

# Multi-Country Demobilization and Reintegration Program

## Guidelines and Procedures for Special Projects for Potential Implementing Partners

### 1. Introduction

1. The Multi-Donor Trust Fund (MDTF) of the Multi-Country Demobilization and Reintegration Program (MDRP) supports the demobilization and reintegration of regular and irregular military forces involved in the conflict in the greater Great Lakes region<sup>1</sup> of Africa. The MDTF includes a window of finance for support to special target groups, small-scale pilots and other demobilization and reintegration activities not covered by national disarmament, demobilization and reintegration (DDR) programs. These guidelines explain how to seek grants under the Special Projects Financing Window (SPFW), which entities can apply, what activities are eligible, and where to get help in making an application to the SPFW.

### 2. Priority Themes

2. Special projects may comprise the following activities:

- a. rehabilitation and equipping of structures to be used for demobilization;
- b. provision of basic supplies and services to ex-combatants;
- c. transport and provision of a transitional allowance for reinsertion into home communities;
- d. institutional strengthening of partner organizations providing services to ex-combatants;
- e. economic and social reintegration support for ex-combatants through sub-projects including formal education, vocational training, micro-enterprise support, employment generation, inputs for agriculture activities, information and sensitization campaigns, and counseling; and
- f. special projects management including incremental expenses incurred on account of project implementation, management and monitoring.

3. The above activities can be, in exceptional circumstances, pilot or small-scale demobilization and reintegration activities in anticipation of national programs; they may also be for third country resettlement of ex-combatants; demobilization and reintegration activities in areas not fully under control of governments; and for special target groups such as child soldiers and vulnerable groups.

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<sup>1</sup> For the purposes of the MDRP, the countries defined as involved in the conflicts of the greater Great Lakes region are Angola, Burundi, Central African Republic, Congo, Democratic Republic of Congo, Namibia, Rwanda, Uganda, and Zimbabwe.

### 3. Application Criteria

4. United Nations (UN) agencies and non-governmental organizations can apply for MDTF grants under the SPFW.<sup>2</sup> Where applicable, applications from organizations with established operations in the country where the work will be done are preferred.

5. Grant recipients must have a record of financial probity in line with the size and complexity of the special project. Applicants should have a legal personality and be able to enter into written agreement with the World Bank.

6. Grants can range from \$1 million to \$5 million. Proposals under \$1 million or over \$5 million will be considered for MDTF financing if they are deemed to be of exceptional value by the local ad hoc committee.

7. To help ensure national ownership of demobilization and reintegration efforts, applicants must explain, where appropriate, how the proposed special project fits into the plan to prepare a national program. Special projects should also include efforts aimed at strengthening the national capacity to both prepare and implement the national program. Agreements for such special projects will contain a provision that coordination responsibility of activities funded by the MDTF before the initiation of a national program will shift to the relevant government agency once a national program is in place under the MDRP framework. Furthermore, a government will have the right to review the continuation of existing special projects once a national program has been established under the MDRP.

8. The special project implementation period should not exceed 24 months.

### 4. First Steps

9. Interested applicants should contact the MDRP Secretariat at the earliest opportunity to discuss a proposal in principle. To facilitate discussions with the MDRP Secretariat, it is recommended that applicants prepare a written concept paper or project profile at this stage (see annex 1). The MDRP Secretariat may be contacted in the region (regional DDR specialist in Kinshasa (fax: 243-880-7817) or Kigali (fax: 250-576385)<sup>3</sup>) or in the World Bank's headquarters in Washington, DC (at [MDRP@worldbank.org](mailto:MDRP@worldbank.org), fax 1-202-473-8185).

### 5. Project Proposal Format

10. The application form (annex 2) is designed to ensure that the main features of the proposal are clear and consistent with the rules of the SPFW. They cover:

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<sup>2</sup> Under exceptional circumstances, grants may also be provided to a recipient country or transitional authority in order to meet urgent and critical demobilization and reintegration needs pending the elaboration of a national demobilization and reintegration program. Such grants would be guided by the same procedures.

<sup>3</sup> The MDRP regional DDR specialist in Kinshasa covers Angola, the CAR, Congo-Brazzaville, the DRC and Namibia. The regional DDR specialist in Kigali covers Burundi, Rwanda, Uganda and Zimbabwe.

1. A summary of the project covering proposed activity, recipient organization, timing and budget, etc.
  2. Background and problem analysis
  3. Project objectives
  4. Implementation strategy and Plan of activities
  5. Monitoring and evaluation
  6. Recipient institutional capacity (including legal status, financial management<sup>4</sup> and procurement procedures and systems)
  7. Project feasibility, sustainability and environmental and social safeguard measures
  8. Risks and risk mitigation measures
  9. Project budget
  10. Annexes
11. The length of the proposal should be appropriate to the size and complexity of the special project, but be sufficiently detailed to respond to the sections indicated above.
12. The proposal should be submitted to the relevant regional DDR specialist in hardcopy as well as in one electronic file in either MS Word document or rich text format, in both English and the principal working language of Government, as appropriate. Paper and electronic copies must be received by the deadline established by the MDRP Secretariat in order for proposals to be considered at the next meeting of the local ad hoc committee. Proposals will have to be submitted at least 12 working days before the next planned meeting of the local ad hoc committee. Information about specific deadlines and meeting dates can be obtained from the relevant regional DDR specialist.
13. A detailed implementation manual with a clear description of administrative and organizational responsibilities and arrangements (including for contracting sub-projects), performance indicators, and arrangements for environmental and social monitoring will be required prior to the first disbursement. The implementation manual should also describe financial management and procurement arrangements and procedures to be applied under the special project, including maintaining MDTF funds separate from other operations of the applicant.

## **6. Initial Screening**

14. The MDRP Secretariat (regional DDR specialists) screens proposals to ensure that basic criteria have been met:

- Type and amount of proposed activity

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<sup>4</sup> Including (i) assurances that MDTF funds will be kept separate from other operations of the applicant and (ii) arrangements proposed for the financial management of MDTF funds (including adequacy of accounting staff and procedures to ensure the use of MDTF funds for the purposes intended).

- Applicant's legal status
- Applicant's record of financial probity or proper arrangements for financial supervision of the grant funds
- Explanation how the proposed project fits into the plan to prepare a national program and supports capacities to prepare and implement that program, as applicable.
- Consistency with MDRP principles and feasibility given the current country context.
- Completeness of proposal as per paragraph 10 above.

15. The initial screening will be undertaken within 5 working days of receipt of the proposal. If one or more basic criteria are not met, the MDRP Secretariat will return the proposal to the applicant with an explanation.

16. If a proposal meets the basic criteria and is deemed highly complex technically and/or politically, the MDRP Secretariat may commission a prior review by an independent expert source.

## **7. Review and Decision Process**

17. If all basic criteria are met, proposals are reviewed as follows:

- a. The MDRP Secretariat constitutes a local ad hoc committee comprising a member of the MDRP Secretariat (regional DDR specialist), two donor MDTF financing partners, one UN agency partner represented in the country where the grant will be executed, and a government representative.
- b. The local ad hoc committee reviews the proposal for form and substance and submits a recommendation to the MDRP Secretariat within 5 working days of the meeting. The World Bank's designated Task Team Leader will also participate in this review. The applicant may be invited to present the proposal to the committee but should not be present during the deliberations of the committee.
- c. If the local ad hoc committee recommends the financing of the proposal, the MDRP Secretariat will send the proposal to MDTF donors for information and any technical comments, and organize an internal review by the World Bank regarding procurement and financial management arrangements and environmental and social safeguard measures. These reviews are undertaken within 10 working days of submission of the recommendation by the local ad hoc committee. Once these reviews are completed, the MDRP Secretariat may request revisions of the proposal or additional information if deemed necessary.

- d. If all reviews are satisfactory, the MDRP Secretariat prepares a recommendation to World Bank management for final approval and funding decision. Grants are approved by the Office of the Vice President, Africa Region, within 5 working days of submission of the recommendation by the MDRP Secretariat.

## **8. Post Approval**

18. Once approved, the World Bank's Legal Department draws up a letter of agreement between the World Bank as administrator of the MDTF and the recipient agency executing the grant within 10 working days of approval of the special project. The agreement specifies the activities, general cost categories and timing of the grant, disbursement and procurement rules, as well as reporting, monitoring, evaluation and auditing arrangements. The letter of agreement is signed by the World Bank's Country Director for the beneficiary country, countersigned by the recipient and endorsed by the relevant counterpart in the benefiting government (World Bank Governor, i.e., Ministry of Finance or Plan) as identified by the MDRP Secretariat.

## **9. Fiduciary and safeguards arrangements**

19. *Financial management and accounting.* The recipient agency will maintain records and accounts to reflect, in accordance with sound accounting practices, the operations, resources, and expenditures of the project and the use of MDTF funds. It will make the necessary arrangements to keep MDTF funds separate from funds related to its other operations. Toward this end, the grant recipient will set up and maintain an accounting, budgetary, and financial management system adequate to provide complete, accurate, timely and relevant information regarding project activities, the utilization of resources, and the completeness of expenditures. The World Bank will have the right to review the grant recipient's project account statements and expenditure records.

20. *Procurement.* The acquisition of goods, works and services required for the special project should be carried out in accordance with World Bank guidelines. Under the SPFW, the method of procurement and the thresholds above which the World Bank will need to provide prior no-objection will be adapted to the emergency nature of MDRP activities to ensure flexibility and speed in project implementation. Standard procurement methods and prior review thresholds for recipient agencies with demonstrated financial probity are presented in annex 3. These standard methods and thresholds can be revised to meet special project and/or organizational needs.

21. Prior to the first disbursement, the recipient agency will submit a detailed procurement plan covering procurement activities for the first six months of project implementation. The recipient agency will update the procurement plan on a six-month basis.

22. The World Bank will carry out a simplified assessment of financial management and procurement arrangements of recipient agencies during the proposal review process to

review the adequacy of staff and other arrangements for financial management and procurement to ensure the proper use of funds.<sup>5</sup>

23. *Environmental and social safeguards.* Before project approval, the World Bank's country task team will prepare an Integrated Safeguards Data Sheet (ISDS). If project activities trigger any of the World Bank's safeguard policies, the recipient agency will be required to develop appropriate safeguard documentation with mitigation measures prior to the first disbursement for activities that trigger safeguard requirements. The types of activities that will trigger such measures and the procedures for putting such measures in place will be included in the project implementation manual.

## **10. Disbursements**

24. Once the letter of agreement has been signed by the World Bank and the recipient agency and counter-signed by the government, the World Bank's Loan Department will send a disbursement letter to the recipient explaining in detail the procedures to be followed for withdrawal of funds against grants approved.

25. Disbursements to UN agencies will be made using the blanket withdrawal application (BWA) method. Disbursements to non-governmental organizations will also be made using the BWA method, subject to approval by the Director of the Loan Department on the basis of a satisfactory assessment of financial management arrangements (see paragraph 22).

26. Under the BWA method, the initial advance of funds will be made against a cost estimate for the first six months of operation.<sup>6</sup> Subsequent disbursements will be made against payment requests that reflect eligible actual expenditures during the previous quarter and estimated expenditures for the ensuing six months. The financial reports that will be required under the BWA method will be part of the Financial Monitoring Reports (FMR) (see para 28 below). Guidelines for FMRs will be provided to recipients.

27. Disbursements to government agencies will generally be made using the transaction based disbursement method (including use of Special Accounts). Government agencies with effective financial management systems can opt to use the FMR-based disbursement method.

## **11. Reporting, Monitoring and Evaluation**

28. All grant proposals should include detailed provisions and budget to cover adequate reporting, monitoring and evaluation. In addition to the financial reports mentioned above, the quarterly FMRs will include reports to: (i) indicate implementation progress; and (ii) an implementation plan for the subsequent semester. The suggested formats and contents of the quarterly report will be provided with the disbursement letter.

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<sup>5</sup> No assessment of financial management and procurement arrangements will be required for UN agencies.

<sup>6</sup> The recipient will be encouraged to submit the implementation manual, procurement plan and any required safeguard documentation prior to signature of the grant agreement so that the initial disbursement can be made immediately upon signature.

29. The report on implementation progress will include information on key performance indicators that will be used to measure special project outputs and outcomes that will feed into progress reports on the SPFW and MDRP as a whole. A final implementation completion report for each special project will be prepared by both the grant recipient and the World Bank. For special projects lasting more than 18 months, a mid-term review should also be conducted to allow for any revisions or re-direction of activities

## **12. Auditing**

30. Audit requirements will be specified in each grant agreement. Recipients will be required to prepare annual statements of sources and uses of funds to show all funds received and expenditures made under the special project. These will be audited by independent auditors acceptable to the MDRP Secretariat. In the case of a special project of up to 18 months duration, a single completion audit will be required. For projects lasting more than 18 months, annual audits would be conducted.

31. The cost of such audits may be charged to the grant. The MDRP Secretariat and World Bank will receive a copy of all audit reports as soon as the audit is completed but in any case no later than six months after the close of the audit period. Generally, existing auditors of UN agencies will be considered acceptable for this purpose.

## **Annex 1**

### **Outline of a Project Profile**

- A. Name and Address of Proposing Organization:**
- B. Contact Data:**
1. Name of Primary Contact: \_\_\_\_\_
  2. Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_
  3. Email: \_\_\_\_\_
- C. Name of Project:**
- D. Location of Project (country, region, district):**
- E. Describe the principle objectives of the Project:**
- F. Identify the main activities the Project will support:**
- G. Indicate type and number of Beneficiaries:**
- H. Key implementing partners:**
- I. Estimated budget (US\$):**
1. Total estimated value of the Project: US\$ \_\_\_\_\_
  2. Estimated amount of MDRP financing required: US\$ \_\_\_\_\_



## **Annex 2**

### **Application Form**

The application form consists of a project summary sheet and ten sections.

#### **Project Summary Sheet**

- Name of Project
- Name of implementing agency
- Address, phone and fax number of contact person
- Contact person's name and position
- Location of project (district, province, country)
- Number and type of project beneficiaries
- Duration of project
- Total project budget
- Amount of funding solicited from the MDRP, and from other sources (if any)

#### **Section I. Executive Summary**

Once the proposal is prepared, the implementing agency should write a summary description of the same which highlights the most important features of the project so as to orient the reviewers.

This summary, no longer than 3-4 pages, should be detailed enough to give a good sense of what the project proposes to address, how it will work, with and for whom, and how much it will cost. It should include a brief statement of project objectives, expected results and main activities; and the main intended beneficiaries. It should not be just a repetition of the later sections of the proposal.

#### **Section II. Background and Problem Analysis**

This section of the proposal should describe the issue(s) the project intends to address, including who is affected and how, the specific effect the conflict had on the target group, and the scope and severity of the problem.

Having described the issue, it is important to describe its context, which might have an impact on how the project is implemented: including geographic characteristics of the project area, socio-economic characteristics of the beneficiaries, security situation, state of the infrastructure in the area, etc.

In addition, this section should mention what other public or private organizations, if any, are active in the area or with the target group of the proposed project.

Once the problem and the background environment is described, the proposal should:

- identify the causes of the problems (including, but not only, the conflict itself, and taking into consideration any pre-existing conditions the project may address),
- indicate the solution which is being proposed, and specifically the type of services or assistance to be provided under the project, and
- describe how these services or assistance will benefit the target group and the community as a whole.

### **Section III. Project Objectives**

Having defined the problem, its context and the solution being proposed, the proposal will state the project's objectives. The objectives are directly linked to the issue and solution identified. Objectives are sometimes divided between general and specific objectives.

The general objective, sometimes also referred to as the goal of the project, should respond to the question "What change in the life of the beneficiaries is expected at the end of the project?" The general objective is the overall desire of the implementing agency for the beneficiary population. Its achievement may depend on factors outside the control of the agency.

Specific objectives should be logically related to the general objective. They often stem from the specific solutions proposed. Their achievement will result in the specific outputs hoped for in the project. Their achievement (project outcomes) should be within the influence of the implementing agency and project design. The quantified outputs identified in the project proposal will be the focus of the MDRP special projects reporting forms and monitoring system.

General and specific objectives should be described in concrete, quantified terms (such as numbers or percentages of a specific population, level of improvement or increases, type of population and timeframe for the objectives' realization). This quantification implies the identification of indicators which will be used to monitor and evaluate the project's implementation. While the objective answers the question "what does the project want to do?", the indicators and targets tell us "how much", "for whom", "by when", etc.

### **Section IV. Implementation Strategy and Plan of Activities**

The implementation strategy and plan of activities should follow directly and logically from the project's specific objectives. The proposal should provide a narrative description of the project's components, implementation strategy and a structured list of the key activities to be carried out to realize the intended objectives of the project.

Projects are often divided into components each with a particular strategy for project implementation. Each component should have easily identifiable and quantifiable outputs which are wholly within the power of the implementing agency to produce.

The Plan of Activities should be presented in a form similar to the following table:

Activities	Year 1 etc.											
	Month											
	1	2	3	4	5	6	7	8	9	10	11	12

The Plan of Activities should indicate the timing and duration of the proposed activities, and identify responsibilities for each action. In addition to critical technical and administrative tasks, the Plan of Activities should also indicate any activities related to project monitoring and evaluation, coordination, technical assistance or training of staff, and any special procurement arrangements which the project may call for.

The Plan of Activities should cover the duration of the project, indicating the timing of activities by month. Once the project is approved, this plan will be updated to reflect any necessary changes to the implementation strategy or the timing of activities.

**Section V. Monitoring and Evaluation**

Monitoring and evaluation are the processes used to test if a project is achieving its proposed objectives (both general and specific), and to encourage accountability.

Monitoring involves the collection of information about the project while it is in progress, and emphasizes continual feedback so that adjustments in implementation can be made as necessary.

Evaluation measures the achievement of general objectives in terms of outcome and impact on the beneficiary group. Evaluation is also used to assess the effectiveness of the proposed development strategy. Evaluation documents what has happened as a result of the project and why it happened, and therefore is most often done at the end of a project.

The proposal must include a monitoring and evaluation plan which describes how the project will be

- monitored: Which indicators of progress will be used, what will the source of information be, with what frequency will information be collected, and who will carry it out.

- evaluated: What will the implementing agency and the MDRP use to measure the achievement of the general objective and how will this information be compiled and analyzed? In evaluation, a baseline is required to permit a comparison between pre- and post-project state. If there is no baseline for the project sector and/or geographic area, then the collection of adequate baseline data should be included as a project activity.

The desire to document the overall achievements of the MDRP will be balanced against the time constraints of gathering, and the usefulness of, the information. The MDRP will closely monitor project inputs and outputs, and will expect implementing agencies to provide comprehensive data on these levels.

The proposal should reflect the strong importance the MDRP attaches to monitoring and evaluation, by including detailed provisions (including the budget) to cover adequate reporting, monitoring and evaluation. Written reports to the MDRP Secretariat should be every three months. Final reports should be prepared by both the grant recipient and the World Bank. There should also be an independent final audit as well as an independent final evaluation. Part of this evaluation, in the case of grants over 18 months, should take place at a mid-point in the execution of the grant to allow for any revision or re-direction of activities. Monitoring and evaluation outputs would feed into progress reports on the SPFW and MDRP as a whole.

The responsibility for accurate reporting rests with the implementing agency.

#### **Section VI. Institutional Capacity**

Each agency submitting a project proposal to the MDRP should demonstrate that they have adequate administrative and technical capacity to carry out the work indicated in the proposal. This is why the proposal should describe the agency, including the institution's history, years of work in the country of concern and the proposed sector; the institution's objectives, structure, and operations by sector and geography; and the human and physical resources which the institution(s) can bring to the implementation of the project. In particular, the administrative and financial management systems, procedures and personnel should be described to help MDRP assess the agency's capacity to manage the resources to be made available under the project.

Background information should be provided on any partner organization with which the agency will implement the project, including any relevant experience the implementing agency has in working with this or these other institutions, and in managing inter-agency relationships for project implementation in general.

#### **Section VII. Project Feasibility and Sustainability**

##### *Project feasibility:*

Technically, the implementing agency should demonstrate that the project strategies are adequate to achieve the project objectives, and are the most appropriate in respect to other technical options. In doing so, the agency should take into consideration local

practices or traditions which may be more appropriate, or local groups or individuals which may present obstacles to the achievement of the project's objectives.

If the agency lacks the technical or environmental capacity to carry out some aspect of the project, it should indicate from where this expertise will come and how it will guarantee continued support to the beneficiary groups once the project is ended.

*Sustainability:*

To be eligible for financing, the project proposal must address the environmental and social safeguard concerns of the World Bank. These safeguards are concerned with issues related to natural habitats, pest management, forestry, cultural property, indigenous people, involuntary resettlement, etc. Interested agencies are referred to [www.worldbank.org/safeguards](http://www.worldbank.org/safeguards) for information about these safeguards.

Given the nature of demobilization and reintegration projects and the size of special projects, the majority would not trigger any safeguard issues or require mitigation measures. However, a proposal must confirm that a project conforms with those safeguard policies applicable to all World Bank financing. Where an issue may arise (for instance for the reconstruction of community infrastructure or agriculture sub-projects for ex-combatants), a measure to mitigate against negative environmental or social impact must be identified. MDRP staff can provide more detailed guidance on this aspect of the special project proposal.

The proposal should also discuss the likelihood of sustaining project benefits once the required inputs have been delivered. As a suggestion, sustainability could be considered in the following areas:

- the level of community participation in the design and implementation of the project;
- use of local knowledge, materials and labor in project implementation;
- level of control the community has over project decisions and resources;
- level of increase in and plans to cover operating and maintenance costs for infrastructure and equipment which the community may have to bear;
- women's participation in the project and the impact this has on their time;
- the technical capacity of the communities and permanent institutions from the local area to continue with the assistance or services being provided under the project;
- fund raising or income generating aspects of the project to sustain benefits; and
- assessment of the project's impact on forest, water and land resources and local ecosystems and identification of mitigation measures where necessary.

If the special project supports the reconstruction of public infrastructure, a statement from the responsible line ministry should be provided, indicating (i) that it approves of the structure being rehabilitated and (ii) who will take over the operations once the project ends

### **Section VIII. Risks and risk mitigation measures**

This section should:

- identify the main risks that affect the proposed project’s success, including an indication of their probability and possible impact on the project. Such risks can include risks associated with the region or country where the project is to be implemented, risks associated with the project itself, risks associated with the agency or implementing partners, and
- identify ways to mitigate them.

### **Section IX. Project Budget**

The implementing agency should present the project budget using the categories described below. All budgets should be presented in US dollars. If costs have been estimated in another currency and converted to US\$, then the implementing agency should note the rate of exchange used in converting the currencies. The budget should be presented in as much detail as possible indicating items, units, and unit costs for the life of the project. The budget may include an annex of “budget notes” that explains or justifies how certain rates or total costs were calculated.

In preparing the project budget, the following categories of expenditures should be used in the indicated detail:

- personnel, including full-time and part-time staff salaries, social benefits as dictated by law and allowances as appropriate; and consultants (distinguish between local and foreign, and indicate position, level of effort – i.e., person-months – and salary level);
- equipment (including furnishings or vehicles) directly needed to carry out the project (indicate type, quantity, and duty-free cost if being imported);
- materials such as agricultural inputs, building/construction materials, supplies for information campaigns, etc.;
- training of staff or community groups (note number of participants and daily costs, budget notes should specify what’s included in costs);
- operating costs for offices, transportation, equipment, or other direct costs;
- administrative costs for overall operation – if a fixed percentage is used to determine this cost then the implementing agency must explain how this percentage is calculated and be able to justify the calculation (with, for instance, annual audit reports or letter of agreement with other donors);

- contingencies (not to exceed 5% of total project value – excluding personnel).

All costs should be easily related to activities and strategies described in the proposal and should be reasonable in market terms. In preparing project budgets, the implementing agency should take into consideration the restrictions or limitations applicable to MDRP funding:

- no MDRP project budget and supported activities should exceed 24 months duration;
- a maximum funding limit of US\$5,000,000 per project applies. This limit can be increased under exceptional circumstances;
- not more than 20% of the total MDRP proposed project budget should be allocated to organizational costs (estimated for recipient and sub-contractors combined), including administrative costs, staff training, overheads, office equipment, etc., which would not directly benefit the target beneficiaries;
- MDRP financing should be sought for a total of no more than 50% of an agency's previous year's annual budget at any given time;
- financing of large assets for institutional use such as vehicles or infrastructure will be discouraged under the MDRP. However, if a vehicle is purchased, the implementing agency will be responsible for maintaining and insuring the vehicle, and at the end of the project will have four options, *subject to the approval of the MDRP Secretariat*: (i) continued use of the vehicle by the implementing agency on other activities supported by the MDRP, (ii) transfer of the vehicle to another implementing agency for activities supported by the MDRP, (iii) transfer of vehicle to a counter-part agency or government ministry, or (iv) purchase of the vehicle.

The purchase of equipment with a unit acquisition cost under US\$5,000, including motorcycles, is allowed for activities that have a direct impact on project implementation. The implementing agency must specify in their proposal how this equipment will be disposed at the end of the project. Priority will be given to the continued use of equipment in support of the MDRP goals.

The procurement of equipment with a unit acquisition cost over US\$5,000 is permissible under the same conditions as the procurement of vehicles and the disposition of a vehicle or other similar asset upon project completion will be the subject of negotiation between the MDRP Secretariat and the implementing agency.

If the project finances the purchase, rehabilitation, or reconstruction of community-owned or managed infrastructure, equipment or other asset (such as clinics, wells, hand-pumps, etc.), the implementing agency must present an operation and maintenance plan which indicates the total approximate running costs of the asset (including staff) and shows the source of funding or support for these costs after project activities are completed.

**Section X. Annexes**

Any additional information should be annexed that will assist the local ad hoc committee to determine if the proposed project and the implementing agency merit funding. Examples of such information could include the organization's audited financial statements, annual report on activities, evaluation reports of related project activities, information or documentation on organization, administrative systems, procedures, etc.

A logical framework should also be annexed to the proposal.



## Annex 3

### Procurement Methods and Prior Review Thresholds

Procurement of goods and works to be financed from the proceeds of the Grant would be governed by the *Guidelines for Procurement under IBRD Loans and IDA Credits* published in January 1995 and revised in January and August 1996, September 1997 and January 1999. Consultant services contracts financed by IDA would be procured in accordance with the World Bank's *Guidelines for the Selection of Consultants by World Bank Borrowers* published in January 1997 and revised in September 1997, January 1999, and May 2002.

The following procurement methods and indicative thresholds are suggested as a general model to be applied to all special projects. However, the method and review threshold can be modified, based on circumstances and need, with the clearance of the appropriate financial management and procurement specialists responsible for the project.

#### Procurement Methods

*Goods.* Contracts for goods estimated to cost less than US\$300,000 equivalent per contract may be awarded by National Competitive Bidding (NCB) as described in paragraphs 3.3 and 3.4 of the IDA procurement guidelines. Goods estimated to cost no more than the equivalent of US\$100,000 per contract may be procured using shopping procedures (on the basis of comparison of at least three quotations) at national or international level in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

*Civil works.* International Competitive Bidding (ICB) procedures would apply for civil works estimated to cost more than the equivalent of US\$1,000,000. Civil works estimated to cost between US\$100,000 and US\$1,000,000 equivalent per contract may be awarded by National Competitive Bidding (NCB) in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

Small civil works estimated to cost less than US\$100,000 equivalent per contract may be procured on the basis of quotations obtained from at least three qualified contractors in response to a written invitation. The written invitation would include a description of the works, basic technical specifications, completion date and if necessary the plan of the works. The contract may be awarded to the contractor who offers the lowest quotation provided that the bid is substantially responsive to the conditions specified in the written invitation.

*Consultants' services.* All consultants' services estimated to cost more than US\$100,000 equivalent per contract would be selected using the Quality and Cost-Based Selection (QCBS) method. Single source selection may be used in accordance with paragraphs 3.8 to 3.11 of the World Bank Group's Consultant Guidelines.

Consultant services for specialized tasks estimated to cost less than US\$100,000 equivalent may be awarded through the Consultants' Qualifications method in

accordance with the provisions of paragraphs 3.7 of the Guidelines. Consulting services contracts meeting the requirements of Section V of the Consultant Guidelines, may be selected under the provisions for the Selection of Individual Consultants, i.e. in essence through the comparison of the *curriculum vitae* of at least 3 qualified individuals.

Contracts for consultant services for financial audits and external evaluations, estimated to cost less than US\$100,000 equivalent may be awarded using the least cost selection method, in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

### **Thresholds for Prior Review**

*Goods and civil works contracts* estimated to cost the equivalent of US\$200,000 or more would be subject to IDA prior review.

For *consultant services*, contracts estimated to cost more than US\$100,000 equivalent for individuals and firms, and contracts for all single-source selections, would be subject to the World Bank's prior review procedures.

All other goods, civil works and services contracts would be subject to post review by the World Bank during supervision missions and by auditors during the technical and financial audits.