



Form SSP10

Service contract

between:

***Centre for the Development of Enterprise (CDE)–Private Sector Development
Programme (PSDP), Botswana***

Southern Africa Regional office
Private Bag 00148 Gaborone

and:

*Mr. Nick Craze, HCL Consultants Limited, Kallipoleos + Iphiyenias 1,
Nicosia 1055, Cyprus
Tel: + 30 210 924 0885
Fax: +30 210 9240769*

(here in after referred to as the contractor)

Contract n°:

CDE file n° : BOT/1314/01

1. TITLE OF PROJECT AND COUNTRY

Value Chains Analysis and Development in Emerging Sectors

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 main objective of this study is to generate sufficient information to identify the main opportunities and bottlenecks in the export value chains of the selected sectors.

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.

The work programme will be carried out according to the Terms of Reference, the Activity Plan, 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-PSDP, Botswana** shall inform each other immediately of any events that may affect the execution of the contract.

The contractor will submit to CDE-PSDP, Botswana 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.

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**.

Reports shall be submitted as follows:

- Inception report: Summary of key findings related to desk review of selected emerging value chains in Botswana to be submitted not later than **15 August 2014**
- Interim report: Draft Value Chains Analysis Report and Action plan to be submitted not later than **1 October 2014**. The Final Value Chains Analysis Report and Action plan to be submitted not later than **31 October 2014**. The
- Final report: Action Plan to be submitted not later than **20 December 2014**
- For all reports, comments by CDE (and possibly the Beneficiary) must be given to the contractor within **30 calendar days** after receipt of the draft report. Failure by CDE and the Beneficiary to submit comments indicates consent with the draft report, which then becomes final.

The type and number of copies shall be as follows:

Recipient:	Draft report	Final report
PSDP, Botswana	1 electronic copy	1 electronic copy with CD Rom Number of hard copies: 5

5. COST OF SERVICES

This contract is a Global Price and fee based of EUR 201,178

Note: Global price (Fees, direct costs and conference costs and no supporting documents will be required)

Fee-based (Reimbursable costs including transport and perdiem therefore for the last instalment all the supporting documents including a financial report should be provided) Refer to GEN 14 for supporting documents required.

6. PAYMENT OF SERVICES

Payments by the CDE, Botswana to the contractor will be made upon receipt of the appropriate invoices and supporting documents, on the following amount and schedule:

Advance payment : Euro 40,235.60	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 that the intervention has started. Amount equal to maximum 20% of the total approved budget including fees and lump sum costs.
1st Interim payment: Euro 70,412.30	35% of total approved budget (including fees and lump sum costs) will be paid upon the approval of submitted inception report (deliverable 1).
2nd Interim payment: Euro 50,294.50	25% of total approved budget (including fees and lump sum costs) will be paid upon the approval of Final Value Chains Analysis report (deliverable 2).
Final payment: Euro 40, 235.60	20% of total approved budget will be paid upon the approval of the submitted Action Plan for the selected value chains (deliverable 3) and upon approval of the respective supporting documents as stipulated in GEN 14 for reimbursable costs.

For all payments, the contractor must submit an official invoice according to the (tax) laws of its country. CDE-PSDP Botswana does not pay VAT or similar taxes.

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

The payments due to the contractor by the CDE-PSDP, Botswana 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**:

Bank: Societe Generale Bank- Cyprus Ltd
20 Ayia Paraskevi Street, Strovolos, Nicosia 2002,
Cyprus.
IBAN: CY68 0120 0033 0370 2200 8102 59 78
Account Number: 337022 0081 025 EUR

All invoices should be addressed to the Director, for the attention of the Accounts Department in Gaborone. 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 PSDP project and commitment numbers;
- the bank account details (IBAN format, with BIC code for foreign payments) as stipulated in this contract;
- a heading.

Electronic invoices should be sent to the address cdesaf@cde.int and should include the mention "**this invoice is in conformity with the original**" to be eligible.

CDE-PSDP Botswana 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-PSDP Botswana 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-PSDP Botswana liability.

7. GENERAL PROVISIONS AND CODE OF CONDUCT FOR PSDP CONSULTANTS AND EXPERTS

See annexes 1 and 2.

8. ADDITIONAL SERVICES

CDE-PSDP Botswana 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:

Roger N'Guessan

PSDP Botswana Coordinator

SAF RFO

Email: roger.nguessan@cde.int

Data given in CDE PSDP Botswana'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-PSDP Botswana, 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.

10. SIGNATURES

Authorized officer of CDE	Contractor
<p><i>Name, title and signature:</i></p> <p>Name: Sid Boubekeur</p> <p>Title: Head CDE Regional Office</p> <p>Signature:</p>  <p><i>Date and place of signature:</i></p> <p>Date: 28/07/2014</p> <p>Place: Gaborone, Botswana</p>	<p><i>Name, title and signature:</i></p> <p>Name: Mr. Nick Craze</p> <p>Title: Technical Director, HCL Consultants Ltd.</p> <p>Signature:</p>  <p><i>Date and place of signature:</i></p> <p>Date: 20.07.2014</p> <p>Place: Nicosia, Cyprus</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: Instruction to contractors and beneficiaries regarding Invoice / Payment request < Form **GEN12**>
- Annex 6: Eligible costs and supporting documents required < Form **GEN14**>



ANNEX 1 - GENERAL PROVISIONS FOR CDE CONSULTING SERVICES

1. OBLIGATIONS OF THE CONTRACTOR

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 not have decision-making responsibility.

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.

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 representations made are those of the contractor and its staff as private individuals and do not necessarily reflect the views of CDE.

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.

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 without the prior consent in writing of the CDE and the Beneficiary.

If the contractor is a consortium of two or more persons, all such persons shall be jointly and severally bound to fulfil the terms of the contract. The person designated by the consortium to act on its behalf for the purposes of this contract shall have the authority to bind the consortium.

2. RECORD KEEPING

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.

For fee-based contracts, timesheets recording the days worked by the contractor's personnel must be maintained by the contractor. The timesheets must be approved by the CDE or any person authorised by the CDE 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.

3. INSURANCE, SOCIAL CHARGES, LOSSES AND DAMAGES

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.

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.

4. PROPERTY RIGHTS

Except otherwise provided for, the results of the services under the present contract shall be the 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.

5. SUB-CONTRACTING

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.

6. PERSONNEL

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.).

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. DELAYS AND NON-PERFORMANCE

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 irrespective of the consequences provided for by the law applicable to the contract to terminate the contract without further formality. 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. 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 performed.

8. TERMINATION OF THE CONTRACT

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 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;
- (d) the contractor has been convicted of an criminal or civil offence, corruption, fraud, money laundering or similar situation that may be detrimental to the financial interests and reputation of the CDE;
- (e) the contractor has been guilty of grave professional misconduct proven by any means which the CDE can justify;
- (f) any other legal disability hindering performance of the contract occurs;
- (g) 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.

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 thirty days of submitting a correct and uncontested invoice;
- (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 consulting contract is impossible.

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. 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.

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.

9. ETHICS CLAUSES / CORRUPTIVE PRACTICES

CDE reserves the right to suspend or terminate the contract if corrupt practices of any kind are discovered at any stage of the award process or during the implementation of the contract. 'Corrupt practices' are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the CDE.

Contractors found to have paid unusual commercial expenses on contracts funded by the CDE are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving CDE funds.

10. ARBITRATION

Any dispute about this contract that cannot be solved by the contracting parties by an amicable conciliation shall be submitted to arbitration in Brussels by a single arbitrator agreed to by both parties. Should the parties be unable to agree on a single arbitrator within thirty days of the request of arbitration, then each party shall proceed to appoint one arbitrator and the two arbitrators thus appointed shall agree on a third. Failing such agreement, either party may request the appointment of the third arbitrator by the Chairman of the ACP/EC Committee of Ambassadors. The arbitrator shall rule on the costs that may be divided between the parties. The decision rendered in the arbitration shall constitute final settlement of the dispute.

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)

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

INTRODUCTION

The Private Sector Development Programme (PSDP) is Botswana Government initiative developed in partnership with the Ministry of Trade and Industry (MTI), the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) and the Centre for Development of Enterprise (CDE). The overall objective of the programme is to contribute to economic growth, employment creation and diversification resulting in the reduction of poverty. The programme is funded by the European Union (EU) and the CDE through a Contribution Agreement signed in February 2013.

The PSDP has a strong link with the Economic Diversification Drive (EDD) Strategy as well as with the Private Sector Development Strategy (PSDS) which both aim:

- (i) to diversify the economic and export base of the country into sectors that will continue to grow long after diamonds have run out, and
- (ii) to provide a systematic and coherent framework to promote the development and growth of the private sector.

The Programme focuses on a limited number of sectors for capacity building actions in order of priority as follows; (i) Manufacturing including Agro-industries, (ii) Tourism, (iii) Construction and Public works and; (iv) Information, and Communication Technology (ICT).

The first Component of PSDP involves mapping of value chain processes in priority sectors as above and identifying capacity building interventions that local companies may benefit to take advantage of business opportunities, thus improving their competitiveness. It will further promote business linkages between small, micro and medium enterprises (SMMEs); and between SMMEs and large local or foreign companies. It will also promote cross-border business linkages in line with the country's regional integration efforts.

In order to assist in the definition of Action plans for value chain and sector development in the framework of PSDP, a broad consultation took place in September 2013 with key stakeholders and practitioners, and a consultative workshop was organised to agree upon the list of sectors and products to be further developed through value chain approach. The participants to the consultative workshop acknowledged the comprehensive private sector development initiatives and work done on sectors/value chains development by national institutions including the Ministry of Agriculture (MoA), the Botswana College of Agriculture (BCA) and the Local Enterprise Authority (LEA) such as beef, small stock (sheep and goats), piggery, dairy, horticulture, and leather. The above value chain analysis reports present a thorough situational analysis, though lacking detailed Action plans which would help identify the concrete steps to be undertaken, particularly as regards capacity building in the priority sectors identified by PSDP.

After consultation with key PSDP stakeholders and sector experts, CDE/PSDP has decided to conduct further research through two separate value chain analyses as follows: (i) structured value chains composed of beef; horticulture; and tourism; (ii) emerging value chains composed of: 1- meat (piggery, goats and poultry), 2-dairy and 3-leather. It is important to note that the emerging value chains have been organised around two (2) groups based of Government priorities and sector policies: group 1: leather and dairy (sectoral strategies approved by government and existing value chain studies); group 2: piggery, goats, and poultry (characterized by lack of sector strategy and weak chain structure. However value chain studies have been undertaken in these areas).

Finally, CDE/PSDP will undertake an exploratory study to determine the prerequisite conditions for the development of selected merging value chains.

1 BACKGROUND INFORMATION

1.1 BENEFICIARIES

The beneficiaries of the services to be provided by the Service Provider are primarily the MTI and BOCCIM. The MTI and BOCCIM with the support of the CDE have joined their efforts to develop the PSDP aiming to strengthen

the capacity of SMMEs, Community Based Organisations (CBOs) including value chains development in a selected number of economic sectors under the framework of the PSDS adopted in 2008 by the Government of Botswana.

1.2 CONTRACTING AUTHORITY

The Contracting Authority is the CDE Regional Office for Southern Africa based in Gaborone, Botswana acting as the Executing Agency of the PSDP.

1.3 OVERVIEW OF THE PRIVATE SECTOR DEVELOPMENT PROGRAMME

The PSDS was designed by BOCCIM to provide a systematic and coherent framework to promote the development and growth of the private sector. It identified the gains achieved thus far, the bottlenecks and interventions that will contribute towards establishing an enabling environment that will spur entrepreneurial development; attract foreign and domestic private investment while at the same time, create business opportunities. The strategy responds to the aspiration of Vision 2016 and the theme of the National Development Plan (NDP) 10, 2009-2016.

Vision 2016 aspires to achieve its targets through sustainable growth and a diversified economy with mining, agriculture, industry, manufacturing, services and tourism playing a leading role. The theme of NDP 10 is "Creating the conditions for accelerated private sector growth in order to reach Vision 2016 targets". The government expects the private sector to lead the process for diversification of the economy, emphasising the central role of the private sector in driving future economic development and growth. The government, at the same time, recognised that the private sector needs strengthening for it to play this important role. It is in this context that an appropriate private sector organisation such as BOCCIM has been tasked to become the secretariat for PSDS. It was also recommended that BOCCIM be restructured to be the apex body representing the entire private sector in the country.

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 internal monitoring and evaluation (M&E) of the programme.

Key private sector development partners which played a vital role during formulation of the PSDP and that are involved in the programme are BOCCIM, Botswana Investment and Trade centre (BITC), 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).

The PSDP has the following objectives:

- **Overall Objective:** To promote economic growth, support employment creation and diversification resulting in the reduction of poverty in Botswana.
- **Specific Objectives:**
 - ✓ To improve the business environment in Botswana and stimulate economic diversification in the private sector
 - ✓ Develop and increase the role of the SMMEs in the economy

The areas of intervention that are targeted under PSDP are the following:

- ✓ **Intervention Area 1:** Capacity and competitiveness of SMMEs and CBOs including value chains is strengthened;
- ✓ **Intervention Area 2:** Service delivery of targeted Intermediary Organisations (IOs) and Business Development Service Providers (BDSPs) is enhanced;
- ✓ **Intervention Area 3:** Business environment for enterprises is improved. (Reduction of red tape and pilot on improved access to financing by SMMEs).

The services to be delivered by the service provider are linked to the above first two Intervention Areas.

1.4 VALUE CHAIN ANALYSIS UNDER THE FRAMEWORK OF PSDP

The principal aim of the Value Chain Analysis exercise is to generate sufficient information to identify the main opportunities and bottlenecks in the export value chains of the selected sectors, and to assess whether or not the intervention is likely to contribute significantly to increased exports to Europe and SADC regions by SMEs in these sectors, and if so, to prepare Plan of actions for a comprehensive capacity building intervention in the framework of the PSDP.

1.4.1 Definition of Value Chain

The term "Value chain" refers to coordinated relationships between actors who are involved directly and indirectly in a productive activity, from the primary stage production and inputs supply to the end consumers. Therefore, a value chain involves alliances between producers, processors, distributors, traders, and regulatory and support institutions, whose common starting point is the understanding that there is a market demand for their products and services.

1.4.2 Rationale for Value Chain Analysis and Development

The Government of Botswana acknowledged through the PSDS that in the short to medium term, the manufacturing including agro industries and tourism sectors will be the basis for job creation and economic growth. Other sectors for potential economic growth are also considered by Botswana Government namely ICT and Construction and Public works. In support of this vision, the CDE-PSDP is undertaking a series of value chain and sector analyses based on past and ongoing studies by national institutions such as LEA, MoA and BCA who did number of studies on Value Chain Analysis.

The value chain analysis is seen in the framework of the PSDP as fundamental to understand the role of key players involved in a given value chain, the challenge they face and the opportunities. Such an approach is essential for assessment of the needs of key actors which intervene in the value chain and for elaboration of the full-fledged capacity building actions taking into account the major constraints identified on the ground.

2 OBJECTIVE, PURPOSE AND EXPECTED RESULTS

2.1 OVERALL OBJECTIVE

In close collaboration with both private and public institutions supporting private sector development in Botswana such as BITC, BOCCIM, LEA, BEMA, and HATAB, the Service Provider will undertake an in-depth analysis of the selected value chains (1- meat (piggery, goats and poultry), 2-dairy and 3-leather) with the view to develop comprehensive **Action Plans** for improving the **competitiveness** of the actors involved in the target value chains. The Service Provider will have take to do a review of existing value chain studies mentioned above.

2.2 PURPOSE

The purposes of this assignment are the following:

- i. Facilitate a participatory approach of Value Chain Analysis with key stakeholders;
- ii. Undertake value chain mapping and analyses for the selected sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather) taking into consideration the difference between the groups;
- iii. Assess the proposed sectors to be supported through appropriate value chain analysis methodology;
- iv. Analyse what are the economic costs along each of the selected value chains;
- v. Determine where is the most value added to the value chain;
- vi. Determine who are the most important actors (champions / leaders) within the value chain; *To this end, the Service Provider will undertake visit/interview of ten (10) key players in the value chain;*
- vii. Define what is the institutional and financial framework of the value chain;
- viii. Determine where are the bottlenecks in the value chain;
- ix. Determine where is the market potential for growth;
- x. Assess what is the size of the chain considered;
- xi. Identify the potential for upgrading each of the value chains;

- xii. Determine what possible synergies exist with other sectors/chains;
- xiii. Analyse other issues related to value chain development which are relevant to the Service Provider.

2.3 EXPECTED RESULTS

The expected results to be achieved by the Service Provider are as follows:

- i. Key actors in each of the value chains are clearly identified and characterized based on Company Profile Template (To be provided to the selected company)
- ii. Profiles of key players / actors are developed
- iii. Problems (bottlenecks) in accessing current and potential markets identified
- iv. Appropriate solutions to remove the bottlenecks defined
- v. List of capacity building priority actions established
- vi. Detailed Plans of actions for the development of the target chains prepared
- vii. List of institutions responsible for implementing Plans of actions established
- viii. Detailed resources needed for the implementation of Plan of actions defined.

3 RISKS AND ASSUMPTIONS

3.1 RISKS

➤ Perceived Risks

The PSDP Logical framework well identified the risks involved in the implementation of this programme and the benefits expected at the completion.

The following are the main risks foreseen for the programme:

- Lack of interest by value chain actors for the study;
- Lack of or limited capacities of public and private actors in almost all aspects of value chain development;
- Weak support by IOs, BDSPs, and Government ministries, etc., for data collection.

➤ Mitigation Measures

The Coordinating Unit will apply mitigation measures as appropriate to lower the identified risks. These will include;

- Periodic consultations with government ministries, parastatals and private sector organisations as part of the sensitization process to create an enabling environment for PSDP implementation;
- Engage national institutions such as MoA, LEA and BCA to collaborate with the Service Provider in value chain analysis exercise based on their experience;
- Facilitate the use of past studies on value chains development;
- Assist the Service Provider in planning their mission to Botswana (setting of meetings with key stakeholders, etc.);
- Timely addressing any issue that could slow down the Service Provider intervention.

3.2 ASSUMPTIONS

The main assumptions in the Logical Framework Matrix are the following:

- No major budget constraints;
- The global economy and Botswana avoid double deep recession;
- Project implementation partners will dedicate required resources including logistics to the programme to ensure timely delivery of the services to beneficiaries.

4. SCOPE OF THE WORK

The Value Chain Analysis for emerging sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather)) will be undertaken by the Service Provider under the supervision of CDE-PSDP Coordinating Unit and will report to it.

3.3 ACTIVITIES TO BE CARRIED OUT IN THE FIELD FOR VALUE CHAIN ANALYSIS

The purpose of the study is to undertake a detailed market mapping and value chain analysis of the selected sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather) by identifying:

- 1) Undertake a desk research and advice on persons or institutions that could provide basic statistics on the potential of each value chain: annual production trends of goods and services, volumes of trade at rural and urban markets as well as at export level, end market quality requirements (exports, regional and national markets), possible market trends in the selected value chains, major trends affecting the products of each chain, the production costs of goods and services and the economic analysis of the each chain/sector, pricing, packaging, quality issues, etc.
- 2) Mapping of key primary chain actors along the value chain (from the primary stage production and inputs supply to the end consumers): identify who they are, possible numbers, their key functions, key operational challenges and possible interventions. Included in the analysis of the primary actors indicate the changes in prices along the value chain together with the margins and other economic aspects like market share of meat and its products transactions along the value chain. Also evaluate the social aspects, such as participation and governance along the chain as well as the key chain blocker(s) and enabler(s).
- 3) Mapping secondary actors / supporters of the chains and their role and services. Identify the challenges experienced in offering/accessing their services. Identify any gaps currently existing in service provision and who can best provide such services
- 4) Examine the regulatory and policy framework that affect both the meat sector, and secondary markets, outlining the key provisions, level of implementation and the challenges involved in their implementations. The Service Provider will recommend strategies that will strengthen advocacy activities and maximize engagement with policy making processes at national level.
- 5) Analyze the overall business environment under which the meat sector is operating and link this to the national level.
- 6) Analyze the gender and power dynamics along the value chains and advice on areas for improvement.

3.4 PERFORMANCE OBJECTIVES / DELIVERABLES

Based on the detailed analysis of the above, the Service Provider will provide:

- 1) A detailed analysis of the overall market opportunities for the various products within the overall meat sector that can potentially be exploited: locations, quantities, quality and other product requirements. The Service Provider will examine if the adoption of certification processes in the sectors considered would be an opportunity to explore. Of particular interest to the Programme are the possible inter-linkages between the selected sectors and other business services e.g. those interventions involving women and youth in these sectors. Where possible, the Service Provider will provide data that can be used to make decisions on future capacity building actions benefiting key champions to support investment opportunities in emerging value chains.
- 2) Delineate and examine the different market channels of for meat products, outlining opportunities for exploitation, additional investments, challenges and possible interventions. A market segmentation is expected with a possible examination and decision based on previous work done in the selected sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather).
- 3) An analysis of the basic business support services needed to strengthen the market system in support of the small/medium producers in leather, dairy, goats, piggery and poultry sectors. Identification of possible service gaps existing that needs to be filled.
- 4) An analysis of the competitors of Botswana leather and meat value chain, identify the basis for the competition and outline the perception of consumers on local products related to; 1- meat (piggery, goats and poultry), 2-dairy and 3-leather sectors.

- 5) Advice on the possibility/modalities of branding Botswana leather and meat products.
- 6) Make a series of recommendations on areas of improvement of; 1- meat (piggery, goats and poultry), 2-dairy and 3-leather value chains.
- 7) Make concrete recommendation for a functional business model to strengthen the selected value chains.

3.5 MEASURE OF SUCCESS/PERFORMANCE INDICATORS

The following are some indicators to measure the performance of the technical assistance:

- Provision of strategic support and guidance to PSDP Coordination Unit;
- Timely implementation of the study activities;
- Accurate, timely and quality work plan and reports;
- Efficient utilisation of national manpower and financial resources;
- Functional network of private and public institution in Botswana;
- Market survey materials developed and used
- Local experts involved trained on the job to perform value chain analysis for selected sectors
- Ineligible expenditures minimized.

3.6 OUTPUTS

The **Value Chain Analyses** will result in a prioritised Plans of Action to develop the local, regional and international market of the selected sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather) in order to maximize their overall contribution to Botswana socio-economic development.

It will enable the private and public sectors in Botswana to identify in the selected sectors:

- ✓ Main competitiveness constraints and propose response objectives and activities;
- ✓ Opportunities to enhance export performance;
- ✓ Establishment of private-public platforms/networks in the selected sectors
- ✓ Priority cross-sector trade support services to ensure a supportive business operating environment.

Based on the VCA, the Expert team will provide guidance and support to Public and private stakeholders in the design of a detailed 3-year Plan of Action and Implementation Framework (Roadmap), and will provides Botswana's TSIs with the required facilitation and expertise to guide the country throughout the implementation of PSDP Result Area 1 and Result Area 2 capacity building intervention.

The following are the main outputs of the value chain analysis study:

- 1) Detailed value chain analysis reports for the selected sectors (1- meat (piggery, goats and poultry), 2-dairy and 3-leather);
- 2) Detailed mapping of the national trade support network (i.e. of all those public and private sector institutions that have an incidence on competitiveness and export development) and of the mandate and scope of work of all institutions concerned;
- 3) Detailed Plans of Action, Resource Assessment and Implementation Management Matrix for each sector including but not limited the following;
 - ✓ Characterization of the actors in each of the value chains
 - ✓ Problems in accessing current and potential regional and international markets
 - ✓ Appropriate solutions to remove the bottlenecks
 - ✓ List of capacity building priority actions
 - ✓ Detailed list of actions, expected results and timeline for the development of the target sectors
 - ✓ List of institutions responsible for implementing action plans
 - ✓ Detailed resources needed for the implementation of the Plans of Action.

4 REQUIREMENTS

4.1 TECHNICAL PROPOSAL

The Service Provider will prepare a Technical Proposal to be submitted to the CDE-PSDP. The Proposal must include a section that is intended to demonstrate the understanding of and suitability for the assignment. This section must be written to address the following specific:

- 1) Understanding of the TOR and the tasks to be accomplished, including any specific comments on the TOR (4 pages maximum)
- 2) Highlight the methodology/approach through which the assignment will be executed (maximum 6 pages).
- 3) Suitability of the Key Experts proposed and details of backstopping to be provided for the duration of the assignment.

4.2 PERSONNEL

The Service Provider team will be composed but not limited of the following experts:

- A Team Leader with minimum an advanced degree in Economics, Finance, Management, Trade, Investment, International Relations, or any related discipline
- International experts specialized in value chain analysis with minimum a master degree in economics or trade, and
- National experts specialized respectively in leather, dairy, goats, piggery and poultry or private sector development with minimum a master degree in business and administration of economics.

When possible, the Service Provider will work closely with LEA and BCA which developed value chain approach as well as with national institutions identified as key stakeholders of the Programme.

4.3 LOGISTICS AND DURATION

4.3.1 Logistical Support

When possible, CDE/PSDP will provide the Office space and will make practical arrangements (missions) for the Service Provider for the implementation of this assignment. PSDP Coordinating unit and the programme implementing partners (MTI and BOCCIM) will be collaborating in the Value Chain Analysis studies. Three (3) coordination meetings are foreseen during the assignment.

The following documents will be provided to the selected Service Provider:

- a) Value chain analysis reports of MoA, LEA and BCA
- b) Private Sector Development Strategy
- c) Annex 1 of the Contribution Agreement (Description of the Action "Support the implementation of the Private Sector Development Strategy and the Economic Diversification Drive"
- d) The "Economic Diversification Drive" Strategy
- e) Other relevant information deemed necessary to support the Technical Assistance programme.

4.3.2 Duration

The Service Provider intervention on value chain studies is expected to be completed in five (5) months including the inception phase.

4.4 MONITORING AND EVALUATION

A Monitoring and Evaluation Committee (M&E Committee) composed of CDE, MTI, BOCCIM and PSDP will oversee the implementation of this assignment.

Three (3) meetings are foreseen to assess the assignment against the performance objectives outlined above to take place concurrently with the Service Provider missions to Botswana.

5 REPORTING

The following are reporting requirements for this assignment to PSDP.

- **Deliverable no. 1: Inception report**

Based on initial desk work, the Service Provider will present an Inception Report (deliverable no. 1), by 15 August 2014, containing, for each selected sector

- ✓ Summary of the desk review of studies done by national institutions and Government
- ✓ Information gaps in the Value chain analysis
- ✓ Brief overview of (qualitative) market trends, opportunities and main requirements for Botswana exporters
- ✓ Volumes and quantitative trends in European demand and Botswana exports to Europe and the SADC region regarding each of the selected products
- ✓ A revised Work plan for value chain analysis, and proposed approach to fill the information gaps.

The Inception report will be submitted to and discussed with the CDE-PSDP Coordinating Unit.

- **Deliverable no. 2: Value chain analysis reports**

The second report to be prepared by the Service Provider for submission to the CDE-PSDP Coordinating Unit will contain the findings of further desk research and the outcomes of the Workshop 1 and Workshop 2. See section 7 on field work methodology above. In the reports (one per product), further desk work as well as field work through national workshops on sector value chain mapping and analyses are done to complete the analyses, validate findings with stakeholders and prepare the reports.

The draft Value Chain Analysis reports are expected to be submitted and presented to PSDP Coordinating Unit by 1 October 2014, after which it will be finalized. The final **Value chain analysis reports** (deliverable no. 2) are expected to be submitted by 31 October 2014.

- **Deliverable no. 3: Plans of action**

The last report to be delivered by the Service Provider related to VCA concerns the Plans of actions and implementation management framework (Roadmaps) that will serve as the basis for capacity building actions of PSDP. Based on the findings of Workshop 2 (see Section 7), the Service Provider will prepare and present the **Plans of action (deliverable no. 3)**, by 20 December 2014, containing the following:

- ✓ Strategic Plan of Action/implementation management framework (Roadmap) for the selected sectors
- ✓ Plan of Action/implementation management framework
- ✓ Systems and structures required to support the successful management and implementation of the Roadmaps over 3-year period.

Note: The Team Leader is expected to participate in coordination meetings at the request of the CDE-PSDP Coordination Unit. This will be done during field missions.

6 BUDGET FOR THE INTERVENTION

6.1 FEE RATES AND OTHER COSTS

This is a Global Price contract for this assignment. Maximum amount available is Euro 201,178 covering Fees, direct costs, and reimbursable costs.

ANNEX 4: BUDGET

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N°	Type of Cost	Unit	Unit Cost (Euros)	Qty	Total Cost (Euros)
1	HUMAN RESOURCES				
1.1	Experts' fees				
1.1.1	Team Leader - Mark HeEyer	man/day	850	45	38,250.00
1.1.2	Expert 1 - Elizabeth Menda	man/day	750	35	26,250.00
1.1.3	Expert 2 - Patrick Malope	man/day	700	40	28,000.00
1.1.4	Expert 3 - Kevin Kalunda	man/day	650	35	22,750.00
1.1.5	Expert 4 - Solomon Mompoti	man/day	600	35	21,000.00
1.1.5	Expert 5 - Gideon Phiri	man/day	700	20	14,000.00
	TOTAL HUMAN RESOURCES				150,250.00
	DIRECT COSTS				150,250.00
2.1	Telecommunications and mail	Lump sum			0.00
2.2	Office supplies and consumables and other miscellaneous cost	Lump sum			0.00
	TOTAL DIRECT COSTS				0.00
3	REIMBURSABLE COSTS				0.00
3.1	Transport costs for experts				
3.1.1	Team Leader	Trip	1,500	3	4,500.00
3.1.2	Expert 1	Trip	1,000	3	3,000.00
3.1.3	Expert 2	Trip			0.00
3.1.4	Expert 3	Trip			0.00
3.1.5	Expert 4	Trip			0.00
3.2	Per diem for experts*	Trip			0.00
3.2.1	Team Leader	Day	64	209	13,167.00
3.2.2	Expert 1	Day	49	209	10,241.00
3.2.3	Expert 2	Day	10	209	2,090.00
3.2.4	Expert 3	Day	10	209	2,090.00
3.2.5	Expert 4	Day	10	209	2,090.00
3.3	Other reimbursable costs				
3.3.1	One day conference package for 35 participants (including room, catering, IT equipment, and printing) - Inception workshop	Day	100	35	3,500.00
3.3.2	Half day conference package for 2x participants per group of 3 sectors (meet; dairy and leather) (including room, catering, IT equipment, and printing) - Mapping of value chains	Day	100	37.5	4,750.00
3.3.3	One day conference package for 35 participants (including room, catering, IT equipment, and printing) - Action Plans validation workshop	Day	100	35	3,500.00
3.3.4	Regional Travel (Survey Team)				
	TOTAL COSTS REMBOURSABLES				3,000.00
	TOTAL				150,250.00

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149: The Commission report for local citizens and for the courts mentions the following expectations from local citizens: <http://m.polska.gov.pl/tekst/13710000000>

Druckkosten: 161.600 €
 reimbursable: 40.178 €

 201.778 €

ANNEX 5 - INVOICE / PAYMENT 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 (initial / interim / final balance due)
- Name and address of the contractor / beneficiary
- Date
- Invoice number
- 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)

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)

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)

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-situ' verification at the address of the contractor. CDE may also enlist a certified auditor to do so.

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ANNEX 6 - 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
1	Human resources			
1. 1	Fees for <u>external</u> experts contracted	<p>The fees cover:</p> <ul style="list-style-type: none"> - 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 - all related costs: fiscal charges, social security, medical cover, family benefits, insurance, holiday rights, pension payments etc - office costs of the contractor, including internet and regular telecommunication costs - general overhead costs of the contractor - the margin of the contractor <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"> 1. Bank Transfer Advice (debit) to account as indicated in the contract, or 2. Bank debit of cheques
1. 2	Labour cost for Beneficiary (and partners') staff involvement for all contracts signed with non-profit organizations (covered by Beneficiary) Applies to cost-sharing and grant contracts	<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"> - Addition of annual gross salary, social security and all charges up the salary in strict sensu divided by 220 days. 	Use one budget line per category of personnel and specify the category (e.g.: 1.2.1. Project co-ordinator at xxx euros/day;	Calculation of the daily rate, Itemised statement per expert, with timesheet certified by the Beneficiary. (see below, point C presentation of invoices)

			1.2.2. Logistics specialist at yyy euros/day; 1.2.3. Administrative personnel at zzz euros/day).	
2 Per Diem (daily allowance) and other fixed costs				
2. 1	Per diem (daily allowance) during travel Applies to consultants and to staff of beneficiaries in cost-sharing and grant contracts	<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: http://ec.europa.eu/europeaid/perdiem/index_en.htm</p> <p>The per diem is a fixed daily allowance that covers:</p> <ul style="list-style-type: none"> - 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. <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 participants should co-sign against the amount received</p>
2. 2	Telecommunications and mail charges. Applies to cost-sharing and grant contracts	<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

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2. 3	Costs of consumables and supplies. Applies to cost-sharing and grant contracts	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. 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.	Specify a fixed amount (lump-sum)	None
3 Reimbursable expenses				
3. 1	Travel costs Applies to consultants and to staff of beneficiaries in cost-sharing and grant contracts	<p><u>Travel by air:</u> 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 flexible fare</u> 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> The maximum reimbursable cost of return travel by train is a first class ticket.</p> <p><u>Travel by car:</u> 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> 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 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.</p>	Use one budget line per category of travel (e.g.: 3.1.1. AirtravelAfrica - Europeatxxx euros/trip; 3.1.2. Intra-EU travelatyyy euros/trip; 3.1.3. Car hire at zzz euros/day)	<p><u>Travel by air:</u> air ticket invoice, air ticket stub and boarding cards. If no air ticket stub delivered by the airline, a document from the airline stating the price paid. 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>

		However, these may not exceed the budget.		
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)
4	<u>Contingencies</u>			
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 euro. Fees are nearly always expressed in euro. 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/infocureuro/>. 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 20,000 euro, a single offer will do. For services and supplies with a value above 20,000 euro, 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)

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