

ORGANIZATION OF AFRICAN UNITY
INTERAFRICAN BUREAU FOR ANIMAL RESOURCES
(OAU-IBAR)



PAN-AFRICAN PROGRAMME FOR THE CONTROL OF
EPIZOOTICS
(PACE)

EUROPEAN DEVELOPMENT FUND PROJET NUMBER REG/5007/005
EDF VII AND VIII

FINANCING AGREEMENT No. 6125/REG

MANUAL OF PROCEDURES

MANUAL OF PROCEDURES FOR THE PANAFRICAN PROGRAMME FOR THE CONTROL OF EPIZOOTICS

Reviewed : 02/02

PART 1

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1. SUMMARY INTRODUCTION TO THE PAN AFRICAN PROGRAMME FOR THE CONTROL OF EPIZOOTICS (PACE) PROGRAMME AND OBJECTIVES

Animal health is a prior condition for the development of livestock farming and the rural world in Africa where, despite meat imports in particular, the population does not get proper amounts of animal protein. Animal diseases are one of the main reasons for this shortage because of their direct effects on livestock – mortality, drops in production etc. In addition the current situation of health insecurity discourages investment in the sector.

The Pan-African Rinderpest Campaign (PARC) has been cofinanced by the European Community (EC) since 1986. It has already done a great deal to improve health security by combating rinderpest, one of the most devastating contagious diseases of cattle. PARC's positive results, confirmed by an independent evaluation in 1996/97, offer a firm basis for eradicating rinderpest and controlling other major diseases.

The idea behind the PACE Programme is to build on the headway made in the campaign against rinderpest in order to establish lower-cost national and continental epidemiological surveillance networks for the main animal diseases, provide the countries with the capacities needed to organise economically and technically justified control programmes and develop effective and sustainable distribution of veterinary products and services.

The five-year PACE programme will cover 32 sub-Saharan African countries. It will be coordinated by the Inter-African Bureau for Animal Resources (IBAR) of the Organisation of African Unity (OAU). A participatory approach will be adopted so that livestock farmers and animal health professionals will be involved in implementing the programme. All animal product consumers will benefit from the PACE Programme, as well as the national economies of the participating countries.

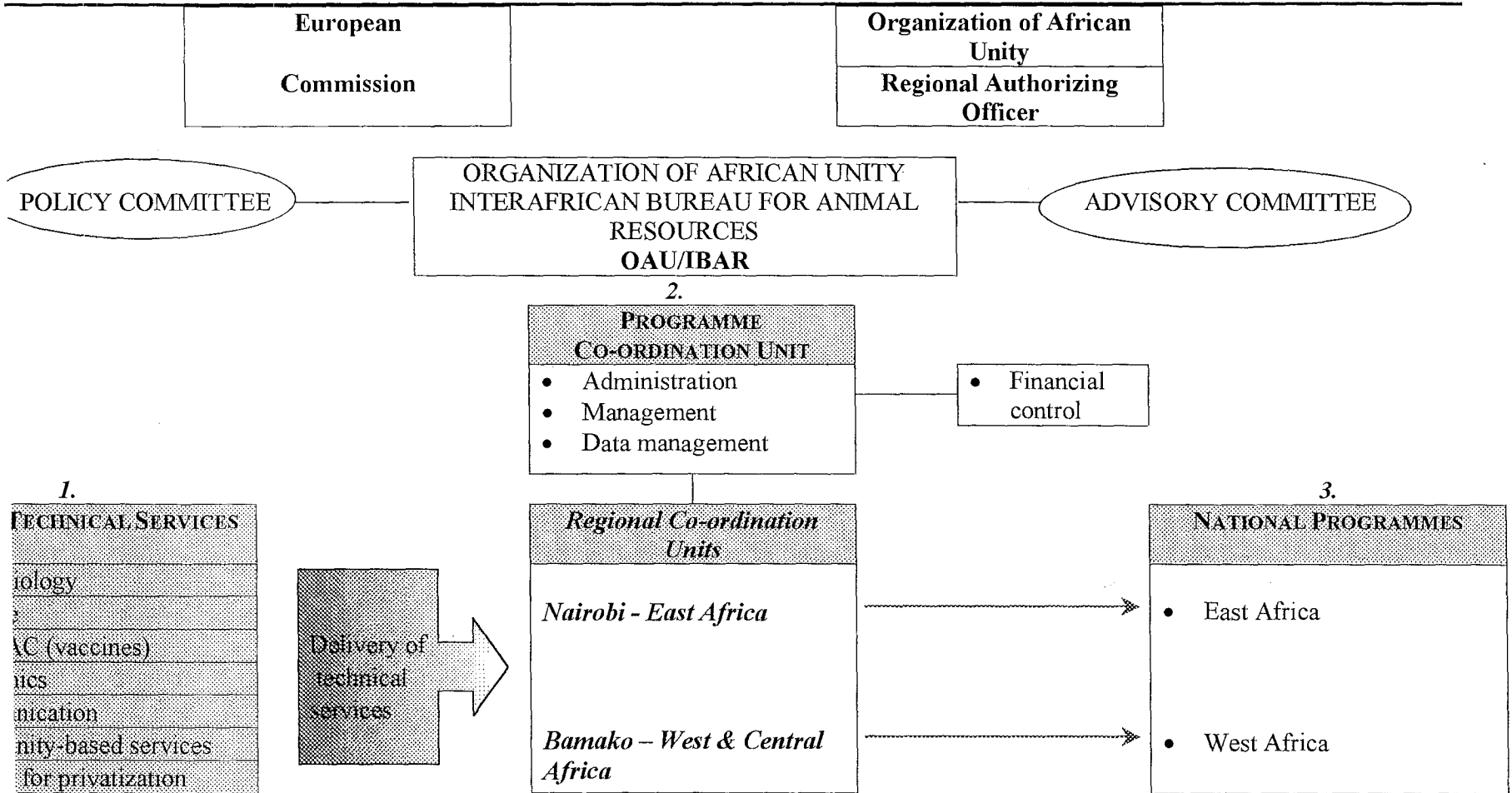
The programme will include national operations planned and implemented in each country and also sub-regional and regional support and coordination components. By creating an appropriate health security framework, the PACE programme will remove one of the major constraints on the development of the livestock farming sector. It will thus help to improve farmers' incomes and people's general living conditions. Other programmes can be developed to back up these activities, for example in support of the necessary increases in animal productivity.

Its financial return will be at least 19% in 10 years and the transfer of technical capacity on the ground will ensure that its effects are sustainable. The total cost of the programme is EUR 72 million, some 74% for the national components and 26% for services common to the various countries (regional component), including contingencies. It will last for five years.

Objectives of the PACE Programme

Goal (Overall objective)	Combating poverty among those involved in stock farming by improving productivity.
Purpose (Immediate objectives)	<ol style="list-style-type: none">1. Strengthening the capability (National and regional) to assess the technical and economic aspects of animal diseases and generate appropriate programmes for their control.2. Safeguarding animal health in Africa against major animal health diseases (OIE List A diseases).
Results	<ol style="list-style-type: none">1. Reinforcing animal epidemiology services (information, diagnostics and follow-up) and control of major animal diseases in the participatory countries.2. Greater privatization of veterinary services and public/private sector linkage in the field.3. Rinderpest eradicated from Africa; greater control of other epizootic diseases, especially CBPP.4. At pan-African level, sustainable co-ordination of national animal health systems and arrangements for tackling epizootic diseases set up.

2.ORGANIGRAMME OF THE OAU-IBAR PACE PROGRAMME
PAN-AFRICAN PROGRAMME FOR THE CONTROL OF EPIZOOTICS (PACE PROGRAMME)
OUTLINE OF ORGANIZATION & MANAGEMENT



Common services include: Research; Reviews, monitoring & evaluations; Support for veterinary schools.

3. The PACE LOGO



4. TERMS OF REFERENCE FOR THE ADVISORY COMMITTEE FOR THE PACE PROGRAMME

The Advisory Committee will be established in order to assist the orientation and implementation of the PACE Programme. The costs of the Advisory Committee will be met from provisions in the budget of the PACE Programme Co-ordination Unit.

The Advisory Committee will have the following terms of reference.

Terms of Reference of the Advisory Committee of the PACE Programme

The Advisory Committee will act as a non-decision-making advisory body to the OAU and the EU, who are the co-signatories to the financing agreement for the PACE Programme. By serving as a technical and financial guarantor for the donor(s), the Advisory Committee should enable OAU/IBAR to be an effective interlocutor for African states.

4.1. Duties and responsibilities of the Advisory Committee and its members

The specific tasks of the Committee will be to:

- Consider the proposed work plans of the PACE Programme's various components and recommend appropriate measures to improve the Programme's effectiveness and efficiency.
- Advise on co-ordination and management of the PACE Programme's technical activities.
 - Advise on the National Components of the PACE Programme, at a country by country level.
 - Examine the strategy options of the PACE Programme.
 - Twice a year, examine the progress in the implementation of the Programme, on the basis of reports submitted by the Director of the OAU/IBAR and other reports.
 - From its own budget line within the annual work programme and cost estimate for the PACE Programme's Co-ordination Unit, commission independent, complementary investigations that are directly relevant to the Programme's objectives (*i.e.* to clarify the status of certain diseases, the reliability of data, or to monitor or evaluate specific components of the Programme).
 - Assist the OAU/IBAR and the European Commission with the monitoring and evaluation of the PACE Programme.
 - Express its opinion on the technical coherence and management capacity of the PACE Programme at all levels, and on other relevant proposals that may be submitted to the EC for possible financing.
 - Examine the adjustments to the Country Allocations, propose reallocations to the European Commission.
 - By the end of each meeting, produce minutes for the information of the OAU, member countries of the PACE Programme, the EC, EU Member States and international organizations that have direct interest in animal health in sub-Saharan Africa.

4.2. Frequency of meetings

The Advisory Committee will meet twice a year, approximately every six months. Each

meeting will last for a total of **3 - 5 working days**. The Chairman may call extraordinary meetings if the need arises.

4.3. Rules of the Advisory Committee

The Committee will have a quorum of five of its seven members, provided that the representatives of the OIE, OAU/IBAR and the EC are present.

Each member organization represented shall have only one vote.

The Secretary to the Advisory Committee shall circulate a provisional agenda at least two weeks before each meeting.

Brief, action-oriented minutes of each meeting shall be available on the last day of the each meeting. These may be supplemented by more lengthy reports, which each member shall submit timeously, as requested by the Committee.

Subject to obtaining the prior agreement of the Chairperson, the Secretary may invite observers or advisors to meetings of the Advisory Committee. Such observers and advisors shall have no voting rights.

4.4 . Proposed membership of the Advisory Committee

- Office Internationale des Epizooties (OIE, Paris) *Chair*
- Organization of African Unity InterAfrican Bureau for Animal Resources (OAU/IBAR) *Secretary*
- European Commission (Delegation, Kenya & SCR, Brussels) *Member*
- Food & Agriculture Organization (FAO, Rome) *Member*
- International Atomic Energy Agency (IAEA) Joint Division of Animal Production & Health *Member*
- Centre International pour le Recherche Agronomique pour le Developpement, Departement d'Eleavage et Medecine Vétérinaire Tropicale (CIRAD-EMVT, Montpellier) *Member*
- World Reference Centre, Pirbright *Member*

5. TERMS OF REFERENCE FOR THE POLICY COMMITTEE FOR THE PACE PROGRAMME

The Policy Committee will have the following terms of reference.

5.1. Role of the Policy Committee of the PACE Programme

The Policy Committee will have a dual function. First, it will promote the exchange of information on policies and policy initiatives relevant to the PACE Programme and the OAU/IBAR. Second, it will have the important role of promoting the PACE Programme's political profile and harmonizing policies related to livestock development and trade.

5.2 Duties and responsibilities of the Policy Committee and its members

The specific tasks of the Committee will be to:

- Exchange information on the PACE Programme's various activities and other relevant initiatives in livestock development and other sectors.
- Define the policy guidelines of the PACE Programme on the basis of those adopted and recommended by African governments and donors that fund livestock development interventions.
- Recommend to the OAU/IBAR measures to improve the sustainable impacts of its projects, particularly the PACE Programme.
- By the end of each meeting, produce minutes for the information of Member States of the OAU, the Advisory Committee of the PACE Programme, the EC, EU Member States, other donors and organizations that have direct interest in animal health in sub-Saharan Africa.

5.3. Frequency of meetings

The Director of the OAU/IBAR, the implementing agency of the PACE Programme, will convene meetings of the Policy Committee once every two years. Each meeting will last for 3 working days. The Chairperson may call an extraordinary meeting if the need arises.

5.4. Rules of the Policy Committee

The Committee will have a quorum of five of its eight members, provided that the representatives of the OIE, OAU/IBAR and the EC are present.

Each member organization represented shall have only one vote. The Chairperson shall have a casting vote.

The Secretary to the Policy Committee shall circulate a provisional agenda two months before each meeting.

Brief, action-oriented minutes shall be available on the last day of the each meeting. These may be supplemented by more lengthy reports, which each member shall submit timeously, as requested by the Committee.

The Director of the OAU/IBAR may invite observers or advisors to meetings of the Policy Committee. Such observers and advisors shall have no voting rights.

5.5. Proposed membership of the Policy Committee

- Director, Organization of African Unity InterAfrican Bureau for Animal Resources (OAU/IBAR) *Chairperson*
- PACE Programme Co-ordinator *Secretary*
- European Commission (Delegation, Kenya & SCR, Brussels) *Member*
- Food & Agriculture Organization (FAO, Rome) *Member*
- Department for International Development (DfID, UK) *Member*
- French Co-operation *Member*
- German Technical Co-operation (GTZ) *Member*
- United States Agency for International Development *Member*
- International Fund for Agricultural Development (IFAD) *Member*
- World Bank *Member*
- Southern African Development Community (SADC) *Member*
- InterGovernmental Authority on Development (IGAD) *Member*
- Economic Organization of West African States (ECOWAS) *Member*

5.6. Advisors and observers

The Chairperson of the Policy Committee may invite advisors and observers from the following categories of stakeholders :

- International agencies
- State veterinary services
- Research and vaccine production institutions
- Non-governmental organizations (NGOs)
- Veterinary associations
- Veterinary faculties
- Livestock traders' associations
- Pharmaceutical industry

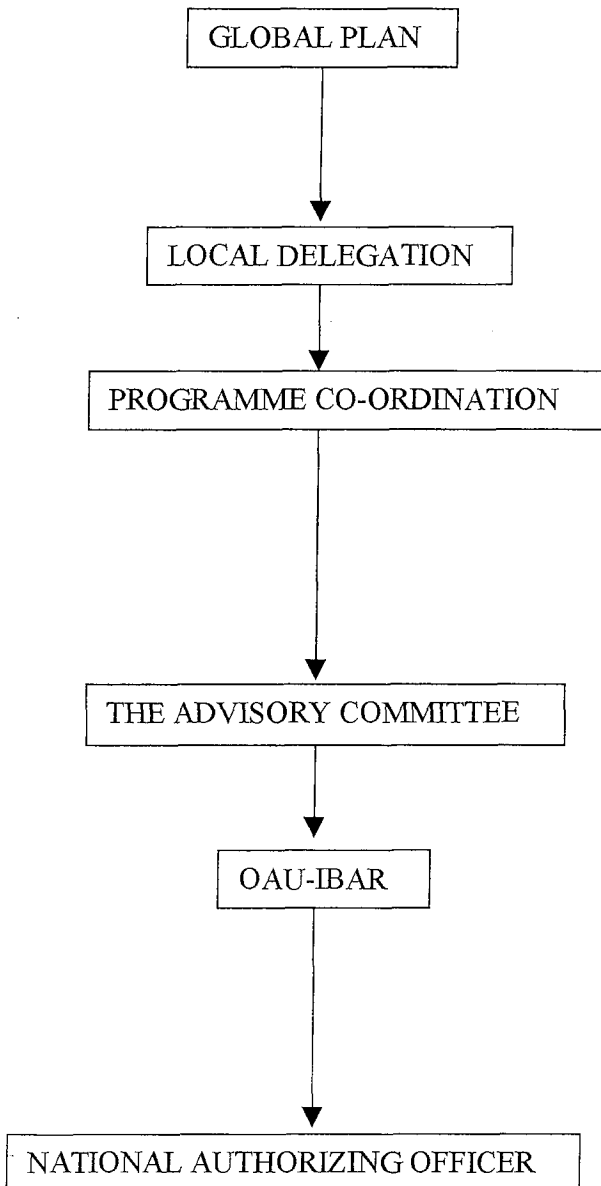
6. PROCEDURES FOR APPROVAL OF THE GLOBAL WORK PLANS AND BUDGETS

6.1. The NATIONAL GLOBAL PLAN: From Preparation to Approval

Prior to be eligible for financing, each country of the PACE Programme has to present a GLOBAL PLAN. In this global plan, the countries explain their activities and strategies that will be developed during the PACE Programme – 5 years- ; the planned activities are set out over maximum 5 work programmes and the expenses linked to these activities might not exceed the given indicative budget.

A positive opinion from the PACE Advisory Committee is needed for each Country Global Plan before the first year Work Programme can be introduced. The Global plan is a “one time document”.

Action



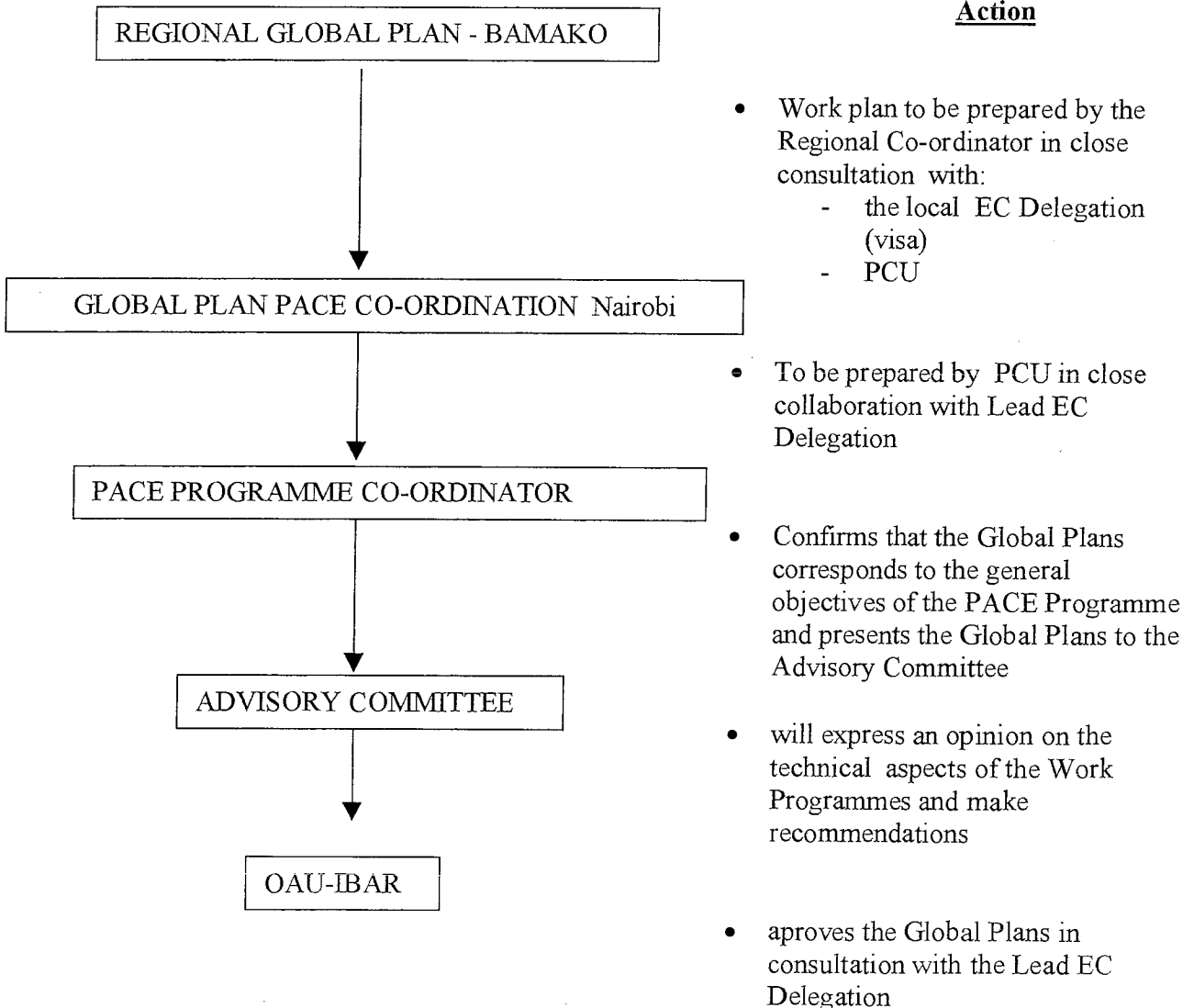
- To be prepared by the National Co-ordinator in close consultation with the Regional Coordination Unit, the PCU, the national stakeholders and the Local Delegation
- Approves the Global Plan and informs the Lead Delegation
- Confirms that the Global Plan corresponds to the objectives of the PACE programme
- Analyses by the Financial Unit (appropriateness of prices, budget lay-out, realistic link to indicative amounts,...)
- Will express an opinion on the technical quality of the Work Plan and make recommendations
- OAU-IBAR approves the Global Plan
- A Memorandum of Understanding (MOU) is signed by the RAO and forwarded to the National Administration with the Global Plan annexed
- Signs the Memorandum of Understanding
- A copy is transferred to the Local Delegation

- 2 signed originals of the MOU are returned to OAU-IBAR and 1 is transferred to the Lead Delegation in Nairobi

6.2. GLOBAL WORK PLAN and Budget for : PACE REGIONAL COORDINATION UNIT for WEST AND CENTRAL AFRICA IN BAMAKO.¹ and THE PACE CO-ORDINATION UNIT IN NAIROBI

From preparation to approval

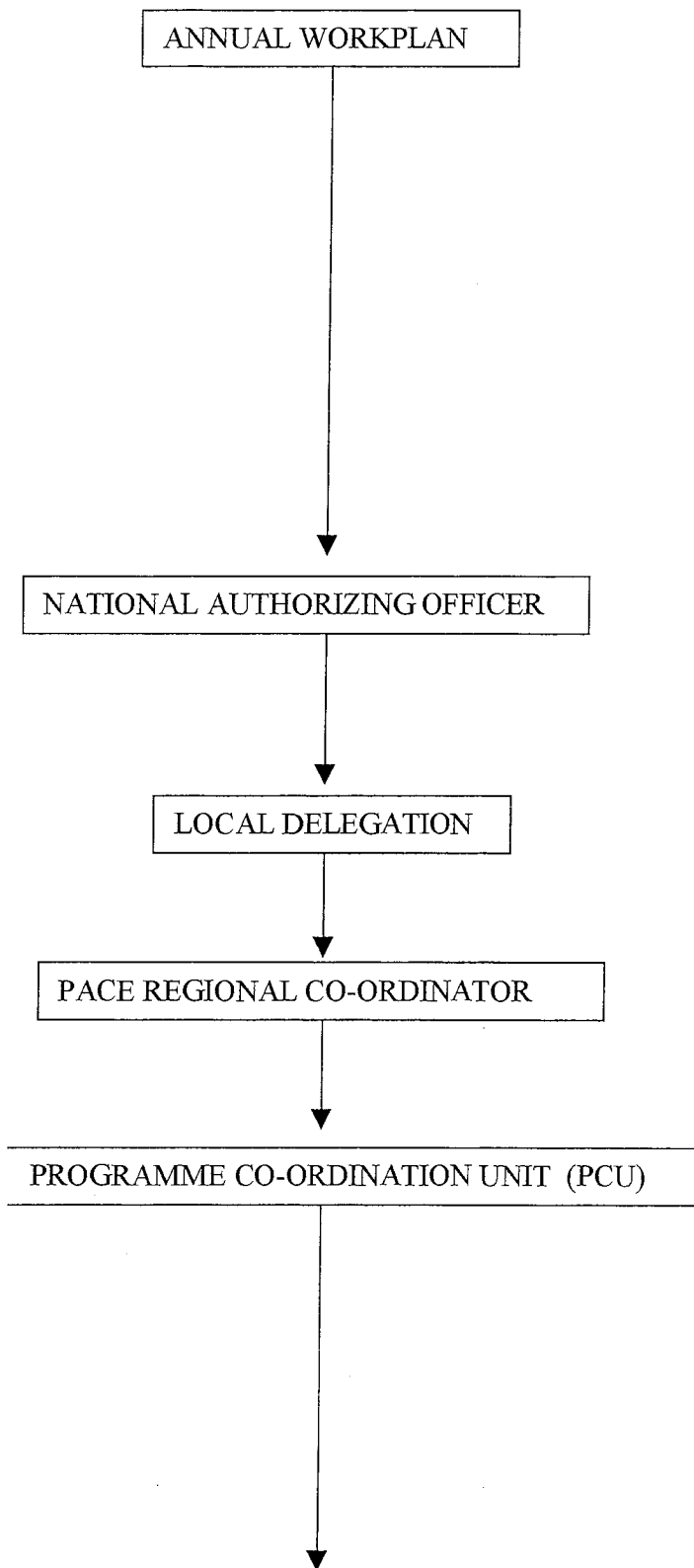
Both PCUs are to present an initial Global Plan in which they set out their activities over 5 one year Work Programmes. This Global plan is as well a ; one time document”.



7. The procedures for the approval of the ANNUAL WORK PLANS AND BUDGET :

7.1. THE NATIONAL ANNUAL WORK PLANS AND BUDGETS

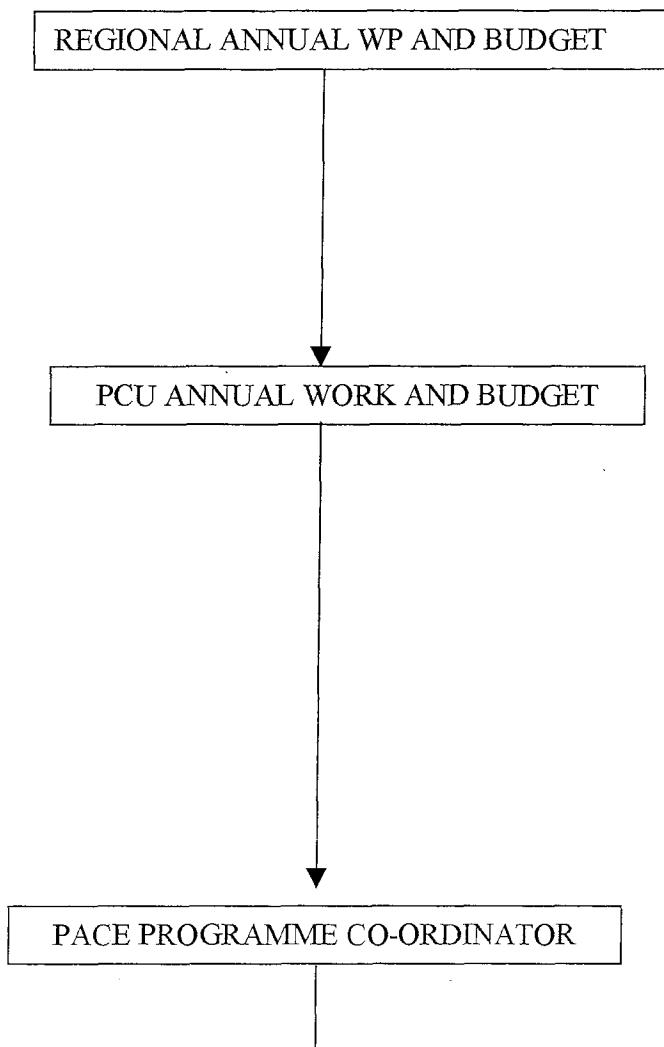
from preparation to approval



- to be prepared by the National Co-ordinator in close consultation with :
 - the PCU, the National stake holders , the Local Delegation and the Regional Co-ordinator and technical units
- in accordance to the approved Global Plan and the Regional Strategy Guide Lines
- the WP is visaed by the NAO (appropriateness of prices, budget presentation and lay out,...)
- The WP is visaed by the Local EC Delegation
- The WP is analysed by the Regional Co-ordinator and approved
- Technical units provide technical analyses and approve
- Financial Unit:
 - Financial analyses
 - Comparison with indicative budget
 - Appropriateness of prices
 - WP is ready for consolidation

7.2. The REGIONAL COORDINATION UNIT –Bamako- and THE PACE COORDINATION UNIT Nairobi - Annual WP and budget - From preparation to Approval

The two coordination units presents their yearly Work Programme in one document, but the budgets are separated (the Regional East Africa Coordination Unit is presented in the Work Programme and budget of the PCU Nairobi , but will be separated later)



Action

- The Bamako WPB is prepared by the Regional Co-ordinator in close consultation with:
 - The EC Delegation –
 - The regional technical services
 - The PCU
- The Nairobi WP is prepared by the PACE Programme Co-ordination Unit team:
 - The PACE Programme Co-ordinator
 - The Main Technical Assistant
- In close consultation with:
 - The technical unit (incl. Financial UNIT)
 - The Lead Delegation
 - The two Regional Co-ordinators
- Approves the WP and transfers to RAO

REGIONAL AUTHORIZING OFFICER



LEAD DELEGATION

- The RAO approves the WP and budget taking into account the opinion of the PCU and the PACE Programme Co-ordinator
- The RAO formulates a request for commitment of funds to the Lead EC Delegation
- The WP is passed to the Lead Delegation for processing

- Endorsement of the WP
- An advance is paid to the local bank account of the PCU and the Regional PACE Programme in Bamako

7.3. THE YEARLY WORK PROGRAMMES IN THE FRAME WORK OF AN ADMINISTRATIVE ORDER

- These Work Programmes are to be prepared by the Consultancy Company and to be send to the PACE Coordinator (Financial Control Unit)
- The RAO and the Lead Delegation must approve this WP;

8. The Introduction and approval of the CONSOLIDATED WORK PROGRAMME for the National PACE Programmes.

- As mentioned in point 7.1. , the approved yearly National Work Programmes (signed by NAO, Local EC Delegation and National Coordinator) are NOT introduced to the Lead EC Delegation country by country for funding , but over consolidated batches of countries
- As from the year 2002 on , the PCU withheld **two dates** for the introduction of the yearly National PACE Work Programmes :
 - 1/5
 - 1/11
- In order to bring all the PACE countries into these two start-up dates, some country programmes ending 12/01 will be extended in time and others – ending 05/02- will be reduced

- *Procedures of introduction and approval:*

PACE PROGRAMME COORDINATOR

- Prepares the Consolidated Work Programme in the light of the overall recommendations formulated by the Advisory Committee;
- Presents the Consolidated Work Programme to the RAO

REGIONAL AUTHORIZING OFFICER (RAO)

- Approves the Consolidated Work Programme taking into account the opinion of the : Advisory Committee, the PACE Coordinator and the PACE technical services;
- Presents the Consolidated Work Programme for funding to the Lead Delegation in Nairobi;

EC Lead Delegation – NAIROBI

- The Commission endorses the Consolidated Annual Work Programmes
- Funds are committed by EC Brussels
- Advances are paid out to the National PACE Programme bank accounts

❖ Remarks on the payment of the WP Advance Funds:

- After acceptance of the Consolidated work Programme by the Technical Services of the European Commission in Brussels and the Lead Delegation in Nairobi, the PCU is informed by the Lead Delegation that the Consolidated work Programme is accepted as from: -date- on.; this means that expenses can be accepted and charged on the PACE budget as from that date on – even if the advance is not yet received)
- The PACE Programme Coordination Unit informs the concerned countries of the date of approval of the consolidated WP (fax, email)
- Once in possession of the commitment numbers of the committed National PACE Programme Funds (numbers given by the Finances Department of the EC in Brussels to the Lead Delegation in Nairobi) , the PACE Programme Financial Unit proceeds to the establishment of the letters of “**Delegation of Authority**” , whereby the Regional Authorizing Officer of the EDF (RAO) the Director of OAU-IBAR, authorizes the National Authorizing Officer (NAO) to proceed to the establishment of

a PAYMENT ORDER (PO) in favor of the National PACE Programme of country X as an advance of 40% on the approved Work Programme.

- The letter of “ Delegation of Authority “ is sent by the PCU to the National PACE Coordinators by email or fax (for information) ; the original is sent to the National Coordinator by DHL;
- On receipt of the original , the National PACE Coordinator is to contact the NAO and/or the local EC Delegation in order to organize a swift transfer of the Advance;
- In the framework of the signed “ **Memorandum of Understanding** “ between the **RAO** and the **NAO** , the local **NAO** can now organize a **PO** to the National PACE Programme bank account out of his EDF pay account to start up the local PACE Programme;
- If the National PACE Coordinator encounters any problems for the execution of the Advance payment, he should contact the PCU;

Important REMARKS:

Procurements and Services:

- ❖ By the building up of the Consolidated Work Programme , the Financial Control Unit of the PCU , will screen all the National PACE Work Programmes for procurements of equipment (or services) exceeding 100.000 Euro;
- ❖ These procurements of over the 100.000 Euro (like : vehicles, motos, TA , ...) are included in the overall cost estimates for the country , but will be **excluded** from the imprest account; (as explained in Table 1 of the “ Imprest Account Contractual Document “
- ❖ The Procurements of over 100.000 Euro will be organized over specific tenders and commitments with assistance of the NAO and local EC Delegations;
- ❖ This means that the amount of the budget for the National Work Programme will be reduced for these specific procurements and that the Advance of 40% will be reduced as well;
- ❖ Models for Tender Dossiers can be obtained with the PCU Nairobi;

Annexes to WP:

- ❖ Each yearly presented Work Programme and Cost Estimate (budget) **MUST** be accompanied by the following **2 Annexes:**
 - Imprest Account Contractual Document

- Detailed Rules for Conducting Imprest Accounts in EDF financed Programmes and Projects

These two typical EC- EDF documents are to be attached to **every PACE WP** presented ; the PACE national Coordinators must make sure that they add the **adapted PACE** version to their WP – the latest versions are available at the PACE Coordination Unit and at the Regional Office in Bamako.

❖ **Petty cash expenditures:**

- We remind the National PACE Coordinators that Petty Cash expenditures must be reduced to a minimum (**less than 5000 Euro PER YEAR**) as stipulated in point 6 of the “ Detailed Rules for Conducting Imprest Accounts in EDF-Financed Programmes and Projects;
- Priority must be given to payments by bank transfer or cheque,

❖ **Contingencies / Budget amendments:**

- Only material contingencies are allowable and may not exceed 10% of the imprest account;
- Budget amendments (with or without the use of contingencies) are to be introduced as follows:

◆ *For the PACE Country Programmes:*

- The PACE National Coordinator has to prepare the budget amendment by Addendum - explaining the reason of this amendment (the creation of a new budget line or an extra input on an existing line) and the proposed financial implications: a transfer from the contingencies or a transfer from another budget line;
- This Addendum is to be approved by the local EC Delegation and the approval is to be transferred to the NAO , to the PACE Regional Office and the PACE Coordinator (PACE Financial Control Unit)

◆ *For the PACE Regional Office in Bamako:*

- All proposals are to be introduced to the PACE Coordinator who will finalize the Addendum with the Financial Control Unit ; the Addendum is to be endorsed by the RAO and the Lead Delegation;

- A copy of the endorsed Addendum will be send to the regional Office in Bamako

◆ *For the PACE Coordination Unit in Nairobi:*

- All Addendum are to be initiated by the PACE Coordinator , finalized by the PACE Financial Control Unit and endorsed by the RAO and the Lead Delegation;

◆ *Amendments to Work Programmes linked to an Administrative Order:*

- The Addendum is to be prepared by the consultancy firm in charge of the programme , to be presented to the PACE Coordinator and to be endorsed by the RAO and the Lead Delegation.

❖ **Changes in Budget Presentation and Lay Out for National Work Programmes:**

- ◆ All the PACE Countries presented a Global Plan of their planned activities based on an indicative budget and set out over the four main components of the PACE Programme; these Global Plans needed a positive opinion of the PACE Programme Advisory Committee – see higher- before any funding could be approved;
- ◆ The budget lay out used in the Global Plan was used as a matrix for the budget presentation in the Country Yearly Work Programmes;
- ◆ In order to facilitate the comparison between the estimates and the subsequent expenditure, the main lay out of the budgets developed in the yearly Work Programmes must correspond to the one presented in the Global Budget of the the Country Global Plan;
- ◆ The PACE Programme Coordination Unit accepts however that the Annual budgets developed in the yearly Work Programmes can slightly differ from those developed in the Global Budgets;
 - ◆ We accept that due to changes in the national programme priorities during the execution of the PACE Programme, some budget lines in the Year Programmes can receive more or less money than foreseen in the Global Plan, or that some new budget lines can be created – and others can disappear- ; in one of the 4 PACE Components can a new sub-head be opened : a/i/ a wld life section,....

- ◆ These changes are however to be explained in the text part of the year WPs or in an Addendum;

9. Other Important Administrative Guidelines for the National PACE Programmes as mentioned in the Annexes to the WPs.

9.1. Local staff:

- The imprest accountholder (or the PACE National Coordinator) is responsible for seeing that a list is drawn up giving the names and tasks of the staff officials seconded to or recruited by the PACE Programme , with the amounts of salaries, allowances and / or bonuses per individual. This list must be available for audit matters. (paid on EDF funds or National Funds)
- Allowances, bonuses and salaries must be in accordance with existing government rules and regulations linked to specific grades and ranks and checked and approved by the NAO and the local EC Delegation at the occasion of the approval of the yearly WP,

9.2. Travel / Mission subsistence allowances:

- these allowances (inside and outside the country) must be **in line with existing governmental rules and regulations** , linked to specific grades and ranks and checked by the NAO and the local EC Delegation at the occasion of the approval of the yearly WP;

9.3. Vehicles and vehicle running costs:

- The imprest account holder (or the PACE National Coordinator) has to draw up a list with all the vehicles (plate numbers) for which the maintenance and fuelling will be charged on the PACE Programme ; this list must be available for audit matters;
- The PACE Coordinator has to set up an accurate and easy to control fuel distribution system for the PACE vehicles ; the use of a logbook in this system is a must; vehicle logbooks must be signed by the PACE National Coordinator (or other senior PACE Program staff) at regular intervals; vehicle logbooks must be available for audit matters;
- Vehicles reaching the age limit (coming from PARC) must be officially removed from the list of capital items owned by the PACE Programme, they may then be passed on by the Programme to the authorities (in collaboration with the local EC Delegation)

9.4. Generated interest by the PACE Imprest Bank Account:

- Interests accruing on the PACE imprest bank account – or sub-accounts – or bank deposits are to be removed from the EDF imprest account and transferred to an ordinary PACE Programme current account ;
- The PACE imprest account holder (or PACE National Coordinator) is fully liable for the use of these funds (these can be used for the purchase of specific items - non budgeted - for the PACE Programme or these amounts can be included – transferred – to the next Work Programme as own resources)

9.5. Obligatory closure of the imprest account:

- The PACE imprest account is to be closed not later then **6 months** following the end of the period covered by the imprest account ;
- Closure may take place only where the imprest account balance is **zero** ; this means: that all expenditure has been accepted by the Delegation and consequently reimbursed through successive replenishments by the EDF or that expenditures not accepted by the EDF has been reimbursed via the national budget;
- Normally, the remaining balances (bank / petty cash) of a project phase (year 1,2,...) are transferred from one imprest account to another ;
- For the handling of the procedure for transferring the balance of the advance from one imprest to next, the PACE National Coordinator has to contact the NAO and the local Delegation (to draw up a receiving order and a payment order)

REMARK: the PACE Programme will NOT provide loans.

9.6. Highlights of the Memorandum of Understanding and the Financing Agreement:

9.6.1. Prerequisites and Accompanying Measures

We like to stress the importance of the following pre-conditions of the PACE Programme as stipulated in Art.15 of the Memorandum of Understanding signed between the RAO and the Countries:

ARTICLE 15: PREREQUISITES AND ACCOMPANYING MEASURES

The Government of shall respect the following prerequisites:

- *The commitment to enter and follow the OIE rinderpest pathway;*
- *continuation of the process of privatisation of veterinary medicine and full cost recovery;*
- *progressive payment of recurrent costs for epidemio-surveillance networks; and*
- *undertake continuous environmental impact of stockbreeding management and its impact on rangeland conditions*

These special conditions are also mentioned in the **Point 3.5. of the PACE Financing Agreement.**

9.6.2. Indicative Budgets for Country Allocation – Adjustments to Country Allocations:

- The Memorandum of Understanding (MoU) for each country, signed between the NAO and the RAO of the EDF (the Director of OAU-IBAR) , refers to an indicative budget for the PACE National Programmes (see: art.: 1 and 11 of the MoU and Article: 4.2. of the Financing Agreement).
- The PACE Programme is based on a system of “ drawing rights” on indicative allocations.
- If a programme partner makes rapid, appropriate and effective use of its funds, it may expect to receive an increase in its budgetary ceiling, after the Advisory Committee in conjunction with OAU-IBAR and the EC, approves such additional allocation.
- It is envisaged that the indicative allocations will be **reviewed in the third year** of implementation, i.e. 2002.
- We foresee that there will be a technical base and a financial base for assessing and reviewing the indicative allocations:
 - Technical: each National Programme will be assessed on the basis of progress made in implementing the activities stated in the framework of the PACE financing agreement (**see: 9.5.1.**) and developed in the Consolidated National Work Programmes; (to see also: National Technical PACE Reports send to the PACE Coordination Unit)
 - Financial: the assessment will also be based on:
 - the rate of disbursement of the funds in relation to the approved national budgets
 - the quality of the financial reports and the regularity of introduction to the PACE Coordination Unit;
 - the justification of expenditure
 - the effective contribution of the National Governements to the PACE Programme (9.5.1)

10. Memorandum of Understanding (model)

After the approval of the National Global Plan by the Regional Authorizing Officer, a Memorandum of Understanding is signed between the Regional Authorizing Officer (RAO) and the National Authorizing Officer (NAO) of each PACE country ; in this document , the Regional Authorizing Officer delegates his authority to the National Authorizing Officer (to do the necessary payments for the National PACE Programme) and the National Coordinator is nominated as Accounting Officer (document to signed by RAO, NAO and to be visaed by the local EC Delegation)

**MEMORANDUM OF UNDERSTANDING BETWEEN THE REGIONAL
AUTHORISING OFFICER (RAO),**

AND

**THE NATIONAL AUTHORISING OFFICER (NAO) FOR THE COUNTRIES
PARTICIPATING IN THE PAN AFRICAN PROGRAMME FOR THE CONTROL OF
EPIZOOTICS (PACE).**

DRAFT

BACKGROUND

The Pan-African Rinderpest Campaign (PARC) has been cofinanced by the European Community (EC) since 1986. PARC's positive results, confirmed by an independent evaluation in 1996/97, offer a firm basis for eradicating rinderpest and controlling other major diseases in Africa. This has led to the development of a new programme, the Pan African Programme for the Control of Epizootics (PACE) by the Organisation of the African Unity through its Inter African Bureau for Animal Resources (OAU/IBAR). The European Union will contribute to the funding of PACE through the European Development Fund.

The PACE programme is intended to build on the headway made in the campaign against rinderpest in order to establish low-cost national and continental epidemio-surveillance networks for the main animal diseases, provide the countries with the capacities needed to organise economically and technically justified control programmes and develop effective and sustainable distribution of veterinary products and services. The five-year PACE programme will cover 32 sub-Saharan African countries. It will be coordinated by the Inter-African Bureau for Animal Resources (IBAR) of the Organisation of African Unity (OAU).

FINANCING AGREEMENT

The Commission of the European Communities (EC) in its capacity as manager of the European Development Fund (EDF) on the one part, and the ACP African States, except SADC region, represented by the Director of the Organisation of African Unity/Inter-African Bureau for Animal Resources (OAU/IBAR), in accordance with the convention signed at Lomé on 15 December 1989 between the European Economic Community and the African, Caribbean and Pacific States (ACP States), as revised by the agreement signed in Mauritius on 4 November 1995, called "the revised Lomé Convention", have signed a Financing Agreement in August 1999 for PACE.

The Pan African Programme for the Control of Epizootics (PACE) shall be carried out with the resources of the European Development Fund in accordance with the general conditions of the Lomé Convention. The Commission shall contribute by way of grant from the resources of the EDF towards the financing of PACE, identification No REG/5007/005. The maximum Fund commitment is fixed at EUR: 72,000,000 from 7th and 8th EDF Regional Indicative Programmes.

The Director of OAU/IBAR is the Regional Authorising Officer for the programme.

The Programme has an indicative budget for each National component, which will be funded out of the Regional EDF Funds. This Memorandum of Understanding laid down between the Regional Authorising Officers and the National Authorising Officers of the PACE participating countries aims at ensuring an efficient implementation of the PACE programme, and an efficient utilisation of the funds available.

The following are the special conditions laid down in the framework of this Memorandum of Understanding.

SPECIAL CONDITIONS

ARTICLE 1: INITIAL COUNTRY ALLOCATION

The Initial financial allocation determined by the Financing Agreement, and reviewed by the PACE Advisory Committee, for (country) is EURO..... The planned use of these funds over the duration of PACE (5 years) is specified in the attached Global Plan for attached to this MoU, to which it is an integral part.

ARTICLE 2 : NOMINATION OF THE NATIONAL PACE COORDINATOR

Mr/Mrs/Ms/Dr/Pr.....has been nominated Coordinator of the PACE programme in the Republic of.....He/she shall undertake to be given by the national services concerned, the rules for managing the project and an indicative breakdown of the national budget allocation by cost heading.

ARTICLE 3: IMPLEMENTATION OF THE PROGRAMME

The programme will be implemented on the basis of the national work programme and cost estimate as required. The procedures for the award of contracts execution and payments will follow the rules of the EDF.

ARTICLE 4 : COMMITMENT OF FUNDS

The commitment of funds for the country PACE programme is subject to the signature of this Memorandum of Understanding.

The National PACE component for will start with the endorsement of the Workplan and Cost Estimate for Year One on

The continuation of the operation after the first year must be justified by the recipient before the time limit and accepted by the Advisory Committee, the RAO, the Commission and the NAO.

ARTICLE 5: REGIONAL AUTHORISING OFFICER(RAO)

The authority responsible for carrying out the PACE programme is the Director of OAU/IBAR. The Regional Authorising Officer Mr/Mrs/Ms/Dr/Pr..... is responsible for authorising commitments as endorsed by the National Authorising Officer, and the Delegation of the European Commission in the Republic of

ARTICLE 6: HEAD OF THE DELEGATION OF THE EUROPEAN COMMUNITY

The Head of the Delegation of the Commission of the European Communities in the Republic of..... will be involved in approving the country programme, its technical and financial monitoring.

The Delegation of the Commission of the European Communities in Kenya will be the leading Delegation of the programme.

ARTICLE 7: NATIONAL AUTHORISING OFFICER (NAO)

The function of NAO in the Republic of..... will be exercised by: Mr/Mrs/Ms/Dr/Pr Authorisation of payments for the national components will be delegated to the National Authorising Officer.

The national components will be managed on a decentralised basis by Mr/Mrs/Ms/Dr/Pr coordinator appointed, by the administration, working in close cooperation with the Regional Coordinators for West, Central and Eastern Africa and the Delegation of the European Commission in the Republic of.....

ARTICLE 8: PAYING AGENTS

The function of Paying Agent shall be performed by Financial Institution chosen by the Government of the Republic of..... in close collaboration with the Delegation of the European Commission in :

ARTICLE 9: RECIPIENTS

The Government of is the subject of this Memorandum of Understanding.

ARTICLE 10: NOTIFICATION AND ADDRESSES

The notices provided for in this Memorandum of Understanding and correspondence relating to its performance shall be valid on..... :

1. The Regional Authorising Officer

The Director of the Organisation of African Unity/Inter-African
Bureau for Animal Resources
OAU/IBAR
P.O. BOX 30786
Telex :
Tel. :254-2 33 85 44 254-2 33 20 46
Fax :254-2 33 20 46
Internet :
Nairobi
Republic of Kenya

2. The National Authorising Officer of the Republic of.....

ARTICLE 11: ADJUSTMENTS TO COUNTRY ALLOCATION

Depending on the performance of ...(country)... in implementing the programme, and on the basis of specific needs, the funds for national components may be reallocated from one country to another (drawing rights system). Any adjustment shall be examined by the PACE Advisory Committee and be expressly approved by the European Commission

ARTICLE 12: EXTINGUISHING OF THE FUND ALLOCATION

The Fund commitment is extinguished under the following conditions:

- Implementation has not commenced according to the workplan and cost estimate provisions;
- the deadline for completion of implementation has passed, no grounds for continuing the operation have been put forward and accepted by all the parties;
- the operations specified in the workplan and cost estimate have been undertaken and paid for; and
- the parties find that implementation is no longer possible.

ARTICLE 13: IMPREST ACCOUNT MANAGEMENT

On the basis of approved Work programme and cost estimates, Imprest accounts will be opened in where the RAO will organise payment of regional Funds in local currency. Any payment in foreign currency will have to be justified by the National Authorising Officer to the RAO..

ARTICLE 14: SPECIMEN SIGNATURES

The Republic of shall send to the Commission and the RAO, in triplicate, specimen signatures of the National Authorising Officer. Any change in signatory shall likewise give rise to notification and the lodging of specimen signatures.

ARTICLE 15: PREQUISITES AND ACCOMPANYING MEASURES

The Government of shall respect the following prerequisites:

- The commitment to enter and follow the OIE rinderpest pathway;
- continuation of the process of privatisation of veterinary medicine and full cost recovery;
- progressive payment of recurrent costs for epidemio-surveillance networks; and
- undertake continuous environmental impact of stockbreeding management and its impact on rangeland conditions

ARTICLE 16: PROJECT MONITORING

The Regional Authorising Officer and the Commission shall monitor the implementation of the programme and may request clarifications and where appropriate, agree with the Government of to reorient the programme to adapt it better to the objectives being pursued.

The EDF Chief Authorising Officer shall take all necessary measures to ensure that the National and Regional Authorising Officers carry out the task allotted to them by the Fourth Lomé Convention. If measures are not taken in good time to remedy a failure to meet an obligation under this Memorandum, the Regional Authorising Officer may request a suspension in the funding of the programme.

ARTICLE 17: SUPPORT AND CONTROL MISSIONS

Under the powers conferred to him, the RAO may send its own staff or duly authorised agents to carry out any technical, accounting, financial support or control missions that he considers necessary. The Government of undertakes to supply all information and documentation asked of it and to take all appropriate measures to facilitate the work of persons undertaking support missions. The Government of shall be informed of all such missions referred to above.

The NAO **undertakes to ensure** that the National PACE Coordinator submits regular monthly statements of expenditure of PAACE funds to the PACE Financial Unit in Nairobi, in the required standard format , in addition to regular technical reports.

ARTICLE 18: DISPUTES

Any dispute between the RAO and the Government of the Republic of arising from the implementation of this Memorandum of Understanding which is not settled by agreement between the parties shall be resolved in accordance with the provision of the revised Fourth Lomé Convention.

ARTICLE 19: FINAL PROVISION

This Memorandum is drawn up in three originals in, and enter into force on the date of its signature by all the parties.

SIGNATURES

In witness whereof the OAU/IBAR and the Government of the, the parties to this Memorandum, acting through their duly authorised representatives, have hereto set their signatures.

Done at.....

Done at.....

**THE REGIONAL AUTHORISING
OFFICER – DIRECTOR OF THE
OAU/IBAR**

**THE NATIONAL
AUTHORISING
OFFICER**

Note:

- changes in this document a.i.: nomination of a new National Coordinator or NAO, ... should be notified by an official Addendum to the RAO and PACE Coordinator

11. FINANCIAL PROCEDURES

11.1. Financial Procedures for the NATIONAL COMPONENTS

11.1.1. Approval of the Annual Work Plan (see also Paragraph 7.1.)

- Countries present an Annual Work Plan and cost estimate to the PACE Programme Co-ordination Unit (PCU) for consideration and approval by the Regional Units and the PACE technical units
- The Regional Authorising Officer (RAO) approves consolidated Annual Work Programmes and sends the dossier to the European Commission via the Lead Delegation in Nairobi for a consolidated approval and advance payment
- the RAO authorizes the Local EC Delegations to proceed to an advance payment to the PACE Programme bank account for each country of the consolidated group

11.1.2. Bank and bank account

- each National PACE Programme will open his local bank account
- the bank account is to be opened by the National Co-ordinator
- the National Co-ordinator will propose two groups of at least two persons who will act as Accounting Officer for the Programme (the National Co-ordinator is in group one) and will run the Programme's bank account
- the Accounting Officers are to be approved by the RAO
- two signatories, one out of each group, will be required to validate each bank transaction
- any change in signatory shall likewise give rise to notification and the lodging of specimen signatures
- a new bank account is to be opened for every new PACE Work Programme

11.1.3. Replenishment procedures

- It is up to the National PACE Programme Coordinator together with the PACE Programme accountant to initiate the replenishment procedure (refund of the expenses of a period);
- The frequency for the start up of a Replenishment claim depends on the importance of the spending capacity of the local PACE Programme; (as standard guideline, we propose that a replenishment procedure can be started up as the initial advance funds (or the successive refunds) have been spend for about 70%);
- After : 3/4/5 months of activity , the National-PACE Coordinator with the local accountant will prepare a financial report of the PACE imprest account; (this is in fact the same report as the monthly financial reports that are to be presented to the Financial Unit of the PACE Programme, but in this particularly case the report and the original supporting documents for the concerned period will be introduced to the local EC Delegation)

- This financial report will be structured on the same budget lines and headings as the established and approved budget of the Work Plan
- The financial report for replenishment will contain:
 - ❖ A summary of the approved budget lines
 - ❖ Payment vouchers with the original supporting documents
 - ❖ Original bank statements + reconciliation tables
 - ❖ The financial statements must show the period's expenditure, cumulative expenditure to date and balance available on each Work Programme Heading;
- The National Coordinator presents this report to the **NAO** for approval and visa
- The NAO approves the accounts
- The NAO prepares a payment order (PO)
- The NAO presents the documents and the PO to the local EC Delegation for endorsement
- The local Delegation approves and transfers the refund of the expenses to the local PACE account;
- A copy of the replenishment and PO **is to be sent to the Lead Delegation and to the RAO;**
 - At the end of a Work Plan period, the National Co-ordinator will present to the Local Delegation and to PACE Programme PCU a final statement of the accounts, - to be endorsed by the NAO-justifying expenditure incurred during the programme period and providing a final summery of expenditure, broken down according the relevant expenditure item codes as per the Work Plan budget
 - Should a balance remain in the PACE Programme account, a receipt order will be raised for the unspent funds (the National Coordinator is to contact the NAO to know the local procedures – refund or transfer to the account of the next year)

11.1.4..The Financial Reporting:

- The Financial Control Unit – attached to the PACE Programme Co-ordination Unit –PCU- will co-ordinate the financial reporting and organize the financial data base; the National Co-ordinators will be required to present the following reports to the PCU:
 - The accountant of the National PACE Programme is to produce a **monthly financial situation report**, structured on the same lines and headings as the approved annual Work Plan and budget; a copy of the end of month bank statement and a bank reconciliation table will complete this monthly report
 - Financial reports will be sent to interested parties (NAO , local EC Delegation) at regular interval or on request

- A monthly financial situation report will include the following documents;
 - ❖ Copies of the journals (bank, petty cash) , a global overview of the budget, per budget line with the accumulated expenses , the current expenses (month) and the remaining balances (plus a column where the total expenses are expressed as a % of the total budget) ,
 - ❖ (+ copy of the end of month bank statement; and bank reconciliation)
 - ❖ The PCU Financial Unit **DOES NOT NEED** original documents or copies of invoices , reports can be transmitted by fax , mail or DHL but the best way is by email (complementary documents like bank statements can be sent separately by mail);
 - ❖ All original documents are to be kept by the National PACE Programme and will be transferred to the local EC Delegation at the occasion of a replenishment claim. (on National PACE Programme level copies of all the supporting documents are to be kept as the originals will be transferred to the EC Delegation)
 - ❖ At the occasion of country missions, the Financial Controller will collect other financial data - if necessary - and can proceed to internal audits at regular interval ;

- **The National PACE Coordinator** is responsible for the presentation of regular financial reports and the **NAO** undertakes to ensure that the National PACE Coordinator submits regular financial reports to the PACE Financial UNIT (point : 17 paragraph 2 of the Memorandum of Understanding)

11.2. Financial procedures for the REGIONAL COMPONENTS – The PACE Regional Programme for West and Central Africa in Bamako¹

11.2.1. Approval of the Regional Annual Work Plan and budget (see also Paragraph 7.2.)

- The Regional Co-ordinator will present an Annual Work Plan and budget to the PACE Programme Coordinator for consideration and approval by the technical units
- The Regional Authorising Officer (RAO) approves the Annual Work Programme and budget and sends the dossier to the European Commission via the Lead Delegation in Nairobi for approval and advance payment (the WP for Bamako and Nairobi are presented in one document but with separated budgets –(1)
- the annual WP is approved and signed and an advance payment is made by the EC to the Regional PACE Programme bank account in Bamako

11.2.2. Bank and bank account

- the Regional PACE Programme will open a local bank account
- the bank account is to be opened by the Regional Authorising Officer (RAO) as accountholder in collaboration with the Regional Co-ordinator and the local Delegation
- the Regional Co-ordinator will propose two groups of at least two persons who will act as Accounting Officer for the Programme (the Regional Co-ordinator is in group one) and will run the Programme's bank account
- the Accounting Officers are to be approved by the RAO
- two signatories, one out of each group, will be required to validate each bank transaction
- a new bank account is to be opened for every new WP

11.2.3. Replenishment procedures

- The Regional Co-ordinator with the local accountant will prepare a financial report on the occasion of the replenishment of the Regional PACE imprest account;
- This financial statement will be structured on the same lines and headings as established in the approved Work Plan and budget
- This financial report will contain:
 - A summary of the expenditures along approved budget lines
 - Payment vouchers with the original supporting documents
 - Original bank statements with reconciliation statements
 - The financial statements must show the period's expenditure, cumulative expenditure to date and balance available on each Work Programme heading

¹the Work programme and budget for the PACE East Africa Regional Component will be fully integrated in the WP and budget of the PACE Programme PCU and follows the PCU procedures

- The Regional Co-ordinator presents this report to the Regional Authorising Officer- (RAO) via the PACE Programme PCU and the Finance Control Unit (control and approval)
 - The RAO approves the accounts
 - The RAO prepares a payment order (PO)
 - The RAO presents the accounts together with the payment order to the Lead Delegation in Nairobi for endorsement
 - The Lead Delegation will ask for the transfer the funds to the local bank account of the PACE Regional Programme
- At the end of a Work Plan period, the Regional Co-ordinator will present to the Lead Delegation via the PACE Programme PCU – and the Finance Control Unit- a final statement of the accounts, - to be endorsed by the RAO-justifying expenditure incurred during the programme period and providing a final summary of expenditure, broken down according the relevant expenditure item codes as per the Work Plan budget
- Should a balance remain in the PACE Programme account, a receipt order will be raised for the unspent funds

11.2.4. Financial Reporting

- The Financial Control Unit – attached to the PACE Programme Co-ordination Unit –PCU- will co-ordinate the financial reporting and organize the financial data base; the Regional Co-ordinators will be required to present the following reports to the PCU:
 - The accountant of the Regional PACE Programme is to produce a **monthly** financial situation report, structured on the same lines and headings as the approved annual Work Plan and budget; a copy of the end of month bank statement and a bank reconciliation table will complete this monthly report
 - Financial reports will be sent to interested parties at regular interval or on request

11.3. Financial procedures for the PACE Programme Co-ordination Unit NAIROBI (PCU) are presented together with the PACE East Africa Regional Component –EAC-

11.3.1. Approval of the PACE Programme's PCU NAIROBI Annual Work Plan (see also Paragraph 7.2.)

- The PACE Programme Co-ordinator will present an Annual Work Plan and cost estimate to the RAO for approval through PCU and the OAU-IBAR Chief Livestock Officer
- The Regional Authorising Officer (RAO) approves the Annual Work programme and sends the dossier to the European Commission via the Lead Delegation in Nairobi for approval and advance payment
- an advance payment is made by the EC to the OAU-IBAR PACE Co-ordination Unit bank account in Nairobi

11.3.2. Bank and bank account

- The PCU opened a local bank account in KSh for the PACE Programme
- The RAO designates the PACE Coordinator as Imprest Account Holder and approves the two groups of persons to operate the bank account (are mentioned in the WP)
- Validation of transactions:
Each instruction to the bank is valid when signed by two persons, one from each group
- For every WP, the PACE Coordinator is to open a new bank account

11.3.3. Financial Reporting:

- The Financial Unit will produce a trimestrial financial situation report; the expenses will be classified per component and account code (line items of the WPB) in order to present an analytical overview with a direct link to the main budget of the Programme ; an end of period bank statement and a bank reconciliation table will complete the trimester financial reports;

11.3.4. Replenishment Procedures

The trimester financial reports will be used for the introduction of a reimbursement claim to the EC Delegation ; in principle ,a replenishment claim will be introduced every trimester, the dossier for the EC will contain:

- A summary of the expenditures concerning the use of the advance and structured on the same lines and headings as the approved WP and budget
(together with the payment vouchers , original supporting documents, the original bank statements and the bank reconciliation table) will be transmitted to the Lead Delegation by the RAO – who will establish a Payment Order-;

11.4. The PACE Financial Control UNIT

11.4.1. Financial Reporting:

- Every six months, a detailed financial report will be presented to: OAU-IBAR, the Advisory Committee and the local EC Delegation through the RAO; reflecting:
 - The Financial situation of the PCU Nairobi and Bamako Units
 - An up dated financial overview of the PACE Country Programmes
- Reports will be sent to interested parties at regular intervals or on request;
- The Financial Unit will maintain a database on the project's financial efficiency and on the various national components ; this database will make it possible to produce various tables (state of advancement, cost price elements, use of services, cost price of vaccinations,.....)
- The National Co-ordinators – in collaboration with the National Authorising Officers- will therefore transmit on a monthly basis copies of their monthly financial reports to the Co-ordination Unit of the Programme in order to make it possible for the Financial Unit to do the financial follow up, and to ensure its role of comparison and establishment of the unit costs ;
- Ot the occasion of a replenishment payment , the Local EC Delegations (the PACE National Coordinator) are to send a copy of the Payment Order – PO- to the PACE Programme Co-ordination Unit – the Financial Unit- for financial follow up;
- The Lead Delegation will inform the PACE Co-ordination Unit – Financial Unit- of any disbursements to the Imprest Accounts of the National Components (initial payments and replenishment payments);

11.4.2. Contracting Procedures:

- All contracts for works, supplies and services for all the PACE components (regional and on country level) will be awarded and implemented in full accordance with the Technical and Administrative Provisions foreseen in the EC regulations a.i.
 - The Imprest Account contractual Document and
 - Detailed Rules for Conducting Imprest Account in EDF – Financed programmes and Projects (annexed to all WPs)

(Articles 294 to 310 of the revised Fourth Lome Convention and the general rules governing works, supply and service contracts financed by the European Development Fund, adopted by Decision No 3/90 of the ACP-EEC Council of Ministers of 29 March 1990);

11.4.3. Audits and Financial Control

❖ AUDITS:

The PACE Coordination Unit – The PACE Regional Office in Bamako:

- The Regional Authorizing Officer for EDF funds and the Head of the Lead Delegation of the European Commission may decide to carry out audits, subject to the terms of reference laid down by these authorities. Auditors may carry out any accounting, technical, administrative or legal check they consider useful or necessary and, for that purpose, may demand to see any documents relating to the PACE Programme (see: point 5 of “ Imprest Account Contractual Document”

The PACE National Programmes:

- No provision is to be made into the National PACE Programme budgets for AUDITS; Audits will be organized on Regional level and will be paid by regional funds ;
- After one year of full PACE activity, the PACE Financial Controller will take contact with the PACE National Coordinator (and the local EC Delegation) in order to organize an audit with a local company;
- The PACE Programme Financial Controller is also entitled to carry out internal audits at regular intervals

❖ FINANCIAL CONTROL:

- **The Financial controle for the PACE Coordination Unit Nairobi and Bamako – Division of Responsibilities**

a) The Imprest Account Holder: -

- Responsible for all authorizing operations: he commits the specified expenditure in accordance with the EC procedures (see limits set: in table 1 annex:4.3. page iii of the WP)
 - he signs: order forms, payment vouchers, invitations to tender , local contracts,...
- the Imprest Account Holder has also the co-signature for the PACE current account (accumulated interests)

b) The Accounting Officer :

- The Accounting Officer is responsible for all operations involving payment of expenditure and recovery of revenue authorized by the Imprest Account Holder ; he make payments after checking that there are grounds for payment in the form of supporting documents and that the funds are available (see imprest account budget) ; he checks the application for the awarding of contracts and makes purchasing, he checks stocks and inventories and keeps the general accounts of the PACE Programme, including pay roll and the register of capital expenditures an he will manage the petty cash,...

a) The Financial Controller:

- At the occasion of the replenishment procedures, the PACE Financial Controller examines , on a test basis , the quality of the presented documents of evidence and the acceptability of the presented expenses (are they foreseen in the presented budget) , he checks if the EC procedures are respected and if the report is in an EC acceptable format,
- In a Memo , the Financial Controller endorses the financial report and the attached supporting documents and formulates remarks, recommendations and / or asks for corrections ; the financial report is send through the PACE Coordinator to the RAO for approval and further transfer to the Lead EC Delegation for refund;
- The PACE Financial Controller gives advice to the Imprest Account Holders and the Accounting Officers on the regularity of payments and EC procedures, and assists in the building up of the yearly budget;

c) The Regional Authorizing Officer (RAO): (for financial matters only)

- Signs the Imprest Account Contractual Document (countersigned by the Head of Delegation of the European Commission) for each Work Programme and he indicates the Imprest Account Holder (s) , the Accounting Officer (s) , the amount of the imprest account and the period of time during which expenditure is authorized;
- Approves the PACE Consolidated Work Plans
- Signs the Memorandum of Understanding for the PACE country programmes – linked to the Global Plans-;

- Checks if the presented financial reports respects the restrictions set to the delegation of powers to the Imprest Account Holder;
- Endorses the financial reports before transmitting them to the Lead Delegation;
- Endorses the contracts for the award of : works, supplies and services for:
 - between: Euro: 5000 and 25000, at least 3 pro forma invoices to be endorsed together with the EC Delegation
 - between: Euro : 25000 and 100.000, over a restricted local invitation to tender, at least three suppliers are to make a closed bid; contract valid after endorsement by RAO and EC Delegation;
 - expenditures on services from: 5000 Euro to 10.000 Euro: the prior agreement of the RAO and the Head of Delegation of the EC is required;
- Gives prior authorization for the use of material contingencies – over budget amendments - together with the Head of EC Delegation;
- Agreed on the proposal of the award of individual bonuses – together with the Head of EC Delegation - formulated by the Imprest Account Holder;
- Signs the Main Consultants Contracts , and the payments and Administrative Orders in the framework of these contracts;

• **The Financial Control in the PACE National Programmes:**

- The PACE National Coordinator holds a key position in the day to day financial control system of the National PACE Programme;
- At the occasion of a replenishment claim, the National Authorizing Officer and the local EC Delegation examines the presented financial report before proceeding to a refund
 - We refer to : Articles: 2, 3, 6, 7, 11, 13, 16 and 17 of the Memorandum of Understanding signed between the RAO, the NAO and visaed by the local EC Delegation;
- The PACE Financial Controller , at the occasion of country missions, can proceed at country level to an initial examination of supporting documents; these actions however can not guarantee the fairness of these reports, for this , a complete internal (Financial Controller) or external audit is to be initiated;

- The audits for the PACE National Programmes will be organized by PACE Regional Units in a close collaboration with the PACE National Coordinators, the NAO and the local Delegation and the RAO and the Lead Delegation; (see higher)