SIERRA LEONE EBOLA RECOVERY FUND
(SLERF)
Operations Manual
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## ACRONYMS

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>DACO</td>
<td>Development Assistance Coordination Office</td>
</tr>
<tr>
<td>DN</td>
<td>Delivery Note</td>
</tr>
<tr>
<td>EVD</td>
<td>Ebola Virus Disease</td>
</tr>
<tr>
<td>FMR</td>
<td>Financial Monitoring Report</td>
</tr>
<tr>
<td>GCO</td>
<td>Global Compact Office</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>LPO</td>
<td>Local Purchase Order</td>
</tr>
<tr>
<td>LTA</td>
<td>Long Term Agreement</td>
</tr>
<tr>
<td>MDA</td>
<td>Ministries, Departments and Agencies</td>
</tr>
<tr>
<td>MoA</td>
<td>Memorandum of Agreement</td>
</tr>
<tr>
<td>MoFED</td>
<td>Ministry of Finance and Economic Development</td>
</tr>
<tr>
<td>MPTF</td>
<td>Multi Partner Trust Fund</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NERS</td>
<td>National Ebola Recovery Strategy</td>
</tr>
<tr>
<td>NIEs</td>
<td>National Implementing Entities</td>
</tr>
<tr>
<td>NPPA</td>
<td>National Public Procurement Authority</td>
</tr>
<tr>
<td>PSGs</td>
<td>Peacebuilding and State building Goals</td>
</tr>
<tr>
<td>PU</td>
<td>Procurement Unit</td>
</tr>
<tr>
<td>RV</td>
<td>Received Voucher</td>
</tr>
<tr>
<td>SAP</td>
<td>Sector Action Plans</td>
</tr>
<tr>
<td>SB</td>
<td>Steering Board</td>
</tr>
<tr>
<td>SLERF</td>
<td>Sierra Leone Ebola Recovery Fund</td>
</tr>
<tr>
<td>SPN</td>
<td>Specific Procurement Notices</td>
</tr>
<tr>
<td>SRM</td>
<td>Social Risk Management</td>
</tr>
<tr>
<td>TAP</td>
<td>Thematic Action Plans</td>
</tr>
<tr>
<td>UNIE</td>
<td>United Nations Implementing Entities</td>
</tr>
<tr>
<td>WASH</td>
<td>Water, Sanitation and Health</td>
</tr>
</tbody>
</table>
SECTION I: INTRODUCTION

1.1 BACKGROUND

Ebola struck Sierra Leone when it was on the pathway to resilience underpinned by strong economic growth, declining inflationary pressures, increased output of food and export crops, increased electricity generation as well as improvements in Health and Governance indicators. The Ebola crisis resulted in reversal of fortunes as the economy experienced significant contraction in GDP, Domestic Revenue mobilization, Agricultural and manufacturing output as well as the overwhelming of the health facilities.

These challenges notwithstanding, the Government put measures in place to control the epidemic. In anticipation of an Ebola-free Sierra Leone, Government with support from development partners has developed a National Ebola Recovery Strategy (NERS). The NERS focuses on an immediate recovery phase and a medium term recovery phase which will last for up to 24 months.

Like in most post conflict settings, the implementation of the NERS will be supported by a multiplicity of funding sources and instruments. To ensure proper coordination and alignment of programmes in the NERS, the Government with support from the UNDP has established a Sierra Leone Ebola Recovery Fund (SLERF).

1.2 PURPOSE OF THE SLERF

SLERF is one of the funding mechanisms for the Ebola Recovery Strategy that provides targeted and time-bound support for selected interventions in the following six priority sectors within a 24 month period:

- Education (e.g. WASH in schools, school meals and hygiene etc.);
- Health (e.g. Strengthening health system standards, Water and Sanitation provision, Support to EVD survivors);
- Energy (Renewable energy for health centers, schools etc.);
- Water (access to water, sustainable solution to Freetown water);
- Social Protection (strengthening access to information through improved internet connectivity, measures for vulnerable groups, delivery of assistance packages etc.) and
- Private Sector (e.g. infrastructure relating to feeder roads, companies which provide renewable energy, improved communication)
1.3 THE GUIDING PRINCIPLES AND KEY FEATURES OF THE SLERF

The SLERF is guided by and will conform to the New Deal principles as it brings together contributions from Government, inter-governmental and non-governmental organisations, private sector organizations and other foundations in an integrated and effective way to support the implementation of the NERS.

The New Deal is a key agreement between fragile and conflict-affected states, development partners, and civil society to improve the current development policy and practice in these states with a commitment to pursuing the five Peacebuilding and State building Goal (PSGs): legitimate politics, justice, security, revenue, services and economic development.

Specifically, it will do the following:
- Provide a flexible mechanism that pools donor contributions and provide coordinated and predicted funding;
- Serve as an effective instrument for policy coordination and dialogue;
- Facilitate the timely delivery of project targets using complementary implementation capacities of IEs and UN Agencies; and
- Provide transparent and international fiduciary assurances to Government and partners

1.4 PURPOSE OF THE MANUAL AND CONTENTS

The Sierra Leone Ebola Recovery Fund (SLERF) Operational Manual is geared towards the development of systems and structures regarding the efficient and effective utilisation of this fund. It aims to describe in detail the processes and systems of operating the fund, mobilise stakeholders and resources in a manner which would yield the desired results, ensuring that grant controls are effective to support value for money.

This Manual is developed with the intention to meet evolving landscapes in the recovery phase. The framework will remain the same but the Manual will be subject to periodic review and revision to ensure it continues to meet its objectives and systems and structures are aligned with changing circumstances during the post Ebola recovery phase in Sierra Leone.

These overriding conditions determine the structure and organisation of The Manual.

- The manual consists of two parts (A and B) which address the systems and structures applying to the Fund Management and Project Operational Procedures respectively.
- The structure of the manual gives the audience a clear understanding of the recovery strategy and the policies and procedures which will
be applied to ensure its smooth and successful execution of the SLERF funding;

- At the same time, it is expected that The Manual will more normally be referenced to check all aspects of the SLERF. Each section is intended to function on a stand-alone basis, cross-referencing to other relevant information for the user as appropriate.

- It is designed that updates can be made to specific sections without disruption to the usefulness of the Manual.

1.5 APPLICATION OF THE SLERF OPERATIONS MANUAL

This manual will be utilised by all the entities represented in the Organisational and Governance Structure (See Chart in Section III) of the SLERF Manual.

Questions regarding the application or interpretation of any of the provisions in this manual should be directed to the Technical Secretariat who would circulate any subsequent updates or changes made to the Manual to SLERF staff, its donor partners and relevant parties.
PART A - FUND MANAGEMENT

This section applies to the Management of the Sierra Leone Ebola Recovery Fund.

SECTION II: CONTRACTUAL AGREEMENT

The Memorandum of Agreement and the ToR between the MPTF Office and the Government of Sierra Leone set the framework by which the funds would be managed and forms the basis on which this manual was developed.

SECTION III: ORGANIZATIONAL/GOVERNANCE STRUCTURE

3.1 Organizational chart of SLERF

The figure below demonstrates the roles and responsibilities of key stakeholders in the SLERF Management.
Figure 1: ORGANIZATIONAL/GOVERNANCE STRUCTURE

Sierra Leone Ebola Recovery Fund (SLERF): Draft Governance & Flow of Funds Chart

Steering Board (SB)
(Co-chaired by Minister MOFED & Chief of Staff with membership of SL Gov’t Ministries, contributing donors, UNRC, etc.)

Technical Secretariat
(DACO/MOFED)

SLERF Trustee: MPTF Office

Bank of Sierra Leone
(Account maintained by MOFED)

UN Agencies

UN Implementing Entities (IEs)

Participating UN Organizations

UN Agencies

UN Implementing Entities (IEs)

Government Ministries

National Agencies

National Implementing Entities (IEs)

SLERF Trustee: MPTF Office

• Establishes SLERF policy
• Provides strategic direction
• Approves SLERF Areas of Support
• Ensures coordination & synergy
• Approves projects & funding
• Commissions Independent reviews

Technical Secretariat
(DACO/MOFED)

Steering Board (SB)
(Co-chaired by Minister MOFED & Chief of Staff with membership of SL Gov’t Ministries, contributing donors, UNRC, etc.)

• Receives, administers donor funds & publicly reports to GoSL/donors
• Disburses approved funds to IEs
• Submits financial & progress reports to SB and donors

Bank of Sierra Leone
(Account maintained by MOFED)

• Provides Admin Support to SB
• Ensures proposals are vetted
• Submits proposals to SB
• Monitors progress & reporting

UN Agencies

Implement/support what National IEs are not able to do on time or effectively

Receives funds destined to National IEs

SLERF Trustee: MPTF Office

• Receives funds destined to National IEs

Government Ministries

National Agencies

National Implementing Entities (IEs)
The SLERF Governance Structure will:

- Ensure the Government of Sierra Leone through the Steering Board is the ultimate decision maker and is fully accountable for the utilisation of funds made available to the SLERF;
- Align with the existing policy, decision-making structures for the broader Government planning processes;
- Ensure different parts of Government are properly integrated into the governance mechanisms; and
- Be transparent so that stakeholders can express concerns or opinions at appropriate points in the decision-making processes.

4.2 Integration of Governance Functions

The SLERF will be managed by the Steering Board which will be co-chaired by the Minister - Ministry of Finance and Economic Development (MOFED) and the Chief of Staff - Office of the President. The membership of this Board will consist of selected Government Ministries, representatives of contributing donors on a rotational basis, the UN Resident Coordinator and relevant UN Agencies, financing/development institutions (WB, AfDB), a civil society/non-government person of nationally recognized integrity and an ex-officio from the MPTF Office.

The functions of the constituent entities of the Governance Structure as shown in the figure above are as follows:

THE STEERING BOARD (SB)

Responsibilities

- Provides Leadership and strategic direction;
- Ensures there is effective oversight and accountability;
- Approves the SLERF Strategic Plan;
- Provide overall leadership and set the strategic direction and oversight of the Fund
- Ensure SLERF’s oversight and accountability;
- Review and approve the SLERF Strategic Plan;
- Approve the SLERF Operational Manual;
- Review and make fund allocation decisions on SLERF
- Authorize the Administrative Agent to release funds to MOFED, National Entities and Participating UN Organizations;
- Oversee/lead resource mobilization strategy of SLERF;
- Maintain oversight of financial management of the SLERF;
- Review the broad findings of the periodic external audits of the National Entities to guide its resource allocation decisions
- Oversee effective monitoring and evaluation of all SLERF activities;
- Review and approve Annual/Final Consolidated Reports that will be submitted by the Administrative Agent
- Ensure the implementation of an effective communication strategy;
- Approves the SLERF Operational Manual;
- Approves operating costs of Technical Secretariat;
- Approves SLERF Areas of Support;
- Approves projects & funding;
- Ensures coordination & synergy;
- Oversees resource mobilisation, monitoring and evaluation;
- Approves Trustee’s annual/periodic reports;
- Commissions independent reviews and guides external communications

The Steering Board will meet once a quarter for regular meetings, in addition to emergency meetings which will be convened as and when the need arises.

The reports and accounts approved by the Steering Board will be scrutinised and made public by the Public Accounts Committee as provided for in the Constitution of Sierra Leone.

THE MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT (MoFED)

The Government of Sierra Leone has designated MoFED to serve as the interlocutor on all aspects of the SLERF including with respect to the Administrative Agent. MoFED assumes full programmatic and financial accountability for the funds disbursed to the MoFED’s Account at the Central Bank of Sierra Leone.

MoFED will ensure that all precautionary actions are taken to prevent the occurrence of inappropriate practices. They will guarantee the application of the National Regulatory Framework for the use of public funds by NIEs. In the event that MoFED determines that an allegation in relation to the implementation of activities - including fraudulent, corrupt, collusive or coercive practices that may have taken place - is credible to warrant an investigation, it may promptly notify the Steering Board and the Administrative Agent and the appropriate Sierra Leonean regulatory and control bodies, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with by the appropriate entity of the Government in charge of such investigations. Upon completion of the investigation, MoFED will inform the Steering Board and the Administrative Agent about the results of the investigation which will be handled in accordance with the National Regulatory Framework.
THE TECHNICAL SECRETARIAT (TS)

All sector ministries involved in the SLERF strategy will be represented both at state minister level and by high level technical support from the civil service.

Each Ministry will nominate an alternate to attend Technical Secretariat meetings when the senior representative is unable to attend. To avoid conflict of interest, when sector specific proposals from a line ministry are being discussed by the TS, that specific sector will not be represented or have voting rights.

This entity of the SLERF Governance structure is within the Development Assistance Coordination Office (DACO) of the Ministry of Finance and Economic Development and managed by the and its functions are as follows:

Required Expertise for this structure:

- Strategic Planning and Programme Design;
- Procurement and procurement oversight;
- Monitoring and Evaluation; and
- Management of the Bank Accounts

This expertise may be directly financed by SLERF or contributed by Development Partners.

Responsibilities

- Provides Admin Support to the SB and follows up SB decisions;
- Carries out Capacity Assessment of National IEs, jointly with the Delivery Team;
- Review of project proposals to ensure SLERF requirements are met;
- Submits proposals to the SB for approval;
- Receive, administer and disburse donor funds to Implementing Entities following Steering Board instructions;
- Reviews and forwards annual financial and progress reports of National IEs to the Trustee;
- Ensures that the Public Procurement Act is followed by National IEs.
- Monitors progress and reporting;
- Handles communications and visibility through the website and
- Takes full responsibility for the use of funds by the National Implementing Entities

The Technical Secretariat and the Delivery Team will develop guidelines for the development of Project Proposals by IEs. They will ensure that these
guidelines clearly communicate all SLERF requirements and expectations, to ensure strong proposals are developed and implemented. The guidelines issued to implementing and executing entities will explicitly set out the requirements for transparent and fair beneficiary selection process and practice. The guidelines will also set out safeguards requirements, with guidance on how to meet those standards, and how to access additional support for the implementation and monitoring of safeguards where capacity is limited.

MOFED will house and directly supervise the activities of the Finance Team of the SLERF Technical Secretariat. It will include dedicated specialists, recruited or assigned to the team, and additional expert members drawn from relevant bodies as appropriate. Development partners, based on their technical speciality and competency, may be requested to provide additional support (including seconded staff) in the Finance Team.

**SLERF TRUSTEE: MULTI-PARTNER TRUST FUND OFFICE**

The MPTF Office will:

- Support the SLERF establishment;
- Receive and manage contributions made by donors;
- Consolidate statements and reports, based on submissions provided by the Technical Secretariat, covering the activities of each National Participating Organization (this includes UN Agencies);
- Disburse funds for SLERF projects, approved by the Steering Board;
- Receive the individual progress reports from Implementing Entities (particularly UN Agencies);
- Provide final reporting and notification of operational closure;
- Establish and maintain the SLERF website; and
- Provide the GoSL, the Steering Board and contributors/donors certified financial statements on its activities as Trustee.

**BANK OF SIERRA LEONE**

- The Bank of Sierra Leone, at the request of the MOFED, will establish a dedicated SLERF Account to receive and manage contributions from the Administrative Agent. They maintain the funds transferred by the Administrative Agent and disburse to the MoFED based on the demand of IEs who have fulfilled the predetermined requirements.

In accordance with the normal protocols for the management of donor bank accounts where the Financial Secretary and the Accountant General (or their nominees) will have the sole mandate to operate the same.
Disbursement will be effected on the presentation of approved payment requests from the Technical Secretariat.

**THE DELIVERY TEAM**

The Delivery Team is responsible for the implementation of the 10-24 month Ebola Recovery Strategy on behalf of the Government of Sierra Leone. The Delivery Team will collaborate with the Technical Secretariat to achieve some of the desired results of the Sierra Leone Ebola Recovery Fund. These activities will include the selection of MDAs based on the Eligibility Criteria detailed in Section IX of this Manual and the approval of project proposals.

**IMPLEMENTING ENTITIES**

The implementation of projects funded through the SLERF is carried out by National Implementing Entities (NIEs) and, where required, by UN Agencies. This flexible implementation architecture enables different implementing entities to operate under the common strategic governance structure yet in accordance with the distinct policies and procedures.

- **National Implementing Entities**

  These include the Government Ministries and National Agencies that will implement projects from funds for the Sierra Leone Ebola Recovery Programme.

  The National IEs will be proposed by GoSL based on assessments confirming that internationally accepted financial management and procurement systems, in full compliance with the 2004 Sierra Leone Public Procurement Act are functional.

  Responsibilities:

  - Concludes agreement with the MoFED;
  - Develops and submits Project Concept Notes (PCNs) and project proposals;
  - Implementation of projects;
  - Monitors and evaluates projects in collaboration with the National Delivery Team; and
  - Submits annual financial and narrative reports to MoFED.

- **UN Implementing Entities**
This category of Implementing Entities will consist of United Nations Agencies, affiliated organisations and other Intergovernmental Organizations (this will exclude International NGOs).

United Nations Agencies if required will provide direct implementing services, using UN Financial Rules and Regulations approved by their inter-governamental Executive Boards/Governing Councils.

Responsibilities:

- Conclusion of the Memorandum of Understanding with SLERF Trustee;
- Development and submission of project concept notes and project proposals as and when requested by the Government;
- Assumption of programmatic and financial accountability for funds received to implement projects;
- Implementation of project activities approved by the SLERF Board;
- Monitoring and evaluation of approved projects being implemented; and
- Submission of annual financial, narrative reports and Final End of Project Reports to the SLERF Trustee through the Technical Secretariat.

4.3 Relationship of the Parties

There are three elements of the SLERF Structure. These include:

- **The Decision Making Body (Steering Board - SB):**
  - Supported by a Technical Secretariat, sets the Fund’s policy and operational procedures,
  - decides on project funding and allocation; and
  - Oversees the overall Fund operation.

- **The Trustee:**
  - Receives, administers contributions and transfers same;
  - Submits consolidated annual financial and progress reports;
  - Provides transparent e-platform to access SLERF operations: contributions received, funded projects, and reports.

- **Implementing Entities (IEs):**
  - Execute; and
  - Report on results of projects approved by the Steering Board.
The specific responsibilities of the various bodies involved in the governance of the SLERF are described in the table below:

### Table 1: Decision-Making Mechanisms - SLERF Steering Board

<table>
<thead>
<tr>
<th>Nature of Meeting</th>
<th>Purpose</th>
<th>Timing</th>
<th>Rules of Meeting</th>
<th>Funding Priorities</th>
</tr>
</thead>
</table>
| Annual Review     | Review progress to date; Identify improvement measures; Update Strategic Framework | Once a year            | • Quorum: 75% attendance  
|                   |                                                                         |                         | • Decisions require support of at least 75% of attendees |
| Interim Review    | Review progress to date; assess allocation of funds against Strategic Framework | TBD                     | • Quorum: 75% attendance  
|                   |                                                                         |                         | • Decisions require support of at least 75% of attendees |
| Funding Allocations | To make decision on funding priorities and allocations             | TBD                     | • Quorum: 75% attendance  
|                   |                                                                         |                         | • Decisions require support of at least 75% of attendees |
| Emergency Meetings | To consider actions to be taken. when (among other things) strategic objectives are not being met or adequate funding is not being mobilised | Ad hoc basis as required | • Quorum: 75% attendance  
|                   |                                                                         |                         | • Decisions require support of at least 75% of attendees |
SECTION V: FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES

5.1 Risk Management Policies

Risk management is designed to reduce risks to governments, the Fund Administrators, financial contributors, and recipients through a comprehensive risk and results-based approach.

The SLERF is potentially subject to the following types of risk:

- **Operational Risk** - the failure to deliver timely and quality results, or the breach of environmental or social safeguards during implementation;
- **Fiduciary Risk** - where funds allocated to the Implementing Entities are not used in accordance with the terms of agreement, and/or are not properly accounted for and/or are otherwise misappropriated;
- **Strategic Risk** - where the circumstances impacting the fund impair its ability to achieve its goals and objectives; and
- **Reputational Risk** - if it fails to mobilise substantial finance; if safeguards are breached; if funds are not properly accounted for and/or are otherwise misappropriated.

The SLERF will manage the above mentioned risks using a double-pronged approach. This will include both **preventive or precautionary** and **penal procedures**.

**Precautionary Procedures**

The precautionary procedures include:

- The Eligibility Criteria which have been discussed in Section IX;
- The Monitoring and Evaluation in Section XI;
- The Reporting in Section XI and
- Reviews and Referrals to Anti-Corruption.

**Penal Procedures**

National rules and regulations are also in place which clearly state penal procedures as and when necessary regarding the misappropriation of public funds. The definition of public funds includes revenue collected by the Government in the form of taxes and similar revenue streams and donor funds for the benefit of the people of Sierra Leone. The provisions within the Laws of Sierra Leone relating to the protection of such funds and their proper application (detailed here-under) would apply to SLERF.
• **The Audit Service Act (2014)** gives powers to the Audit Service to carry out special audits (e.g. value for money audits) for the purpose of ascertaining dishonesty, fraud or corruption and have powers to surcharge persons who might be found wanting.

• **The Anti-Corruption Act (2008)** gives the Commission powers to prevent, investigate, prosecute corruption and corrupt practices and recover misappropriated funds.

• **The Government Budgeting and Accountability Act (2005)** indicates that all queries and observations raised by the Auditor General must receive a reply within thirty days failing which the Auditor General may direct that the emoluments of the persons responsible be withheld until such replies are received. Additionally, the Auditor General may surcharge the persons responsible for any disallowed expenditure or the amount of any loss or deficiency as a result of misconduct or negligence.

In addition to the above, MoFED recognizes that the Contributors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the Standard Administrative Arrangement or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Steering Board, MoFED, Contributors and the Administrative Agent that there is evidence of improper use of funds by NIEs, MoFED will repay an amount equivalent to the amount of the funds found to have been misused, into the Fund’s Account from its own resource. Should repayment to the Fund’s Account not occur within a reasonable period of time as shall be established by the Steering Board, the Contributors may elect to terminate any further fund transfer to the programmatic activity in question.

### 5.2 Payment Procedures

The following steps are only undertaken to safeguard funds after all procurement procedures are completed as necessary.

- A request for payment is initiated and brought to the notice of the Technical Secretariat;
- Necessary enquiries are made by the Technical Secretariat to ascertain the validity of the request;
- Once all concerns have been addressed, the request will be sent to the Head of the Secretariat for approval of the payment;
- Upon receipt of approval a Payment Voucher (PV) will be raised and the payment method will be initiated;
- PV, bank transfer instruction or cheque, is sent to necessary authorities for signatures; and
- As soon as payment is made, a copy of bank transfer/cheque will be filed with the PV and all other necessary supporting documents.
5.3 Keeping Cash

Keeping cash is not recommended. All transactions should be settled by cheque or bank transfers to avoid theft or mismanagement. However, if it is unavoidable to keep cash, the following points are recommended:

- Keep all cash in a Safe which can be properly locked and is difficult to carry around;

- Keep as small an amount as is possible.
5.4 Financial management arrangements with Implementing Entities

5.4.1 Financial Management of projects

All projects must possess two key elements to initiate discussions with the Finance Team.

- An approved project proposal; and
- An approved Budget

For Pre-financing arrangements there must be an acknowledgement by the donor that funds will be released for the specific project based on the approved budget. This is entirely based on the cash flow stature and unrestricted funds availability.

The official in charge will be responsible for contract execution supported by financial analysis.

5.4.2 Projects managed by implementing Entity

A Memorandum of Understanding (MoU), concluded between the MOFED and each IE shall be developed for projects which are being financially managed by the Implementing Entity. These agreements will include, among others:

- The aims and expected outcomes of the project.
- The Project document and the approved budget detailing reporting requirements and deadlines.
- A bank account through which funds will be channelled and disbursed.
- An accountant and a suitable authority in the organisation who will be the responsible individual for the project and for funds allocated to the project.
- A disbursement procedure for each expense that involves an approval from the responsible authority in the organisation.
- Reporting formats as required by the Secretariat.
- A capacity assessment completed by the Technical Secretariat.
- All other necessities to a contract or MOU.
The TS will compile the documents and send to MOFED for the release of funding.
SECTION VI: MANAGEMENT OF BANK ACCOUNTS

The Finance Team which is a unit within the Technical Secretariat will maintain the necessary records and accounts for projects and programmes implemented according to the rules and regulations of the Government of Sierra Leone. The guiding principles followed by the finance team in the development of its accounting system are: Accountability, Transparency, Accuracy and Reliability of records maintained and the accounting data collected.

6.1 Chart of Accounts

The National Chart of Accounts should be adopted by SLERF and approved by the Steering Board. This will be done in order to facilitate recording of transactions and reporting.

6.2 Bank

6.2.1 Introduction

Managing the SLERF bank account, maintained by the Central Bank is one of the functions of the Finance Team of MoFED. The procedures for managing the bank accounts were designed to ensure that all transactions are accurately recorded.

6.2.2 Policy

All SLERF Accounts will be opened by the Accountant General’s Office. When making transfers, funding will be converted to the local currency & the same exchange rate will be used for reporting purposes.

6.2.3 Opening of Bank Accounts

Opening of Foreign Currency Bank Accounts

This is done in instances where a Grant Agreement requires that, SLERF shall open and thereafter maintain, until the completion of the project, special bank accounts in foreign currency. These foreign currency accounts will be managed by the Finance Team in line with the banking guidelines outlined in this section.

Opening of Local Currency Bank Accounts

All SLERF’s financial operations should be done using banking arrangements which are in compliance with government regulations. Unless donors’ banking and disbursement rules/regulations state otherwise, SLERF will operate using funds from local currency bank accounts.
Each IE will open a separate account for the SLERF funds only and maintain separate records for each project funded by SLERF.

6.3 **Bank Account Signatories**

These will be nominated by the MoFED and approved by the Steering Board.
SECTION VII: PROCUREMENT MANAGEMENT SYSTEMS

7.1 General Guidelines

National Regulatory Framework

All procurements by the SLERF will be carried out in accordance with the Memorandum of Agreement (MoA) and the following statutory documents:

- United Nations Procurement Policy and Guidelines
- Government of Sierra Leone
  - Public Procurement Act, 2004, with amendments if any
  - Public Procurement Regulations, 2006
  - Public Procurement Manual, 2006
  - Anti-Corruption Act, 2008
  - Audit Service Act, 2014

Procurement Thresholds

The Technical Secretariat is expected to package all procurement activities and source quotations using the threshold limits established in the First Schedule (Part VIII) of the public procurement act of 2004.

Procurement Notices

A General Procurement Notice (GPN) will be prepared and published in United Nations Development Business (UNDB) online, Development Gateway Market (dgMarket) and in at least one national newspaper after the funds have been received by the Administrative Agent. Specific Procurement Notices (SPN) of all goods and works to be procured under International Competitive Bidding (ICB) and Request for Expression of Interest (REOIs) for all consulting services to cost the equivalent of the thresholds set in the First Schedule and above would also be published in the UNDB website, dgMarket website and the national press. For goods and works using National Competitive Bidding (NCB) procedures, the SPN will only be published nationally.

Conflict of Interest

To ensure transparency at all levels, the Technical Secretariat will ask NIEs to disclose any conflicts of interest that may exist as a result of their participation in the recovery projects. Such conflicts could include, but are not limited to:
- Mayors, directors, officers, or employees are also employed by the organisation’s primary procurement source; or
- Mayors, directors, officers or employees have immediate family members who are SLERTF and UNDP staff.

**Breach of Memorandum of Understanding Conditions**

SLERF needs to be continuously satisfied that each NIE complies with conditions relating to the accountability and reporting. If breaches are not readily resolved, or if NIE continues to have breaches of a similar nature, the Steering Board (SB) may, at its own discretion, consider the following options:

- Continue funding on the basis that the NIE agrees to tighten up its administrative practices or commits to undertake further training or contract appropriately qualified consultant;
- Acceptance by the NIE of the assistance/supervision of the project pending a possible restructuring of, or training for the NIE;
- Temporary suspension of funding until the NIE implements acceptable corrective measures;
- Cessation of funding; and/or
- Where the NIE has been found to have breached the condition relating to the use of the Trust funds, action must be taken immediately as provided in the Memorandum of Agreement (MoA) and the Anti-Corruption Act.

Funds will not be released if any IE fails to demonstrate ability to manage the funds, such as in cases where the NIE:

- Misappropriates funds;
- Engages in fraudulent activities;
- Acts in a manner inconsistent with the objectives of the signed MoA);
- Displays extremely low or deteriorating performance levels, as regards overall achievement of Trust Fund objectives and/or financial performance; and/or
- Otherwise breaches the terms and conditions of the MoA

**7.2 Principles of Procurement**

The procurement system must ensure value for money in the procurement of goods, services and works. As such, SLERTF and its implementing partners are bound by these principles and ethical code of conduct and are accountable for what they do or fail to do when managing the funds.
- Transparency
- Integrity
- Economy
- Openness
- Fairness
- Competition; and
- Accountability

**Accountability and Transparency**

The steps towards accountability and transparency include:

- Publication of lists of awarded NIEs, the amount, the purpose, and the geographic areas covered on the Ministry of Finance & Economic Development (MoFED) website;
- Using the MoFED and UNDP websites for publishing and disseminating results achieved by IEs, products, reports, success stories, and information relevant to the sector;
- Project award events organised by the Secretariat;
- Project launching events organised by the NIEs in the areas where the activities will be implemented to be attended by local governments, local Civil Society Organisations (CSOs) and community representatives where information will be disseminated with emphasis on amount, expected outputs and activities of the NIE to ensure no unrealistic expectations are created;
- Monthly results based progress reports from IEs;
- Quarterly learning/sharing forum discussing progress;
- Project closure events attended by the same local forum as project launch events; and,
- Project results based completion reports.

**Value for Money**

The Technical Secretariat should ensure the following:

- strong competition is fostered and waste prevented;
transparency and accountability during the entire bidding process;
comprehensive and unambiguous specification and evaluation criteria at all times during the implementation of the project;
unnecessary costs and delays are avoided for all the parties concerned; effective contract management which includes recouping of donors’ funds from defaulting suppliers if necessary.

7.3 PROCUREMENT ACTIVITIES AND APPLICATION RULES

The procurement activities and applicable rules are listed in the table below.

Table 2: Procurement Activities and Applicable Rules

<table>
<thead>
<tr>
<th>Procurement Activities</th>
<th>Responsibility</th>
<th>Applicable Guidelines</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Plan (PP)</td>
<td>SLERF,NIEs, UNIEs</td>
<td>NPPA’s PP format</td>
<td>Individual PP of the respective procurement entity</td>
</tr>
<tr>
<td>Integration of IEs’ PP</td>
<td>Respective NIEs</td>
<td>NPPA’s PP format</td>
<td></td>
</tr>
<tr>
<td>Final integrated PP comprising all the PPs of SLERF and IEs</td>
<td>SLERF</td>
<td>NPPA’s PP format</td>
<td></td>
</tr>
<tr>
<td>Endorsement of final integrated PP</td>
<td>Steering Board</td>
<td>NPPA’s PP format</td>
<td></td>
</tr>
<tr>
<td>NOL on Final PP</td>
<td>MoFED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement of Consulting services for SLERF and IEs</td>
<td>SLERF</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
<td></td>
</tr>
<tr>
<td>Procurement of Consulting services for UNIEEs with prior approval of SLERF</td>
<td>UNIEs</td>
<td>UN Procurement Guidelines/Policies</td>
<td></td>
</tr>
<tr>
<td>Procurement of Goods and Equipment</td>
<td>SLERF</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
<td>RFQ, NCB and ICB</td>
</tr>
<tr>
<td>Procurement of Goods and Equipment for IEs with prior approval of SLERF</td>
<td>NIE</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
<td>NCB only</td>
</tr>
</tbody>
</table>
### 7.4 PROVISIONS FOR PROCUREMENT

**Bidding Process**

- Only the model bidding documents for the National Competitive Bidding (NCB) agreed with the Technical Secretariat (as amended time to time) including qualification criteria shall be used;
- Bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
- Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders;
- Quotations/bids shall be obtained from at least three approved suppliers where it is applicable to do so;
- Bids shall be opened in public in one place, immediately after the deadline for submission of bids;
- Qualification criteria (in case pre-qualification was not carried out) shall be stated in the bidding documents, and if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity of registering without hindrance;

<table>
<thead>
<tr>
<th>Procurement of Goods and Equipment for IEs</th>
<th>NPPA’s Public Procurement Act and Regulations</th>
<th>RFQ only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement of Goods and Equipment for UNIEs with prior approval of SLERF</td>
<td>UN Procurement Guidelines/Policies</td>
<td></td>
</tr>
<tr>
<td>Procurement Non-consulting Services for SLERF</td>
<td>SLERF</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
</tr>
<tr>
<td>Procurement Non-consulting Services for IEs with prior approval of SLERF</td>
<td>SLERF</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
</tr>
<tr>
<td>Procurement Non-consulting Services for UNIEs with prior approval of SLERF</td>
<td>UNIEs</td>
<td>UN Procurement Guidelines/Policies</td>
</tr>
<tr>
<td>Procurement of Works</td>
<td>SLERF</td>
<td>NPPA’s Public Procurement Act and Regulations</td>
</tr>
</tbody>
</table>
• Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format and specified period agreed with the Technical Secretariat and contracts shall be awarded to the lowest evaluated responsive bidders;
• Rebidding or re-launch of the procurement process shall not be carried out without the prior concurrence of the Technical Secretariat;
• Extension of bid validity shall not be allowed without the prior concurrence of the Technical Secretariat for the first request if it is longer than four (4) weeks, and for all subsequent requests for extension of irrespective of the period and
• There shall not be any restrictions of the means of delivery of the bids.

7.5 PROCUREMENT PLAN

A Procurement Plan for the initial 12 months of the project shall be developed, reviewed and agreed with the Technical Secretariat. The Procurement Plan will be updated in agreement with the Technical Secretariat annually, or as required, to reflect the annual project implementation needs and improvements in institutional capacity. SLERF will be required to submit, on a quarterly basis, a consolidated monitoring report to the Steering Board as part of the harmonized monitoring report. The report should include the status of implementation of the Procurement Plan as well as the information on the contract progress and expenditure. An Approval from the SLERF is required for the Procurement Plan prior to initiating the procurement processes. All the implementing agencies will prepare the Procurement Plan according to the template provided in this manual.

The Procurement Plan shall identify those contracts which shall be subject to the SLERF’s prior review. All other contracts shall be subject to post review by the Technical Secretariat or its appointed agent.

7.6 PROCUREMENT PROCESS

The procurement process for goods, works, consulting services and non-consulting services is described in table below:
<table>
<thead>
<tr>
<th>Type of Procurement</th>
<th>Activities to be performed</th>
<th>Responsibility</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| A. Procurement of Works | • Preparation of Procurement Plan and endorsed to Technical Secretariat (TS)  
  • Endorsement of Procurement Plan to TS  
  • Endorsement of PP from TS to Steering Board (SB)  
  • Preparation of Detailed Project Report (DPR) & bid document submission of DPR to TS for concurrence  
  • Review and submission of DPR to SB for concurrence  
  • Review and Giving concurrence on DPR  
  • Notification of IFB through National Daily Newspaper and the ministry’s website  
  • Bid opening in Public Place  
  • Send the Bid opening checklist and minutes to TS  
  • Bid Evaluation  
  • Endorsement of Bid Evaluation Report to TS  
  o For Post review  
  o For Prior Review  
  • Approval of the BER and publication of Intention of Award of Contract  
  • Contract Signing with the Lowest Evaluated Responsive bidder | • IE, UNIE  
  • NIE  
  • Approval by SLERF  
  • NIE | NPPA’s PP format  
  Model Bid Document based on NPPA’s NCB and concurred by the Steering Board  
  Standard NPPA’s Bid Evaluation Format  
  The Central Bank’s announced Exchange Rate |
### B. Procurement of Goods and Non-Consulting Services

- Preparation of Procurement Plan and endorsement to SB
- Preparation of Cost Estimate, specification and schedule & bid document.
- Submission to the WB for concurrence
  - For Post review
  - For Prior Review
- Notification of IFB through National Daily Newspaper and Ministry’s website
- Bid opening in Public Place
- Send the Bid opening checklist and minutes to TS
- Bid Evaluation
- Endorsement of Bid Evaluation Report to SB for concurrence
  - For Post review
  - For Prior Review
- Approval of the BER and publication of Intention of Award of Contract
- Contract Signing with the Lowest Evaluated Responsive bidder

### C. Procurement of Services

<table>
<thead>
<tr>
<th>Type of Procurement</th>
<th>Activities to be performed</th>
<th>Responsibility</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Preparation of Procurement Plan and endorsement to TS and SB</td>
<td>• UNIE, TS, NIE</td>
<td>NPPA’s PP format</td>
</tr>
<tr>
<td></td>
<td>• Preparation of Cost Estimate, &amp; RFP</td>
<td>• UNIE, NIE, TS</td>
<td>Estimate based on the Standard rate of consultants, Prevailing market Price and</td>
</tr>
<tr>
<td></td>
<td>• Submission to the SB for concurrence</td>
<td>• UNIE, IEs, SB</td>
<td></td>
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<tr>
<td></td>
<td>- For Post review</td>
<td>• NIE, TS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- For Prior Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Notification of EOI through National Daily</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Newspaper and UN Business website
- Short listing of the consultants
- Submission to the SB for concurrence
  - For Post review
  - For Prior Review
- Notification to the shortlisted consultants through National Daily and UN’s Business Website
- Notification for RFP collection to shortlisted consultants
- RFP opening in Public Place
- Send the RFP opening checklist and minutes to TS
- RFP Evaluation
- Endorsement of RFP Evaluation Report to SB for concurrence
  - For Post review
  - For Prior Review
- Approval of the RFP and publication of Intention of Award of Contract
- Contract Signing with the successful Consultant

<table>
<thead>
<tr>
<th>Price Index</th>
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<tbody>
<tr>
<td>NIE, TS</td>
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<tr>
<td>o UNIE, IEs</td>
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<td>o SB</td>
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<td>NIE, TS</td>
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<td>NIE, TS</td>
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<td>NIE, TS</td>
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<tr>
<td>NIE, TS</td>
</tr>
</tbody>
</table>

7.7 PROCUREMENT FOR GOODS, WORKS AND NON-CONSULTING SERVICES

The procurement process for all the activities under this recovery programme will follow all steps mentioned in Table 3. The options for Procurement of Goods, Works and Non-consulting Services are described below:

**International Competitive Bidding** - The procurement will be done using the NPPA's Standard Bidding Documents (SBDs) for all categories of procurement that meet the threshold set in the First Schedule of the procurement act 2004. .
National Competitive Bidding (NCB)

- NCB procedures may be used provided that:

- foreign bidders shall be allowed to participate in bidding process;

- bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later;

- domestic preference shall be given for domestic bidders and for domestically manufactured goods; and

- each bidding document and contract financed out of the proceeds of the Trust Fund shall provide that:

  - the bidders, suppliers, contractors and subcontractors shall permit the Auditor-General, at her request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Auditor-General; and

  - the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in Section 11(2)(b)(c) of the Audit Service Act of 2014 and section 34(1) of the Procurement Act, 2004.

Other Methods - The following methods, other than International Competitive Bidding and National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan in accordance with Part V of the procurement act of 2004 following approval by the Steering Board.

- Limited International Bidding,

- Shopping or Request for quotation,

- Direct Contracting; and

- Restricted Bidding.
7.8 PROCUREMENT OF CONSULTING SERVICES

The options for Procurement of Consulting Services are described below.

Quality and Cost-Based Selection (QCBS) - Except as otherwise provided in the following paragraph, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-Based Selection.

Other Methods - The following methods, other than Quality and Cost-Based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan in accordance with Part V of the procurement act of 2004 following approval by the Steering Board:

a) Quality-Based Selection (QBS);

b) Selection under a Fixed Budget;

c) Least Cost Selection;

d) Selection based on Consultants’ Qualifications;

e) Single-source Selection of consulting firms; and

f) Single-source procedures for the Selection of Individual Consultants.

7.9 ACTIONS REQUIRED OF SLERF AND IEs

Procurement of Goods, Consulting Services and Non-Consulting Services under the SLERF will be carried out by the Technical Secretariat, UNIE, and IEs. To ensure compliance with the procurement rules and to strengthen the IEs procurement performance capacities, the following actions must be followed.

- The IEs must be adequately staffed, including at least one procurement specialist in the office of the IEs.
- Procurement training will be provided to the IEs.
- The Technical Secretariat will review the Bid Evaluation Report (BER) for Works Procurement. The review will be done on a quarterly basis and the report will be sent to the Steering Board.
- The Technical Secretariat will review the BER to ensure the compliance of the procurement rules.
SECTION VIII - FIXED ASSETS MANAGEMENT

8.1 Fixed Asset Policy

The Fixed Asset Policy should be maintained to ensure control over fixed assets, to provide guidance when dealing with capital expenditure, the purchase and disposal of fixed assets and to provide guidance on other aspects of fixed asset accounting.

The acquisition of capital assets normally requires formal approval by the Steering Board.

8.2 Fixed Assets Register

Records of assets maintained by location should be sufficiently detailed to allow identification of individual assets in a Fixed Assets Register. These details include:

- Location
- Asset Number
- Asset type
- Date of Purchase
- Date of first usage
- Date of disposal
- Condition of Use
- Code assigned to the asset

The Fixed Assets Register should be reconciled to the nominal ledger and updated on a bi-annual basis. The category of expenditure (type of asset) should be recorded for each fixed asset addition.

8.3 Custodial Review

Office inventory must be formally checked at least once a year by a member of staff. This task must be included in the job description of the staff responsible for it. It is a responsibility of management to ensure that inventory is being kept up to date and that the inventory check is carried out as stipulated.

8.4 Monitoring

The application of this policy will be monitored through:

Appropriate testing to ensure compliance conducted by the Internal Audit Team, which will be reported in their review reports. The reports will be presented to the Audit Committee.
8.5 Log for Vehicles

Vehicle operating cost is one of the major items of recurrent cost. A log book will be maintained for each vehicle.

At the end of the month, the original will be sent to Internal Audit Team for their scrutiny. The log book will provide very useful information for the comparison of the fuel consumption and mileage of SLERF vehicles.

Equipment and other goods furnished or financed by the SLERF shall remain the property of the Government or as agreed between the donors and the partners upon completion of the project or termination of the agreement.
SECTION IX - ELIGIBILITY CRITERIA, PROJECT APPRAISAL & APPROVAL

APPRAISAL FLOWCHART

Submission of Proposal packages

Review of Proposals (Technical Secretariat & Delivery Team)

Submission of Applicants eligibility criteria checklist (TS)

Project Appraisal (TS/DT)

Submission of complete project proposal (TS)

Submission of additional info & clarification from TS/DT during screening (TS)

Stage 1: Review technical validity & financial viability

Stage 2: Sector revision by Line Ministries

Technical Secretariat submit proposal to Steering Board

- List of successful proposals
- List of unsuccessful & explanations for rejection
- Summary of applicant timetable
9.1 Attracting Eligible Applicants

Even with the effective design of the SLERF, the process of preparing quality proposals and obtaining funding will be demanding. Some of the entities might well find the demands overwhelming and require support.

For this reason, it is vital that the Technical Secretariat and the Delivery Team provide support and facilitate the preparation of proposals. This activity must be performed so as not to create unfair advantage for any applicant, while at the same time ensuring that every eligible applicant has access to all the information and procedural guidance required to prepare high quality proposals that respond specifically to the SLERF requirements.

This Manual provides guidelines on the communication techniques and approaches that should be used to help stimulate the desired response to the SLERF.

As part of the Communications Strategy, the Technical Secretariat will:

- Proactively follow up with IEs and, when appropriate, other entities from which proposals are sought, to ensure they are properly briefed and motivated to respond;
- Distribute appropriate guidance information to IEs to help preparation of proposals, including pro forma application documents (to be provide by the UNDP), tools, methodologies and provision of ad-hoc support;
- Ensure that applicants receive appropriate answers to any requests for technical or procedural clarification;
- Facilitate the introduction of entities to others that may be willing and able to collaborate on proposal preparation and implementation; and
- Ensure applicants remain aware of deadlines and other essential rules and regulations.

Overall, it is critical that, while remaining neutral and objective, the Technical Secretariat plays a proactive role in encouraging and supporting applicants, rather than simply assuming The SLERF will receive the volume and quality of proposals it requires.
9.1 Eligibility Criteria for Applicants

The Technical Secretariat will carry out capacity assessment of Implementing Entities as follows:

**Legal status**

i. The Implementing Entities must have legal mandate to implement programmes in Sierra Leone

**Financial**

ii. The Implementing Entities must have established financial management systems in place, including accounting systems for the recording of transactions including proper controls for the preparation and approval of transactions; reconciliation procedures in place; robust internal control framework; proper procedures in place for the planning of activities; budget preparation process; experience of the person responsible for preparing the budget; proper procedures in place for the managing and safeguarding of assets; capacities to prepare financial statements on a regular basis; the solvency status of the IP will be ascertained;

iii. Internal Audits: The Implementing Entities have systems in place for internal audit;

**Procurement**

iv. Capacities are in place to adhere to the NPPA provisions and regulations, including ethics, anti-fraud and corruption. Procurement committee in place; use of standard bidding documents and contracts, and defined process to source supplies; conduct public bid openings; establish Long Term Agreements (LTA) with suppliers; prepare procurement reports and the staff are qualified and experienced.

**Project management**

v. The Implementing Entities have the staff with requisite technical competencies and experience to deliver results;

vi. The Implementing Entities must have equipment, office space, mobility, and enabling environment required for effective delivery of results.

**Results-based management, including monitoring and evaluation**

vii. The National Implementing Entity has resources and capacities for timely monitoring (including, data collection on project results) and reporting against projects results;
The Technical Secretariat may use the Harmonized Approach to Cash Transfers (HACT) assessment in undertaking the capacity assessment of National Implementing Entities.

### 9.2 Screening Applicants

In principle, and as a result of regular liaison with IEs, the Technical Secretariat and the Delivery Team should be well aware of what proposals are to be submitted before each submission deadline. It may be that some expected proposals are not received by the publicised deadline; in the interest of the credibility of The Fund Management it is imperative that no exceptions be made to this rule; a proposal can only be considered within the period that it has been submitted. Call(s) for proposals will have deadlines which will be strictly adhered to.

**Screening Check**

For proposals received on time, the first screening check that the Secretariat should make is whether the proposals satisfy the eligibility criteria. Any that do not satisfy the eligibility criteria should be disqualified. The basis for the disqualification should be recorded in a report to be submitted to the Steering Board. Once the disqualification has been agreed on the relevant applicant should be notified in writing.

For all proposals that pass this check, it is the responsibility of the Technical Secretariat and the Delivery Team to review the quality and completeness of the submission and to seek from the relevant applicants any clarifications or missing detailed information. The Technical Secretariat and the Delivery Team will not filter out proposals on any basis other than failure to pre-qualify or satisfy eligibility criteria. However, they may include in the packages to go through appraisal any objective assessment of the applicant or proposal, to the extent that these may be relevant to the likelihood of successful project implementation. Submission of the proposal packages to the Technical Secretariat and the Delivery Team will signal the commencement of the Appraisal Process.

### 9.3 Appraising Applications

**The Appraisal Process**

The Appraisal Process commences with submission of proposal packages by the Secretariat (excluding any that have been filtered out due to ineligibility or failure to pre-qualify, by the Secretariat.) The process ends with final decisions by the Steering Board on which proposals will be awarded funds in this cycle, and recommendations on when any other technically approved proposals may be able to receive funds, and what actions need to be taken in order to mobilise additional funds.

The design of the appraisal process reflects the expectation that there will generally be far more worthwhile proposals for The Fund to support than...
there are funds available to support them. It is therefore essential that rigorous processes are applied to appraise the technical merits of proposals and prioritise the allocation of finite funds. All project proposals must follow good standards of the results-based management.

Initiation of the Proposal Appraisal Process

It is the responsibility of the Technical Secretariat and the Delivery Team to ensure that the appraisal process is as efficient as possible. At the outset this requires that, for those proposals that have passed screening, complete and well organised packages are available for circulation and appraisal.

The Technical Secretariat will submit the following (for each proposal to be submitted for appraisal):

- The eligibility criteria checklist (to confirm that eligibility has been assured);
- The applicant’s completed Project Proposal templates;
- Additional information/clarifications obtained by the Technical Secretariat and the Delivery Team during the screening process.

The Technical Secretariat should prepare an overall report that:

- Lists the proposals that have been passed for full appraisal;
- Lists the proposals that did not pass screening, including explanations for the rejection;
- Summarises the appraisal timetable as currently envisaged (but which may be modified if circumstances require).

Allowing some time for obtaining final clarifications, the Secretariat should have SRAPs and summary reports ready for circulation within two weeks of the proposal submission deadline.

The overall report and all information in the proposal packages should be in electronic format.

Technical and Financial Appraisal

The Technical and Financial appraisal will be undertaken by the Technical Secretariat and the Delivery Team. The appraisal includes assessment of the technical merits and finance that the proposed investment merits, in order to achieve the desired results.
Proposals will be submitted to the Technical Secretariat for appraisal which will be done jointly with the Delivery Team. The appraisal is an expert assessment of the proposals against pre-defined criteria to determine if they are technically valid, demonstrate financial viability relevant to the type of investment requested and are of sufficient ambition and credibility to warrant investment by the Fund. There are two stages (with formal feedback paths between each):

1. Review. The first stage is reviewed by the Technical Secretariat and the Delivery Team. This work will produce a report on technical validity (whether the proposed interventions will meet the targets set) and financial viability (in the context of the available finance).

2. Revision. The second stage is revision by the sector. The line ministry will take the feedback and finalise the Proposal as appropriate. Following consultation with partners within the sectors, the line ministry will then resubmit the Proposal to the Technical Secretariat for final endorsement.

The Head of the Technical Secretariat will make sure that line ministries have fully addressed all the concerns, comments and suggestions provided by the Technical Secretariat and the Delivery Team. The Technical Secretariat will highlight the critical concerns and comments that they have made to the Steering Board for consideration during the final decision-making process.

**Preliminary Review**

The Technical Secretariat and the Delivery Team will initially have 10 working days to review the information that has been circulated to them and to identify what clarifications or further information is required to complete effective technical appraisals.

While not yet needing to undertake detailed appraisals, application of the standard appraisal process at this stage will ensure that the preliminary review is objective and thorough. The conclusions from this preliminary review should be relayed to the IEs, who will then obtain whatever additional information or clarifications have been requested. A further period of 10 working days is allowed for obtaining requested information from applicants, which should be circulated to all members of the Steering Board as soon as it has been received and collated by the Secretariat.

Assuming that the process so far has followed standard timescales, approximately six weeks will have elapsed since the proposal submission deadline.
Detailed Technical and Financial Appraisals

Unless the volume of proposals to be appraised is abnormally high, or the information provided by applicants remains deficient, the Technical Secretariat and Delivery Team complete detailed appraisals, and proposal selection and prioritisation within three weeks of receiving clarifications. Where the quality of Proposals is weak, feedback and support will be provided to build quality.

All project proposal life cycles must end before 31st December 2018.

The Secretariat completes the appraisals by scoring each proposal against pre-determined Technical and Financial Evaluation Categories described in the table below:

Table 8: Technical and Financial Appraisal Categories

<table>
<thead>
<tr>
<th>Category #</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Compliance with technical standards, with those not complying being sent back to IEs with recommendations for improvement</td>
</tr>
<tr>
<td>2</td>
<td>Fit with current strategic priorities, which should be considered for immediate funding. Proposals are technically sound but not fully aligned with current strategic priorities which should therefore be considered for deferred funding.</td>
</tr>
</tbody>
</table>
| 3 | Technical validity:  
  - contributes to the hierarchy of objectives of the NERS  
  - the technical practicality/feasibility of the proposed interventions. |
| 4 | Financial validity:  
  - sustainability of interventions at the end of requested funding;  
  - financial leverage, if any, provided by the investment;  
  - financing modalities requested in terms of relevance and potential for results based elements within funding requests;  
  - availability of funds |
| 5 | Implementation validity:  
  - the feasibility from a program management and delivery perspective of the proposed activities;  
  - the role of non-state actors (private sector and civil |
<table>
<thead>
<tr>
<th>Category #</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>society in the delivery of the proposed activities - when only state actors are proposed this needs to be justified with an explanation as to why this is the best delivery mechanism.</td>
</tr>
<tr>
<td>6</td>
<td>Monitoring and evaluation:</td>
</tr>
<tr>
<td></td>
<td>• plans for proposed investments, focused on data availability and alignment with Monitoring and Evaluation requirements;</td>
</tr>
<tr>
<td></td>
<td>• results framework of investments, aligned to overarching SLERF hierarchy of objectives in the NERS</td>
</tr>
</tbody>
</table>

The process should be concluded with an Appraisal Meeting; normally up to one day should be allowed for this meeting, the time to be adjusted to reflect the volume of proposals under consideration. The Chair of the Steering Board should ensure that available time is used fairly so that all proposals receive due and proper consideration.

The Appraisal Meeting will be carefully documented by the Technical Secretariat for reference purposes.

9.4 Management Assessment

The management assessment has three primary purposes, namely to:

- Ensure that the technical appraisal has complied with due process and therefore accept the conclusions reached through the Appraisal;
- Factor in the opinions expressed by the Steering Board in determining optimum allocation of available funds; and
- On the basis of the conclusions and recommendations of the Technical Appraisal Meeting, funding allocations for the current cycle will be determined.

The second of these will be a complex undertaking, for each selected proposal needing to balance the following considerations:

- The current strategic prioritisation;
- The schedule of funds requirement over the lifetime of the proposal;
- The total funds that are immediately available to meet the needs of the proposal, broken down by availability and
• Realistic projections for new funding to be secured that could be allocated to the proposal (indicating amounts and timing).

During the two weeks following completion of the Technical Appraisal, the Technical Secretariat and the Delivery Team undertake detailed financial analyses:

Steps in Financial Analysis:

• Breakdown of total funding requirement;
• Analysis of total funds availability;
• Assessment of amount of pooled funds available against the requirements stipulated in the Project Proposal;
• Schedule of funding requirement broken down by each year of the proposal’s life as stipulated in the proposal; and
• Analysis of outstanding funding requirement which includes projecting the amount of funds that will be required and when, with respect to each relevant parameter of the SLERF Strategic Framework.

After this selection process, the Funding Meeting will be held. The minutes of this meeting will be documented by a member of the Technical Secretariat distinguishing between:

• Issues raised in relation to prioritisation;
• Matters on which consensus could not be reached;
• Decisions reached, including the basis for these decisions; and
• Approval of the requested allocations, or conditionally approving requested allocations, stipulating what conditions need to be satisfied, or reject the requested allocations, explaining why they are not acceptable.

Approval requires consensus of the voting members of the meeting. The minutes of these meetings will be shared among all the members of the Board, the Delivery Team and the Technical Secretariat for the purpose of transparency.
SECTION X: AUDITING AND ASSURANCE OF THE SLERF

According to the Sierra Leone Constitution, the Audit Service Sierra Leone is responsible for auditing all the financial transactions with Government interest. The Audit Service has regional offices, which audit revenues (including resources from higher tiers of government) utilised by the regions.

Special Arrangements

The Audit Service will be required to audit ALL projects funded by the SLERF or may enter into agreements with independent auditors to execute the Annual Audit should it deem this to be necessary. If this approach is adopted, the auditors will be appointed at least two months to the end of the period to be audited.

Auditing of the IEs and Approved Accounting Intermediaries that have received funds from the SLERF shall be subject exclusively to the internal and external auditing procedures provided in the National Regulatory Framework.

The activities of the UNDP MPTF Office, as interim Administrative Agent, shall be subject exclusively to the internal and external auditing procedures provided in the financial regulations, rules, policies and procedures of the UNDP MPTF.

10.1 Internal Control

The SLERF will use government financial management systems and procedures to ensure that satisfactory internal controls are in place. Where or before funds are transferred to External Entities (EEs) that are non-state actors, the relevant IEs will ensure that EE’s have properly designed internal audit systems in place in line with international best practice. Guidance on due-diligence undertaken on IEs will be provided by the Steering Board in line with best practice. This is to ensure that EE’s have the systems and capacities to delivery and do not represent significant risk with regard to fiduciary risks.

10.2 Internal Auditing

The internal audit shall:

- Keep and provide a complete and regular check of the accounts, records, expenditure, stores, inventories, equipment, vehicles and other assets. There may also be quality assurance/spot checks on accounts as deemed appropriate;

- Review the accounts, financial documents and statements on a quarterly basis; and
Submit a written report to the Board, copied to the subject of the audit, on the results of the checks carried out, along with recommended actions as necessary and a plan for their implementation.

The Internal Audit Unit which is located in the Ministry of Finance and Economic Development will be responsible for following-up on the implementation of those recommendations accepted and authorised by the Technical Secretariat.

10.3 External Auditing

External Auditors will be selected by the Auditor General in consultation with the Technical Secretariat as stipulated in the Audit Act. The selection criteria will be based on least cost or QCBS. Audits will be carried out annually for all projects funded by SLERF with a life cycle of one year or more with the second year being a comprehensive audit for the entire life cycle of the project. In the case of short term projects (less than a year) the audits will be carried out at the end of the projects.

A Final Audit Report will be produced once the Implementation Agreement governing the allocation of funds has terminated. The auditor will plan and perform the continuous audits in a way that adds value (by tightening financial controls) and reducing the time it takes to produce the final Audit Report.

The payment of the third party/external auditors will be through bank transfers and the terms will be tranche payments based on agreed deliverables.

It is recommended that the implementation of audit recommendations be completed within a period of three months after publication of the audit report.

The Steering Board is responsible for ensuring that the financial statements relating to Designated Accounts are audited annually, and for submitting the audited annual project financial statements to the donors within six months of the end of the fiscal year.

In all cases, the auditor will express an opinion on the financial statements prepared to record the source and allocation of funds from the SLERF (the Designated Account). The annual financial statements will adopt the same format as the quarterly reports if done and will therefore be a consolidation of those quarterly reports. Audits will apply robust sampling techniques and address the following primary issues:

- Examination of the activities of and the systems and controls applied to the Designated Account;
• Verification of services financed by the programme;

• Examination and report on the International Public Sector Accounting Standards or International Financial Reporting Standards used as the basis for disbursements and recording transactions.

• Provision of an opinion as to whether funds are being used for the intended purposes, including explanation of the sampling techniques used to test financial transactions and evaluate internal controls.

The results of external auditing will be communicated to the Board. The Technical Secretariat will prepare an action plan and follow up on the implementation of comments provided by the external audit. It will then send status report to the Board on the implementation of the comments and recommendation.

The specific requirements of the audit process are summarised in Table 4 below.

Table 4: Specific Requirements of the External Audit Process

<table>
<thead>
<tr>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>The audit must be conducted in conformity with international standards of auditing and in accordance with the professional judgement of the auditor. The standards applied are normally referred to in the audit report. The Audit Service Sierra Leone normally conducts the audit. However, in instances when such arrangements are not feasible, the audit may be carried out by a commercial auditor appointed by the Auditor General. The Technical Secretariat will organise briefings with the auditors before the audit exercise and upon the completion of the audit. The findings of the draft audit report must be discussed in detail with the IEs, including appropriate programme or project management staff, the government coordinating authority. Their comments are expected to be included in the final report.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Terms of Reference for an Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The TOR will be drafted by the SLERF Technical Secretariat and must provide detailed and comprehensive guidance on the audit process, such as the audit plan, standard terms of reference and contract for the auditor, standard outline audit report, as well as issues and documentation to assist the audit.¹ This will be shared with contributors to the Fund on request before the disbursement of funds.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit Plan and Objectives</th>
</tr>
</thead>
</table>
| All SLERF supported programmes and projects, must be audited at least once. The SLERF draws up an annual audit plan by December. The audit plan lists the programmes and projects scheduled to be audited on that given

¹ The standard format for the audit TOR is attached as Annex 7(1).
year, considering whether the programme or project has previously been audited, the volume of funds, number of programmes and projects, workload, among other things. The Office of the Auditor General will assign the appropriate auditors for all programmes. This will be applicable to state and non-state actors. The objective of the audit is to provide the Government and the donors with the assurance that resources are being managed in accordance with:

- The financial regulations, rules, practices and procedures prescribed for the programme or project;
- The sectoral action plans and project proposals, including activities, management and implementation arrangements, monitoring, evaluation, and reporting provisions; and
- The requirements for execution in the areas of management, administration and finance.

### Scope of Audit

The audit of the SLERF Facility supported programmes or projects must cover, but may not necessarily be limited to, the following:

- Assessment of the rate of delivery,
- Financial accounting, monitoring and reporting,
- Management systems for recording, documenting and reporting on resource utilisation,
- Equipment use and management, and
- Management structure, including the adequacy of appropriate internal controls and record-keeping mechanisms.

The audit must confirm and certify that:

- Disbursements are made in accordance with the activities and budgets of the programme support or project document,
- Disbursements are supported by adequate documentation,
- The financial reports are fairly and accurately presented,
- An appropriate management structure, internal controls and record-keeping systems are maintained,
- National Implementing Entities and the SLERF have undertaken and have prepared reports for monitoring and evaluation of the substantive activities and of the management systems of the programme/project, and
- The procurement, use, control and disposal of nonexpendable
equipment are in accordance with the Government’s regulations.

The audit is normally carried out at the level where the original documentation is held. In addition to audits scheduled in consultation with the board and donors the Auditors reserve the right to conduct periodic site reviews and spot checks of the financial records of IEs and programmatic monitoring visits.

<table>
<thead>
<tr>
<th>Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>The audit report is an integral part of the monitoring and evaluation process. Its contents are taken into account in the annual progress review of programmes or projects, in programme or project evaluation and in the annual and mid-term review. The audit report shall be shared/discussed with all parties concerned and follow-up actions shall be prepared and implemented by the responsible body. The Technical Secretariat (supported by the Steering Board) is responsible for following up with the IEs and on the implementation of the recommendations made in the audit report that pertain to them.</td>
</tr>
</tbody>
</table>
SECTION XI: MONITORING, EVALUATION AND REPORTING

11.1 Allocation of Responsibilities

The allocation of monitoring and evaluation (M&E) responsibilities during the life cycle of the project are summarised below in Table 5 with particular reference to the Implementing Entities, the Delivery Team and Technical Secretariat:

Table 5: Summary of Roles and Responsibilities within the M&E Process

<table>
<thead>
<tr>
<th>Steps</th>
<th>Implementing Entities</th>
<th>Technical Secretariat and the Delivery Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring, Evaluation,</td>
<td>• Develop Project Proposals including results targets and milestones to contribute to</td>
<td>• Develop and implement M&amp;E strategy and results Framework for the SLERF</td>
</tr>
<tr>
<td>Reporting Results</td>
<td>SLERF implementation.</td>
<td>Conduct monitoring and follow up visits of implemented programmes</td>
</tr>
<tr>
<td></td>
<td>• Monitoring of all funded programmes</td>
<td>• Coordinate review missions by contributors and other key stakeholders</td>
</tr>
<tr>
<td></td>
<td>• Quarterly reporting to the Technical Secretariat on process, implementation and</td>
<td>• Receiving, quality assuring and collating reporting from implementing entities against agreed targets</td>
</tr>
<tr>
<td></td>
<td>results/ outcomes</td>
<td>and milestones.</td>
</tr>
<tr>
<td></td>
<td>• Facilitate and engage with any independent reviews and evaluations</td>
<td>• Reporting on finance and delivery to Steering Board.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coordinate review meetings with IEs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide guidance and templates to Implementing Entities to design targets, milestones and to monitor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>progress.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Technical support for the designing of relevant tools.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Technical quality assurance on high level results targets.</td>
</tr>
</tbody>
</table>
Fund-level Monitoring

Monitoring, evaluation and reporting is primarily the responsibility of the Government represented by MOFED, through the Technical Secretariat.

- Specific responsibilities under the M&E programme will be assigned to Implementing and/or Executing Entities;
- Additional independent evaluation will be commissioned as required;
- Contributors will participate in selected aspects of M&E; and
- As required qualified specialists will be engaged to assist in the design and execution of the M&E strategy.

Project-level Monitoring

Project-level Monitoring and Evaluation is the responsibility of the IEs.

The critical processes to be conducted in M&E, and reporting results, are outlined below.

11.2 Scope of Monitoring and Evaluation

Monitoring and Evaluation (M&E) mechanisms and approaches are essential management tools to help assess performance of the SLERF and the activities it finances, the extent to which progress can be attributed to those activities, and to assess how far key cross-cutting issues such as gender, disability, and environmental sustainability are being addressed effectively. Regular monitoring and reporting allows the Government of
Sierra Leone to track performance, promote accountability and inform management decisions.

M&E should inform and drive improvement of on-going and future programme implementation and planning. Evaluation promotes accountability and learning. Independence and objectivity are essential.

Evaluation involves systematic and objective measurement of the results achieved by the SLERF and through its financed programs. Evaluation studies can assess the extent to which the project produced the intended outcomes and, where possible, impacts.

Evaluation of the Fund may be commissioned to assess the relevance, coherence and efficiency of implementation, as well as to determine the overall efficacy, impact and sustainability. This will leverage specialist institutions and be independent to ensure objective results.

The SLERF will establish systematic performance monitoring and reporting based on the principles of Results-Based Management (RBM). The Fund’s approach to M&E will be designed to foster a culture of learning, transparency and accountability, and thus to ensure informed decision-making. These mechanisms will also be aligned with existing national and sectoral monitoring and evaluation processes, and serve as an input for the national and sectoral review processes.

M&E will be conducted in accordance with the principles and practices that have been developed by the Technical Secretariat on the basis of extensive practical experience, and drawing on global best practice as appropriate. M&E will be based on project and fund-level logical frameworks (or equivalent results matrixes), regular reporting, field visits and review missions, stakeholder review meetings and the commissioning of independent reviews and evaluations.

The SLERF requires monitoring and evaluation at three levels:

- Baseline Measurement before the commencement of implementation activities;
- Milestone Measurements; and
- End of Project Evaluations

11.3 Guidelines and Principles

The basic principles of SLERF monitoring and evaluation include that the system should:

- Be intelligible to staff from the Technical Secretariat and programme partners at all levels; and should not require unnecessary reporting;
• Be designed in such a way that it helps to develop the reflective and analytical capabilities of those involved;

• Be able to feed consistent quality information on outputs, outcome and impact into the project planning and management cycle;

• Be responsive and enable effective decision making not merely be geared to the collection of information and data;

• Be based upon as wide involvement as is realistically possible and necessary, should explicitly value the contributions of various stakeholders;

• Acknowledge the value of alternative sources of information and of the perceptions of local people who have not been directly involved in the project;

• Be cost-effective.

• SLERF-funded projects will be monitored on a quarterly basis and both mid-term and end of project evaluations will be required for each project.

The SLERF M&E system is intended to contribute to:

• Accountability, by providing space for stakeholders to provide feedback and drive improvements;

• Informed decision making;

• A greater focus on achievement of results;

• Empowerment, by providing key stakeholders with essential information and providing opportunities for them to reflect critically on the project’s direction and suggest improvements; and

• Promotion of institutional learning and knowledge sharing.

SLERF M&E should address:

• Relevance - the extent to which the objectives of an action are consistent with the beneficiaries’ needs, country needs, organisational priorities, and partners’ and donors’ policies;

• Adequacy - an assessment of the adequacy and timeliness of inputs in relation to carrying out project activities;
● Efficiency - refers to how economically the various inputs (funds, expertise and time) have been converted into outputs and outcomes;

● Effectiveness - being a measure of the extent to which a development project achieves the specific objectives it set;

● Impact - whether or not the action has made a difference in addressing the problem that it aimed to address (thus addressing the question “how do outputs and outcomes compare to need?”). This must consider positive and negative as well as intended and unintended results produced by the action;

● Sustainability - the likelihood of continuation of intended benefits after the action has finished; and

● Replicability - the prospects for repeating aspects of the design of the action into other actions that would contribute to the aims of the SLERF.

To achieve these aims it is important that appropriate M&E be undertaken throughout the cycle, from planning, implementation and post-implementation.

SLERF stakeholders have the right and responsibility to contribute and receive information on progress of specific programmes and the overall implementation of the NERS. Empowering stakeholders through direct involvement in the process of M&E creates ownership of outcomes, which in turn significantly contributes to the success and sustainability of the initiative. Participatory M&E has the following additional advantages:

● It establishes partnership and increases local ownership of projects;

● It helps provide more timely information for management decision making;

● It strengthens commitment to implement corrective measures;

● It helps empower local communities involved in or affected by the actions, while enhancing local learning, management capacity and skill development; and

● It increases accountability and transparency.

At the same time it should be remembered that it will be necessary to budget adequate time for identifying and involving an array of stakeholders; care must also be taken to avoid domination or misuse of M&E activities by any stakeholder groups.
In presenting M&E results it is important to concentrate on the scope of the needs of the particular stakeholder(s). Reports should enable readers to assess the quality of the evidence by stating clearly the information collection tools, analysis and references. They should refrain from overstating or exaggerating in presenting a case, and should illustrate cases through reference to material that explains the interpretations drawn.

Accordingly the basic structure of SLERF M&E reports should largely be as follows:

- Executive Summary;
- Background Information, describing in particular project rationale, goals, objectives and activities, as well as an overview of the project organisational structure or working system as well as the work subject to M&E;
- Description of the M&E and design methodology used, including details of the data collection tools, analysis methods and measures/indicators used, highlighting any material assumptions or methodological limitations;
- The M&E result, describing the changes (desired or undesired) that occurred in relation to the chosen indicators, indicating the quantitative costs and benefits of the project, and its overall effectiveness; and
- Conclusions and recommendations, outlining key lessons and recommendations on how the M&E results can be used as well as on additional M&E work required.

The Technical Secretariat and the Delivery Team will be responsible to develop a harmonized M&E template which will be utilised by all the NIEs.

These principles are to be reflected in the design and implementation of all SLERF M&E activities. More detail will be provided in the M&E Strategy, which will be developed in early months of the SLERF operations.

### 11.4 Roles and Responsibilities of the SLERF M&E

At macro level, MOFED is responsible for design and implementation of the SLERF Monitoring and Evaluation Strategy. The Strategy will set out roles and responsibilities in more detail. It will include an overarching results matrix and provide clear commitments and timeframes for routine monitoring and independent monitoring and evaluation.
The Technical Secretariat receives progress reports of all implemented activities, seeks outstanding information then collates inputs and produces overarching reporting for stakeholders.

The Steering Board must approve the Monitoring and Evaluation Strategy, as part of its responsibility to ensure the development of a system for monitoring and evaluation of the Fund’s use of resources and operations. The Technical Secretariat and the Delivery Team will periodically commission an independent ‘lessons-learned and review’ of the entire operation of the Fund, or can request other independent evaluations as appropriate.

The M&E teams in the Planning and Programme Departments of Implementing Entities are responsible for ensuring monitoring systems are built into SLERF plans and programmes, and can support independent evaluation if appropriate. In cases where such teams do not exist or lack capacity, it is the responsibility of the specific Ministry, with support from MOFED, to seek additional support and guidance, and ensure compliance with M&E systems.

The M&E Strategy must include a Results Matrix or Logical framework and financial targets as well as human and material resources required to achieve the intended targets. These serve as the basis for monitoring, reporting and evaluation.

Implementing Entities must build monitoring into their plans and proposals, and ensure effective monitoring throughout their programmes. All IEs must ensure that feedback from project beneficiaries and other stakeholders (including non-beneficiaries) is actively sought and feeds into M&E.

11.5 Standard Assignment of M&E Implementation Responsibilities

Table 6: Standard Assignment of M&E Implementation Responsibilities

<table>
<thead>
<tr>
<th>Level</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOFED/SLERF Technical Secretariat</td>
<td>• Design and lead SLERF Monitoring and Evaluation Strategy</td>
</tr>
<tr>
<td></td>
<td>• Ensure clear roles and responsibilities for M&amp;E clearly assigned and communicated</td>
</tr>
<tr>
<td></td>
<td>• Provide technical support to government institutions on application of SLERF M&amp;E approaches, methodologies and techniques</td>
</tr>
<tr>
<td></td>
<td>• Ensure that M&amp;E mechanisms are properly and adequately considered by implementing entities before approval and financing of a project</td>
</tr>
<tr>
<td>Level</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>• In approving projects for financing, ensure that M&amp;E components of projects have been given due attention and budget allocation</td>
</tr>
<tr>
<td></td>
<td>• Commission independent M&amp;E as required</td>
</tr>
<tr>
<td></td>
<td>• Prepare and submit quarterly and annual follow-up reports on the progress being made by SLERF actions to the Steering Board</td>
</tr>
<tr>
<td>Implementing Entities</td>
<td>• Incorporate M&amp;E systems and budgeting in plans and proposals, and effectively implement monitoring systems.</td>
</tr>
<tr>
<td></td>
<td>• Seek guidance and support from the Technical Secretariat as needed</td>
</tr>
<tr>
<td></td>
<td>• Ensure clear roles and responsibilities for M&amp;E clearly assigned and communicated</td>
</tr>
<tr>
<td></td>
<td>• Make sure that each action is properly monitored (at process, output, outcome and impact levels) and evaluated (during as well as at completion of implementation) and the required data/information are collected, organised, analysed and synthesised into reports of different levels of aggregation, and communicated to relevant stakeholders on a timely basis</td>
</tr>
<tr>
<td></td>
<td>• Supervise actions under implementation with regular field visits to verify progress reports and to provide guidance</td>
</tr>
<tr>
<td></td>
<td>• Prepare and submit quarterly progress reports in line with guidance</td>
</tr>
<tr>
<td>Financial Contributors/</td>
<td>• Regular review missions will provide contributors the opportunity to see implementation in the field, in a coordinated way to minimise transaction costs. MOFED and contributors may negotiate additional monitoring and reporting requirements as part of any Memorandum of Understanding.</td>
</tr>
<tr>
<td>Investors/ Donors</td>
<td></td>
</tr>
</tbody>
</table>
11.6 Linking Monitoring and Evaluation Activities

It is essential that all M&E activities adopt a common methodology, so that it is possible to compare individual actions in meaningful ways as well as to aggregate their results so that the impact of the SLERF can be assessed.

Accordingly, all M&E will be structured on the basis of the hierarchy of objectives summarised in Table 7. This will be developed in detail in the forthcoming SLERF Monitoring and Evaluation Strategy.

Table 7: SLERF Hierarchy of Objectives

<table>
<thead>
<tr>
<th>IMPACT</th>
<th>The highest level of objective towards which the implementation of the projects is supposed to contribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>OUTCOME</td>
<td>The immediate or second level objective that contributes to the achievement of a wider objective.</td>
</tr>
<tr>
<td>OUTPUTS</td>
<td>Specific results expected from project inputs so as to achieve the immediate objective for which the action is implemented.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Tasks undertaken to complete the output.</td>
</tr>
</tbody>
</table>

11.7 Reporting

All Implementing and Executing Entities will use standard formats prepared by Technical Secretariat to submit quarterly and annual progress reports to MoFED. These report progress against planned milestones and targets. Quarterly updates can focus on process, input and output delivery; annual reports should provide updates against outcome indicators (and impact where possible).

The Secretariat evaluates progress reports, seeks further information if needed, and extracts and synthesizes critical information to create the quarterly and annual SLERF Progress Report, which is circulated to stakeholders.

These reports from the NIEs will be consolidated by the Technical Secretariat and the reports for the UN Agencies will be consolidated by the MPTF Office. Reports from all IEs will be shared on the SLERF website.

11.8 SLERF Results Matrix

The SLERF Technical Secretariat, as part of the Monitoring and Evaluation Strategy, will develop an overall Results Matrix for all SLERF financed activities based on the priority areas. This is urgent and will be completed by the before the Call for Proposals is made. This will set high level targets from the start, with scope to incorporate new indicators and targets as Project Proposals are further developed and refined.
The development of the M&E strategy and Results Matrix will be informed by consultation with all key stakeholders and leverage specialist support where relevant and must be coherent with the National Ebola Recovery Strategy.
PART B - PROJECT OPERATIONAL PROCEDURES

This section deals with the operational functions of the SLERF including the Project Management responsibilities of the National Implementing Partners.

SECTION XII: FINANCIAL MANAGEMENT SYSTEMS & PROCEDURES

12.1 General overview of the Financial Management Systems

Accountability on the use of funds by the National Implementing Entities is the responsibility of the Technical Secretariat and has been detailed in this manual and the National Rules and Regulations.

12.2 Financial management arrangements with Implementing Entities

12.2.1 Financial Management of projects

All projects must possess two key elements to initiate discussions with the Finance Team.

- An approved project proposal; and
- An approved Budget

For Pre-financing arrangements there must be an acknowledgement by the donor that funds will be released for the specific project based on the approved budget. This is entirely based on the cash flow stature and unrestricted funds availability.

The official in charge will be responsible for contract execution supported by financial analysis.

12.2.2 Projects managed by implementing Entity

A Memorandum of Understanding (MoU) concluded between the MoFED and each IE shall be developed for projects which are being financially managed by the Implementing Entity. These agreements will include, among others:

- The aims and expected outcomes of the project.
- The Project document and the approved budget detailing reporting requirements and deadlines.
- A bank account through which funds will be channelled and disbursed.
- An accountant and a suitable authority in the organisation who will be the responsible individual for the project and for funds allocated to the project.
- A disbursement procedure for each expense that involves an approval from the responsible authority in the organisation.
- Reporting formats as required by the Secretariat.
- A capacity assessment completed by the Technical Secretariat.
- All other necessities to a contract or MOU.

The TS will compile the documents and send to MoFED for the release of funding.
SECTION XIII: ACCOUNTING SYSTEM FOR IEs

13.1 Invoices for supply of goods

Separate files are maintained in the Finance Office for copies of the following documents:

(a) Local Purchase Order (LPO)
(b) Received Voucher (RV)
(c) Delivery Note (DN)

The purchase invoice is then matched to the relevant purchase order and RV. The invoice is recorded in the procurement file which shows the following details:

- Date of the transaction;
- Request from the end user;
- Bidding document;
- Name of supplier;
- Invoice;
- Delivery Note;
- Local Purchase Order (LPO);
- Evaluation Report;
- Minutes of the meeting of the procurement committee where relevant;
- Amount paid and date;
- Cheque Number;
- Date; and
- Copy of Payment Voucher.
The invoice is then sent to the Head of the Technical Secretariat or his designate with the Local Purchase Order and the Delivery Note attached for approval.

13.2 Invoices for professional services

- Professional and consultancy services will be procured in line with approval requirements detailed in Figure 3.
- These represent professional charges from consultants in respect of consultancy services.
- All appointments of consultants - both local and international should be in accordance with this manual and National Regulatory Framework for hiring of consultants.
- A copy of all contracts for consultancy should be made available to the finance team to enable verification of invoices before payment. A register of contracts will be maintained by the finance team to capture the important particulars as well as the terms of payment as a reference record.
- Invoices for these services will be verified with reference to the respective contract documents and the Head of the Technical Secretariat or his designate gives approval for payment.

The Project Manager for each National Implementing Entity approves the consultant’s invoices under his area of responsibility. In his absence any of the authorised signatories can approve invoices for payment.

13.3 Invoices for Services

The common examples for such payments are those for the repair of vehicles and office equipment.

SLERF Management should ensure all its vehicles and equipment are serviced by the authorised dealers.

The Procurement Management Specialist will receive the invoice, enter same in the register, and submit the invoice to the Project Manager of the NIE for approval.

The Procurement Management Specialist will ensure that the beneficiary is involved in the certification of the delivery note. The invoice will then be checked by the Finance Assistant for rate and compared with the LPO for any arithmetical errors.
The approved invoice will then be submitted to the Finance Assistant in the office of the NIE for the preparation of payment voucher and cheque.

13.4 Invoices for Public Utility Services

The common examples of such payments are those for the supply of water, electricity, telephone calls and hiring of buses. Public utility rates are determined by the service providers. The Finance Assistant of the NIE will receive the invoice and enter it into the purchase register.

The approved invoice will then be passed on to the Finance Section of the NIE for the preparation of the payment voucher and cheque.

13.5 Invoices for Imported Goods

Payments for imported goods are arranged by any of the following two methods:

- Direct payment to the suppliers on the receipt of shipping documents; or
- Payment by a Letter of Credit

13.6 Direct Payment

Direct payment could be arranged through the SLERF Foreign Currency Account (if any) or by direct remittance against a withdrawal application submitted to the donors. It is important to clearly indicate on the contract document the method of payment, the time required for the payment and shipping documents required.

A copy of all contracts is kept at the finance office. These copies are used to ensure that the invoices comply with the terms of payments as per the contract.

13.7 Payment by Letter of Credit (L/C)

This is the most commonly used method of payment for imported goods. An L/C will be arranged through a bank in Sierra Leone, which will be a confirmed and irrevocable L/C as generally required by overseas suppliers.

In the case of contracts with value exceeding US$50,000, SLERF Secretariat will submit an application in the prescribed form to the donor for the issue of Special Commitment (SC). The donor may issue this directly to the suppliers’ bank, with a copy to SLERF Secretariat.
13.8 Book of Accounts

13.10.1 Introduction

The accounting records and books of accounts for SLERF are designed to meet the reporting requirements of the Government and Donors.

They are also meant to institute a system of internal controls to assist SLERF’s financial transactions management.

13.10.2 Books of Accounts and other documentation

The Accounts section - SLERF will maintain the following books of Accounts and Records:

- Petty Cash Book; and
- Bank/Cash Book

The under-mentioned records are maintained in the selected Accounting Package:

- General Ledger;
- Fixed Assets Register;
- Purchase Stores Record Book; and
- Contracts Ledger

These records will be kept up-to-date. A monthly trial balance will be drawn to check the arithmetical accuracy of the postings and the balances.

13.10.3 Bank Cash Book

A bank book shall be maintained to record all receipts and payments made by SLERF through its bank accounts (Reference Appendix 3).

13.10.4 Fixed Assets Register

Each major item of movable and immovable property will be entered in a Fixed Assets Register with the relevant details from the purchase/payment documents (Reference Appendix 4).

SLERF as well as all IEs and EEs will maintain strict fixed assets accounting and control policies. The fixed assets registers will be maintained and timely updated to reflect all items acquired by the SLERF, IEs or EEs. All fixed items must bear identification codes, properly stored, and their current
location should be easily traceable and accounted for. Physical verification (inventory) of assets need to be performed at least once a year in relation to assets acquired within the SLERF funding.

13.10.5 Purchase Register

All the invoices received are recorded immediately. It shows details of all purchases made (Reference Appendix 5).

13.10.6 Stores Record Book

The Stores Book will be used to record the value and quantity of receipts in order to match the Purchase Register for individual invoices (Reference Appendix 6).

13.10.7 Contracts Ledger

The values of all contracts signed and disbursements (in respect of those contracts) are recorded in the contracts ledger. (Reference Appendix 7)

The contracts ledger is useful in monitoring the outstanding balances on the contracts. For each contract the following details should be shown:

- The contract price;
- The payment plan;
- The exchange rate applicable for contracts where the contract price is denominated in one currency and payments made in another currency

**Other important documentation:**

1. General file

The signed grant agreement, the appraisal report, the list of authorised signatures, and the categories of expenditure and all correspondences relating to the project should be kept in this file.

2. Withdrawal Applications File

Copies of disbursement applications submitted to the donors should be kept in this file.

3. Other Files

- Separate files will be maintained in respect of petty cash and payment vouchers for the respective financial years.
Monthly bank statements of the various accounts of the project are filed as they are received.

Supporting documents for Statement of Expenditure (SOE) will be properly numbered and filed in such a manner as to allow for easy access.

Fixed Assets file.

Staff and payroll file.

Auditors report file for filing audit reports.
Section XIV: Reporting/ General Communications and Disclosures

14.1 The Purpose of SLERF Communications

To help maximise its impact, the SLERF relies on communications to:

- Generate interest among potential Finance Partners;
- Generate interest among potential Implementing Entities including those with the potential to collaboratively participate in the implementation of programmes;
- Share progress made in the implementation of the strategy with the wider populace;
- Ensure that those entities that have engaged with NERS remain continually aware of its evolution and achievements, and
- Meet the needs of public disclosure.

In order to achieve this The SLERF will engage in a variety of cyclical and tailored communication activities, as described below.

In many cases communications will best be organised through or in collaboration with other parts of the SLERF structure, to enhance consistency, coherence and maximum impact. It is the responsibility of the Technical Secretariat to ensure that all communication activities adhere to this principle and make the most effective use of communications specialists engaged in the work of the SLERF initiative.

14.2 Cyclical Communications

Communications will be conducted in accordance with the operating cycle detailed in this Manual, to ensure that the right stakeholders have access to meaningful information at appropriate times. In particular this requires that:

- Information relating to calls for proposals, involving the release and distribution of strategic objectives and priorities, as expressed in the SLERF Strategy Framework will be designed and publicised by the Technical Secretariat and the Delivery Team. These key documents and related information should be distributed by the Technical Secretariat so that interested parties have adequate time to submit high quality proposals. Such information should be made available at least one month prior to deadlines for proposal submission;
In order to ensure the best possible response to calls for proposals, reminders of submission deadlines should be circulated one week prior to the deadlines;

Specific and appropriate feedback to all applicants should be provided as soon as it is available, and according to a calendar of events publicised by the Technical Secretariat. If delays occur in the review and selection process then proposers must be kept informed of changes to the calendar of events;

General announcements of awards of funds should be made following the completion of each review and selection cycle, and once all applicants have received their individual feedback; and

Significant findings from annual reviews and reporting should be publicised, so as to raise awareness of the impact the NERS is having and to ensure the work of the SLERF initiative remains transparent to all stakeholders.

At the beginning of every project cycle, the Secretariat will produce an annual communications strategy and calendar of events that specifies each of the activities it will undertake to satisfy the needs of cyclical as well as general communications.

For each activity the strategy will detail the specific objectives, the intended recipients of communications, the communication methods that will be utilised, the timing of specific tasks, and the ways that the performance of the activity will be measured. The strategy and plan will be reviewed and approved by the Technical Secretariat.

14.3 Announcement of Awards

Decisions regarding the approval of funds, as well as periodic reports on the progress of SLERF-financed activities and associated external evaluation are posted, where appropriate, for public information on the websites of the SLERF. These reports and documents may include approved programmes and programmes awaiting approval, fund level report, annual financial and progress reports and external evaluations, as appropriate.

14.4 Publication of Achievements and Impacts

Publicising the achievements and impacts made by SLERF-funded projects, is an important part of public disclosure, and will likely be the most effective
way of generating interest in and commitment to SLERF among contributors and potential applicants.

The Secretariat in particular should continually create interesting stories out of the achievement of SLERF-funded activities, showing how it is contributing to the prosperity and well-being of the people of Sierra Leone.

14.5 Public Disclosure Commitments

The Secretariat will take appropriate measures to give due credit to the other stakeholders in the SLERF. Information given to the press, to the beneficiaries of the fund, all related publicity material, official notices, reports and publications, will acknowledge the leading role of the Government, the contributors, MOFED, the UNDP-MPTF Office as Trustee and all other relevant entities.

Similarly, in any of its communications, the Trustee will include and ensure due recognition of the role of the Government, MOFED, national partners, National Implementing Entities, International Participating Organisations and Finance Partners in all external communications relating to The Fund.

Each Implementing Entity shall take appropriate measures to promote the NERS. Information given to the press and to the beneficiaries of the assistance provided by the Fund, all related promotions material, official notices, reports and publications shall acknowledge the leading role of the Government.

14.6 Reporting

The NIEs through MoFED and the Participating UN Organizations will provide the Administrative Agent with the following statements and reports as set forth in the SLERF ToR and the Flow Chart below:
14.7 The Reporting Cycle

**Submission of Report and statements**

- National Implementing Entities
  - MOFED
    - Close of programme
      - No
        - Annual financial statements and reports of year end.
        - Narrative progress reports of year end
        - Summary of activities performed and result achieved
          (not later than 4 months after the end of the calendar year 30th April)
      - Yes
        - Final narrative reports using approved programmatic document
        - Summary of results & achievements compared to goal and objectives specified (not later than 4 months after the end of the calendar year 30th April)
        - Certified final financial statement and final financial reports using approved programmatic document (not later than 6 months after close of programme /30th June)

- Participating UN Organisation
  In accordance with MOU
  - Yes
    - Annual financial statement and reports of year end.
    - Narrative progress reports of year end
    - Summary of activities performed and result achieved
      (not later than 4 months after the end of the calendar year 30th April)
    - Final narrative reports using approved programmatic document
    - Summary of result & achievement compare to goal and objectives specified (not later than 4 months after the end of the calendar year 30th April)
    - Certified final financial statement and final financial reports using approved programmatic document (not later than 6 months after close of programme /30th June)
  - No
    - Close of programme

**Administrative Agent submits:**

- MOFED, Steering Board, Contributors to SLERF Account through SLERF Secretariat
- Post Consolidated Reports and related document on SLERF Website http://mptf.undp.org
- Consolidated narrative Progress and Financial Report 31st May / 5 months after end calendar year
- Certified annual statement (not later than 31st May / 5 months after end calendar year)
- As final financial statements (not later than 31st / 7 months of the year following the financial closing of the SLERF)
SECTION XV: REVIEW AND APPROVAL OF PROPOSALS

15.1 Overview of the SLERF Work Flow

The SLERF Work Flow encompasses all of the four steps of the proposal cycle, namely:

1. Develop and Validate Sector/Thematic Action Plans (SAPs/TAPs);
2. Technical and Financial Review of SAPs/TAPs;
3. Financial Mobilisation and Allocation of investment; and
4. Reporting

The management of the SLERF demand involves:

- Ensuring that potential Implementing Entities that could contribute to the achievement of the SLERF initiative are aware of the opportunities offered as well as the requirements of the Fund;
- Helping IEs to develop proposals that match current strategic priorities of the SLERF initiative;
• Offering advice and guidance to IEs and potential IEs so as to help attract proposals that align with current availability of funds (in terms of any specific conditionality as well and

• Providing the support and guidance to IEs necessary to ensure that investment proposals are of high quality and comply with any applicable policies and procedures;

It is largely the responsibility of the IEs to develop project proposals with support from the Delivery Team that clearly identify the objectives. The Technical Secretariat will provide templates for the project proposals; narrative and financial reporting.

15.2 Managing the Proposal Cycle

The aim of the SLERF is to award limited funds to the most strategically significant proposals. Therefore project proposals and investment plans are attracted and reviewed according to set timelines, so that they can be reviewed and assessed:

• In the context of updated strategic goals and objectives; and

• In relation to each other.

Proposals will be accepted on a semi-annual basis to ensure SLERF operations align with national planning processes; predictability of operations should also help increase the number of eligible proposals received, as it will be easier for stakeholders to plan their response to the call.

The timings of the proposal review and evaluation process are to some extent indicative, as actual timings may have to be altered to accommodate the actual duration of technical investigations and related information collection. The schedule also specifically recognises that IEs are responsible for coordinating the submission of proposals with support from the Delivery Team and the Technical Secretariat.

The term 'proposal submission date' refers to the deadline by which the proposals (from IEs) are to be submitted.

15.3 Initiating the Proposal Cycle

When initiating the proposal cycle there are two principal requirements that need to be considered:

• Determine any related changes to strategic priorities. While the overall strategic goals and intent of the SLERF Strategy can be expected to remain fairly static it is also likely that periodic
adjustments will be required to specific objectives and priorities, in particular reflecting findings from the Monitoring and Evaluation of projects, as well as current and anticipated availability of funds. The Technical Secretariat will be instrumental in liaising with the Implementing Entities to ensure that the SLERF Strategy Framework is always up-to-date and reflected in the Integrated Resources Management Framework, the latter being used to properly articulate the link between strategic aims and availability of funds; and

- Information regarding the details for the proposal cycle will be announced including the next deadline for receipt of proposals, up-to-date eligibility and appraisal criteria, information on strategic priorities and availability of funds, and any other information that will help attract the required response.
SECTION XVI: APPROVAL, DISBURSEMENT AND IMPLEMENTATION MANAGEMENT

16.1 Allocation of Responsibilities

The key allocation of responsibilities within the disbursement process are summarised in the table below:

Table 9: Summary of Roles and Responsibilities within the Disbursement Process

<table>
<thead>
<tr>
<th>Implementation and Delivery</th>
<th>IEs</th>
<th>(Technical Secretariat)</th>
<th>MoFED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Delivery of all approved and financed investments</td>
<td>• Due diligence on implementing entities where relevant</td>
<td>• Timely disbursement of funds based on the fulfilment of outlined reporting requirements</td>
</tr>
</tbody>
</table>

The critical processes to be conducted in approving and managing MOUs, and disbursement and controlling the use of SLER funds, are described below.

16.2 Confirmation of Approvals

The decisions reached through the Appraisal process should be communicated to the relevant IE. For those IEs to be allocated funds, discussions progress to confirmation of terms of agreement. Otherwise, careful discussions need to be held with IEs, either:

- Where proposals have been technically approved but for which funding cannot yet be made available, to discuss when funding is expected to become available, and determine the implications of the estimated timing for the applicant, and

- Where proposals were not technically approved, to clarify what improvements are sought, and to discuss how the proposals can be best aligned with the NERS strategic priorities.

The remainder of this section of the Manual considers the steps to be taken for those proposals that have been approved for the allocation of funds from The Fund.
### 16.3 Finalisation of Terms for Funding of Approved Actions

**Table 10: Processes for Finalisation of Contractual Arrangements**

<table>
<thead>
<tr>
<th>Step</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prior to transferring of funds to the Designated Account of an IE, SLERF will, based on the standard SLERF MOU for Implementing Entities, finalise an agreement setting out the specific terms and conditions regarding receipt and management of funds from The Fund, and ensuring that the IE is responsible for the activities specified in its proposal, in accordance with the decisions of the Technical Secretariat and the requirements of the National Regulatory Framework.</td>
</tr>
<tr>
<td>2</td>
<td>The benefiting IE can carry out their activities through or in collaboration with ‘Executing Entities’. Under such arrangements, the former is fully responsible for tendering, contracting and discharging all commitments and obligations with such third parties. Under circumstances where the IE works in partnership with state and non-state actors, which do not have direct access to the SLERF funding, the two should enter into a ‘Responsible Party Agreement’. This agreement will not alter the terms of The Fund’s MOU with the IE.</td>
</tr>
<tr>
<td>3</td>
<td>Under the Standard Agreement, the IEs shall ensure that each activity executed by it or a Responsible Party complies with all rules and procedures for financial and programme performance monitoring, evaluation and reporting, including through implementation of the M&amp;E plan included in the proposal, which should ensure that there will be proper assessment of the relevance and effectiveness of, and measurement of the development impact of the results achieved by the Approved Action.</td>
</tr>
</tbody>
</table>

The annexes to the standard MOU with the IE or EE will be critical to effective performance management and financial control. In particular the annexes must include:

- The work plan of the Approved Action, as accepted by the Technical Secretariat, incorporating any variations that have during MOU negotiations been agreed by the Secretariat and approved by the Steering Board;

- The expenditure projections associated with the agreed work plan, indicating the purpose and amounts of expenditure making use of SLERF funds;

- A schedule of funds disbursement, based on agreed expenditure projections; and

- An M&E plan, as accepted by the Technical Secretariat, which defines how disbursements relate to project outputs as well as inputs.
Under the M&E Framework, the Secretariat will organise and/or conduct regular monitoring and evaluation, either on each individual programme in the SLERF Operations or a representative sample of them to ensure that funds are disbursed and utilised in accordance with the terms specified in the annexes to the standard MOU.

16.4 Disbursing Funds

Pursuant to the decisions of the Steering Board, the Technical Secretariat (TS) requests the Administrative Agent in writing to transfer the approved amounts to the Account at the Bank of Sierra Leone within 5 days after the Administrative Agent receives all relevant documentation. When making a transfer, the Administrative Agent notifies the Technical Secretariat of the following:

- The amount transferred,
- The value date of the transfer, and
- That the transfer is from the SLERF Account maintained by the Administrative Agent.

These funds are held in the SLERF Account until the relevant standard agreements have been finalised and confirmed with the IE. If it is not possible to finalise a standard MOU, the funds are returned by MOFED to the Administrative Agent to be retained in the SLERF Account.

Otherwise, on finalisation and confirmation of the standard MOU, within five to seven business days, the MoFED disburses the agreed funds to the specifically established Designated Account of the benefiting Implementing Entities. The amount of the initial disbursement will be an advance based on the Approved Action’s work programme and cash forecast, and the associated disbursement schedule that is attached to the standard MOU.

Each IE should use the allocated funds to finance eligible expenditures as specified in the project plan attached to the standard MOU. After the initial advance, the IE will in each quarter submit a Fund Withdrawal Application along with Interim (Unaudited) Financial Reports that should be prepared on the basis of transfers to the SLERF Fund. Any change of over 10% over the lines in approved budget is possible only through prior approval of the Steering Board (or Technical Secretariat).

In cases where, for whatever reason, due funds could not be made available on time by The Fund, the affected IEs can make a payment based on the SLERF Technical Secretariat Approvals, as defined in the annexes to the Standard MOU, and subsequently can submit a reimbursement request with full supporting document to The Fund. To this effect, MOFED will send a guarantee letter to the IEs prior to the payment.
16.5 Progress Monitoring

Each quarter, on receipt of Fund Withdrawal Applications and associated Financial Records from IEs and Approved Accounting Entities, the Technical Secretariat and the Delivery Team will conduct a detailed check of information against the relevant agreements to ensure that funds are being used in accordance with MOU. At all times further disbursements are subject to proof of proper utilisation of funds for the intended purposes, which must be substantiated by the submission of financial and narrative reports to the Secretariat.

Table 11: Actions Available to the Technical Secretariat and the Delivery Team Following the Quarterly Review of Financial Statements

<table>
<thead>
<tr>
<th>Conclusion from Review</th>
<th>Project Category</th>
<th>Appropriate Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation complies with terms of agreement</td>
<td>A</td>
<td>Confirm ‘on-track’ status in reports - no further action required</td>
</tr>
<tr>
<td>Currently, expenditure less than expected to achieve proposed outputs</td>
<td>B</td>
<td>Confirm ‘on-track’ status in reports - determine cause of under-spend and set schedule for necessary correction</td>
</tr>
<tr>
<td>Currently, expenditure running ahead of proposed outputs</td>
<td>C</td>
<td>Confirm ‘under watch’ status in reports - determine cause of over-spend and set schedule for necessary correction</td>
</tr>
<tr>
<td>Implementation significantly non-compliant with terms of agreement</td>
<td>D</td>
<td>Refer to Management Committee for contractual review</td>
</tr>
</tbody>
</table>

The four project categories in Figure 8 represent snapshots in time. This supports the production of a quarterly portfolio progress report that, in addition to summarising narrative updates provided by the IEs/EEs, can be used to update stakeholders on the status of those approved actions relevant to them.

16.6 Organisation of Accounting Systems and Procedures

Once a standard MOU has been finalised the relevant IE should assign appropriate signatories in accordance with government financial rules and regulations to operate the bank accounts.

The signatories have the overall responsibilities to ensure that disbursements are authorised and effected in line with the procedures pertaining to government funds.
The IE is also responsible for ensuring that all entities involved in implementation of the project (Responsible Parties) and that will receive funds originating from the SLERF are able to adequately report on the receipt and utilisation of those funds, on a timely basis.

Financial reporting by the IE must be organised so as to satisfy standard requirements for financial reporting. Given The Fund’s tight timescales for financial reporting, arrangements may need to allow for provisional reporting from Responsible Partners, so that required information is provided pending any reconciliations to be conducted.

16.7 Progress Reporting

In accordance with procedures for financial reporting, all progress reporting - which will incorporate financial and narrative reports - will be performed jointly on a quarterly basis by the Delivery Team and the Technical Secretariat, with an annual report providing additional information on conclusions drawn from on-going M&E and the implications of these for future planning.

IEs are responsible for ensuring the SLERF receives the necessary progress reports within two weeks after the end of the reporting quarter. The standard contents of a quarterly report are summarised in Table 12.

<table>
<thead>
<tr>
<th>Section #</th>
<th>Title</th>
<th>Main contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>Description of Action; confirmation of reporting period; confirmation of parties responsible for producing report with contact details</td>
</tr>
<tr>
<td>2</td>
<td>Project plan for the reporting period</td>
<td>Details of the planned inputs and outputs as last agreed for this reporting period</td>
</tr>
<tr>
<td>3</td>
<td>Achievement against plan</td>
<td>Details of how the actual execution of activities and achievement of results/outputs compares to the agreed plan</td>
</tr>
<tr>
<td>4</td>
<td>Expenditure against plan for the period</td>
<td>For the reporting period, details of how actual expenditure (by item and amount) compared to plan by time and results/outputs</td>
</tr>
<tr>
<td>5</td>
<td>Expenditure against plan to-date</td>
<td>For the lifetime of the Action to-date, details of how actual expenditure (by item and amount) compared to plan by time and results/outputs</td>
</tr>
<tr>
<td>6</td>
<td>Causes of any divergence from plan</td>
<td>Narrative on the factors that have caused implementation to be harder/easier than anticipated, changes in circumstances that alter the results possible in the context of the agreed Action, and/or capacity</td>
</tr>
<tr>
<td>Section #</td>
<td>Title</td>
<td>Main contents</td>
</tr>
<tr>
<td>-----------</td>
<td>-------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>constraints within the IE/EE and other Responsible Parties</td>
</tr>
<tr>
<td>7</td>
<td>Measures to address divergence from plan</td>
<td>Details of all schedules of correction where these have already been agreed with the SLERF and the status of these, or proposed measures to be taken to bring the Action back on the agreed schedule</td>
</tr>
<tr>
<td>8</td>
<td>Review of key risks to success</td>
<td>A summary of any identified factors (including those identified through M&amp;E activities) that, while not yet affecting progress, could do if not appropriately addressed, together with any suggestions on how these issues could be addressed</td>
</tr>
<tr>
<td>9</td>
<td>Plan for the next period</td>
<td>A detailed activity plan for the next period, highlighting inputs, expenditures and outputs, and indicating what if any changes have been made to this plan from that last agreed, explaining why these are considered to be justified</td>
</tr>
</tbody>
</table>
| 10        | Annexes | • Financial records (including statements from the designated account and cash book)  
• Any M&E reports for the period  
• Other substantiating evidence |

Progress Reports should be submitted by IEs to the TS at the same time that they submit their financial reports. Annual reports will follow the same format, only with additional information to show how the remainder of the Action will be reorganised to accommodate the findings of M&E activities.

These reports will be focused on Outcomes in order to show, in the consolidated Report, the high level impact of SLERF on each priority sector based on the NERS.

The Secretariat is responsible for collating information into an overall SLERF Progress Report to provide stakeholders with an overall understanding of how approved actions are contributing to the achievement of the SLERF strategy. In particular the overall progress report will seek to identify:

- To what extent the existing portfolio is likely to contribute the expected results;
- Lessons learned that might influence future funding decisions, in terms of what constitutes a successful Action or which of the SLERF aims might be hardest to achieve; and
• Suggestions on prioritisation of future source and application of funds.

The Secretariat will be responsible for circulating each progress report to all stakeholders within six weeks of the end of the preceding quarter. Given the SLERF’s policy of transparency all progress reports should be publicly available.

16.8 Re-allocation of Funds

Funds from the SLERF are not entitlements that can be carried over to the next implementation cycle. If a benefiting national implementing entity is not utilising the approved funds within the given budget year, the Technical Secretariat may facilitate the re-allocation of resources, either to reinforce the efforts of high impact programmes or to address identified unfunded priority sections. However, any such reallocations may only be exercised with the mutual agreement of the Steering Board and relevant contributors.

16.9 Suspension and Termination

At any stage of the implementation cycle, either at its discretion or following an independent evaluation, the concerned IE may recommend to the Technical Secretariat that a supported action be suspended or cancelled within two weeks after the end of a reporting quarter, in the event of one or more of the following:

• Financial irregularities in the implementation of the action;
• Material breach of terms of the MOU; and
• Poor implementation performance leading to a conclusion that the action can no longer meet its objectives.

In addition the Technical Secretariat can recommend to an IE that a supported reduction action be suspended or cancelled if it detects any of the above. In all cases and before taking a final decision as to whether to suspend or cancel an on-going reduction action, the concerned IE should be given a fair chance to present its views. All decisions to cancel or suspend have to be authorised by the Steering Board.

16.10 Complaints Processing and Resolution

The SLERF is committed to being proactive in efforts to ensure accountability to all citizens of Sierra Leone as well as financial and implementation partners. To this end the SLERF will always operate in a transparent way, so that information relevant to the use of funds and the
implementation of Approved Actions is available either on-line (via the Fund’s website) or by directly requesting it from relevant parties.

As part of the policy of transparency, The Fund will at all times make readily available contact details so that any interested party can obtain or otherwise request necessary information or advice through their web site, via e-mail, letters, telephone calls, third parties such as Ministers, and the press.

It is a policy that all complaints are treated seriously, with sympathy and empathy, using them as an opportunity to learn. Confidentiality is also a major consideration, given the highly sensitive nature of some allegations against organisations or individuals. The Secretariat will ensure that all comments and feedback are responded to.

All enquires and complaints should be handled by the Technical Secretariat in the first instance. A formal investigation of a complaint can only be activated once it has been presented in writing, with at least the following information included:

- The name and contact details of the party (individual or entity) against which the complaint is being made;
- Details of the complaint and preferably how it is deemed to bring the SLERF into disrepute;
- Where appropriate, written permission from the complainant to discuss the details of their complaint with the organisation and/or individuals concerned (this does not include disclosing their identity, although complainants need to be aware that it might be easy for the organisation to identify them from their individual complaint); and
- Which communication medium the complainant wishes us to use to keep them informed of progress towards resolution.

Once a complaint has been received in writing, the Secretariat will determine whether it is a genuine complaint or not before passing it to the Steering Board for action.

The Secretariat will then ensure that the complainant receives some form of response. In most cases this will be a written acknowledgement using e-mail or letter, unless the complainant’s preferred communication method is the telephone. If this is the case then the detail of the conversation will be recorded.

The details of the complaint and associated information will then be entered into the records. Each complaint should be allocated a numeric
identifier, which should be quoted on all written correspondence, should the complaint require formal investigation. All Implementing and Executing Entities will be required to set out how they will ensure accountability and manage grievances.
SECTION XVII: APPENDICES

APPENDICES

Appendix 1: Petty Cash Payment Voucher

05-029

DATE................................ Voucher No........................

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<th>DETAILS</th>
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Initiated by:.......... Approved by:............

Issued by:.......... Received by:............

Appendix 2: Petty Cash Book

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<th>Date</th>
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Appendix 3: Bank Cash Book

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Appendix 4: Fixed Asset Register

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Appendix 5: Purchase Register

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Appendix 6: Stores Ledger

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Appendix 7: Contracts Ledger

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Appendix 8: Results Based Matrix

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