



THE REPUBLIC OF UGANDA

Project Preparation Facility (PPF)

Governance and Operations Manual

MAY 2024 – Version Final



**Ministry of Finance, Planning and Economic
Development**

National Planning Authority

Public-Private Partnership Unit



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Acronyms

AG	Attorney General
CA	Contracting Authority
CL	Contingent Liability
DARC	Development Assistance and Regional Corporation
DC	Development Committee
DFI	Development Finance Institution
DP	Development Partner
FAQ	Frequently Asked Questions
FCCL	Fiscal Commitments and Contingent Liabilities
FCDA	Foreign Currency Denominated Account
FMR	Financial Monitoring Report
FS	Feasibility Study
GAAP	Generally Acceptable Accounting Principles
GFMS	Government Financial Management Information System
GOU	Government of Uganda
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
KPI	Key Performance Indicators
MDA	Ministries, Departments and Agencies
MoFPED	Ministry of Finance, Planning and Economic Development
NDP	National Development Plan
NPA	National Planning Authority
OAF	Officer Administering the Fund
PAP	Public Investment Department
PDFF	Project Development Facilitation Fund
PDMO	Public Debt Management Office

PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PFS	Pre-feasibility Study
PIP	Public Investment Plan
PPDA	Public Procurement and Disposal of Public Assets Act
PPF	Project Preparation Facility
PPFC	Project Preparation Facility Committee
PPP	Public-Private Partnership
PPPC	Public-Private Partnership Committee
PPPU	Public-Private Partnership Unit
PSAT	PPP Screening and Analytics Tool
SPC	Special Purpose Company
ST	Secretary to the Treasury
TA	Transaction Advisor
TPS	Traditional Public Sector
TI	Treasury Instructions

Definations

Term	Definition
Business Plan	The PPF Business Plan
Cabinet	The Cabinet of the Government of Uganda
Secretary to the Treasury	The principal financial adviser to the Government and principal controlling officer of public resources in MoFPED appointed as such under Section 11 of the PFMA
Commercial Close	The signing of the Project Agreement between the CA and the selected Private Party
Contingent Liability	Means a possible obligation that arises from past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity)
Contracting Authority	Ministry, department of Government or any other body established by Government and mandated to carry out a public function
Designated Funds	Unrestricted but earmarked by the PPF Committee for use for a specific purpose or use in a specific manner but without legal commitments
Development Finance Institutions	Specialized development banks or subsidiaries set up to support private sector development in developing countries. They are usually majority-owned by national governments and source their capital from national or international development funds or benefit from government guarantees.
Development Partner	Bilateral or multilateral financing institutions that provide grants and loans to the Government.
Eligibility	Satisfaction of the appropriate conditions, as defined in this Manual, to obtain funding from the PPF.
Feasibility Study	A study undertaken to explore the technical, financial, legal, social, and environmental feasibility of undertaking an infrastructure or development facility as per section 3E of DC Guidelines and section 22 of the PPP Act for PPP projects.
Financial Close	The signing of financing agreements between the private partner and the providers of financing for a PPP Project. This can also sometimes involve signing of direct agreements between the CA and financial providers.
Financing Agreement	An agreement entered into between the Government of Uganda and a Development Partner or Development Finance Institution with regard to support to the PPF/ PDFF
Fiscal Commitments	A direct liability or obligation incurred by the Government in support of the implementation of a PPP Project in the form of a defined and quantified undertaking to pay or carry a funding obligation for a feature, phase, or item in a PPP Project essential to its development, operation or completion
PDFF	The Project Development Facilitation Fund established under Section 29 of the PPP Act 2015

Term	Definition
PPF	The Project Preparation Facility established under [] The PDFF will be included in the PPF
Pre-feasibility study	A study undertaken to identify and appraise the available alternative interventions that can be undertaken to achieve the project objectives as per section 3D of DC Guidelines
Funding Agreement	An agreement entered into between the PPF and MDA or PDFF and CA under the requirements in this Manual as a condition precedent to disbursements from the PPF/ PDFF
Government	The Government of Uganda
Manual	The Project Preparation Fund Governance and Operational Manual
National Development Plan	Plan that stipulates Uganda's medium-term strategic direction, development priorities and implementation strategies
Officer Administering the Fund (OAF)	The Officer designated as per the Manual to administer the PPF and PDFF.
PPF Secretariat	The Project Preparation Fund Secretariat as outlined in the Manual.
PDFF Secretariat	The Project Development Facilitation Fund Secretariat as outlined in the Manual.
Project	Infrastructure and development project which is included in the Public Investment Plan and has objectives for infrastructure or economic development prioritized under the National Development Plan. Project collectively includes TPS and PPP Projects.
PPP Project	The design, construction, development or operation of a new infrastructure, asset or facility or the rehabilitation, modernization, expansion, operation or management of an existing Infrastructure, asset, or facility procured by applying the procedures and guidelines in the PPP Act 2015, as amended
PPP Contract	Any formal written agreement entered between the Contracting Authority and a Private Party under the PPP Act 2015 for the implementation of a PPP Project or PPP arrangement
Public Investment Plan	A plan that sets out the planned investment decisions that the GoU plans to realize in the medium term
Public-Private Partnership	Means a commercial transaction between a contracting authority and a private party where a private party performs a function of the contracting party on behalf of the contracting authority, for a specified period, and (a) acquires the use of the property, equipment or other resource of the contracting authority for the purposes of executing the agreement; (b) assumes substantial financial, technical and operational risks in connection with the performance of the function or use of the property; or

Term	Definition
	(c) receives a benefit for performing the function through payment by the contracting authority or charges or fees collected by the private party from the users of the infrastructure or service, or both;
Recoverable Advances	Refers to any amounts advanced to the CAs that are repayable to the PPF and/ or the PDFF
Restricted Funds	Funds which are issued to the PPF/ PDFF for a specific purpose or use with legal commitments to the same effect
Transaction Advisor	A person appointed in writing by a CA who has the appropriate skill and experience to assist and advise the CA on matters related to a PPP or TPS project, including the preparation, accession and conclusion of a Project Agreement and the Financial Close.
Traditional Public Sector (TPS)	Refers to Projects that are procured by the GoU by applying the procedures and guidelines in the Public Procurement and Disposal of Public Assets Act, 2003, as amended
Unrestricted Funds	Funds which are issued to the PPF for use or application at the discretion of the PPFC/ PPPC.

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PART 1: PRELIMINARY

1. Introduction

Uganda has registered significant improvements along the Public Investment Management (PIM) cycle since 2016. Some of these improvements include:

- a) Project identification and preparation spearheaded by the National Planning Authority (NPA) in line with the National Development Plans (NDP). This has been enhanced by the provision of resources to undertake studies under the Project Preparation Facility (PPF).
- b) Independent appraisal under the Ministry of Finance Planning and Economic Development (MoFPED). These reforms included giving the Development Committee (DC) a vital role as a gatekeeper for new investment proposals.
- c) Mandatory land acquisition before project implementation. Land acquisition challenges delayed many projects implemented by Ministries, Departments, and Agencies (MDAs).
- d) Projects are monitored under the Office of the Prime Minister (OPM), which is responsible for overseeing the coordination and implementation of the NDP. This has been enhanced through the operationalisation and coordination of Programme Working Groups (PWG) and the Government Annual Performance Report (GAPR).
- e) Independent evaluation by NPA. A series of assessments have previously been undertaken to ascertain the contribution of government programmes.

1.1 Need for a Project Preparation Facility

In light of the ever-increasing demands for additional public investments to meet the country's development goals (Vision 2040), the Government has embarked on a number of reforms, including the adoption of the Program Implementation Action Plan (PIAP) in the NDPIII, alignment of the national planning process and the budget function so that the National Development Plan informs the annual national budgeting needs and prioritisation of interventions to achieve better economic progress with the available resources.

Regarding project development, the reforms include the requirement that all Government projects be adequately studied or structured before funds are allocated for implementation and the establishment of a Project Development Facilitation Fund (PDFF) to support the development of Public-Private Partnership (PPP) projects, which the PPF is now addressing.

Therefore, despite the progress made under the PIMS Framework, the existing PIMS guidelines do not adequately provide funding for the feasibility studies for projects to be implemented under the NDPs. Yet, these are critical to facilitating the country's development agenda. In addition, there is still inadequate capacity at the national and sub-national levels to develop bankable projects, structure financing for projects, and ensure that they are adequately implemented.

The PPF is intended to develop a pipeline of bankable projects for Traditional Public Sector (TPS), PPPs and strategic private sector projects to ensure better utilisation of the available resources and to attract private sector investment as an alternative financing mechanism.

1.1.1 Goal and Objective of the PPF

The objective of the PPF is to provide financial support for project preparatory activities for TPS projects, PPP projects, and strategic private sector projects. The support is in the form of both financial and technical assistance. The PPF supports the development of a project to the point where it is onboarded into the government's budgeting cycle (TPS) or attracts sufficient interest from investors.

This Governance and Operational Manual lays down the procedures for the operationalization, and administration of the PPF. It provides the processes for funding, utilizing, monitoring, and accounting for the PPF resources. It also includes in its appendices the PPF's Business Plan and templates for implementation of the set-out procedures.

1.2 Objective of the Manual

The objective of the Manual is to ensure that there is guidance for the:

- i. Oversight of the PPF through a clear governance and administrative structure as well as roles and responsibilities
- ii. Processes and procedures for the PPF's internal control and operations
- iii. Compliance with applicable regulatory frameworks
- iv. MDAs and CAs seeking funding from the PPF
- v. Auditors and other stakeholders in reviewing and assessing the performance of the PPF and its operations

1.3 Users of the Manual

The primary target audience of this Manual includes the:

- PPF Committee (PPFC)
- PPP Committee (PPPC)
- National Planning Authority (NPA)
- Ministry of Finance, Planning and Economic Development (MoFPED)
- PPF Secretariat, PDFF Secretariat and the PPP Unit
- Development Partners (DPs) and other financiers of the PPF
- MDAs/ CA including local governments -Recipients of funds from the PPF
- Auditors / evaluators who may seek to assess or evaluate the PPF

1.4 Structure of the Manual

This Manual is organized in four parts:

- **Part 1: Preliminary:** need for the PPF, objective of the Manual and its users
- **Part 2: Governance:** overview of the PPF and its governance arrangements.
- **Part 3: Processes and Procedures of the PPF:** operations and key processes for applying for funding, and assessing, and approving funding
- **Part 4: Administration and Management of the PPF:** financing of the PPF, performance management
- **Schedules:** contains the PPF's business plan, PPF application template PPF Committee guidelines, financial management, terms of reference for key functions, and templates for reporting and various operations of the PPF.

1.5 Amendments to the Manual

This Manual is a living document, and it will undergo periodic revision to reflect the evolving needs of the PPF as well as the emerging regulatory and legislative changes. The template for requesting amendments to the Manual is attached vide Schedule 7.

PART 2: GOVERNANCE

2. Overview of the PPF

The Cabinet Decision Reference: Cabinet Min. 118 (CT2017), directed the MoFPED to establish a Project Fund to facilitate preparation of the mandatory studies.

2.1 Establishment of the PPF

Pursuant to the aforesaid Cabinet Decision the MoFPED will establish the Project Preparation Facility (PPF) as a program in a Vote under Section 23.1.2 (c) of the Treasury Instructions (TI) to support the project preparation activities for Traditional Public Sector (TPS) and Public-Private Partnership (PPP) projects.

The PPF will include the activities of the Project Development Facilitation Fund (PDFF) provided under Section 29 of the Public-Private Partnership Act 2015.

2.2 Scope of the PPF

The PPF supports activities related to TPS projects, PPP projects, and strategic private sector projects from preparation, feasibility and procurement as follows:

- a) Support to MDAs for the following costs in the preparation of pre-feasibility studies for Projects as per section 3C, 3D and Annex 4 of the DC guidelines.
 - i. Costs related to the procurement of consultants and compensation to consultants;
 - ii. Costs related to the preparation of sector studies, including but not limited to, market demand assessments, market surveys, stakeholder consultations, stakeholder analysis, strategic options analysis.
 - iii. Costs related to modification or updating of pre-feasibility studies prepared earlier that need to be updated for efflux of time and changed scenarios.
- b) Support to MDAs for the following costs in the preparation of feasibility studies for TPS type Projects as per sections 3E, 3F, 3G, 3H, 3I and Annex 5 of the DC guidelines.
 - i. Costs related to the procurement of consultants and compensation to consultants;
 - ii. Costs related to the preparation of market/ demand analysis, technical and engineering studies, environmental assessments, project implementation staffing, human resources and administrative supports, institutional and legal assessments, financial assessments, economic and social assessment, distribution of economic benefits, risk assessments, etc.;
 - iii. Costs related to modification or updating of feasibility studies prepared earlier that need to be updated for efflux of time and changed scenarios
 - iv. Costs for procurement of transaction advisors for supporting the procurement of TPS type of projects.
- c) Support to CAs, for costs in the preparation of feasibility studies for PPP projects including transaction advisory costs as per sections 22, 23, 24, 25, 26, 29 of the PPP Act, PPP Regulations, PPP Guidelines and Local Government PPP Guidelines. The indicative list of activities for preparation of feasibility studies and transaction advisory are:
 - i. Costs related to the procurement of transaction advisors and transaction advisors' compensation;
 - ii. Market sounding and benchmarking exercises and any feasibility study related costs;
 - iii. Administrative budget for the Project Team meetings, capacity building directly linked to the project;

- iv. Fees for the Project Officer where such officer is contracted from without the CA;
- v. Preparation of an information memorandum for the PPP project;
- vi. Road shows, investments promotions (including publication in international media or PPP marketing platforms) aimed at attracting high-quality sponsors/investors that rely on limited recourse debt markets by preparing strong project documentation and robust financial models;
- vii. Assistance during the pre-qualification of bidders, including evaluation of pre-qualification applications;
- viii. Assistance during the bidding, including evaluation of technical, legal and financial proposals from the prequalified bidders;
- ix. Assistance during negotiations with the preferred bidder and finalization of the PPP agreement;
- x. Assistance in meeting the CA's obligations towards the financial closure; etc.
- xi. Payment related to any contingent liabilities (CL) arising from a PPP project,
 - Where the CL cannot be handled by the Treasury under alternative frameworks or the Contingency Fund of GoU and/ or
 - The CL does not arise from a contracted obligation of a CA under a Project Agreement for which a budgetary allocation has been made by that CA

The PPF shall support Projects in all the sectors at National and Local Government levels. All projects must adhere to the National Development Plan and are aligned with the budgeting procedures of the MoFPED. With specific reference to PPP projects section 2 of the PPP Act shall apply. Additionally, the PPF shall only support PPP projects that are consistent with the PPP Act and are to be prepared, procured and implemented in accordance with the PPP legal and regulatory framework as well as follow international best practice.

The pre-requisites for support and eligible entities for funding are detailed in Table 1 below:

Table 1: Funding Type and prerequisites for support

Funding type	Pre-requisites for funding	Eligible Entities
Financial Assistance	Project profile approved by the DC	MDAs
Financial Assistance	Project pre-feasibility study indicates that project objectives are best achieved through the TPS modality; and Project prefeasibility study approved by the DC	MDAs
Recoverable Financial Assistance	Project is registered as a PPP Project under section 21 of the PPP Act Project pre-feasibility study indicates that project objectives are best achieved through the PPP modality; Project prefeasibility study approved by the DC	CAs

Funding type	Pre-requisites for funding	Eligible Entities
Financial Assistance	The PPP Unit will include the activities that require support in the budget of the PPF	PPP Unit
Financial Assistance	PPP project agreement has been entered into in accordance with section 26 of the PPP Act	CAs

Note: MDAs and CAs also include Local Governments

2.3 Legal and Regulatory Framework

The operations of the PPF will be pursuant to the following current laws and regulations, and guiding frameworks (not limited to):

- Constitution of the Republic of Uganda, 1995 as amended;
- Public Finance Management Act, 2015 as amended;
- National Planning Authority Act, 2002 as amended;
- Public-Private Partnerships Act, 2015;
- Public Procurement and Disposal of Public Assets Act, 2003 as amended;
- Local Government Act, 1997 as amended;
- National Audit Act, 2008 as amended;
- The Uganda Public Service Standing Order, 2010 as amended;
- Accountants Act, 2013 as amended;
- Requisite Appropriation Acts;
- The Anti-Corruption Act, 2009 as amended;
- Public Finance Management Regulations, 2016 as amended;
- PPP Regulations, 2019 as amended; and
- Other relevant laws and regulations.

The legislations listed above should be read together with the Treasury Instructions, 2017, Circulars issued by the Treasury and various guidelines issued under the above Acts.

2.4 Sources of Funds

The PPF will receive funds under the Vote responsible for the PPF included in the Government of Uganda's (GoU) national budget. The funds to the PPF shall include:

- i. Budget appropriations
- ii. Grants and donations
- iii. Loans
- iv. Fees from a private party under section 11(4) of the PPP Act
- v. Levies or tariffs as may be imposed on a PPP project; and
- vi. Any other source as may be authorized by the Minister.

Officer Administering the Fund (OAF-PPF): The Director Planning of the NPA will be the Officer Administering the Fund, with the principal role in administering the PPF. The Accounting Officer of the vote for the PPF will assign the fund management roles for the PPF to the OAF-PPF.

A PPF Secretariat will be set up with officials from the NPA to support the PPF. The OAF-PPF will head the Secretariat and manage the day-to-day affairs of the PPF.

2.5.2 Roles and responsibilities

The overall fiduciary responsibility for the PPF lies with the PPF Committee and the Executive Director of NPA as the Accounting Officer will be responsible for the overall accountability.

The OAF-PPF will report directly to the PPFC for overall accountability of the PPF, including ensuring that funds are disbursed as approved by the PPFC. The OAF-PPF will follow up to ensure that these funds are utilized for the intended purpose.

At the Secretariat level (PPF), the Secretariat will support the OAF in the day-to-day operational management of the PPF including funding applications management, financial management, monitoring and evaluation. The OAF will be responsible for accounting, controlling, and reporting on the funds received and disbursed to the various eligible entities. The OAF will implement appropriate and adequate financial management systems to monitor the use of funds. In carrying out this mandate, the OAF will assign the specific day-to-day transaction processing and reporting to the accountant.

The OAF will ensure that any member of the PPF Secretariat vacating office undertakes a proper hand over of fiduciary records in their custody. The PPF will use the normal GoU financial management systems and policies as outlined in the Treasury Instructions

The roles and responsibilities of the various institutions involved in the governance of the PPF are outlined below (Table 2). Schedule 5 of this Manual outlines the detailed roles of OAF and key personnel in the Secretariat.

Table 2: Institutional Roles and Responsibilities

No.	Institution	Roles and Responsibilities
1.	PPF Committee (PPFC)	a. Overall responsibility and oversight of the PPF b. Review and approval of funding requests based on sectoral priorities, priority/ flagship national projects, NDP, local government projects, etc. c. Formulate policy directives and amendments thereof of the PPF d. Authorize allocations from the PPF e. Approve and financial statements of the PPF f. Receive management reports on PPF operations and utilizations g. Approve, reject/modify applications for funding and select projects that fit the set criteria h. Oversee the monitoring and evaluation by the OAF-PPF from funds allocation to project implementation i. Ensure approval of, and fiscal accountability in the management, financial and other form of support granted by the PPF j. Ensure efficient implementation of any project for which funds have been allocated k. Perform any other function as may be conferred on it by any of the applicable laws.
2.	Officer Administering the PPF (OAF-PPF)	a. Administers and manages the funds of the PPF under the supervision of the PPFC b. Advises PPFC on matters relating to administration of the PPF c. Oversee the operations of the PPF Secretariat d. Approves payments to third parties as per funding agreements with MDAs e. Financial and non-financial reporting on the PPF f. Resource mobilization from DPs/ DFIs g. Compliance with the requirements for funding in the Financing Agreements and any conditions and ensure timely and reliable financial reports. h. Overall monitoring and evaluation of the PPF's achievement of its mandate/objectives
3.	PPF Secretariat	Manager a. Support the OAF-PPF in execution of duties pertaining to the funding b. Overall financial management of the PPF c. Consolidation of reports for PPF d. Overall office administration and records management e. Credit management f. Performance monitoring and reporting g. Communication and stakeholder engagement.

No.	Institution		Roles and Responsibilities
		Accountant	a. Financial management, planning and budgeting b. Disbursements processing and tracking c. Cash flow management d. Establishing financial (internal) controls e. Overall responsibility for accounting f. Financial reporting, credit management, record management g. Supporting audit(s) of the PPF.
		Internal Audit	a. Verify the existence of assets and recommend proper safeguards for their protection b. Evaluate the adequacy of the system of internal controls c. Recommend improvements in controls d. Assess compliance with policies and procedures and sound business practices e. Assess compliance with the relevant legal framework and contractual obligations f. Review operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned g. Investigate reported occurrences of fraud, embezzlement, theft, waste, etc.
		Technical Officer	a. Management, review, and appraisal of funding applications received b. Preparation of recommendations for funding decisions for PPFC consideration c. Prepare progress reports of projects with funding from the PPF d. Communicate funding approvals e. Prepare Funding Agreement drafts f. Review of monitoring and evaluation reports submitted by MDAs on PPF funded projects

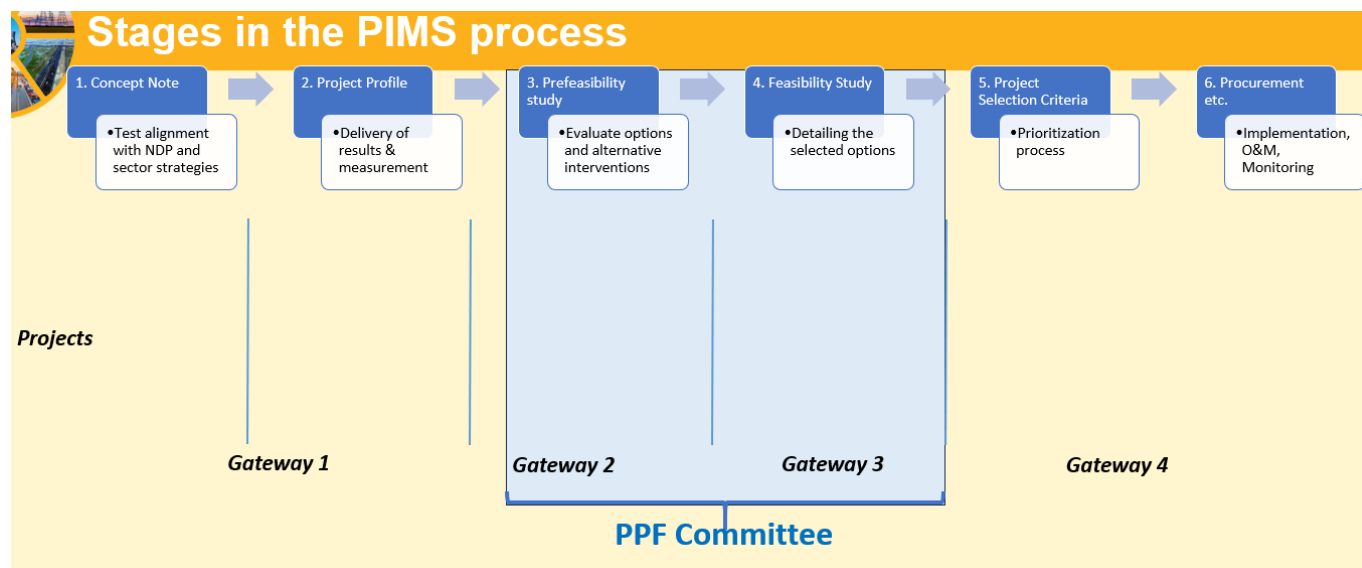
No.	Institution	Roles and Responsibilities
4.	MDAs	a. Identify, select and develop appropriate projects b. Apply for project funding for pre-feasibility and feasibility study after obtaining requisite approvals as per the DC guidelines and Selection Criteria using PPF Manual and in the prescribed form(s) c. Prepare ToRs for the procurement of consultants for undertaking the studies; d. Procure consultants for the preparation of pre-feasibility and feasibility studies e. Meet all the contractual obligations arising out of the Funding Agreement commensurate with the approved project funding requirements by the PPFC f. Present budgetary projections of their funding requirements to the PPF for planning purposes g. Ensure that the funds received from the PPF are used for the intended purpose h. Ensure timely reporting as outlined in the Funding Agreement
5.	CAs/ Contracting Authorities/LGs	a. Identify, select and develop appropriate concept notes (PPP Unit may be consulted where necessary); b. Apply for PPP project funding for feasibility study upon registration of the same with the PPP Unit using PPF Manual and in the prescribed form(s) c. Prepare ToRs for the procurement of consultants (may consult with the PPP Unit if necessary) d. Procure consultants/ TAs for preparing feasibility studies and managing the PPP transaction e. Meet all the contractual obligations arising out of the Funding Agreement commensurate with the approved project funding requirements f. Present budgetary projections of their funding requirements to the PDFF for planning purposes g. In conjunction with the Public Debt Management Office and Budgeting Departments submit to the OAF-PDFF estimates of Contingent Liabilities from their eligible Project annually h. Ensure that the funds received from the PPF are used for the intended purpose i. Ensure timely reporting as outlined in the Funding Agreement
6.	Office of the Auditor General	a. Functions stipulated in the National Audit Act
7.	Office of the Attorney General	a. Legal support to the PPF as may be required

PART 3: PROCESSES AND PROCEDURES OF THE PPF

3. Funding by the PPF

The PPF will provide funding to eligible entities namely: MDAs/ Contracting Authorities. Projects will need to be mandatorily approved under the gateway approval process of the DC to be eligible for project preparation funding support. Figure 2 below describes the workflow for PPF funding applications.

Figure 2: Schematic Diagram of the Workflow for Projects



The management of funding under the PPF entails a seven-stage process comprising the following steps:

1. Application for Funding
2. Screening of Applications
3. Assessment
4. Approval
5. Contracting
6. Disbursement
7. Monitoring and Evaluation

3.1 Application and Approval Process for TPS Projects

After submitting their applications for funding after obtaining the relevant gateway approvals from the DC, the application process will be as follows:

- i. The MDA in consultation with the PPF Secretariat, will fill the application of their requirements for project preparation.
- ii. The MDA will subject the application to their own internal approval process, after which the authorized representatives of the MDA will sign the application.

- iii. The MDA will also collate all supporting documentation for the funding application.
- iv. The MDA will submit their application for funding to the PPF secretariat

The PPF Secretariat will be responsible for managing the applications for funding. The responsibilities will include:

- i. Providing application forms / templates and application guidelines
- ii. Responding to any queries that MDAs may have regarding the application process and requirements for funding
- iii. Creating a response to frequently asked questions (FAQs)
- iv. Keeping track of all applications for funding made to the PPF.

The Table 3 below outlines the application process, responsibilities, and timelines:

Table 3: Application Process, Responsibilities and Timelines

Process Step	Process Description	Responsible Officer/ Unit / Department	Standard Timelines
1	The PPF Secretariat provides the <i>Application for Funding</i> templates and guidelines	PPF Secretariat	At inception of the PPF and continuously
2	The PPF Secretariat provides information on application for funding and responds to any queries by the MDAs.	PPF Secretariat	Continuously
3	The MDA makes an application for funding	Authorized Officer at the MDA	After obtaining relevant approvals from the DC
4	The PPF Secretariat receives the application for funding and serializes it sequentially.	PPF Secretariat	1-2 days
5	MDA is notified of receipt of application, the due process to be followed and potential timelines to the outcome.	PPF Secretariat	
6	Application is submitted for preliminary screening by the PPF Secretariat.	PPF Secretariat	1 day
7	The PPF Secretariat keeps a record of all applications for funding and the respective outcomes of each application.	PPF Secretariat	Continuous

3.1.1 Supporting documentation

MDAs, in coordination with PPF Secretariat, will provide the following supporting documents (Table 4) for support required for preparing Pre-feasibility Studies for their Projects.

Table 4: Supporting Documentation for Application for Funding for TPS pre-feasibility studies

#	Funding Areas (Category of Support)	Supporting documentation
1	Consultancy services related to the preparation of pre- feasibility studies (including review and updating existing pre-feasibility studies)	i. Duly filled <i>Application for Funding</i> template ii. Project concept note and project profile as approved by the DC iii. Documentation on the approvals from the DC on project concept note and project profile. iv. Update and details on the Project with respect to preparedness as per the Parameters listed in the Selection Criteria for Projects to enter into the PIP Guidelines, May 2021 v. PSAT 2.0 screening results in case the project submitted for funding is a project registered by the PPP Unit under section 21 of the PPP Act vi. Agreement with PPF Secretariat to manage the procurement and delivery of the assignments
2	Other Project pre-feasibility preparation activities ¹ for which 3 rd parties may be hired, as may be approved from time to time by the PPFC	i. Specific area of funding (category of support) approved by the PPF Committee ii. Duly filled <i>Application for Funding</i> template iii. Justification and need for the specific area for funding iv. Supporting documentation listed in 1 (iii to vi) above

MDAs, in coordination with PPF Secretariat, will provide the following supporting documents (Table 5) for preparing Feasibility Studies for their TPS Projects.

Table 5: Supporting Documentation for Application for Funding for TPS Feasibility studies

#	Funding Areas (Category of Support)	Supporting documentation
1	Consultancy services related to the preparation of Feasibility studies for TPS project (including review and updating existing feasibility studies)	i. Duly filled <i>Application for Funding</i> template ii. Project concept note, Project profile and Project pre-feasibility study as approved by the DC iii. Documentation on the approvals from the DC on project concept note, project profile and pre-feasibility study. iv. Update and details on the Project with respect to preparedness as per Parameters listed in the Selection Criteria for Projects to enter into the PIP Guidelines, May 2021 v. Agreement with PPF Secretariat to manage the procurement and delivery of the assignments

¹ Activities can include specialist surveys, sector diagnostic studies, etc.

#	Funding Areas (Category of Support)	Supporting documentation
2	Other Project feasibility preparation activities ² for which 3 rd parties may be hired, as may be approved from time to time by the PPFC	i. Specific area of funding (category of support) approved by the PPF Committee ii. Duly filled <i>Application for Funding</i> template iii. Justification and need for the specific area for funding iv. Supporting documentation listed in 1 (iii to v) above

3.1.2 Screening of Applications

The PPF Secretariat will screen all applications for funding received prior to submission for consideration by the PPFC. The objective of the screening process will be to ensure that the applications submitted meet the primary requirements for assessment. The PPF Secretariat will screen the applications to check:

- i. Administrative compliance – the check will screen for compliance with administrative application requirements of the PPF. This will include:
 - The application is on the appropriate application form and that it is complete in all material aspects.
 - The authorized representative of the MDA has approved the application.
 - The application contains all supporting documentation required for the specific category of funding.
- ii. Eligibility of the application – this will entail screening the application for compliance with the eligibility requirements provided in this Manual. The eligibility check will include:
 - Verification that the entity is eligible for funding under the PPF.
 - Verification that the application for funding is for an eligible category of support under the PPF.
 - Verification that the Project requiring funding has received the necessary approvals from the DC.
- iii. Compliance with any additional rules set by the PPF Committee from time to time including an assessment of the Projects readiness to enter into the PIP³, Projects response to Climate Change and Mitigation requirements etc.

The PPF Secretariat will communicate the outcome of the screening process to the MDA in writing. The communication will indicate any of the following decisions:

- **Deferral of the application:** This will be in a situation where the MDA can resubmit the application for funding after addressing the cause of deferral. This could include providing clarifications, missing documentation, and completing any missing information or errors in the application for funding;
- **Rejection of the application:** This will be in a situation where the MDA cannot resubmit the application for funding due to non-eligibility of the application or non-compliance with the requirements for funding; or
- **Submission of the application for evaluation:** This will be in a situation where the application for funding meets all the screening requirements.

The PPF Secretariat will forward all applications that meet the funding criteria to the PPFC for assessment.

² Activities can include specialist surveys, sector diagnostic studies, etc.

³ The assessment will be based on the guidelines on Selection Criteria for Projects to enter into the PIP after appraisal by the DC, May 2021

The PPF secretariat will maintain a log of all the applications received and the outcomes of the screening processes. In addition, the PPF Secretariat will provide a report to the OAF-PPF indicating all the applications received and the outcome of the screening processes. The process for the screening of applications is outlined in the Table 6 below:

Table 6: Process of Screening Applications

Process Step	Process Description	Responsible Officer / Unit / Department	Standard Timelines
1	The PPF Secretariat or designate will undertake preliminary screening of the application against the screening checklist.	PPF Secretariat / designate	2-3 days
2	The MDA will be notified of the outcome of the preliminary screening and any actions due before resubmission if the application is incomplete, erroneous, or unclear.	OAF-PPF/ PPF Secretariat	1 day
3	Eligible and complete applications will be sent to the Technical Officer for assessment	PPF Secretariat	1 day
4	A report will be prepared on a monthly basis on detailing the log of all applications for funding and their status	PPF Secretariat	2 days

3.1.3 Assessment of Applications

The Technical Officer will assess all applications for funding that meet the screening criteria on a first come, first-serve basis. The Technical Officer will assess all applications and recommend based on the eligibility and prioritization criteria outlined Selection Criteria for Projects to enter into the PIP, alignment with the National Development Plan, Climate Change and Mitigation requirements, as well as any other criteria that are laid down by the PPF Committee from time to time. The Technical Officer will document the justification for the recommendations.

The Technical Officer can co-opt additional technical experts in the field of the funding applications under assessment after consulting the OAF-PPF where the input of technical experts may be required. This will ensure that the Technical Officer's recommendations benefit from experts who have appropriate knowledge of the sector and the subject matter under assessment. The Technical Officer also reserves the option to seek clarifications from the MDA on matters related to the funding application.

The Technical Officer will maintain their own calendar that will allow for flexibly assessing funding applications and making recommendations for approval ahead of the quarterly PPFC meetings.

The procedure for assessment will be as follows:

- i. The PPF Secretariat will collate and forward funding applications that meet the screening requirements of the PPF to the Technical Officer
- ii. The Technical Officer will review the applications submitted and determine if subject matter experts required to assess the applications for funding. The OAF-PPF will co-opt subject matter experts if a subject matter expert is warranted
- iii. The Technical Officer will recommend all applications that meet conditions for funding along with a summary assessment report for each project, applications which require deferment or do not meet the conditions for funding to the Assistant Manager/ OAF-PPF for their review.

- iv. In the case of an application does not meet the conditions for funding, the Technical Officer will enumerate the reasons for ineligibility, areas of non-compliance or areas that need modification
- v. The OAF-PPF will communicate the results of the assessment of the Technical Officer to the MDA. The OAF-PPF will provide details on the proposed dates for the PPFC's meeting for approving the funding applications for applications that meet the requirements
- vi. The OAF-PPF will submit the summary assessment along with the recommendations to the Chairperson of the PPF Committee along with a memo on the overall alignment of the Projects with the business plan of the PPF, instructions of the PPFC, alignment with the NDP, prioritization requirements, availability of funding, etc.
- vii. The Assistant Manager will update the report on the status of all funding applications and share it with the OAF-PPF.

The Table 7 below outlines a summary of the assessment process:

Table 7: Process of Assessing Applications for Funding

Process Step	Process Description	Responsible Officer / Unit / Department	Standard Timelines
1	Application for funding will be received by the Technical Officer for assessment.	PPF Secretariat	1 day
2	The Technical Officer will determine the requirements for technical experts to include in the assessment team.	PPF Secretariat	2 days
3	The application will be assessed by the Technical Officer which makes its recommendations to the OAF-PPF	PPF Secretariat	5 - 10 days
4	The MDA will be notified of the outcome of the assessment (with a basis for ineligibility if the application is not considered) and any actions due before resubmission if the application is incomplete, erroneous, or unclear.	PPF Secretariat	1 day
5	The OAF-PPF will submit applications eligible for funding to the Chairperson of the PPF Committee with recommendations.	OAF	At least 3 weeks prior to the scheduled PPFC meeting

3.1.4 Approval of Applications

The PPFC will meet at least once every quarter to approve applications for funding. The procedure for approval will be as follows:

- i. The OAF-PPF on behalf of the Chairperson of the PPFC will distribute the summary of funding applications along with the recommendations of the PPF Secretariat to the members at least two weeks prior to the scheduled PPFC meeting

- ii. The Chairperson of the PPFC will deliberate on the outcomes of the individual assessment with the committee members and pass a vote (if required) to determine the applications that meet the conditions for funding
- iii. The PPFC take into consideration the alignment of the project with the National Development Plan (NDP), Climate Change and Mitigation requirements, results of the qualitative and quantitative ranking scores computed by applying the Project Selection Criteria detailed in the Selection Criteria document issued by the MoFPED in May 2021 and will follow the procedures mentioned therein for prioritization of projects,
- iv. The PPFC will communicate its decision on each application for funding in writing with a notification letter. The PPFC may:
 - **Approve an application for funding** – with or without conditions
 - **Defer an application for funding** – subject to certain conditions, or subject to availability of funds, where the application meets conditions for funding but there are multiple applications for funding and limited funds available; or
 - **Reject an application for funding** – where the application for funding does not meet the conditions or eligibility requirements.
- v. The PPFC will communicate its decision to the PPF Secretariat. The Assistant Manager will then relay the PPFC's decision to the MDA and to respective stakeholders as may be applicable.

Table 8: Process of Assessing Applications for Funding

Process Step	Process Description	Responsible Officer / Unit / Department	Standard Timelines
1	The OAF-PPF on behalf of the PPF Committee Chairperson will distribute the summary of the funding applications along with the recommendations to the PPFC members	PPF Secretariat	At least 2 weeks prior to the scheduled PPFC meeting
2	PPFC will review the recommendation by the PPF Secretariat and make its decision on the application for funding in writing based on the funding approval template.	PPF Committee Chairperson	At least once every Quarter
3	The PPF will communicate its decision to the PPF Secretariat with a basis for rejection or conditions to be fulfilled prior to funding.	PPF Secretariat	1 – 2 days
4	The PPF Secretariat will communicate the results of the approval process with the CAs.	PPF Secretariat	1-2 days

The PPF Secretariat will enter into Funding Agreement with the MDA for approved Projects as detailed in the Section 3.4 Contracting (Entering into Funding Agreements) below.

3.2 Application and Approval Process for PPP Projects

CAs seeking funding will submit their applications for funding after registration of the project under section 21 (3) of the PPP Act and obtaining the relevant gateway approvals from the DC. The application process, screening of

applications, assessment of applications and approval will be similar to the process described in 3.1 Application and Approval Process , except for the following modifications in the process and specific conditions listed in section 3.2.1 for Window 3c.

- The CA will need to submit its application to the PDFF Secretariat/ PPP Unit instead of PPF Secretariat;
- The applications will be accepted and screened by the Assistant Manager of the PDFF Secretariat/ PPP Unit
- The assessment will be done by the Technical Officer of the PDFF Secretariat; and
- The decision on Project funding approval under Window 3a and 3c will be taken by the PPP Committee instead of the PPF Committee
- The PPP Committee will take into consideration the following additional criteria for prioritization of projects for funding under Window 3a:
 - Alignment with the National Development Plan (NDP);
 - Project suitability for PPP evaluation of the prefeasibility study using the PSAT 2.0;
 - Project prioritization by comparing PSAT 2.0 screening, Ease of Implementation, Commercial Potential, Environmental and Social Sustainability, Fiscal Affordability and Climate Change Resilience Profile scores for the projects competing for funding; and
 - Other criteria to ensure sectoral mix, private sector investments, regional development, linkages with upstream and downstream investments of the government, alignment with Sustainable Development Goals (SDGs), etc.
- Further, the approvals will be subject to the requirements stipulated in the PPP Act, PPP Regulations and any other criteria stipulated by the PPPC.

For funding under Window 3a for preparation of Feasibility Studies for PPP Projects: Contracting Authorities, in coordination with PDFF Secretariat/ PPP Unit, will provide the following supporting documents (Table 9) for support required under Window 3a.

Table 9: Supporting Documentation for Application for Funding under Window 3a

#	Funding Areas (Category of Support)	Supporting documentation
1	Consultancy services related to the preparation of Feasibility studies for PPP projects	i. Duly filled <i>Application for Funding</i> template ii. Project concept note, Project profile and Project pre-feasibility study as approved by the DC iii. Documentation on the approvals from the DC on project concept note, project profile and pre-feasibility study. iv. Registration of the project under section 21 of the PPP Act v. Update and details on the Project with respect to preparedness as per Parameters listed in the Selection Criteria for Projects to enter into the PIP Guidelines, May 2021 vi. PSAT 2.0 screening results of the Project vii. Agreement with PPF Secretariat to manage the procurement and delivery of the assignments

#	Funding Areas (Category of Support)	Supporting documentation
2	Conduct of tender processes costs for 3 rd parties including Project advertisements, marketing and communications, tender documentation and due diligence	i. Supporting documents listed in 1 (i to vii) above ii. Copy of an approved Feasibility Study by the PPPC
3	Other Project feasibility preparation activities ⁴ for which 3 rd parties may be hired, as may be approved from time to time by the PPFC	i. Specific area of funding (category of support) approved by the PPP Committee ii. Duly filled <i>Application for Funding</i> template iii. Justification and need for the specific area for funding iv. Supporting documents listed in 1 (i to vii) above

3.2.1 Specific Conditions for Applications under Window 3c

For funding under Window 3c for provision of liquidity to meet CLs from PPP projects: CAs, in coordination with PDFF Secretariat/ PPP Unit, will provide the following supporting documents (Table 10) for support required under Window 3c any time after the Project achieves Commercial Close and is under implementation.

Table 10: Supporting Documentation for Application for Funding under Window 3c

#	Funding Areas (Category of Support)	Supporting documentation
1	Source of liquidity to meet any CL from a PPP Project	i. Duly filled <i>Application for Funding</i> template ii. A copy of the signed Project Agreement iii. A copy of an approved Feasibility Study report iv. A copy of an approved Project report and financial risk assessment report v. A copy of the Project's approved financial model vi. A copy of the Project's FCCL model and report on mitigation, reserve, and budget allocation vii. If needed, liquidity estimates and conditions for release for the Project viii. The Contingent Liability estimates for the Project (if other than FCCL model) ix. Justification that the support will increase the probability of meeting Financial Close for the PPP Project x. Undertaking by the CA that the desired level of CL to be taken by the GoU has been taken into consideration while negotiating with the Private Party xi. Confirmation by the Accounting Officer of the CA that the future financial commitment or CL is authorized by the Parliament in the budget of the CA in accordance with section 13 (2) of the PPP Act, 2015

⁴ Activities can include specialist surveys, sector diagnostic studies, etc.

#	Funding Areas (Category of Support)	Supporting documentation
2	The Contracting authority shall also provide evidence/ justification that: • The CL cannot be handled by the Treasury under alternative frameworks or the Contingency Fund of GoU • The CL does not arise from a contracted obligation of a CA under a Project Agreement for which a budgetary allocation has been made by that CA	

For processing the application, the Technical Officer will independently evaluate the proposal forwarded by the OAF-PPPC under Window 3c. The procedure for approval includes:

- i. The OAF-PPPC will nominate the Technical Officer(s)
- ii. The Technical Officer will review the applications submitted and determine if subject matter experts required to assess the applications. The OAF-PPPC will co-opt subject matter experts if a subject matter expert is warranted
- iii. The OAF-PPPC will set the timeframe for assessment of the funding application by the Technical Officer
- iv. The OAF-PPPC and the Technical Officer will deliberate on the outcomes of the assessment and determine the eligibility that meet the conditions for funding
- v. The OAF-PPPC will recommend if the application meets conditions for funding, applications which require deferment or do not meet the conditions for funding to the Chairperson of the PPP Committee for approval
- vi. The Chairperson of the PPP Committee will deliberate on the recommendations of the OAF-PPPC with other committee members and pass a vote (if required) to determine the applications that meet the conditions for funding under Window 3c
- vii. The PPP Committee will determine the annual fee to be paid by the CA to the PDFF for the funding under Window 3c.

3.3 Application under Window 3b and Approvals

The PPF shall provide funding to the activities of the PPP Unit under Window 3b. The funding to the PPP Unit shall be subject to the approval of the PPPC. However, for efficiency purposes, the PDFF Secretariat/ PPP Unit will seek this approval once every financial year through the budget process. In circumstances where additional funding is required, the supplementary budget process will provide a mechanism for approval.

The budget approval procedure will be as follows:

1. PPP Unit initiates the preparation of the work plan and budget to be funded for the PPP Unit for the next financial year. It will demarcate the source of funding between the normal GoU budget process and the PPF
2. The Assistant Manager will collate all inputs of the work plan and budget for the PPF and present the budget to the OAF-PDFF for review
3. The OAF-PDFF will review and make amendments to the budget for onward submission to the PPPC
4. The PPPC will undertake a review of the budget through its Sub-Committees⁵ and ensure that it complies with the categories of funding for the Window 3b. The Sub-Committees will also review the purpose of the activities

⁵ The Chairperson of the PPPC may constitute Sub-committees for review of the budget on a case-to-case basis.

to be funded for alignment with the PPP Act 2015. The Sub-Committees will also seek appropriate clarifications from the OAF-PDFF and issue their recommendations to the PPPC

5. The PPPC will review the recommendation of the Sub-Committees and approve in writing the budget for the Window 3b. The disbursements to the PDFF Secretariat/ PPP Unit will be a direct drawdown.
6. The OAF-PPF will disburse the entire approved budget to the Window 3 bank account. The PDFF Secretariat will make payments to the various expense lines within the approved budget.

The Assistant Manager will disburse the funds using the procedure provided under the section 4.1.8. The Accountant will maintain proper books of account to record and track all disbursements/ expenses under Window 3b. In addition, the Assistant Manager will monitor the utilization of funds incurred directly or indirectly by the PDFF Secretariat and ensure that the funds are utilized for the intended purpose.

Table 11: Process for Provision of Funds under Window 3b

Process Step	Process Description	Responsible Officer / Unit / Dept.	Standard Timelines
1	The PDFF Secretariat and PPP Unit determine their requirements for the year under the Categories of Support in Window 3b.	PDFF Secretariat / PPP Unit	Annually
2	The PDFF Secretariat creates the PDFF's Annual Work Plan for the PDFF.	Assistant Manager	Annually
3	The PDFF Secretariat and the PPP Unit creates its Annual Budget.		
4	The PDFF Secretariat submit their work plans and budgets to the OAF-PDFF	PDFF Secretariat /	Annually
5	The OAF-PDFF reviews the PDFF Secretariat and PPP Units annual work plan and budget.	OAF-PDFF	2-3 days (at least 1 month prior to PPP Committee meeting)
6	The OAF submits the budget(s) and work plan(s) to the PPP Committee for review and approval.	OAF-PDFF	Annually (or in the respective quarter in the case of supplementary budgets)
7	The PPP Committee reviews the budget(s) and work plan(s) and approves funding for the period in writing.	PPP Committee	2-3 days
8	OAF PDFF forwards the budget requirements to the OAF PPF for review	OAF PDFF	2-3 days (at least 1 month prior to PPF Committee meeting)
9	The PPF Committee reviews the budget(s) and work plan(s) and approves funding.	PPF Committee	2-3 days
10	Disbursement of funds to the PDFF Secretariat	PPF/ Treasury	5-14 days

Process Step	Process Description	Responsible Officer / Unit / Dept.	Standard Timelines
11	Monitoring and Evaluation	PPF Secretariat/ PDFF Secretariat	Continuous or quarterly based on the activities being financed

3.4 Contracting (Entering into Funding Agreements)

The PPF/ PDFF will enter into Funding Agreements with MDAs/ CAs for support provided under each Window as outlined below:

- The OAF-PPF will prepare a Funding Agreement for funding support provided Windows 1 and 2;
- The OAF-PDFF will prepare a Funding Agreement for funding support provided Window 3a and 3c;
- The Funding Agreement for Window 1 and 2 will be between the PPF Secretariat and the MDA. The Funding Agreement for Windows 3a and 3c will be between the PDFF Secretariat and the CA
- All Funding Agreements will only be prepared after the PPFC/ PPPC issues the approval for funding
- As regards Local Government MDAs/ CAs the Funding Agreement will include dispute resolution mechanism that includes the Ministry of Local Government

3.4.1 Procedure for Preparation and Signing off Funding Agreements

The procedure for preparing and signing off Funding Agreements will be as follows:

- The PPF/ PDFF Secretariat will prepare the Funding Agreement working closely with the Legal and Risk Management functions of the NPA and (or) PPP Unit. The agreement will be consistent with the approved application for funding
- The OAF-PPF/ OAF-PDFF will review the draft Funding Agreement prior to submission to the MDA/ CA
- The MDA/ CA will review the draft Funding Agreement and confirm concurrence with it
- The MDA and the PPF Secretariat (CA and PDFF Secretariat for Window 3) will enter into a Funding Agreement
- The OAF-PPF will sign on the side of the PPF for funding under Windows 1 & 2
- The OAF-PDFF will sign on the side of the PPF for funding under Windows 3a & 3c
- The respective Accounting Officer will sign on the side of the CA.

3.4.2 Terms and Conditions for Funding

The Funding Agreement will include the following components:

- Parties to the Funding Agreement
- Obligations of the respective parties
- Eligibility for funding

- d. Amount and duration of funding
- e. Disbursement schedule and requirements, if any
- f. The expected completion timeline of the task being funded
- g. Reporting and documentation requirements
- h. Penal provisions on liability of the MDA/ CA to reimburse the project preparation funding if it fails to complete the project preparatory activities as per expected standards or abandons the project
- i. Amicable dispute resolution involving relevant officials of the parent Ministry of the MDA/ CA
- j. Additional conditions for funding from PDFF, if applicable
 - i. Recovery of project preparation funding from the CA in the event of successful completion of the PPP transaction with a Private Party, if applicable
 - ii. Annual fees to be paid to the PDFF for the provision of liquidity to meet any CL arising from a PPP project
 - iii. The payment process and terms of conversion of recoverable financial assistance to non-recoverable

The PPFC and PPPC shall approve a template of the funding with key terms and conditions to facilitate faster turnaround of entering into funding agreements.

3.5 Disbursement of Allocated Funds

The PPF/ PDFF Secretariat will make disbursements directly to third parties, procured by MDAs/ CAs in accordance with the signed Funding Agreement and submission of a payment request. All payments will be through the prescribed approval thresholds procedures in this Manual, the PFMA, PFMR, Treasury Instructions and any other circulars from the Treasury.

3.5.1 Key Prerequisites and Procedures for Disbursements from the PPF/ PDFF

The PPF/ PDFF Secretariat will undertake prior planning in consultations with the MDAs/ CAs with signed Funding Agreements to ensure that the PPF/ PDFF meets requests for disbursement in an efficient manner. In this regard, the MDAs/ CAs will need to submit their annual payment forecast and support the PPF/ PDFF to make appropriate budgetary provisions.

The MDAs/ CA, in consultation with the PPF/ PDFF Secretariat, will make the disbursement request pursuant to the procedure, timelines, and conditions laid out in the Funding Agreement as well as the relevant supporting documents.

3.5.2 Review of Quality of Deliverables

The MDAs/ CA will need to submit a copy of the deliverable prepared by the consultant along with disbursement request. The deliverable will need to be approved and accepted by the relevant officer of the MDA/ CA. The MDA/ CA will prepare a note on the quality of the deliverable and its compliance with the requirements of the terms of reference of the consulting services.

The OAFs may refer the deliverable to the Technical Officer for an independent review of the deliverable submitted by the MDA/ CA. Any shortcomings observed by the Technical Officer on the deliverable will be informed to the MDA/ CA for rectification. The PPF/ PDFF Secretariat reserves the right to hold back disbursements if the deliverables are not of the desired quality.

3.5.3 Receipt and Review of Disbursement Requests

Requests for disbursement will be through the procedure outlined below:

Table 12: Process for Disbursement of Funds

Process Step	Process Description	Responsible Officer / Unit / Dept.	Comments on Standard Timelines
1	The MDA/ CA will submit their Project financial requirements for the financial year to the PPF.	MDA/ CA	Budget planning/ supplementary budget
2	The MDA/ CA with consultation with PPF/ PDFF Secretariat, will make a disbursement request.	Accounting Officer of the MDA/ CA	Based on the Funding Agreement
3	The PPF/ PDFF will receive the disbursement request and confirm receipt.	Assistant Manager	1-2 days
4	Review of the deliverable by the Technical Officer	Technical Officer	3-5 days
4	The disbursement request will be processed by the PPF/ PDFF Secretariat.	Assistant Manager / Accountant	2-3 days
5	A 'no objection' will be sought from DPs/DFIs or any other stakeholder if required.	Assistant Manager	5 days
6	Sign-offs by the signatories will be required for financing.	OAF/ Assistant Manager	2-3 days
7	Funds will be disbursed by the Accountant	Accountant	1-2 days
8	Notification of disbursement will be made to the recipient of funds and the respective MDA/ CA.	Assistant Manager Finance	1-2 days

3.5.4 Processing of Disbursements

The PPF/ PDFF will ensure the following when processing disbursements. Refer to section 4.1.8 in Schedule 4 for further details on processing disbursements

- All disbursements under the PPF/ PDFF will be made in accordance with the Funding Agreement to third parties recipient, upon approval by MDAs/ CAs in consultation with PPF/ PDFF Secretariat.
- Provision of liquidity for CL will be paid in accordance with the payment conditions set out in the Funding Agreement.

Payment Options

Disbursements from the PPF will be milestone-based. Milestone-based payments are payments made to Third Parties based on the achievement of specific milestones (actions, activities or results) as outlined in the Funding Agreement.

Forms of Payment

Indirect payments (payments to 3rd Parties) – these are payments made to third parties for specific deliverable. They may include payments to service providers such as consultancy firms – these will be accompanied by specific reports, invoice, contract; and the MDAs/ CAs specific approval for payment (payment clearance) in consultation with PPF/ PDFF Secretariat.

Disbursement Tracking

- a. Maintenance of disbursement schedules – the PPF/ PDFF Secretariat will maintain disbursement reports:
 - i. For each MDA/ CA; and
 - ii. For each Funding Agreement.

The monthly reporting by the MDA/ CA will include a schedule of all disbursements undertaken every month for each Window. These will then be reported quarterly by the OAF-PPF to the PPFC along with the overall PPF status.

Treatment of Disbursements in Case of Disputes

Where disputes arise in a Project that threaten the feasibility or implementation of the Project, funding to such a Project may be suspended based on written advise from the MDA/ CA until such a time as the dispute is resolved or as otherwise decided by the PPFC/ PPPC.

3.6 Monitoring and Reporting

Table 13 is a sample of the reporting requirements. Refer to Schedule ___ for monitoring and reporting templates.

Table 13: Sample Reporting Matrix

Area	Type of Report	Frequency/ Timeline	Responsibility	Approval	Publication Recipients /
Finance	Quarterly (interim) financial report	Quarterly	Assistant manager / Accountant	OAF	PPF/ PPPC
	Cashflow forecast report	Quarterly	Accountant	OAF	PPF/ PPPC
	Annual financial report (includes budget reporting)	Annually	Assistant manager / Accountant	OAF/ PPFC/ PPPC	GoU, Development Partners, Other key stakeholders
	Development Partner fund accountability report(s)	TBD	Accountant	OAF / PPFC/ PPPC	Development Partners
Procurement	Annual procurement plan and report	Annual	MDAs/ CAs	OAF	PPFC/ PPPC
Fund administration	Applications for funding report	Quarterly	Assistant manager	OAF	PPFC/ PPPC
	Fund operational report	Quarterly and Annually	Assistant manager	OAF	PPFC/ PPPC
	Technical experts and outsourced services reporting	Quarterly and Annually	Procurement Officer	OAF	PPFC/ PPPC

Performance management	Quarterly Fund performance reports	Quarterly	Assistant manager	OAF	PPFC/ PPPC
	Annual Fund performance report	Annually	Assistant manager	OAF	All stakeholders of the PPF

Reporting by MDAs/ CAs

- i. The MDA/CA, in consultation with PPF/ PDFF Secretariat, will undertake timely reporting based on the reporting schedule that will be outlined in the Funding Agreement through the authorized officer.
- ii. Reports submitted by the MDA/ CA will be a true and factual representation of the Project's actual implementation status and known facts.

Specific Considerations

The key areas for monitoring include:

Table 14: The Key Areas of Monitoring

Project Preparatory Support (Windows 1,2 & 3a)	Funding to the PPP Unit (Window 3b)	Provision of liquidity for Contingent Liability (Window 3c)
Specific delivery of pre-financing activities	Funds advanced are used for the intended purpose.	1. As per PPP Act, PPP Regulations, PPP Guidelines and FCCL Guidelines and any other guidelines issued by the Treasury 2. That the CL do not arise out of specific negligence of the CA to manage risks. 3. The said liabilities do not exceed initial estimates without the Treasury's approval. 4. The said risks do not exceed the Project's overall acceptable level of risk.

Procedures for Monitoring and Reporting by MDAs/ CAs on PPF funded projects and activities

All Projects funded by the PPF/ PDFF will be monitored to ensure accountability, assess performance, and inform and support management decision-making and control during implementation. The monitoring and reporting procedures will entail:

1. Reporting will primarily be undertaken by an authorized officer⁶ at the MDA/ CA, in consultation and coordination with PPF/ PDFF Secretariat. To this end, the authorized officer in liaison with the Assistant manager will convene periodic meetings to gauge Project implementation and management of risks, the actual costs of implementation against budget, and timeliness of the delivery of activities based on Project objectives and against target dates contained in the work plan. The frequency of engagement with an authorized officer will be dictated by the demands of the Project (e.g., its size and the technical complexities). The Assistant manager will draw up a monitoring schedule for each Project including meeting dates which they circulate to team members. Ideally, reporting will correspond with key milestone dates.
2. To promote sound quality management and provide an objective measure of whether key performance benchmarks are being met, each authorized officer will also report to the Assistant manager in the PPF/ PDFF Secretariat, on actual output achieved against targets clearly showing the linkage with the metrics specified within

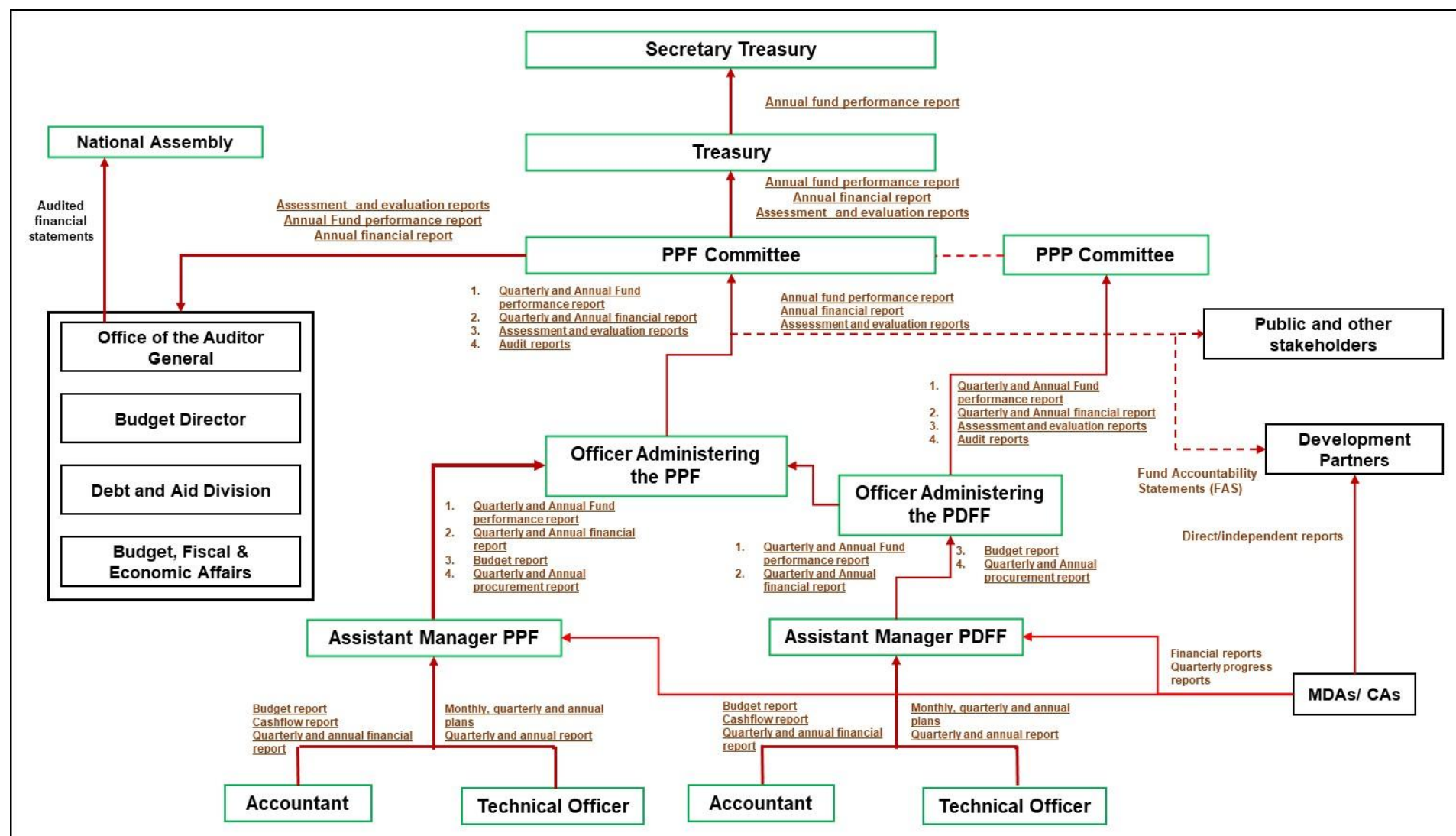
⁶ The designated person within the MDA/ CA responsible for the project

the Funding Agreement on a quarterly basis. Further, they will provide a clear and concise summary of the Project's achievements in the quarter.

3. Project Managers (in MDAs/ CAs) will present quarterly progress reports to the OAF-PPF/ OAF-PDFF. In addition to highlighting results achieved, these reports will also inform the PPF/ PDFF about problems and constraints and Project plans for the next quarter. Further, Project Managers in MDAs/ CAs will respond to any queries/concerns and take appropriate action on any instructions/directives issued by the OAF / Assistant manager.
4. The Assistant manager will review quarterly (financial and technical) reports to confirm completeness and compliance. They will also substantiate the content of reports by random in-person check ins with MDAs/ CAs and PPF/ PDFF Secretariat. The PPF/ PDFF Secretariat's Technical Officer will analyze and extract information from the Project to prepare a consolidated summary report, highlighting areas of particular interest for consumption by the OAF-PPF/ OAF-PDFF and the PPFC/ PPPC.
5. At the end of the fiscal year, each Project Team (Project Manager and Assistant Managers) will review the milestones and deliverables agreed on as per the PPF funding agreement to assess progress against the indicators set out in the Funding Agreement. If indicators are no longer appropriate or if deliverables and/or milestones have changed, the Assistant manager will update the Funding Agreement in liaison with the OAF-PPF/ OAF-PDFF.
6. As part of the PPF M&E process, the OAF-PPF/ OAF-PDFF will commission an annual independent evaluation of Projects supported by the PPF. An annual evaluation will examine the effectiveness of the funding provided by the PPF in achieving the Project(s) objectives. It will also identify problems and lessons learnt and make recommendations on next steps.
7. Within three months of the end of every activity being financed in a Project, the Project Team will prepare an implementation completion report. The report will contain activity results, significant modifications made during implementation, lessons learned, and an account of actual against budgeted expenditure.
8. The PPF Committee may engage an independent evaluator to undertake an ex-post evaluation on a sample of projects supported by the PPF. The evaluation will include an assessment of the PPF meeting its objectives, realizing outcomes, delivering quality outputs on a timely basis, maintaining costs within budget and meeting stakeholder expectations. The evaluation will also assess the PPF's impact, benefits, and lessons learned which can provide a basis to inform future activities.
9. Specific Development Partner Reporting Requirements: Source reports from MDAs/ CAs will be comprehensive and in a form that can be used to create other reports by the PPF/ PDFF. Where DPs may require direct reporting by the MDAs/ CAs to them, special arrangements will be made to allow for reporting to DPs based on the specific Financing Agreement with the DP(s). Such reporting arrangements will be approved by the OAF-PPF/ OAF-PDFF and the PPF/ PDFF Secretariat's will also be issued with a copy of the report(s).

The flow of information and reporting arrangements among the PPF stakeholders including MDAs/ CAs is illustrated in Figure 3 below.

Figure 3: Reporting arrangements and information flow amongst the PPF stakeholders



4. Procurement and Contract Management

The PPF/ PDFF will support the MDAs/ CAs in the procurement of TAs and consultants. However, the PPF/ PDFF will not enter into contracts on behalf of the CA. The procurement will be undertaken as per the provisions and guidelines of the Public Procurement and Disposal of Public Assets Act, 2003 and follow the processes including for environment and social impact.

Procurement Planning

The MDAs/ CAs will be responsible for procuring consultants for project preparation. The MDAs/ CAs will prepare a procurement plan that will assist in effective procurement including timely tender of bids or proposals, award of contracts and delivery of services required. The Procurement plan will be prepared in accordance with the provisions of the GoU procurement regulations and using the formats approved by the government.

Procurement Methods and Thresholds

The MDAs/ CAs may use appropriate procurement methods and thresholds as prescribed by the Public Procurement and Disposal of Public Assets Act, 2003 (PPDA 2003) or DPs. Due care must be taken to ensure that DPs issue a no-objection on the procurement undertaken on behalf of CAs where specified in the Financing Agreement. The key activities to be undertaken by the MDAs/ CAs include:

Procurement Process

The procurement process will follow the laid down procedure as outlined in the PPDA 2003. The PPF will undertake one-time activity of creating a panel of consultants and enter into Framework Agreements with the Consultants to optimize the procurement time of appointing consultants for project preparation.

Procurement and Outsourcing of Services by PPF/ PDFF

The PPF/ PDFF may from time to time outsource various services based on the operational and strategic needs of the PPF/ PDFF and will follow PPDA 2003. The basis for outsourcing of services shall be clearly outlined and relevant approval sought from the PPFC/ PPPC for the outsourcing of the services. The PPF/ PDFF Secretariats will be responsible for procuring agencies, consultants or individuals for these services.

Signoff on the ToR and selection criteria for the Consultants

The MDAs/ CAs will need to get the ToR and selection criteria for consultants reviewed and approved by the PPF/ PDFF Secretariat prior to inviting tenders from consultants.

Contract Management and Administration

Copies of contracts entered into by the MDAs/ CAs will be provided to the PPF/ PDFF Secretariat for information. A record will be kept by the MDAs/ CAs of all issues arising from contracts entered into to inform reporting as well as future contracting.

Contract amendments/ variations – all proposed changes to contracts will be communicated by the MDAs/ CAs with justifications and relevant approvals sought before the changes are affected.

Contracts will be a basis of payment and performance / delivery of goods and services will be matched to respective contractual obligations.

Procurement Records Management

The Assistant Manager will ensure that procurement details provided by the MDAs/ CAs and documentation for payments made to consultants are kept in an orderly manner and for the duration prescribed by PPDA 2003 law and furnish the same in the instance of procurement reviews and audits.

PART 4: ADMINISTRATION AND MANAGEMENT OF THE PPF

5. Operations of the PPF

This section outlines the procedures and provides guidelines on financing, accounting arrangements and outflows from the PPF.

5.1 Financing of the PPF

The PPF will operate as a Special Fund as per section 23 of the TI with support from the national budget as there are limited avenues for recovering the costs from TPS type of projects to operate as a revolving fund. However, there is a possibility that Window 3 of the PPF could be converted into a revolving fund in the future after a significant number of PPP projects are successfully transacted with the private sector⁷. Till such a time, the PPF will focus on maximizing its support to eligible projects to enter the PIP as a Special Fund. The PPF will achieve this by developing an adequate business plan and resource mobilization strategies to reduce the burden on the national budget.

5.1.1 Strategic Planning

The PPF will develop a 5-year strategic plan to guide its operations. The PPFC will approve the strategic plan. The strategic plan will outline the objectives and sub-objectives of the PPF, objectives and sub-objectives of the PDFF, its goals for the period of the plan and the specific initiatives/ actions to help achieve the intended results.

The strategic planning for the PPF will take into consideration the project capital investments of the GoU as per the NDP III, investment priorities, requirement for project preparation funding and assess the overall project preparation funding requirements of the GoU.

Chairpersons of the PPFC and the PDFF along with the respective OAFs will engage with the ST to calibrate the expectations from the PPF and assess the fiscal envelop for project preparation funding. The OAFs will thereafter develop projections for the PPF considering the fiscal availability and potential external resources in the form of grants, donations and loans. The OAF-PPP will also take into consideration the additional resources available to the PDFF in the form of levies, tariffs and fees based on successful closure of PPP transactions into PDFF's business plan.

The PPF's strategic plan will be reviewed at the lapse of the 5-year period or earlier in the event of significant changes in the PPF's regulatory framework or operating environment and (or) if the PPFC/ PPPC wishes to change its strategic direction. The PPF's 5-year strategic plan will inform the PPF's annual work plan and the results framework. Schedule 1 provides a template of the PPF's strategic plan.

The PPF annual work plan shall be reviewed and approved by the PPFC. The section of the work plan pertaining to PPPs will be approved by the PPPC prior to submission of the same to the PPF Secretariat for consolidation into the PPF annual work plan.

⁷ Note, it is not workable to designate PDFF as a revolving fund in the current scenario as there are separate rules for managing revolving funds as per the Treasury Instructions (TI). The TI rules in its current format may not support nesting of a revolving fund within a special fund supported by the national budget.

5.1.2 Resource mobilization

The OAF-PPF will lead resource mobilization for the PPF supported by the relevant officers of the Secretariat. The PPF's business plan and the strategies therein will guide the resource mobilization activities of the PPF. The OAF-PDFF will lead the resource mobilization for the PDFF.

The OAF-PDFF will assess the existing pipeline of PPP projects, make projections on the PPP projects that will successfully financially closed with the private sector and estimate the resources available for the PDFF from levies, tariffs, and fees. The resource mobilization strategy for financing the PDFF will involve extensive engagements by the PPP Unit with the CAs to facilitate the project development and successful closure of PPP project transactions. The OAF-PDFF may also explore engaging with providers of grant capital for project preparation for PPP projects to augment the resources of the PDFF.

5.1.3 Development Partner Financing

The PPFC will follow all procedures specified in the PFMA, PFMR and section 24 of TI when engaging with the DPs/ DFIs and other financiers to mobilize resources. The business planning for the PPF should identify potential sources of project preparation funding that could be sourced by the PPF/ PDFF as loans and grants. The OAF (PPF or PDFF as the case maybe) will work closely with the Development Assistance and Regional Corporation (DARC) department within the MoEFPD to accomplish effective identification, planning and solicitation of the loan and (or) grant.

5.2 Account Arrangements and Utilization

The procedures under section 17 (Bank Account and Cash Management) of the Treasury Instructions will be followed. In addition, the following guiding principles will apply in managing the flow of funds for the PPF:

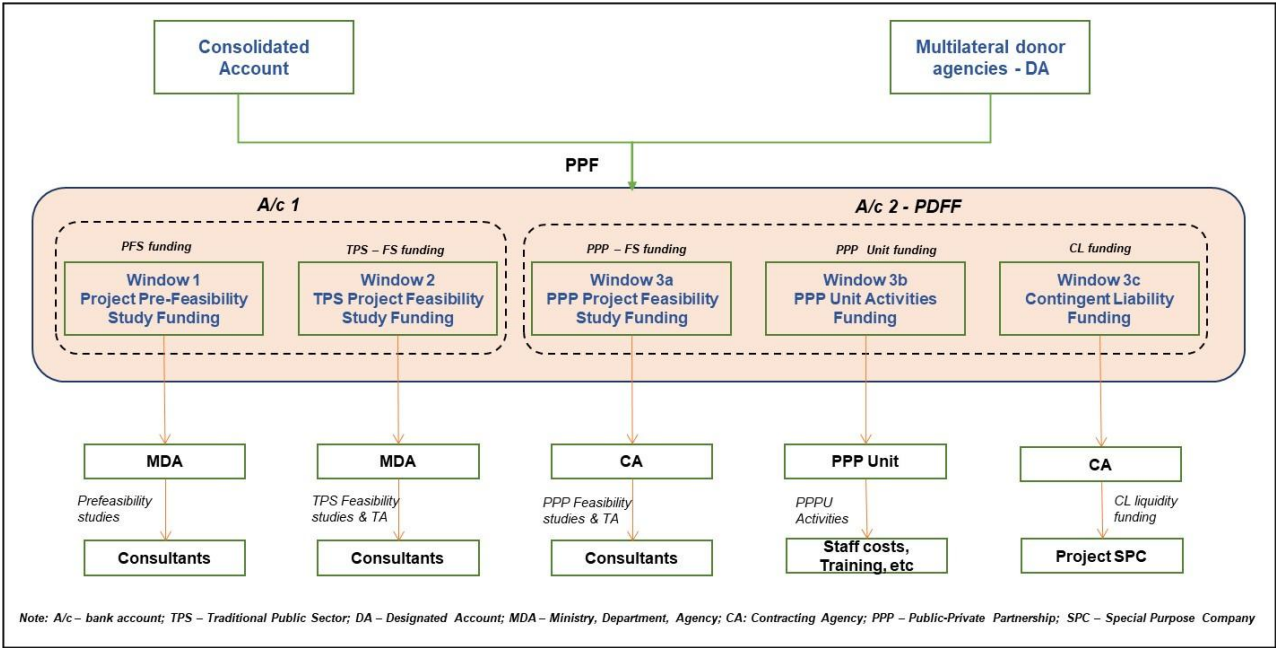
- i. The OAF-PPF will prepare its annual budget estimates in line with GoU's budget calendar and the estimates shall be provided as appendices to the budget for each funding Window. The OAF-PDFF will prepare the budgetary estimates for Window 3 (PDFF) and submit to the OAF-PPF following the approval of the PPPC. The OAF-PPF will consolidate the budget estimate for Window 3, along with the estimates prepared for Windows 1 and 2 into the overall budget estimate for the PPF.
- ii. The budget estimates for funding windows 1, 2 and Sub-Window 3a will take into consideration the inventory of viable/ bankable projects⁸ in the pre-investment stage and the remaining payments for the projects under preparation. The budget estimates for Sub-Windows 3b and 3c will be based on the planned activities and projections for PPPs by the PPPC.
- iii. The budget estimates for all the windows will be approved by the PPFC before it is forwarded to the Accounting Officer of the vote for the PPF.
- iv. The fund flow into the PPF will follow the normal Treasury funds flow system for accessing funds from the government budget, DPs, and other designated sources.
- v. To facilitate the flow of funds the PPF will operate two bank accounts as follows:
 - Bank account 1 or PFS bank account for PFS and TPS: for Windows 1 and 2, managed by the PPF Secretariat; and
 - Bank account 2 or the PDFF bank account: for Window 3, managed by the PDFF Secretariat/ PPP Unit

⁸ Identified based on the guideline on Selection Criteria for Projects to Enter the PIP after Appraisal by the DC, issued in May 2021 by the MoFPED

- vi. The Bank Accounts will be managed as per Section 33(2) of the PFMA and Treasury Instructions 17, 23.2.14 & 23.2.15. The OAF-PPF will ensure that funds will be drawn and deposited into the PPF and PDFF accounts based on their respective allocations in accordance with the budget estimates approved by the PPFC. In case of any shortfall in actual budgetary allocations relative to the original budgetary estimates, the funds so drawn will be deposited in the two accounts in the same proportion as the budgetary estimates to the extent possible.
- vii. The OAF-PPF and the OAF-PDFF will each ensure timely release of funds to their eligible designated recipients. The PPFC and PPPC will regularly review the flow of funds to ensure efficiency in the funds flow management and avoid delays in the disbursement of funds
- viii. The OAF or its designate will approve all drawings from the PPF as per the approved mandate. Any violations of this principle will result in ineligible expenditure
- ix. PPF will utilize funds for eligible activities and expenditures as per the prescribed Windows in this Manual and the respective Funding Agreements.

The flow of funds into and out the PPF is displayed in **Error! Reference source not found..**

Figure 4: Flow of Funds into and out of the PPF



5.3 Inflows to the PPF

Drawings from the GoU budget will be the major source of financing for the PPF. The other sources of financing will include the following:

5.3.1 Inflows from DPs

The PPF could also receive funding in the form of loans, grants or donations from DPs based on Financing Agreements. The Financing Agreement will specify the funds flow and prescribe the reports and other documentation necessary to support the disbursement request. The PPF/ PDFF will follow the processes as prescribed.

5.3.2 Inflows to Window 3/ PDFF from CAs

CAs may pay into the Window 3; levies or tariffs imposed on a project under section 29 (2) (c), which may include project management fees, recoverable project preparation fees from private party or project company (under section 11 (4)) and fees for estimated Contingent Liability liquidity financing. The following procedure will apply for receiving payments from CAs.

- i. The Assistant Manager monitors the payments due from CAs based on the obligations in the Funding Agreement and identifies any payments falling due.
- ii. The Assistant Manager submits a demand note for payment to the CA indicating the amount due and the purpose for which it arises, referencing the appropriate Funding Agreement. The request will also include the Window 3 bank account details for payment.
- iii. CA receives and verifies request for payment against Funding Agreement, releases funds following the CAs internal approval protocols and issues a payment advice to the PDFF.
- iv. The Assistant Manager verifies the receipt of the payment and reconciles it with the demand note issued to the CA and issues a receipt confirmation or a discrepancy advice to the CA depending on the outcome of the reconciliation.
- v. The Accountant updates the records of the PPF/ PDFF and the account receivable account of the CA.

5.4 Outflows from the PPF

The PPF funds will flow out through payments to funding Windows and the respective payees. Payments made by the PPF will be in line with the Funding Agreement.

5.5 Sustainability of the PPF

PPF is best viewed as partnership between the NPA, PPP Unit; MDAs, CAs; and Consultants required for developing projects. This Manual details the roles of each agency based on a partnership approach that builds on the strengths of the partners. The PPF has a high-level strategic role of ensuring that project preparation funding is provided to deserving project candidates that are well prepared and have a higher probability of entering the PIP. The MDAs and CAs are responsible for ensuring that the consultants deliver project preparation activities as per standards. In the case of PPPs, the PPP Unit will support the CAs in project preparation and help them to manage the project across the PPP project preparation cycle.

The PPF will lack resources to develop all projects that seek its support. The PPFC and PPC project prioritization and selection criteria should ensure that funding is provided to projects that demonstrates good practices in project preparation and preparedness. The project eligibility, prioritization and selection criteria mentioned in this Manual is aimed at communicating to MDAs and CAs on what constitutes good practice standards. Some of the key factors for ensuring the sustainability of the PPF are:

- The PPF's strategic plan has a pragmatic approach to the number of projects it will support annually with a gradual ramp-up as the fiscal envelope improves
- Operating costs of the PPF and its institutions are kept to the minimum by deploying existing staff of the NPA and PPP Unit for managing the PPF.

- The PDFF should support the CAs to close PPP project transactions and achieve financial closure. It should aim at achieving high success rate for PPPs with funding from the PDFF. The target success rate for projects supported by the PDFF achieving financial closure could be in the range of 50 – 70%. These targets are achievable given that eligible projects are selected after the completion of pre-feasibility studies with an indication that the project objectives are best achieved through the PPP modality. Further, the PDFF will deploy tools like the PSAT 2.0 to prioritize suitable PPP project candidates
- Higher success of PPPs would help the PDFF to earn recoverable project development fees which can be deployed to increase the number of PPPs supported
- The PPF could receive support from Development Partners in the form of loans. Then these loans should be treated as a loan to the GoU and debt servicing costs are met by the GoU budget. Requiring the PPF to repay the loan would also bring in the additional challenge of managing the mismatch between the short life span of the PPF and the long term of the loan
- The PPF enforces the policy of recovering funds from MDAs/ CAs that fail to complete the project preparatory activities as per expected standards or abandons the project, to ensure that the PPF funding is provided to deserving candidate projects
- There should charge an annual fee for the CL liquidity support provided by the PDFF. The annual fees collected from the Private Party towards the CL liquidity support could be kept as a fund reserved for meeting any CL liquidity requirement from CAs.

5.6 Risk Management

The PPFC and PPPC will be responsible for identifying, assessing and controlling financial, legal and strategic risks to the PPF. These risks could stem from a wide variety of sources. The PPFC and PPPC would need to apply resources to minimize, monitor and control the impact of negative events while maximizing positive events. A consistent, systemic, and integrated approach to risk management can help determine how best to identify, manage, and mitigate significant risks. The following are the key risks to the PPF and the mitigation strategies adopted in this Manual.

Table 15: Risk Matrix of the PPF

Risk	Description	Mitigation
Legal Risks		
PPF Set-up	Risk that the PPF will not be set up as per the roles mentioned in the Manual	NPA and PPP Unit will need to engage with the ST and ED NPA to ensure that necessary administrative orders are issued by the GoU and legal enablers are put in place for the full functioning of the PPF
Financial Risks		
Multi-year financial resource management	Risk of inadequate funds or non-availability of funds for project development	PPF would prepare its strategic plan that will take into consideration various financial sustainability issues and position the need for the PPF in the context of the PIP

Risk	Description	Mitigation
Recovery of funding from Window 3a and its redeployment for new projects	Projects funded by the PDFF take time to reach financial closure and consequently PDFF is dependent from budgetary sources for funding new projects	The PPP Unit will need to work closely with the CAs and support them in various project preparatory activities as per the PPP Act, Regulations and Guidelines PPPC would need to employ rigorous criteria and deploy tools like the PSAT 2.0 for selecting eligible projects for funding
CL claims	PDFF is exposed to CL liquidity claims from private parties and there is inadequate resources to support it	The PDFF will need to employ rigorous FCCL review practices to ensure that there is a good understanding of the FCCL risks from the project and potential claims. In that context, the PDFF Sub-committees tasked with the responsibility of recommending funding under Window 3c are supported with experts and independent consultants.
Administrative costs of the PPF are very high	A substantial component of the PPF expenses are towards the administrative expenses of the PPF	Operating costs of the PPF and its institutions should be kept to the minimum by deploying existing staff of the NPA and PPP Unit for managing the PPF. The administration expenses of the PPF secretariats and outsourcing of services of the PPF could be restricted to a percentage of the funding deployed by the PPF
Reputational Risks		
Relevance of the PPF	PPF is not seen as a key player in the context of project development	The PPFC and PPPC will ensure that the eligibility, prioritization, and selection criteria of projects aligns with the requirements of the NDPIII, DC Guidelines, Selection Criteria. Good quality of projects in the PIP and higher number of projects being implemented and commissioned would be a key performance indicator of the PPF
Low success rate for TPS projects	Projects prepared with PPF funding do not progress to the PIP	PPF would need to support MDAs in appointing appropriate consultants for project preparation activities. The PPF will need to create a panel of consultants and enter into Framework Agreements with the Consultants to optimize the procurement time of appointing consultants for project preparation. In addition to the DC guidelines templates, the PPF would need to prepare sample terms of reference for appointing consultants for project preparatory activities

Risk	Description	Mitigation
Low success rate for PPP projects	Projects prepared with PDFF funding are not commercially and financially closed	The PPP Unit will need to work closely with the CAs and support them in various project preparatory activities as per the PPP Act, Regulations and Guidelines PPPC would need to employ strict criteria and deploy tools like the PSAT 2.0 for selecting eligible projects for funding
Poor quality, delayed implementation and abandonment of projects	Poor project preparation and contract management by the MDAs and CAs leading to abandonment of projects	The PPF would need to institutionalize strong reporting and monitoring practices to ensure that projects funded are prepared within the stipulated time frames The Secretariats of the PPF undertakes regular project progress assessments to identify MDAs and CAs with weak implementation practices and provides them appropriate supports in project preparation The PPF should ensure that project preparation funding is recovered from defaulting agencies and may also explore imposing a cooling off period for defaulting agencies before funding is allocated to them for new projects
Delayed project development of PPP projects	Delays in the preparation of PPP projects due to inter agency coordination and decision making	The PPP Unit will set up a PPP workflow database wherein all active PPP projects will be coordinated and managed

6. Performance Management

The PPF's performance management is pivotal to the achievement of the PPF's goals and respective objectives.

The main objective of the PPF is to provide financial support for PFS, project preparatory activities of TPS type of Projects and activities as envisaged under Section 29 of the PPP Act. The financial support will be in the form of grants for PFS and TPS type of projects; and in the form of grants, loans, and guarantees for PPP type of projects. In addition, the Secretary to the Treasury (ST) may approve additional financial instruments as the need arises.

Achieving this main objective will require a two-dimensional focus which is outlined in 2 sub-objectives:

- I. To increase and sustain resource requirements for PPF
- II. To strengthen the capacity of the PPF to meet stakeholder needs

The results framework and result areas will be outlined in the PPFs Business Plan.

6.1 Staff Performance Management

The PPF/ PDFF staff performance management and appraisal will be in line with the PPFs Terms and Conditions of Service Staff Appraisal System as well as any attendant performance management framework for the PPF.

6.2 Monitoring and Evaluation

Robust M&E is critical for ensuring achievement of results-based financing at the Project level, as well as for the overall PPF. The PPF's M&E takes a results framework approach to and is based on key PPF objectives established in the PPF Business Plan and principles of results-based management.

6.2.1 Overview of the M&E Framework

The M&E framework for the PPF provides an overview and operational mechanism of M&E for the PPF, and for individual Projects supported by the PPF. It also explains the different requirements and responsibilities in M&E and how the results from M&E will be used to inform ongoing and future planning and implementation processes in relation to the PPF's operations.

The M&E framework also serves as a results-based management tool for the PPF. The purpose of results in the context of this framework is to strengthen the efficiency, effectiveness, impact, and sustainability of the PPF and individual Projects. The progress of each Project and the PPF are measured using a results framework which specifies the hierarchy of results: impact, outcome, expected accomplishments, and outputs/activities.

6.2.2 Objectives of Monitoring and Evaluation

The Objectives of the PPF M&E Framework will be as follows:

- i. To measure the performance of the PPF against its set objectives
- ii. To provide an effective means of learning from experience
- iii. To help the PPF improve on its service delivery, planning and allocating resources
- iv. To aid the PPF in demonstrating results as part of accountability to key stakeholders

The PPF's M&E Cycle will comprise of:

6.2.3 Key Principles Guiding M&E

The Key principles that will guide the M&E framework will include:

1. The PPF will undertake an annual review of its work plan
2. The status of all outputs in the PPF results framework will be reviewed to ensure:
 - a. Delivery is on schedule and implementation is occurring as technically and programmatically planned
 - b. Impediments and constraining factors (internal and external) to the achievement of results, and risks expected to have a significant effect on the final results are identified for key results areas where progress is deemed unsatisfactory.
 - c. Significant differences between actual expenditure and estimated planned costs are identified and explained; and necessary revisions in the PPF Results framework are identified.
3. The findings will be reviewed, and feedback provided to the internal and external stakeholders
 - a. Key result areas indicators will be rated "Green," "Yellow," or "Red", reflecting their delivery status.
 - b. Result area-specific findings will be consolidated and aggregated by the PPF overall goal(s)/ results
4. The aggregated results status and findings will be submitted to the PPFC.

6.2.4 Monitoring Procedures for the PPF

- a. The PPF/ PDFF Secretariat's Technical officer will develop the M&E (Results) Framework for undertaking monitoring and review of the annual work plan and submit it for review by the Assistant manager and approval by the OAFs at the beginning of each financial year.
- b. Once the M&E/results framework is approved, the Assistant manager will undertake the monitoring activities on a quarterly basis, following the procedures below:
 - i. Review the status of PPF activities and KPIs to determine whether they are being delivered/implemented on schedule (as defined in the annual work plan);
 - ii. Identify and analyze the impediments, risks, and constraining factors (internal and external) related to the PPF's key result areas and supported Projects' performance where progress is deemed less than optimal.
 - iii. Rate each output as either:
 - "Green" indicating progress towards delivery of the PPF outputs is as planned, and impediments and risks are not expected to significantly affect progress
 - "Yellow" indicating progress towards delivery of the PPF outputs is in jeopardy, and action is required to overcome delays, impediments and risks; or
 - "Red" indicating achievement of delivery of the PPF outputs is in serious jeopardy due to impediments or risks that are expected to significantly alter progress.
 - iv. Review actual expenditure (budget execution) against estimated planned costs. The financial reporting will compare costs for actual activities for the current reporting period with the budget for the same period, and in the same currency. The financial reporting will be linked to the PPF Key Result Areas indicators as

reflected in the PPF M&E framework. The financial reporting will also analyze the value for money aspects including the progress of the planned activities against the expenditure incurred.

- v. Identify the necessary revisions in the action plans and results of Project; reschedule or revise activities and/or indicators.
- c. The Assistant manager will prepare the monitoring report and submit it for review to the OAFs.
- d. The report will then be submitted to the PPFC/ PPPC for approval of proposed corrective actions/ interventions.

6.2.5 Evaluation procedures for the PPF

Annual Evaluation

- a. The PPF's performance will be evaluated annually in line with the PPF's annual work plan and results framework.
- b. The OAFs will cause the annual evaluation to be undertaken in a period not exceeding three months from the close of the PPF's financial year.
- c. The evaluation will cover the PPF's operations, its governance framework and risk management as well as its results framework.

Long-Term Evaluation

The PPF's performance will also be evaluated every 3 years and comprehensively after 5 years in line with the broader objectives of the PPF, National Development Plan and the requirements of the NPA Act and PPP Act.

- a. The Chairman of NPA and the Minister will cause a review to be conducted on the performance of the PPF after 5 years from the date of commencement of the PPF.
- b. The review will determine whether the PPF has met the objectives for which it was established.
- c. The report on the review will be submitted to the Cabinet for approval.

SCHEDULES

1. Template for PPF Strategic Plan

A strategic plan should define in detail a PPF's objectives and how it plans to achieve its goals. A strategic plan lays out a written road map for the PPF from governance, financial, and operational standpoints. The PPF's strategic plan will also include a plan for the PDFF.

A strategic plan is an important document aimed at PPF's external and internal audiences. For instance, a strategic plan is used to attract private investment in the pipeline of projects, as the private sector can see how PPF can support the projects. It can also help to secure lending from financial institutions.

Furthermore, a business plan can serve to keep PPF Secretariat on the same page about strategic action items and on target for meeting established goals. Ideally, the plan is reviewed and updated periodically to reflect goals that have been met or have changed.

A strategic plan could have the following structure (not limited to):

- Executive summary
Summary of the strategic plan with key details on the scope of operations, key performance indicators
- PPF and PDFF description
Describe the scope and intent of the PPF and PDFF
- Facilitating the National Development Plan III
Context of the PPF and PDFF with the NDP III and the role of project preparation
- Market analysis – demand for funding
Assessment on the project pipeline under the NDPIII, priority projects to be developed, pipeline of projects, estimates for project development funding,
- Windows and business lines: description, funding, communication on each
Disaggregate the funding requirements across the windows of the PPF
- Engagement strategy for both external and internal audiences
Explore sources of financing to the PPF, identify external agencies, understanding of requirements, etc
- Marketing strategy
Strategies to solicit financing for the PPF
- Financial projections
Prepare cashflow estimates for the fund, base level funding scenario, sensitivity analysis
- Operations and Management of the Fund
Key operating and management practices for the fund in the context of the financing strategies
- Appendix (which include documents and data that support the main sections)

2. Application for Funding by the PPF

1. Project reference:
2. MDA/ Contracting Authority:
3. Line Ministry:
4. Project Name:
5. Sector:
6. Location:
7. Project submission date:
8. Project description: A brief description of the scope of the project and location
9. Importance/ rationale of the project: Brief rationale
10. Details of Total Project Cost:

Component	Amount in Million Shillings	Percentage
Building		%
Equipment		%
Construction cost		%
Other costs		%
Total Estimated Cost		100%

11. Describe how the project will be socially and environmentally sustainable:
Summarize from the environmental scoping, social and resettlement plan
12. Describe how the project mitigates acute climate change risks and is adaptable:
Summarize from the climate change vulnerability assessment and inclusion of scope items to mitigate risks
13. Project implementation schedule and major milestones
14. Justification for funding

Prepared by:

Date:

Reviewed by:

Authorized signatory for the MDA/ CA

Date

Enclosures:

As per requirements stipulated in Table 4 Table 5 Table 9 Table 10

3. PPF Committee Guidelines

The following guidelines set out the indicative principles of interactions between the PPF Committee/ PPP Committee, and their stakeholders. These guidelines will also apply to the PPP Committee with respect to management of the PDFF in addition to the requirements of the PPP Act, PPP Regulations.

These guidelines provide the framework for effective oversight of the PPF and carrying out its functions. In applying the core principles of good corporate governance in the oversight of the PPF, the PPF Committee will ensure:

1. **Accountability:** The PPF has the right operating structure with designated responsibilities, clear decision making, approvals and accountability; and that the PPF reports accurately on its performance and financial undertakings.
2. **Responsibility:** The PPFC will ensure that the PPF has the right levels of reporting and responsibility is effectively taken at all levels of the PPF through proper job descriptions, goal setting and performance management. It will act responsively to and with responsibility towards the GoU and other key stakeholders.
3. **Independence:** The Committee will ensure mechanisms have been put in place to minimize or avoid potential conflicts of interest, such as through proper disclosure of a direct or indirect interest by a member of the Committee or the PPF Secretariat in a private, professional, or official capacity in any matter being considered by the PPF.
4. **Transparency:** The Committee will ensure necessary information is made available in a candid, accurate and timely manner to enable the GoU and other key stakeholders to easily make meaningful professional analysis of PPF actions, its economic fundamentals, and the non-financial aspects pertinent to its functions/activities.
5. **Fairness:** the systems that exist within the PPF Secretariat will be balanced considering the current and future interests of GoU and other key stakeholders. The rights of the various stakeholders will be acknowledged and respected.
6. **Discipline:** the commitment by the Committee and the PPF Secretariat to adhere to behavior that is universally recognized and accepted to be correct and proper.
7. **Social Responsibility:** the PPF Secretariat will be well-managed so that the PPF recognizes and is aware of, and responds to, social issues, placing a high priority on ethical standards.

The PPF is committed to implementing and adhering to corporate governance best practices. The Committee regards corporate governance as being vital to the success of the PPF, as it will ensure appropriate and effective Committee and Management practices are in place. The Committee recognizes that achievement of good corporate governance will ensure the PPF's performance is enhanced thereby adding value to GoU and other key stakeholders.

3.1.1 Committee size and membership

The Committee size, membership, tenure of office of members will be as prescribed by the Government Order by the ST for forming the PPF Committee and the PPP Act for the PPP Committee.

Ad hoc Working Groups

The PPF Committee may form ad hoc Working Groups with clear terms of reference on a need basis to address any matters arising within the PPF or the PPF's projects. These Working Groups will only serve for the duration of the need and should not exist as permanent Working Groups.

3.1.2 Roles and responsibilities relating to the PPF

The Chairperson will lead the Committee and ensure that the Committee is effectively carrying out its duties and responsibilities as prescribed in the Government Order and this Manual.

The OAF will serve as the Secretary to the Committee and head the PPF Secretariat ensuring that it meets and achieves the PPF's strategic, operating and financial objectives. The OAF and the PPF Secretariat are accountable to the Committee, acting on behalf of GoU and other key stakeholders, for the effective achievement of PPF's mandate, functions and strategic plan.

Roles and functions of the Committee

The PPF Committee will oversee the operations of the PPF. The Committee will perform the following functions in relation to the PPF:

- Inform the ST of funding requirements of the PPF
- Approve estimates of annual revenue and expenditure of the PPF and recommend estimates to the ST for approval
- Ensure the annual estimates of revenues and expenditure for all Funding Windows include cumulative commitments for the financial year under review
- Ensure that only eligible projects are authorized for funding
- Approve all applications for funding made to the PPF

The Committee will have the following roles in relation to the PPF:

- Authorize allocations from the PPF
- Approve proposals for re-allocations of funds not earmarked for specific purposes within the PPF
- Approve all operational and management procedures of the PPF
- Approve criteria for selection and evaluation of projects for funding
- Approve all reporting policies
- Approve financial statements and management reports
- Adopt financial statements prepared by the OAF
- Adopt the non-financial reports of the PPF and submit them to the ST.

Powers of the Committee

The Committee will have powers to:

- Oversee implementation of policies formulated for the operation of the PPF
- Require any information from any party to a project on any matter relating to a Funding Window
- Take custody of Funding Agreements made under the PPF and monitor compliance and conditions of funding

Role of the Chairperson of the Committee

The Chairperson will preside over Committee meetings. The Chairperson's responsibilities will include:

- Providing leadership to the Committee
- Harnessing the collective skills of the Committee and the Secretariat
- Guiding the Committee decision making process and where necessary uses their casting vote
- Helping the Committee to fulfil the goals it sets by assigning specific tasks to Committee members
- Establishing procedures to govern the Committee's work and ensure the Committee fully discharges its duties

- Ensuring proper flow of information to the Committee, reviewing adequacy and timing of documentary materials in support of the PPF Secretariat's proposals
- Organizing and presenting the agenda for regular or special Committee meetings based on directions from the ST and input from members
- Ensuring adequate lead time for effective study and discussion of matters under Committee's consideration
- Efficiently conducting Committee meetings to ensure that sufficient time is allowed for discussion of complex or contentious issues
- Ensuring there are appropriate arrangements for informal meetings beforehand to enable thorough preparation for Committee discussions
- Carrying out other duties as requested by the OAF and Committee as a whole, depending on need and circumstances
- Maintaining close, but independent working relationship with the OAF
- Acting as a liaison between the Committee, PPP Committee, and the PPF Secretariat, GoU, other key stakeholders and the public
- Ensuring effective communication with GoU and other stakeholder and ensure that the members of the Committee develop an understanding of the views of GoU and other the key stakeholders; and
- Together with the OAFs, representing the PPF and PDFF to external groups including development partners.

Officer Administering the PPF (OAF)

The Director Planning will be the OAF of the PPF, and the Director of the PPP Unit will be the OAF of the PDFF. The function of the OAF will be to:

- Act as a Secretary and technical arm to the Committee
- Supervise and control the administration of the PPF
- Prescribe all forms and prepare all funding documentation necessary for proper administration of the PPF
- Prepare estimates of annual revenue and expenditure of the PPF relating to PFS, TPS and PPP Projects, public private partnerships program and the PPF's operational expenses and submit it to the Committee for adoption
- Establish proper systems of control and oversight over the operations of the PPF
- Advise and consult the Committee on matters relating to the administration of the PPF
- Advise and consult with the ST on matters relating to the administration of the PPF as may, from time to time, be necessary
- Keep and maintain complete financial records of all projects supported under the PPF
- Advise the Committee on trends and projections relating to the financing requirements under the PPF
- Prepare non-financial performance reports of the PPF and submit it to the Committee for adoption
- Cause to be kept proper books and records relating to the PPF and to the activities financed under the PPF
- Prepare, sign and submit to the Auditor General through the Accounting Officer in respect of each financial year and within three months after end of each financial year, a statement of accounts relating to the PPF in the form prescribed by the Public Sector Accounting Standards Board and PFM Act and file a copy to the Treasury and the Committee on Revenue Allocation
- Furnish any additional information which is proper and sufficient for proper discharge of the mandate of the Auditor General.

In performing the duties listed above, the OAF will:

- Comply with the budget cycle in preparing estimates of the PPF
- Submit estimates of revenue and expenditure to the ST each year of approval

- Receive funding requirement estimates from the PPP Unit and Contracting Authorities with respect to viability gap funding and project preparation activities funding in accordance with annual budget cycle in each year; and
- Receive estimates of contingent liability estimates from the debt management office with respect to contingent liabilities funding by 30 September each year.

Powers of Officer Administering the Fund (OAF)

The OAF will have powers to:

- Access any project related data that may be required from contracting authorities in furtherance of its functions
- Call for any additional information with respect to requests for payments out of the PPF
- Issue financial management guidelines relating to the PPF in consultation with the Treasury

3.1.3 Committee meetings

Attendance

Every Committee member will attend Committee meetings regularly and effectively participate in the conduct of the business of the Committee. Each member must attend at least three (3) consecutive Committee meetings annually. Where a member is not able to attend, they must submit an apology to the PPF Secretary (OAF) within a reasonable time prior to the meeting.

The Committee may invite any person to attend the Committee meetings and participate in the deliberations of the Committee. This person will not have voting rights to items being discussed.

Frequency of meetings

The Committee will meet at least once in every quarter of each financial year. Each Committee meeting will be preceded by at least seven (7) days' notice to every member of the Committee. Where the Committee wishes to change the notice period, at least three quarters of the Committee must agree to the new notification period.

Agenda items for Committee meetings

The Chairperson in liaison with the OAF will establish the agenda for each Committee meeting. The OAF will issue a schedule of agenda subjects to be discussed for the ensuing year (Sub-Committee Work Plan or Calendar) at the beginning of each year (to the degree these can be foreseen) which will be discussed at each Committee session, as appropriate. Each Member may suggest the inclusion of additional item(s) on the agenda. The OAF will share the calendar with the various programs and their funders.

Role of the Chairperson

The Chairperson may determine the venue of the meeting. The Chairperson will preside over all Committee meetings or the Vice-Chairperson in his or her absence. The Vice-Chairperson will be elected at the first Committee meeting. The position (Vice-Chairperson) will be filled whenever necessary for subsequent meetings. Where the chairperson or the vice chairperson are absent, the Committee must appoint a member from among themselves to chair the meeting of the Committee.

Role of the OAF and the Secretariat

The Secretariat will submit Committee papers in writing to the Committee before the Committee meetings. The Secretariat will provide material that efficiently furnishes the desired information. The OAF will play an important role in supporting the effectiveness of the Committee by monitoring that the Committee's policy and procedures are followed. The OAF will also coordinate the completion and dispatch of Sub-Committee agenda and briefing materials. The OAF will be accountable to the Committee, through the Chairperson, on all governance matters.

Extraordinary Committee meetings

The Chairperson may call an extraordinary meeting of the Committee upon issuing a written notice of not less than seven (7) days on request from any member of the Committee. If a particular matter of discussion is urgent, an extraordinary meeting may be called upon giving notice of less than 7 days. In cases of an emergency, the quorum for a meeting will be the chairperson, the OAF and at least two other members to discuss and decide on matters of immediate importance.

Quorum for meetings

The quorum of the Committee will be at least half the number of appointed Committee members. Where members present do not constitute a quorum necessary to hold a meeting, the Committee will postpone the consideration of the matter in question until there is a quorum.

Committee decisions

Committee decisions will be based on consensus.

Conduct of meetings

The Committee will determine the rules and procedure of conduct of its business by keeping minutes of its proceedings and decisions.

Committee minutes

The OAF will keep Committee minutes as a record of the proceedings of every meeting of the Committee and its Sub-Committees. Members will confirm the minutes of the preceding meeting at the next meeting. This includes a review of the action items outstanding. The chairperson and the Secretary will approve the minutes of the meeting. The Secretary will keep a permanent record of the minutes.

3.1.4 Committee member compensation

The ST will determine the allowances to pay to the members of the Committee.

3.1.5 Performance evaluation

Evaluation of the Committee

The Committee will have an effective mechanism for evaluating its performance on a continuous basis. The Committee will evaluate its performance at least once per year.

Regular assessment of the Committee's effectiveness, and the contribution of individual members, is essential to improve governance practices. The focus of such assessments will be to:

- Assess the way in which the Committee operates;
- Check that important issues are suitably prepared for and discussed;
- Measure the actual contribution of each member to the Committee's work through their competence and involvement in discussions; and
- Ensure that the Committee steers the PPF to achieve its strategic objectives both in short term and long term

Evaluation of the Officer Administering the Fund

The members will conduct a formal evaluation of the OAF on an annual basis. The Chairperson will communicate the results of such an evaluation to the OAF. The evaluation process will be based on objective criteria including performance on the functions of the PPF, accomplishment of long-term strategic objectives and development of the Secretariat.

3.1.6 Conflict of interest

A Committee member will declare any personal or fiduciary interest in a project, proposed contract or any subject matter to be discussed before the Committee as soon as is practicable after commencement of the meeting to the Chairperson. He or she will not take part in consideration or discussion of or vote on any question touching such matter. Disclosure of interest must be recorded in the minutes of the meeting at which it is held. The Committee will mediate on conflict of interests among members and stakeholders.

The OAF will be responsible for receiving conflict of interest information from staff or consultants and take such action as s/he considers appropriate in each case and submit a report to the Committee. The Secretariat will take responsibility for implementing and managing an effective compliance program relating to legal and ethical conduct. The Secretary should keep an annual register of conflicts.

3.1.7 Confidentiality

Every member of the Committee will upon assumption of his/her office; take such oath of secrecy as may be approved by PPF or as may otherwise be prescribed under the PFM Act.

No member of the Committee in the service of PPF will, without written consent given by or on behalf of the Committee, publish or disclose to any person, otherwise than in the course of his/her duties, content of any document, communication or information which relates to, and which has come to his knowledge in the course of duty.

Committee members will be required to maintain the confidentiality of information entrusted to them by PPF or any other confidential information about PPF that they receive from any source in their capacity as a Committee member, except when disclosure is authorized by the Committee of PPF or legally required.

Members will be expected to take all appropriate steps to minimize the risk of disclosure of confidential communications coming to them from PPF and of confidential discussions with other members.

All discussions occurring at Committee meetings will be presumed to be confidential to the extent disclosure of them is not legally required.

Members will not use confidential information for their own personal benefit or for the benefit of persons or entities outside PPF or in violation of Constitution, the Act, any laws or regulations.

These responsibilities with regard to confidential information will apply to all members during and after their service on the Committee.

For purposes of these guidelines, “confidential information” will be all non-public information relating to PPF, including information that could be useful to Private Partners or otherwise harmful to the PPF’s interests or objectives if disclosed.

3.1.8 Reporting and disclosures

The Committee will ensure the integrity of PPF reports (financial and non-financial). The PPF will disclose material information to the relevant GoU authorities and key stakeholders in accordance with the prevailing regulations having the force of law in a timely, accurate, understandable, and objective manner.

The Committee will take the initiative to disclose not only matters required under the regulations having the force of law, but also those of material importance to the decision-making of GoU and other key stakeholders with respect to such matters.

The OAF will ensure that PPF complies with prevailing regulations having the force of law in respect of disclosure requirements.

3.1.9 Protection of members

No action, suit or other proceedings will be brought or instituted personally against any Committee Member in respect of any act done in good faith while carrying out the functions of the PPF.

4. Financial Management

This schedule outlines the financial management policies and procedures that will govern the PPF's financial management. The key components of the financial management system are:

1. **Planning and budgeting** - This explains how the PPF's resources will be mobilized and expended within given timelines. These two elements will be critical in determining the scope of activities and level of financing required to undertake activities.
2. **Funds flow and disbursement methods** - This is the mechanism for ensuring that mobilized funds will be availed in a timely manner and adequately to meet the planned / budgeted PPF needs/ activities and cash and bank accounts.
3. **Accounting** - This provides the framework for implementation and feedback for the other financial management elements. It provides a premise for the PPF to understand its financial performance, financial position (level of solvency and adequacy of funds to meet its obligations), and whether implementation is on track and funds are being used as intended to achieve the PPF's objectives. Accounting systems will be a part of the management information systems that provide accounting information for decision-making. Accounting also forms the foundation for the audit component.
4. **Internal control and oversight** - This comprises all resources, systems, and tools, including people that will help to ensure that the PPF and its financial management (FM) functions operate as intended. Internal controls will help to prevent errors, misstatements, misappropriations, and other forms of fiduciary risk/loss.
5. **Financial reporting** - This will summarize, analyze, and report the financial transactions, assets, and liabilities of the PPF for purposes of external accountability. It will provide an opportunity for the PPF Secretariat to demonstrate their stewardship of resources entrusted to it. It is a critical financing covenant and has a major effect on subsequent availability of funds.
6. **Audit** - This is an independent monitoring component undertaken by external auditors. Audit involves a review of the PPF based on the scope of work focused on attestation / certification of annual PPF financial statements. All the other 5 components of financial management are subject to audit.

4.1.1 Operationalization of the PPF

Setting up of the finance function is the first activity that will be taken up by the governing body of the PPF. The PPFC shall ensure that the finance function is immediately created with sufficient manpower to ensure smooth operation of the PPF. The PPFC shall also communicate in writing to the Minister with a copy to the ST informing them of the date of commencement of the operations of the PPF, key senior management and a request for opening the PPF bank accounts in accordance with sections 23.2.2 and 23.2.3 of the Treasury Instructions (TI)

The financial management function of the PPF will be responsible for:

- i. Creating an annual financial management work plan that is aligned to the PPF's Business Plan
- ii. Providing fiduciary safeguards and ensuring that there is an optimal internal control environment
- iii. Carrying out all financial management functions
- iv. Ensuring that there is an optimal accounting system in use by the PPF
- v. Preparing/ Consolidating, reviewing, and signing off on quarterly interim financial reports and financial statements

- vi. Ensuring that the PPF's revenues is sufficient for meeting all its obligations
- vii. Sufficient provision is made to provide for depreciation of assets
- viii. Adequate provisions are made for losses or bad debts
- ix. Ensuring that the relevant annual reports and financial statements are submitted to the stakeholders on a timely basis
- x. Supporting internal and external audit processes as required.

The PPF's financial management function will be structured and staffed with an Accountant reporting to the Assistant Manager and the Assistant Manager reporting to the OAF-PPF. The staffing for the Window 3/ PDFF will also include an Assistant Manager and Accountant reporting to the OAF-PDFF. The OAF-PDFF will report into the OAF-PPF for the purpose of consolidated financial management of the PPF (Figure 1).

4.1.2 Accounting System and Chart of Accounts

The PPF shall apply and comply fully with the International Accounting Standards in preparation of their financial statements as per section 23.2.10 of the TI. The PPF being a "not for-profit" fund shall follow the International Public Sector Accounting Standards (IPSAS).

The PPF will keep proper books and records as required by the relevant accounting standards, legislation and as per the guidelines issued by the Treasury from time to time. The PPF shall use the accrual basis of accounting⁹. The accounting system shall adopt double entry accounting. The recording and processing of transactions follow the guidance of the policies outlined in this Manual.

As per section 23.2.11 of TI, proper books of accounts and records of the transactions of the PPF shall be kept in accordance with generally acceptable accounting principles (GAAPs). And as per section 23.2.12 of TI, the PPF shall operate an appropriate computerized GFMS for the recording of its financial transactions and production of accounting and financial reports.

The financial year of the PPF shall be a period of twelve months, which shall correspond with the GoU's financial year and shall run from 1st July to 30th June.

The PPF shall adopt the standard GoU prescribed accounting books, templates, and records to ensure that a clear transaction trail of receipts and payments is in place. These include a cashbook, receipt book, cheque book, a vote book, payment vouchers, etc.

PPF's Chart of Accounts

The PPF will use the GoU standard chart of accounts and other accounting policies and procedures for recording, classifying, analyzing, and reporting receipts and expenditures, appropriately modified to the Windows of the PPF. The chart of accounts will facilitate orderly recording and analysis of accounting data. It will comprise a listing of all accounts recording all PPF transactions and accounting entries. The chart of accounts will draw on the broad categories of the financial statements and the general ledger. Section 5.2 of TI provides details on the basis of

⁹ Accrual basis of accounting is preferred due to extensive nature of liabilities and accruals arising in the management of the PPF. The PPF is highly likely to have liabilities arising from:

- Multi-year payments for project development activities
- Recoverable project development costs under Window 3a
- Recoverable advances paid by the PPF in the case of short-term liquidity support
- Payments towards contingent liabilities in future periods

The use of accrual basis of accounting will ensure that the PPF financial statements give a true and fair view of the financial position of the PPF, its assets and liabilitiesSecti

accounting and specific accounting policies for all Votes; and section 7.10 of TI prescribes the method of recording in the books of accounts by applying GoU's Chart of Accounts prescribed and issued by the Accountant General.

It will be the responsibility of the Accountant to ensure that all necessary and adequate accounting records and documents are maintained and kept up to date, taking all appropriate and reasonable precautions to guard against damage, destruction of, or falsification of any financial record.

4.1.3 Financial Policies

The key financial policies to be followed by the PPF are mapped to the relevant sections of the TI are:

Table 16: Key Financial Policies Mapped to TI

Financial Policy	Description	Relevant section of the TI
Revenue recognition	Revenue will be recognized as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners. The PPF will have two forms of revenues based on IPSAS 9 and 23, specifically revenue from non-exchange transactions and revenue from exchange transactions	Section 9: Revenue Management; specific reference to 9.16 to 9.18
Preparation of financial statements	The annual financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with the relevant directives from the Treasury. The financial statements will be presented in Ugandan Shillings. The financial statements will be prepared under the historical cost principle unless otherwise stated, with the exception of investment in property, financial assets and liabilities, provisions and property, plant and equipment, which are recorded at fair value where the asset was acquired through a non-exchange transaction	Section 19: Financial Reporting in Government
Budget information	The budget will be prepared on accrual basis. The planned costs and incomes will be presented in one statement	Section 8: Budget execution; specific reference to 8.11 to 8.15
Contingent liabilities	This is a possible obligation dependent on an uncertain future event, or a present obligation for which payment is probable or the amount cannot be measured reliably (IPSAS 19). The PPF will not recognize Contingent Liabilities but will disclose any details of contingencies in the notes to the financial statements. It will provide for payments if there is a high probability of the CL materializing in the accounting period.	Section 12.6.5
Provisions	These will be recognized when the PPF has an obligation as a result of a past event (IPSAS 19). Provisions will be measured at the best estimate (taking into account risks and uncertainties) of the expenditure required to settle the present obligation. Where some or all the provisions are to be reimbursed, the	Section 12.12.6

Financial Policy	Description	Relevant section of the TI
	reimbursement will be recognized as a separate asset when there is certainty of obtaining the reimbursement.	
Foreign currency transactions	Foreign currency transactions will be accounted for at the prevailing rate of exchange determined by the Bank of Uganda on the date of the transaction. Foreign currency balances will be translated using the exchange rate prevailing as at the reporting date. Exchange gains and losses will be recognized in the period in which they arise.	Section 13: Accounting for Foreign Exchange Transactions
Cash and cash equivalents	This is cash at hand and cash in bank, short-term deposits or call deposits and other highly liquid investments with an original maturity of three months or less. Cash and cash equivalents will also include recoverable advances falling due in a period less than one year.	Section 5.2.2 (l): Cash and cash equivalents; (m) Unspent cash balances

4.1.4 PPF Bank Accounts

The PPF will operate the bank accounts as guided by Section 33(2) of the PFMA and Treasury Instructions 17, 23.2.14 & 23.2.15. The PPF will operate two Bank of Uganda Designated accounts.

4.1.4.1 Operating Bank Accounts

Two bank accounts will be operated separately for PPF's purposes and will have its own accounts details in the general ledger and different cashbooks. The bank accounts will not operate more than one cheque book concurrently. The PPF will retain cheque book counterfoils for future reference and audit. The Accountant will have custodianship of unused and used cheque books; and hold them in a safe. The Accountant will also maintain a register of the PPF's bank accounts. The register will contain the following details:

- i. The name of the bank where the account is held
- ii. The name of the bank account
- iii. Type of the bank account
- iv. Payment authorizing officers to the bank account
- v. Dates on which the accounts were opened
- vi. The bank account number
- vii. The purpose for the bank account based on the funding windows
- viii. The bank account balances as at the end of the financial reporting period

4.1.4.2 Reconciliations

The objective of bank reconciliation is to ensure recording of all cash and bank transactions in any given period and that cash and bank balances reflect those in the books of account. Bank reconciliations will be prepared on a monthly basis and not later than 5 working days, after the close of each month. The Accountant will also monitor online bank accounts daily to update any payments received and to identify any unauthorized transactions and charges against the account.

Procedures

- a. The Accountant will prepare bank reconciliations monthly and not later than 5 working days after the close of each month. The bank reconciliation statement will clearly indicate the bank name, account name/description and number, and account currency of the account. The bank reconciliation will indicate the balance as per the PPF's cashbook and an attached copy of the bank statement.
- b. The Accountant will then submit it for approval to the Assistant manager.
- c. Bank reconciliations will also be undertaken where the responsibilities for bank accounts and or custody of cheque books transfers from one officer to another and during surprise inspections.
- d. The Accountant will investigate any discrepancies in the bank reconciliations and monitor reconciling items from one period to another, as follows:

I. Uncleared Effects

The Accountant will:

- a. Follow up un-presented cheques and effects for subsequent clearance
- b. Prepare a list of all stale cheques and submit it to the Assistant Manager for review
- c. Investigate and upon approval by the Assistant Manager reverse all stale cheques, if any
- d. Notify the bank to cancel unpresented cheques older than 6 months and effect a reversal in the cashbook

II. Uncredited Deposits

The Accountant will reconcile receipts in the cashbook against the bank statement on a monthly basis and identify and investigate uncredited deposits or effects (deposits in transit). Where internet-based banking is used, reconciliations will be every fortnight.

III. Direct Credits

The Accountant will reconcile all direct deposits in the bank statements against receipts in the cashbook daily to identify and compile a list for review by the Assistant Manager and raise the relevant accounting entries for approval by the Assistant Manager.

IV. Direct Debits

The Accountant will identify all direct debits in the bank statements against the cashbook daily to identify and compile a list for review by the Assistant Manager Finance and raise the relevant accounting entries for approval by the Assistant Manager Finance. These may represent the following:

- a. Standing payment orders,
- b. Direct transfer payment orders (e.g., retainer fees), and
- c. Direct bank charges or commissions.

V. Receipting of Income

The PPF's receipts will arise mainly from the payment of levies and penalties from CAs and receipts from the Treasury and DPs where applicable. These will be received in the following ways:

- a. Cash or cheques: the PPF will not accept any cash received at its office. All funds will be deposited directly to the PPF's accounts. All cheques will be payable to the PPF.

- b. Direct bank transfers: these will include online transfer of funds such as through electronic funds transfer, real time gross settlement, etc.

The procedure for handling receipts from these sources is as follows:

- a. The Accountant will issue a receipt in triplicate for cheques payable to the PPF.
- b. The Accountant will issue a receipt for direct bank transfers. The deposit advice from the bank will form the basis for raising a receipt and update to the PPF account.
- c. The Accountant will issue a receipt to the payer and retain a copy.

VI. Electronic Transfers/ Online Banking

The PPF will observe the following guidelines while operating online banking:

- a. Maintain serialized schedules of electronic transfers (outlining the amounts, transfer instructions, bank account details and all necessary electronic transfer details).
- b. Authorization for payments upon receipt of duly approved payment vouchers.
- c. Only the authorized bank account signatories will prepare, examine and authorize online transactions.
- d. The Accountant will convey to the bank duly approved instructions for effecting the transfer.
- e. In the event of electronic transfers using online banking: the authorization will only be by the designated bank account signatories. The signatories will ensure safe storage of any authorization tokens or passwords for the bank accounts.

4.1.4.3 Closure of Bank Accounts

The PPF can close a bank account when the purpose for operating the bank account has expired, for example when a DP requests to open a separate account from the PPF for a specific project. This may arise for example, when a Financing Agreement with a DPs ends and as such, the bank account is closed. The PPF Secretariat will ensure the following prior to instituting the bank account closing procedures:

- a. Pay or transfer all obligations payable from the bank account to another approved PPF account.
- b. Pay any balances refundable to the DPs financing the account.
- c. Issue an account report and reconciliation on the fund balance for the account.

The OAF-PPF/ OAF-PDFF shall notify the Accountant General in writing of any closure of a bank account of the PPF/ PDFF within 30 days of the closure as per section 23.2.15 of TI.

4.1.5 Budgeting

A budget is an estimate of an entity's sources of funds and expenditure for a future set period. Budgeting entails providing for a particular amount of money in a budget.

The PPF will prepare a budget for each financial year and budget projections for the subsequent periods. The budget will be sent to the Treasury as per the prescribed budgeting cycle. The OAF-PPF will have overall responsibility for the PPF's budget and will ensure that the preparation of the annual estimates is undertaken as per the PFM Act, sections 4 & 8 of the TI that guides the budget preparation process. Statements to accompany the budget as per the TI may include:

- a. Statement of financial position - Previous two years audited financial statements,

- b. Current year forecast,
- c. The proposed annual estimates for revenues and expenditure for the subsequent year,
- d. The projected annual estimates for revenues and expenditure for three subsequent years from the current year,
- e. Cash flow statement and projections,
- f. Schedule of investments of surplus funds,
- g. Details of bank accounts and respective balances and
- h. The extract of the meeting by the PPFC and PPPC which approved the budget and a list of Committee members in attendance approving the budget.

The budget will be prepared on an accrual basis and present the planned costs and expected incomes in one statement. These will be undertaken based on the PPF's mandate, authorized expenditure and its business plan. The business plan for the PPF will outline the level of support for the identified and prioritized TPS & PPP Projects as per the PPFC and PPPC's advice and in line with the PPF's goals. The annual work plan derived from the business plan will cite the priorities and key activities for the budgeting period. In addition, the budget will also incorporate the set priorities by the National Development Plan in the various sectors for the specific financial year.

The budget formulation cycle will follow the GoU's budgeting cycle. The OAF-PPF and OAF-PDFF will issue a budget guideline annually with specific dates for submissions in consultation with the PPF Secretariat, PDFF Secretariat, The Treasury and relevant staff at the NPA and PPP Unit. The OAF-PPF will submit the annual work plan outlining key priorities/goals for the year to the PPFC before the submission of the budget for approval to the Treasury. The annual budgeting cycle will ensure that there is sufficient time for the PPFC to review both the PPF's Business Plan, annual work plans and subsequently the budget.

Budget Implementation

After the Treasury approves the budget, the implementation process for the budget will commence and the PPF will not incur any expenditure prior to budget approval. This will ensure that the PPF expenditure is within the limits set by the budget. The following will be the guidelines for charges against the budget:

- a. The PPF may incur expenditure on approved commitments within the period, which must have been budgeted for. These commitments must have been by way of the Funding Agreement, contract or purchase order.
- b. Expenditure incurred must be chargeable against a specific budget line/ Window.
- c. No charge will be made against a budget line unless it is in accordance with the purpose for which it was intended.
- d. The exhaustion of a budget line and the availability of funds under another budget line does not justify the re-allocation of the charge.
- e. The OAF-PPF/ OAF-PDFF will seek approval from the PPFC/ PPPC for additional expenditure on an exhausted budget line. A summary of all intended utilization on exhausted budget lines will be obtained and presented to the PPFC/ PPPC for approval.

Budget Monitoring

The OAF-PPF and OAF-PDFF will be responsible for the monitoring of the budget. To ensure comprehensive budget monitoring, the accountant will prepare the following reports.

1. **Monthly Budget Reports:** This report will be prepared within 10 days after the end of the month under review. The report will provide a comparison between the budget for the month against the actual expenditure incurred. The report will also include an analysis of the variance, the cause of the variance and remedial action required to minimize deviation from the budget.
2. **Quarterly Budget Reports:** Quarterly reports will also be generated and reviewed in a similar manner as the monthly reports within 10 days of the end of each quarter.
3. **Year-end Budget Reporting:** Year-end reports will also be generated in a similar manner as the monthly and quarterly reports within 30 days following the end of the year.

All budget monitoring reports will be reviewed by the Assistant manager Finance and OAFs. The PPF may constitute special Sub-Committees (Finance, Audit & Risk Sub-Committee) to review the quarterly and the annual budget monitoring reports. Budgeting templates to be used will be as prescribed by the Treasury and are laid out under Annexure 6.

Budgeting for Commitments to PPPs (including budgeting for FCCL)

The CAs will assess, manage, and monitor all Contingent Liabilities arising from PPP Project and report to the PPP Unit as per the FCCL Guidelines. The PPP Guidelines stipulates that to capture all Fiscal Commitments, the CAs will provide all estimates of FCCL to the Budgeting department of the Treasury as per the FCCL Guidelines.

The liquidity funds for a Contingent Liability supported by the PDFF will not arise from a contracted obligation of a CA under a Project Agreement for which a budgetary allocation has been made by that CA.

4.1.6 Cash flow

The objective of cash flow is to estimate the financial needs of the PPF during a specified period within the financial year. This will enable the PPF to optimize its liquidity, make sound financial investments for the future with any excess cash, and reduce or obtain hedge cover against financial risks.

Procedure for Cash flow Management

The Accountant will prepare a six-month cash flow forecast one month before the commencement of the following quarter. When undertaking this activity, the Accountant will refer to the PPF/ PDFF's annual budget to establish the activities that will need to be undertaken in the next two quarters and the associated costs that are likely to occur. The Accountant will include in the next quarter's cash flow forecast those activities not undertaken in the previous quarter. The annual cash flow plan will support exchequer releases as outlined in the steps below:

- i. The Assistant Manager will prepare and submit an annual cash flow plan (showing quarterly analysis) to the OAF for review and approval. This will be based on the approved budget for the PPF/ PDFF for the financial year.
- ii. The cash flow requirements will be submitted to the Treasury and will act as a requisition for funds needed for that financial year.
- iii. The Treasury will issue a circular communicating the cash flow projections agreed with the PPF. In the event of cash flow fluctuations, the Treasury may issue a circular requesting the PPF to review and submit revised cash flow projections in line with the guidelines set out in the circular.

4.1.7 Procedure for recognizing Income into the PPF

The PPF will recognize income depending on the source of funding. The following procedures will be used:

A. From Consolidated Account

The process for request and receipt of funds from the consolidated account is as follows:

- i. The Assistant manager will prepare and submit an annual cash flow plan (showing quarterly analysis) to the OAFs for review and approval. This will be based on the approved budget for the PPF for the financial year.
- ii. The Assistant manager will submit the cash flow requirements to the Treasury, which acts as a requisition for funds needed for that financial year.
- iii. The Treasury issues a circular communicating the cash flow projections agreed with the PPF. In the event of cash flow fluctuations, the Treasury may issue a circular requesting the PPF to review and submit revised cash flow projections in line with the guidelines set out in the circular.
- iv. Funds are disbursed based on the procedure outlined in section 8 of TI
- v. The Accountant will record the income in the books of the PPF.

B. Withdrawal applications

Where a DP has entered into a Funding Agreement with the PPF, the Assistant Manager Finance will draw funds from the DP using a withdrawal application (or similar depending on various DP requirements) process as prescribed in the Funding Agreement. Key components of the procedure in addition to requirements prescribed in sections 24.3 to 24.12 will be as follows:

- i. The Assistant Manager will prepare the prerequisite supporting documentation required by the funder such as a statement of expenditure, evidence of set milestones, etc.
- ii. The Assistant Manager will fill out the withdrawal application form calculating the funds requested, taking into consideration the approved budget, amounts previously disbursed, amounts unutilized in the Funds account, etc.
- iii. The withdrawal application will be submitted to the respective OAF for approval and submitted to the DP along with the supporting documents required.
- iv. The Assistant Manager Finance will follow up with the DP and respond to any queries arising.
- v. Once the funds are received, the Assistant Manager Finance will raise an acknowledgement receipt and recognize the income in the PPF's books of accounts.

C. Other payments

These payments to the PDFF as and when they fall due as per section 29 of the PPP Act. The following steps will be followed:

- i. The Assistant Manager will notify the respective OAF when such fees are payable or upon discovery of a breach by MDA/ CA.
- ii. The Assistant Manager will then raise an invoice for the fees due and submit it to the respective OAF.
- iii. The OAF will review the invoice and approve it.
- iv. The Assistant Manager will send the invoice to the MDA/ CA.
- v. The MDA/ CA will acknowledge receipt, notify the PPF and initiate payment processes.

- vi. The MDA/ CA will notify the PPF upon payment of the fee.
- vii. The Assistant Manager will record the payment received in the PPF's books.
- viii. The Assistant Manager Finance will acknowledge the receipt for the funds by issuing an official receipt.

4.1.8 Expenditure

No expenditure will be incurred by the PPF that does not pertain to the three funding windows outlined in section **Error! Reference source not found.** of this Manual. All expenditure will be incurred in line with the approved PPF budget, the eligibility criteria set out in sections **Error! Reference source not found.** and the requirements as set out in sections **Error! Reference source not found.** and **Error! Reference source not found.** of this manual.

All records of expenditure and commitments will be maintained in accordance with the PFM Act and section 10 of TI. All expenditure from the PPF will be incurred/committed based on the following:

- a. Funds are available and expenditure is within the approved PPF budget
- b. The proposed expenditure is eligible under the Fund/ grant/ credit/ loan agreement for windows with DP support
- c. The expenditure to be incurred is in line with approved PPF policies and procedure; and
- d. Where applicable, the DP's No Objection has been obtained for expenditure above the prior review threshold or any other conditions.

Staff approving expenditures must ensure that the account description properly portrays the nature of the expenditure and the component against which the expenditure is to be charged. Under no circumstances will PPF expenditure be incurred for private purposes. In the management of expenditure, the PPF will ensure that there is adequate segregation of duties in relation to the following duties:

- a. Making disbursement requests
- b. Receipt of funding / disbursement requests
- c. Review and approval of invoices and other supporting documents for payment
- d. Payment of the invoices/disbursement requests
- e. Recording and reconciling expenditure

Payment Process

The PPF will recognize and disburse the above categories of expenditure after ensuring that the following minimum requirements are met:

- a. An application for the particular funding will be made by the MDA/ CA to the PPF/ PDFF, in consultation with PPF/ PDFF Secretariat.
- b. Adequate information (Project timelines, tasks, key milestones, relevant documentation, roles and responsibilities and critical decisions and approvals, etc.) on the TPS and PPP Project is available through an approved Project proposal.
- c. The Project meets the eligibility criteria and prescribes supporting documentation in its funding application and disbursement request.

- d. A Funding Agreement between the MDA/ CA and the PPF/ PDFF is in place at the time of the disbursement and the eligible costs are clearly laid out in the Funding Agreement.

Forex Management

The PPF may receive funds or pay in different currencies but will maintain its books of account in Uganda Shillings. The exchange of foreign currency to Uganda Shillings results in forex differences. The forex differences could be a gain or a loss. Forex losses will affect the PPF negatively and as such must be mitigated. The procedure for making foreign currency payments is prescribed in section 10.5.4 of TI and the PPF would need to follow section 13 of TI for accounting foreign exchange differences.

Inflation Management

Inflation refers to an increase in the average prices of goods and services in the economy. It may lead to cost escalation for the PPF and make a Project unsustainable or lead to conflicts with contractors and suppliers. In mitigating the risks posed by inflation, the PPF will take the following into consideration:

- a. **Fixed Cost Contracts:** Project costs will be fixed, and no cost variations will be allowed with regard to inflation, unless in cases when such costs can be reasonably estimated, and an allowance was made for them in the Funding Agreement; and
- b. **Inflation adjusted budgets and cost-projections:** the PPF will adjust its multi-year budgets for inflation to protect the PPF from the adverse impact of inflation.

4.1.9 Window 3c – Source of Liquidity to Meet Contingent Liability

The FCCL guidelines provide for a clear and systematic budgeting mechanism to ensure timely payment of such direct obligations to improve the credibility of the Government's commitments in the eyes of its private partners. This is best undertaken by CAs adopting a multi-year timeframe for fiscal planning and forecasting of their PPP program. The PDFF is mandated to provide support to PPPs as a source of liquidity to meet any contingent liabilities arising from a PPP project. This will be applicable where the liability:

- i. Cannot be funded by the Treasury under alternative frameworks or Contingency Fund of GoU
- ii. Does not arise from a contracted obligation of the CA where a budget allocation has been made by the CA.

The CAs will assess, manage and monitor all CLs arising from Project and report to PPPC. The CAs will provide all estimates of FCCLs to the Budgeting Department of the Treasury as per the FCCL Guidelines.

Provisions and Contingent Liabilities

The accounting treatment for Provisions and Contingent Liabilities will be guided by sections 12.6, 12.12 of TI, IPSAS 19 and FCCL guidelines. Provisions can be distinguished from other liabilities such as payables and accruals because there is uncertainty about the timing or amount of the future expenditure required in settlement. A provision will be recognized when:

- a. An entity has a present obligation (legal or constructive) because of a past event
- b. It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation
- c. A reliable estimate can be made of the amount of the obligation

The PPF will recognize in its statement of financial position all provisions that exist at the reporting date. The Assistant Manager will raise relevant adjustments by raising journal entries and seek the approval of the respective OAF to recognize the provisions. This will reduce the PPF/ PDFF balance as at the end of the financial period.

Contingent liabilities are not accounted for as their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. However, the PPF will disclose (in the notes to the financial statements) for each class of Contingent Liability at the reporting date a brief description of the nature of the Contingent Liability and, where practicable:

- a. An estimate of its financial effect
- b. An indication of the uncertainties relating to the amount or timing of any outflow
- c. The possibility of any reimbursement

Contingent liabilities whose probability of occurrence is 50% or more, will need to be provided for in the budget in accordance with IPSAS 19.

4.1.10 Recoverable Advances and Loans

Project development funding made to a CA under Window 3a, may be considered as a recoverable that will be recovered from future payments, due care will be taken to ensure:

- i. **Proportionality** – the amount advanced to a CA will not exceed the amount outlined in the Funding Agreement so as to reduce the risk of default or overpayment in lieu of actual costs
- ii. **Timeliness** – the amount advanced will have clear timelines for recovery and dates for which such payments fall due to the PDFF or are automatically deducted from outstanding payments
- iii. **Recoverability** – the Funding Agreement will expressly allow for a reimbursement to immediately be made to the PDFF with regard to an advance payment where a PPP Project is cancelled or does not proceed to the next stage
- iv. **Conversion of recoverable advances to non-recoverable** – the PPPC will have to approve the conversion of a recoverable advance into a non-recoverable based on availability of funds or commitments made toward the undertaking for which the recoverable advance was given to the CA. The OAF-PPF will be informed by the OAF-PDFF of all recoverable advances that are converted to non-recoverable.

Monitoring Recoverable Advances

The PPF will ensure that the recoverable loans and advances are adequately monitored as follows:

- a. The Accountant will record all the advances and loan amounts disbursed to a MDAs/ CA on issue of the recoverable loan/ advance.
- b. The Accountant will also note the duration when the payments are due and maintain an ageing analysis of the recoverable advances/ loans
- c. The Accountant will issue statements to the respective MDAs/ CA indicating the amounts outstanding and if overdue monthly
- d. The Assistant Manager and the Accountant will review the loan portfolio of the PPF and undertake a risk analysis to ensure that the funds are indeed recoverable monthly
- e. The Assistant Manager will keep the OAF-PDFF, OAF-PPF and PPPC informed of any risks arising in the management of the loan portfolio

- f. The Assistant Manager will proactively commence follow up with the MDAs/ CA for payment when the recoverable advances/ loans fall due
- g. The Accountant will recommend to the Assistant Manager to begin bad debt provisioning where the likelihood of payment becomes doubtful beyond 180 days
- h. The Assistant Manager will seek approval from the PPPC to seek interventions from the Treasury, where the debt remains unpaid for more than 360 days.

4.1.11 Financial Reporting

The PPF will prepare financial reports as guided by the PFM Act, sections 19, 23.2.18, 23.2.19 and 23.2.20 of TI. The OAF will prepare financial statements in a form that complies with the relevant accounting standards prescribed by the Accountant General. The PPF will record all transactions that take place during a financial year running from 1 July to 30 June. The financial statements will be prepared no later than 2 months after the end of the financial year. Within 6 months after the end of the financial year, the PPF shall deliver an annual report including the audited financial statements to the Chairman of NPA, Minister and the Budget Director.

By 15th of February of each financial year, the OAF-PPF shall prepare the half-year financial statements of the Fund for submission by the supervising Accounting Officer to the Minister and Chairman of NPA.

The financial reporting requirements to be followed by the PPF mapped to the relevant sections of the TI are:

Table 17: Financial Reporting Requirements Mapped to TI

Reporting requirement	Description	Relevant section of the TI
Planning for the preparation of Annual Financial Statements	Procedures with respect to year end closure of accounts	19.2
Complete set of financial statements	Description of financial statements and associated schedules	19.3
Month end procedures	Month-end procedures with respect to closing the in-year books of accounts	19.4
End of financial year procedures	Procedures and requirements with respect to appropriation of public funds and its automatic expiry at the end of the year	19.5
Boards of survey	Boards of Survey shall be appointed in accordance with the requirements of Regulation 37 of the PFMR for the examination and physical inspection of the assets, stores, cash, and bank balances and books of accounts of the Accountant General or the vote	19.6
Interim financial statements (in-year reporting)	Procedures for preparing half year financial statements	19.7
Quarterly reporting on budget execution	Details to be submitted each quarter to ST and AG for the preceding quarter and the amounts anticipated for that quarter	19.8

Reporting requirement	Description	Relevant section of the TI
Annual reports of Accounting Officers	Reporting requirements for Accounting Officers. The OAF will need to provide relevant information for the PPF for vote funding the PPF	19.9
Preparation and submission of the Treasury Memorandum	Pursuant to Section 13(11)(b) of the PFMA and for purposes of Section 53 of the PFMA, Accounting Officers shall be required to prepare an improvement plan seeking to address the recommendations of Parliament arising out of financial management weaknesses identified in the Auditor General's report and management letters in respect of the statutory audit of the vote relating to the PPF.	19.10
Events after the reporting date, accounting adjustments and correction of errors	Procedures for recognizing favourable and unfavourable events occurring between the end of the reporting period and the date the financial statements are authorized for issue	19.12
Financial reporting of new entities, mergers, de-mergers, and closure of votes	Financial information required under vote for the provision of funding to the PDFF from the PPF line of funding	19.13

Special Development Partner Reports

Where DP(s) require special financial reporting over and above the reporting outlined above, the PPF will make arrangements to produce such reports in the prescribed form in the Financing Agreement. The report will be reviewed by the respective OAFs for routine progress reports. However, semi-annual, and annual reports will be reviewed and approved by the PPFC/ PPPC through Finance, Audit, & Risk Sub-Committee constituted for this purpose.

4.1.12 Audit

A. Internal Audit

The PPF will be subject to internal audit as provided for sections 23.2.21 and 23.2.22 of TI. The PPF shall have an internal audit function adequately staffed with competent personnel. The Internal audit shall comply with the internal audit charter and guidelines issued by the Internal Auditor General.

The Internal Auditors will have unrestricted access to the PPF's records, officials, and personnel and to all the premises and properties of the PPF. All the internal audit procedures will be free of any influence by any element in the PPF, including matters of audit selection, scope, procedures, frequency, timing, and report content. The Internal Auditor will therefore not develop or install any systems or procedures, prepare records, or engage in any activity that would normally be audited. Additionally, the Internal Auditor will have no operational influence, responsibility, or authority over any of the activities they review.

B. External Audit

The PPF will be subject to external audit as provided for sections 23.2.23, 23.2.24 and 23.2.25 of TI. The Auditor General shall in each financial year audit the accounts of the PPF. The OAF-PPF shall ensure that within two months after the end of each financial year, its annual financial statements are submitted to the Auditor General for audit.

The Auditor General shall have access to all books of accounts, vouchers and other records of the Fund and is entitled to any information and explanation required in relation to those records.

C. DP/DFI Funded Projects

Where a DP is funding a specific window and wishes to undertake a separate audit on the use the funds contributed by the DP, then the PPF will prepare and submit for audit financial statements for audit subject to the provisions of the Financing Agreement and the normal approval process of financial statements through the PPFC/ PPPC.

D. Filing and Maintenance of Documents

The PPF will ensure the proper creation, maintenance, use and disposal of records. The OAFs will ensure that all financial and accounting records are well maintained. This will include records held in electronic form.

The management of the filing system and maintenance of records will be a shared responsibility between the various functions of the PPF and PDFF Secretariat. The OAFs will ensure that all relevant documentation relating to all financial transactions is well maintained. The following will be adhered to regarding maintenance of records:

- a. All entries in the financial records will be supported by duly authorized original documentation
- b. The use of copies / photocopied documents will be discouraged as source documents
- c. A proper filing system will be always maintained in such a manner that a sufficient audit trail is always in existence
- d. Documents must be filed in a logical manner and will be referenced uniquely to facilitate enquiries from the general ledger to the source documents
- e. All documents will be stored in a safe place where proper precaution has been taken to prevent loss
- f. Documents for the current year as well as the year immediately preceding the current year will be kept in a secure filing room
- g. Documents for years prior to the previous year will preferably be stored off-site in archives and proper care will be taken in storing the documents in such a manner that it remains easily accessible in case information is required
- h. All confidential documents and contracts as well as documents not in use (such as unused cheque books) will be kept separate and must be locked away in a safe or secure location

All files will be labelled and maintained in a filing room. No documents will leave the filing room within the PPF/ PDFF Secretariat without the approval of the Assistant Manager

5. Terms of Reference for Key Functions

5.1.1 Officer Administering the Fund (OAF)

The OAF will report directly to the Committees for overall accountability of the PPF, including ensuring that funds are disbursed as approved by the PPFC to the relevant windows. The OAF will follow up to ensure that the funds are utilized for the intended purpose. The OAFs will also be responsible to DPs/ DFIs with respect to the funds received from these agencies.

The OAF will lead the Secretariat that is responsible for day-to-day operational management of the PPF/ PDFF including funding applications management, financial management, monitoring and evaluation. The key functions of the OAF will be to:

- Act as a Secretary and technical arm to the Committee
- Supervise and control the administration of the PPF
- Prescribe all forms and prepare all funding documentation necessary for proper administration of the PPF
- Prepare estimates of annual revenue and expenditure of the PPF relating to PFS, TPS and PPP Projects, public private partnerships program and the PPF's operational expenses and submit it to the Committee for adoption
- Establish proper systems of control and oversight over the operations of the PPF
- Advise and consult the Committee on matters relating to the administration of the PPF
- Advise and consult with the ST on matters relating to the administration of the PPF as may, from time to time, be necessary
- Keep and maintain complete financial records of all projects supported under the PPF
- Advise the Committee on trends and projections relating to the financing requirements under the PPF
- Prepare non-financial performance reports of the PPF and submit it to the Committee for adoption
- Cause to be kept proper books and records relating to the PPF and to the activities financed under the PPF
- Prepare, sign and submit to the Auditor General through the Accounting Officer in respect of each financial year and within three months after end of each financial year, a statement of accounts relating to the PPF in the form prescribed by the Public Sector Accounting Standards Board and PFM Act and file a copy to the Treasury and the Committee on Revenue Allocation
- Furnish any additional information which is proper and sufficient for proper discharge of the mandate of the Auditor General.

In performing the duties listed above, the OAF will:

- Comply with the budget cycle in preparing estimates of the PPF
- Submit estimates of revenue and expenditure to the ST each year of approval
- Receive funding requirement estimates from the PPP Unit and Contracting Authorities with respect to viability gap funding and project preparation activities funding in accordance with annual budget cycle in each year; and
- Receive estimates of contingent liability estimates from the debt management office with respect to contingent liabilities funding by 30 September each year.

Powers of Officer Administering the Fund (OAF)

The OAF will have powers to:

- Access any project related data that may be required from contracting authorities in furtherance of its functions
- Call for any additional information with respect to requests for payments out of the PPF
- Issue financial management guidelines relating to the PPF in consultation with the Treasury

5.1.2 Assistant Manager

The Assistant Manager will oversee the day-to-day management of the PPF. The Assistant Manager will be responsible for ensuring all the functions of the PPF are performed effectively including regulatory compliance and risk management, review of applications for funding, financial management, procurement, development of Funding Agreements and contract management. The Assistant Manager will also oversee monitoring and evaluation of PPF activities and stakeholder management, ensuring respective PPF documentation are maintained in good order, and that Funding Agreements remain in compliance with the attendant regulatory frameworks. The Assistant Manager will work closely with the PPF Secretariat, the Accountant, and the Procurement Team which will comprise of the Procurement Officer to execute the functions of the PPF.

Scope of Work

- Day to day management of the PPF: Prepare, present and update draft agreements, terms and conditions, forms, Committee structures, letters of acknowledgement and other exhibits that may be required as part of setting up the PPF Secretariat/Finance Department.
- Stakeholder management: Work closely with DPs to determine donor intent and to draft new Funding Agreements or amendments to existing agreements, as well as any additional documentation. Provide information to stakeholders in line with the PPF's objectives.
- Drafting of agreements and contract management: Ensure Funding Agreements are complete and in compliance with attendant regulatory framework. Review of Financing Agreements, recommend and negotiate changes to Financing Agreements as appropriate to ensure the PPF meets the DPs' intent, and is compliant with both the regulatory framework and the PPF's internal policies and procedures.
- Financial management: Approvals of budget, payments, and financial reports. Develop the relevant financial management policies and ensure compliance with the same. Respond to audit queries and action the recommendations made.
- Performance management, monitoring and evaluation: Develop the PPF's work plan, performance goals and targets. Monitor the performance of the PPF and the Secretariat on a quarterly basis and take corrective action as may be necessary.
- Reporting: Ensure effective and timely reporting to the PPF's stakeholders.
- Service provider management: Manage the provision of outsourced services by setting the requisite service standards and implementation framework.
- Risk management: Manage and update the PPF's risk register.
- Facilitate and ensure the timely procurement and delivery of various inputs and technical equipment in collaboration with the Procurement Officer and CAs in accordance with GOU/DP/DFI guidelines;
- Supervise financial administration, including the preparation of financial statements, budgets and forecasts.
- Ensure that adequate funding is received in a timely fashion and is in place for all aspects of the PPF's operations.
- Ensure that all assets are used solely for the purpose for which they were procured.
- Monitor compliance by Contracting Authorities with the Governance and Operational Manual.
- Undertake any other functions assigned by the OAF.
-

5.1.3 Accountant

The Accountant will be responsible for all accounting, internal control and other financial management functions within the Secretariat as well as supervision of the Assistant Accountant and finance function staff. The main tasks will be as follows:

- Develop and update the PPF's financial management policies and procedures that will ensure compliance with accounting policies and practices as stipulated in the PFMA, the Public Audit Act, as well as any other applicable financial management regulations/procedures agreed for the PPF.
- Undertake the PPF's financial planning and budgeting based on the agreed annual work plan. Preparation of forecasts and cash flow management.
- Process disbursements and ensure prompt release of funds, once approved, to the respective payees.
- Establish and maintain an integrated accounting system for all PPF expenditure to ensure smooth flow and constant availability of financial resources to the PPF and utilizing standard accounting procedures, which will ensure full documentation and recording of sources and uses of funds.
- Periodically review the performance of control functions and where appropriate initiate corrective measures to ensure that internal controls are sufficient and function correctly.
- Develop clear informative methods and media to present financial data, special projects, and studies of a financial nature.
- Evaluate the financial reporting system and accounting procedures, and make recommendations for changes, to procedures, operating systems, budgets, and other financial control functions to the Assistant Manager.
- Undertake in-house financial management and accounting training and capacity building as necessary.
- Analyze and consolidate financial and management reports in accordance with agreed reporting schedules ensuring correlation between implementation progress and financial performance.
- Present financials statements and reports from all operations to the Assistant manager and OAF.
- Supervise the activities of the financial management function of the Secretariat.
- Manage the bank accounts of the PPF and provide bank reconciliation statements.
- Prepare PPF financial statements for external audits, Interim Financial Reports (IFRs) and funds applications reports for Designated Accounts.
- Ensure strict adherence to installed internal control systems for all areas of PPF operations and financial management.
- Monitoring of PPF investments.
- Liaise with the internal/external auditors and follow up on audit queries and recommendations documented in management letters.
- Any other duties may be assigned from time to time by the Assistant manager.

5.1.4 Assistant Accountant

If needed, the role of the Assistant Accountant will be to maintain all accounting records in line with approved accounting standards and in line with DPs' and GOU's regulations and initiate transactions and financial recording activities.

Scope of work

- Assist in formulating and administering approved general accounting practices for the PPF.
- Ensure that fiscal and business activities comply with the PFM Act and any other written law.

- Draw up annual budgets based on work plans as well as any supplementary budgets together with the Accountant
- Ensure disbursement requests and invoices submitted for payment at the Secretariat are promptly attended to and processed.
- Review bank reconciliations and other controls necessary to monitor financial and non-financial assets of the project.
- Record all financial transactions in the relevant financial management and accounting systems including GFMS and undertake accounts analysis and reconciliation.
- Prepare financial statements, estimates, summaries, and other financial analyses and management reports.
- Render periodic reports (i.e., monthly/quarterly/annually) in the formats approved to the Accountant and Assistant manager.
- Prepare payment vouchers, issue receipts, and maintain cash records in accordance with laid down procedures.
- Maintain an Advance Payments Register and monitor advances settlement.
- Prepare monthly bank reconciliations of all PPF bank accounts
- Maintain relevant books and records for the PPF
- Cheque writing and updating the Cheque Issued Register
- Ensure that all accounting records are updated promptly
- Support PPF audits, handle correspondence, and maintain files.
- Any other duties as may be assigned from time to time by the Accountant

6. Reporting Templates for the PPF

6.1.1 Project level reporting templates

Summary of Costs

This template will be used to record the cost of the project for each milestone achieved. It indicates the actual cost, the budgeted costs and the variances

Milestones	Description (Describe each Milestone activity)	Actual (Shillings)	Budget (Shillings)	Variance (Shillings)	Comments	
1.	Milestone 1					
2.	Milestone 2					
Total Phase (insert phase no.)						
Defers (indicate activities deferred and their cost)						
Milestones	Description (Describe each Milestone activity)	Actual (Shillings)	Budget (Shillings)	Variance (Shillings)	State phase deferred to	
3.	Milestone 1					
4.	Milestone 2					
5.	Milestone 3					
Total Phase Defers						
Institutional Summary (Indicate Indirect costs incurred by the Contracting Agency e.g., transport, accommodation etc.)						
Contracting Agency (CA)						
Total						

Financial Report per milestone

For each project milestone, the Contracting Agency will record the following cost items

Output 1		Expected Deliverables		
Indicate the output expected under this milestone		List the expected deliverables under this milestone		
Record the costs incurred by the implementing entity and other partners under the project		Actual expense for reporting period (Shillings)	Budgeted (Shillings)	Variance (budgeted - actual)
Contracting Agency	Personnel			
	Travel			
	Daily Living Costs			
	Other			
	Administrative costs			
Grand Total				

Technical

Executive Summary			
Summary of activities implemented in the phase of the project			
Deliverables for the Period			
Table 1: Deliverables for the Project Phase			
Milestone	Deliverable	Supporting Evidence	Status
Output 1: Indicate name of output			
Milestone 1: name of milestone	Indicate name of deliverable	Indicate section of evidence of deliverable	Indicate status of implementation
Output 2: Indicate name of output 2			
Milestone 2: name of milestone	Indicate name of deliverable	Indicate section of evidence of deliverable	Indicate status of implementation
Output 3: Indicate name of output 3			
Milestone 3: name of milestone	Indicate name of deliverable	Indicate section of evidence of deliverable	Indicate status of implementation
Milestone 4: name of milestone	Indicate name of deliverable	Indicate section of evidence of deliverable	Indicate status of implementation
Progress by Deliverable			
Milestone 1: Name of Milestone Detailed description of what was done to achieve the milestone, challenges and lessons learnt.			
Milestone 2: Name of milestone Detailed description of what was done to achieve the milestone, challenges and lessons learnt.			

Recommendations

Cross-Cutting Recommendations

Indicate what can be done to enhance achievement of overall objective of the project.	
Milestone 1	Milestone 2
Indicate specific recommendation to achieve this milestone	Indicate specific recommendation to achieve this milestone

Update on work that has begun to achieve future milestones

Milestone 1.1 Name of Milestone

Indicate plans to achieve future milestone activities

Milestone 2 Name of milestone

Indicate plans to achieve future milestone activities

Reflections on Work Plan

Indicate any changes to the work plan

Risk:

See the matrix below.

Risk Assessment Matrix Project Risk Matrix							
Project Area	Risk		Mitigation		Overall risk	Potential impact on Milestones	
OUTPUTS	OUTPUT RISKS	Probability	Initial Impact	Score	Mitigation	Remaining risk	Risk to quarterly milestones
OUTPUT 1: Indicate the name of the output							
1.1 Indicate the risk	Describe how the risk manifested	High (risks are rated from low, medium to high)		3	Indicate what was done to minimize impact of the risk	Indicate the risk remaining	Indicate impact of risk to achievement of the milestone
OUTPUT 2: Indicate name of output							
1.2 Indicate the risk	Describe how the risk manifested	Low (risks are rated from low, medium to high)		1	Indicate what was done to minimize impact of the risk	Indicate the risk remaining	Indicate impact of risk to achievement of the milestone

Please see the risk rating matrix overleaf.

Risk Rating Matrix

		Consequences				
Likelihood		Insignificant Risk is easily mitigated by normal day to day process	Minor Delays up to 10% of project plan Additional cost up to 10% of Budget	Moderate Delays up to 30% of project plan Additional cost of up to 30% of Budget	Major Delays up to 50% of project plan Additional cost of up to 50% of Budget	Catastrophic Project abandoned
		1	2	3	4	5
	5 Certain >90% Chance	High	High	Extreme	Extreme	Extreme
	4 Likely 50% - 90% Chance	Medium	High	High	Extreme	Extreme
	3 Moderate 10% - 50% Chance	Low	Medium	High	Extreme	Extreme
	2 Unlikely 3% - 10% Chance	Low	Low	Medium	High	Extreme
	1 Rare <3% Chance	Low	Low	Medium	High	Extreme

6.1.2 Fund level reporting templates

Annual expenditure report

Financial Monitoring Report (FMR)				
Uses of Funds by Windows/Delivery Areas				
For the Year Ended XXXX				
		Budgeted Amount	Actual Amount	Budget Variance Analysis
Component	Component Name			
Window 1	Project Preparation Support for Prefeasibility studies			
Window 2	Project Preparation Support for Feasibility studies for TPS			
Window 3a	Project Preparation Support for Feasibility studies for PPP			
Window 3b	PPP Unit activities			
Window 3c	Short term liquidity and Contingent Liability Funding			
Total				

Quarterly Fund Report

		Q1			Q#		
		Budgeted Amount	Actual Amount	Budget Variance Analysis	Budgeted Amount	Actual Amount	Budget Variance Analysis
Component	Component Name						
Window 1	Project Preparation Support for Prefeasibility studies						
Window 2	Project Preparation Support for Feasibility studies for TPS						
Window 3a	Project Preparation Support for Feasibility studies for PPP						
Window 3b	PPP Unit activities						
Window 3c	Short term liquidity and Contingent Liability Funding						
Total							

Fund Accountability Statement

Description	Amount	Amount
Income		
Grants and Donations		
Receipts from Exchequer		
Levies and Tariffs		
Transaction Fees		
Success Fees		
Project Management Fees		
Investments Income		
Miscellaneous		
Total Income		
Funding Support		
Project Preparation - PFS		
Project Preparation – FS for TPS		
Project Preparation – FS for PPP		
Support to the PPP Unit		
Short-term Liquidity and Contingent Liability		
Total funding support		
Miscellaneous Expenditure – Other		
Total Miscellaneous expenditure		
Total Expense		
Fund Surplus		
Represented by:		
Cash and Bank Balances		
Debtors and recoverable advances		
Liabilities – Current, fiscal and contingent		
Investments		
Fund Balance		

Technical Reporting Statement

Executive Summary: Identify the Project key activities, deliverable and results and indicate key partners who were involved in program implementation. Highlight the final schedule duration of project activities and report on the activities which would need to be sustained by the contracting agency through other contractual mechanisms. Highlight total project expenditures and include variances from original budget estimates. Report on the final total in-kind and monetary contributions from both the public and the private partners.

Background and summary of results

- Description of the goal of the Fund
- Purpose and Scope of the Fund
- Summary of the extent to which the goal has been achieved (summary tables and figures can be used here)
- Summary of findings and recommendations
- Summary of risks

Project Approach, Methodology and Achievements

- Overall Approach and methods
- Results by project Component
- Examples of project area provided below for illustration purposes
 - Capacity Building Training Program
 - Program objectives
 - Program activities
 - Results (specific to each phase), based on measurable objectives and criteria for success. Results should specify project targets as defined in the M&E plan and the extent to which these have been met.
 - Limitations, Lessons Learned and Recommendations
 - Project Program objectives
 - Program activities
 - Results, based on measurable objectives and criteria for success (as agreed with the Contracting Agency and the PPF)
 - Limitations, Lessons Learned and Recommendations
 - Monitoring and Evaluation
 - Program activities
 - Results (specific to each phase), based on measurable objectives and criteria for success (as agreed with the Contracting Agency and the PPF)
 - Limitations, Lessons Learned and Recommendations

Provide a summary of the project schedule including the project start and end dates. Compare the original and final project schedules and cite reasons for project schedule delays or compressions.

- Wide Lessons Learned and Implications
 - Key Lessons Learned
 - Recommendations- Highlight any recommended areas of change to be considered for similar future projects.
- Projects Documentation

Provide a list of key project documentation and indicate whether or not the PPF has a final copy of these documents. Examples of key documents may include project prototypes and project frameworks, deliverables, monthly financial reports, and quarterly project progress reports, among others.
- Appendices
 - Approved Asset Disposition Plan
 - Success Stories, Case Studies and Lessons Learned
 - Key publications and media materials)
 - List of all training materials, methodologies, etc. developed by the project
 - List Collaborating institutions
 - Final Project Performance Monitoring Plan
 - Final Project Contributions Report (template provided by PPF)

7. Manual Amendment Request Form

THE PROJECT FINANCING FUND

PPF SECRETARIAT

Governance and Operational Manual Amendment Request Form

Date: _____

Name: _____

Section where amendment is needed:

Current /manual procedure and/or wording:

Requested amendment and justification:

Date change request was received: _____

Amendment request is (tick one): ☐ Accepted ☐ Denied ☐ more information is needed before decision can be made

PPF OAF's Signature: _____

PPF Committee Chairperson: _____

Date changed in manual: _____