

ANNEX 4 (DISBURSEMENT PROCEDURE)

1. ADVANCE PAYMENT PROCEDURE

- 1.1 For all payments concerning the Project, the Recipient shall open a special bank account ("special bank account"). He shall hold all amounts paid into this special bank account by the GIZ in trust for the GIZ until they are used for payment of the supplies and services to be financed from the financial contribution.

The Recipient's credit balance in the special bank account shall receive interest as far as possible. The interest accruing in this connection shall be used to pay for the Project measures and shall be indicated separately in the submission of accounts pursuant to Section 1.4. The GIZ reserves the right to deduct such interest from the financial contribution.

The Recipient shall submit proof of the opening of the special bank account at the latest with the first call for disbursement (confirmation by the bank that the account has been opened). The GIZ can at any time require prompt submission by the Recipient of a copy of the interest agreement with the bank, or confirmation by the bank that interest cannot be paid on the credit balance in the special bank account.

- 1.2 Upon written call for disbursement by the Recipient in accordance with the annexed Specimen (Annex 5), the GIZ shall transfer the financial contribution to the special bank account in instalments. The amount transferred shall cover the expected amount of funds required for the three months of Project implementation following the call for disbursement. The advance payment shall, however, not exceed the sum of Euro 150,000.00 or 50% of the total amount of the financial contribution, the lower amount applying in each case. Funds remaining from the preceding transfer and revenues in connection with the Project shall be offset.
- 1.3 The Recipient shall generally make calls for disbursement every quarter. However, it can make a call for disbursement immediately as soon as at least 80% of the amount available to it after the preceding disbursement has verifiably been used for the Project implementation.
- 1.4 All calls for disbursement shall be numbered consecutively, dated, signed by the Recipient and be submitted to the GIZ Office stipulated in Section 1.3 of the Special Agreement. The recipient shall attach the following documents:
- A statement of accounts broken down in accordance with Section 2.3 of the Special Agreement listing all the amounts already settled, all revenues and the expected amount of funds required for the 3 months following the accounting period (cf. Specimen Annex 6).
 - A list of expenditures broken down in accordance with Section 2.3 of the Special Agreement for the preceding payment period, in which all expenditures of the Project for invoices or advance payments made are entered chronologically, indicating where the original vouchers are filed in the accounts kept by the Recipient and containing brief details on the purpose and recipient of the payments made (c.f. Specimen Annex 7). For simplicity's sake, payments not exceeding the equivalent of up to Euro 200.00 may be added together
 - Original bank statements for the special bank account, adjusted on a monthly basis, for the accounting period just ended, or copies of these statements certified by the bank.

- Duplicate or photocopy of customary trade invoices, insofar as the order value exceeds the equivalent of Euro 2,500.00, for those supplies and services paid fully or in part from the financial contribution. In the case of order values which exceed the equivalent of Euro 12,500, duplicates or photocopies of the pertinent contracts for supplies and services shall also be submitted.
- In the case of shipments from abroad with a value exceeding the equivalent of Euro 2,500, copies of the shipping documents (e.g. bill of lading, waybill), indicating the type and nationality of the means of transport employed, type and quantity of goods transported, together with time and place of loading.
- A schedule of the measures involved (schedule of works) insofar as Project measures are carried out by the Recipient itself, subdivided in accordance with Section 2.3 of the Special Agreement, indicating the nature and purpose, as well as the relevant costs of the work performed. Any costs which fall under general administration costs cannot be included in the schedule of works. The costs of the work performed in the schedules of works shall be identified in accordance with the relevant item (cf. Section 2.3 of the Special Agreement).

The Recipient shall endorse the statement of accounts, statement of expenditures and any schedules of work, and thus certify that they are complete and correct.

The calls for disbursement, statements and schedules shall be countersigned by the Expert Consultant. This endorsement shall not imply recognition of the documents by the GIZ.

The Recipient shall submit all the above documents either in German, English, French or Spanish. Documents in any other language must be accompanied by a translation into any of these languages.

At the request of the GIZ / the Expert Consultant, the Recipient shall confirm that the signatories of the documents, declarations and endorsements pursuant to this Section are authorised to represent the Recipient in the implementation of the Special Agreement. The Recipient shall submit, together with the confirmation, specimen signatures of these persons certified by the Recipient.

Documents which do not comply with the conditions of this Section or which contain signatures that are not conclusively those of the legitimate representatives of the Recipient, cannot be accepted by the GIZ. Article 3 of the Financing Agreement shall remain unaffected.

- 1.5 If the Recipient has agreed to co-finance the Project as a counterpart contribution (cf. Section 2.3 of the Special Agreement), it shall pay its share of the financial contribution for payments expected to become due in the next three months into the special bank account no later than each respective call for disbursement, and shall submit evidence of the payment to the GIZ.
- 1.6 The GIZ reserves the right initially to withhold a sum equivalent to up to 5 % of the total amount of the financial contribution initially. The amount withheld shall be disbursed on separate written request for disbursement as soon as all obligations of the Recipient arising from the Financing Agreement and Special Agreement, in particular regarding verification of fund utilization and the reporting, have been met.

2. DIRECT PAYMENT PROCEDURE

- 2.1 In addition to the calls for disbursement in accordance with the reimbursement procedure (cf. Section 1) the Recipient can also request that payments be made via the direct payment procedure.
- 2.2 On written request for disbursement by the Recipients in accordance with the annexed Specimen (Annex 5), the GIZ shall, in settlement of the invoices against the Recipient, pay the sums when due for supplies and services directly to contractors.
- 2.3 All calls for disbursement shall be numbered consecutively, dated, signed by the Recipient and be submitted to the GIZ Office stipulated in Section 1.3 of the Special Agreement. The Recipient shall attach the following documents:
- Duplicate or photocopy of customary trade invoices for those supplies and services for which settlement by the GIZ has been requested, together with copies of the pertinent contracts for supplies or services. The invoices shall be identified against the relevant items (cf. Section 2.3 of the Special Agreement).
 - In the case of shipments from abroad with a value exceeding the equivalent of Euro 2,500, copies of the shipping documents (e.g. bill of lading, waybill), indicating the type and nationality of the means of transport employed, type and quantity of goods transported, together with time and place of loading.

The Recipient shall confirm on the calls for disbursement that the invoiced supplies and/or services have been rendered in accordance with the contractual conditions and that they are due for payment.

The calls for disbursement shall be countersigned by the Expert Consultant. This counter-signature shall not imply recognition of the invoices by the GIZ.

The Recipient shall submit all the above documents either in German, English, French or Spanish. Documents in any other language must be accompanied by a translation into any of these languages.

At the request of the GIZ / the Expert Consultant, the Recipient shall confirm that the signatories of the documents and declarations pursuant to this Section are authorised to represent the Recipient in the implementation of the Special Agreement. The Recipient shall submit, together with the confirmation, specimen signatures of these persons certified by the Recipient.

Documents which do not comply with the conditions of this Section or which contain signatures that are not conclusively those of the legitimate representatives of the Recipient, cannot be accepted by the GIZ Article 3 of the Financing Agreement shall remain unaffected.