estimated in the <i>budget</i> based on a standard economy class ticket that allows for date change, using the most direct or economical route. When <i>booking</i> the ticket, the consultant is expected to reserve the <u>cheapest available</u> flexible fare economy class ticket, not exceeding the budget. Should the consultant decide to travel in a more expensive class, CDE will reimburse the eligible cheapest tariff only. The onus is on the consultant to demonstrate what this benchmark tariff is.</p> <p><u>Travel by train:</u></p> <p>The maximum reimbursable cost of return travel by train is a first class ticket.</p> <p><u>Travel by car:</u></p> <p>If transport is by private vehicle instead of public transport, the expenses are refunded on the basis of first-class train travel or, failing this, another form of available public transport.</p> <p><u>For consultants:</u> the cost of local travel to and from the airport in the home and in the host country, and all other local and in-city travel is included in the per diem. Local is defined as a distance of less than 100 km. For longer travel, the cost must be budgeted and may be claimed in keeping with the above CDE rules.</p> <p><u>Travel by car during an assignment of a consultant:</u></p> <p>Consultants on mission may need to dispose of a vehicle for out-station travel. The cost of out-station travel by car is estimated in the budget as a fixed amount per month (or part-month) for all vehicle hire costs (including</p>	<p>Use one budget line per category of travel (e.g.: 3.1.1. Air travel Africa - Europe at xxx euros/trip; 3.1.2. Intra-EU travel at yyy euros/trip; 3.1.3. Car hire at zzz euros/day)</p>	<p><u>Travel by air:</u> air ticket invoice, air ticket stub and boarding cards.</p> <p>If no air ticket stub delivered by the airline, a document from the airline stating the price paid.</p> <p>E-tickets and E-boarding passes are allowed.</p> <p><u>Train travel:</u> train tickets</p> <p><u>Car travel:</u> statement of the trip made with mileage.</p> <p><u>Travel by car:</u> car hire invoice, fuel bills, and driver receipt. In case a car is hired 'all-in', the overall invoice.</p>



		<p>the costs of fuel and driver) necessary for the successful conclusion of the technical assistance in the country(ies) of the assignment.</p> <p>The unit costs mentioned are estimates. For billing the actual costs paid are used. However, these may not exceed the budget.</p>		
3.2	Contracting of facilities, services (local transport, translation services, etc) and appropriate equipment (photocopier, simultaneous interpreting equipment, projector, video, etc).	The rented / subcontracted services must be at the market rate. The rates may not exceed those generally accepted on the market in question and the selection procedure must conform to the CDE regulation on market consultation (see point E below).		Original invoices and where applicable market consultation (see point E. below)
<b>4</b>	<b><u>Contingencies</u></b>			
4.1	No contingencies are foreseen in CDE budgets			

Invoices must always comply with the (fiscal) legislation of the country of registration of the contractor. However, CDE being an international organisation is exempted from VAT.

**B. Exchange rates to be used:**

The CDE nearly always signs its contracts in euros. Fees are nearly always expressed in euros. However, the contractor / Beneficiary may have some (reimbursable) costs in other currencies, needing currency conversion when the invoice is submitted. The exchange rates to be used for conversions from local currencies to the Euro are those set by the European Commission, available from the internet site <http://ec.europa.eu/budget/inforeuro/>. The rate to be used is the one for the month in which the expense took place.

In case of Imprest accounts, the Imprest Account Administrator is expected to transfer pre-financing received in € into a local currency account. The bank exchange rate is used in the financial report.

**C. Presentation of invoices, ORIGINAL supporting documents and financial reports:**

The claim for the initial payment (pre-financing) can be made immediately upon signing the contract and a payment request. Each claim for an interim payment is subject to an invoice accompanied by an intermediate financial report of expenses incurred to date, as well as the corresponding activity report if

required by the contract. The claim for final payment is subject to an invoice accompanied by a final financial report, a final technical report and the **original** supporting documents. The Beneficiary must certify that the final financial report is accurate and that the costs have been incurred and paid. CDE retains the right to verify all expenditures, including an inspection at the site of the contractor / Beneficiary. CDE may also commission an auditor to do this.

However, when the contract stipulates that the beneficiary must submit its financial report to expenditure verification by an external auditor, the original supporting documents must be kept by the beneficiary and presented to the auditor. CDE may then decide to ask the originals for additional control.

**D. Production of the ORIGINAL supporting documents when there are several grant financiers:**

In case of 'parallel' co-financing with other donors, each donor receives the supporting documents relating to the part it finances. In case of 'joint' co-financing with other donors, one donor must be nominated the 'lead donor', and the financial procedures of this donor must be respected. The lead donor will verify all supporting documents on behalf of the other donors. Alternatively, obtain the prior agreement of the sponsors on the distribution of the original supporting documents to be supplied to the various sponsors, and return to CDE copies certified (signed by the Beneficiary) as true to the originals sent to the other sponsors.

**E. Regulation on market consultation:**

A Beneficiary of a CDE cost-sharing or grant contract must acquire services and supplies in a competitive manner. The procurement process applied by the Beneficiary must be at least as rigorous as the standard CDE procurement procedures. These procedures are defined in the CDE administrative and financial procedures manual, Sections 3 and 4. For services with a value of less than or equal to 10,000 euros, a single offer will do. For services and supplies with a value above 10,000 euros, a market consultation is required: comparison of at least 3 offers from 3 different service providers and selection of the most advantageous offer (best ratio in terms of quality and price).

See CDE's specific guideline on the market consultation procedure (attachment / CDE website)



Annex 6: **Form GEN12**

**Invoice / Prepayment request - Instructions to contractors**

The invoice / payment request must contain at least the following information.

**For request for initial payment (pre-financing):**

- A description of the object of payment (i.e. description of the services, supplies, cost- sharing or grant contract)
- The type of payment (advance payment / interim / final balance due)
- Name and address of the contractor / beneficiary
- Date
- Invoice number (or reference if it is a request for advance payment)
- Contract number
- Amount, separated by categories according to the contract
- Bank details (Bank name and address, IBAN / SWIFT ...), as in the contract
- For cost-sharing and grant contracts, results of market consultations (ex ante or ex post control)

Example of advance payment for a Service contract :

<b>Advance payment :</b> <b>..... EUR (30%)</b>	<p>Upon receipt of the prepayment request for advance payment (or invoice for advance payment), copy of the signed original contract and confirmation from the contractor confirming that the intervention has started.</p> <p>&lt; Optional : upon receipt of a financial guarantee for the amount of the initial payment. &gt;</p>
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The invoice must always comply with the (fiscal) legislation of the country of registration of the contractor. However, CDE being an international organisation is exempted from VAT.

**For interim payments:**

As above, accompanied by:

- The original supporting documents, unless it is agreed that these will be verified by an external auditor
- For services, cost-sharing and grants: the approved interim report, if applicable, and signed and certified timesheets
- For supplies: copy of the certificate of acceptance of partial delivery (by CDE), and certificate of factory warranty by the supplier (if applicable).

Example of Interim payment for a Service contract :

<b>Interim payment :</b> <b>..... EUR</b> (including the <b>30%</b> already received as advance payment + <b>30%))</b>	<p>Upon receipt of the invoice justifying the advance payment and the interim payment, submission of the progress report, timesheets and summary expense data.</p> <p><b>N.B. : the invoice must clearly mention the amount received as advance as well as the amount to be paid at this stage</b></p>
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**For payment of final balance due:**

As above, accompanied by:

- For services, cost-sharing and grants:
  - Evaluation and / or impact assessment if foreseen or deemed necessary by the OiC
  - Evaluation of CDE assistance by Beneficiary (if applicable)

Example of Final payment for a Service contract :

<b>Final payment:</b>  ..... EUR (max 40% remaining)	Upon receipt of the final invoice, receipt and acceptance of the final report by the CDE, submission of the original supporting documents justifying all fees and expenses (see CDE guide on 'eligible cost and supporting documents required').
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The cost categories in the invoice must always correspond to the budget categories (budget line items), and not exceed the available budget.

All invoices and payment requests must be addressed to the person that signed the contract on behalf of CDE.

CDE retains the right to perform 'in-situo' verification at the address of the contractor. CDE may also enlist a certified auditor to do so.