

Terms of reference for pre-funding financial assessment

1. Background

1.1 Brot für die Welt (Bread for the World)

Brot für die Welt is the agency of the Protestant Churches in Germany which supports non-governmental organisations (NGOs) worldwide in more than 90 countries on the field of development cooperation with funds received from Churches in Germany (KED), church parishes and donations, as well as with funds from the Federal Ministry for Economic Cooperation and Development (BMZ) and from other back-donors. The focal points of our work are food security, promotion of health and education, access to water, strengthening democracy, human rights, peacekeeping and safeguarding of creation.

We face demands for efficiency and performance reports in our development cooperation programmes. As part of our monitoring responsibility, we have to ensure that funds are used efficiently and for the intended purpose, regardless of how the funds are redistributed. Our basic approach to ownership means that the partner organisation is responsible for part of the funding and for the implementation of the project. Accordingly, the partner organisation responsible for the project implementation is also responsible for controlling its operations and its administration.

1.2 Origination of the engagement

Considering the compliance and accountability requirements of the cooperation between Brot für die Welt and its partner organisations and the fact that the organisation Media Initiative Center has not been funded with BMZ funds by Brot für die Welt so far, it is important to assess the financial management capacity of the above-mentioned organisation to use, manage and comply with the requirements of the above-mentioned back donor, BMZ.

In this context, Brot für die Welt will engage an auditor/a consultant with the external assessment of the financial management and internal control systems of the above-mentioned organisation. The pre-funding financial assessment shall provide a rational and solid basis for clarifying the eligibility of the above-mentioned organisation for further financial support from Brot für die Welt for a project that shall start on 1st of January 2023.

1.3 Subject of the engagement

Media Initiatives Center (former Internews Media Support NGO) was established as a branch of Internews Network (USA) in 1995, but soon in 1997 became a local organization. Dedicated to media development in Armenia, Media Initiatives Center (MIC) was the pioneer in this area and soon became a lead player in the media community. MIC promotes education of journalists and media professionals and media literacy, applies innovative approaches in content development, and conducts advocacy and policymaking.

During the past 26 years, MIC developed training modules and organized hundreds of courses on journalism, media management, television and radio production, investigative journalism, new media, citizen journalism, multimedia formats, data visualization, and media literacy for about 5.000 journalists, CSOs and ordinary people. MIC has a track record of several thousand of TV production pieces in various formats and in different genres: documentary films, talk shows, TV informational and analytical programs, investigative reports, public service announcements (PSAs), etc. MIC's creative works were honored with numerous awards in national and international festivals and contests. MIC's current projects target media outlets, individual journalists, CSOs, school teachers and citizens. Through trainings and grants, MIC enhances the media's capacities in innovative content production, data visualization, fact-checking and investigation, and supports young content developers to promote vlogging and podcasting. MIC strives towards empowering Armenian civil society by giving voice to CSOs and citizens via media literacy and communication programs, which build consumer demand for better quality media and journalism, and via building media platforms, which allow citizens to become

engaged in debates around a wide range of issues. MIC actively uses media as dialogue tool for conflict transformation.

During the past years, MIC donors were USAID, US Embassy in Armenia, International Alert and Conciliation Resources via European Union, Lithuanian Embassy in Yerevan, n-ost/German Federal Ministry of Economic Cooperation and Development, OSCE, World Bank, HEKS/EPER, UN agencies, Brot für die Welt, etc.

2. Description of the engagement

2.1 Objectives

2.1.1 General objective

The general objective of the pre-funding assessment is to assess the financial management and internal control systems of the organisation with regard to the specific requirements for funding organisations with German federal funds and, if applicable, to identify consultancy needs.

2.1.2 Specific objectives

The specific objectives of the pre-funding assessment are to:

- a) Describe the financial management systems and procedures
- b) Evaluate and review the financial control systems
- c) Assess the effectiveness of the governance
- d) Execute a risk analysis of the financial system
- e) Draw out recommendations to enhance the effectiveness of the financial management of the above-mentioned organisation and its efficiency based on the findings of the assessment

2.2 Scope of the engagement

The financial assessment shall look into the current financial operations and should cover the areas indicated below. At least the following questions must be verified:

2.2.1 Governance and organisational structure

- a) Is the governing/supervisory body constituted in accordance with the byelaws and/or governing documents?
- b) Do the byelaws and/or governing documents define the procedure and criteria for the selection of the governing/supervisory body, the term of its members, the frequency of meetings and the quorum for decision-making?
- c) Are the meetings of the governing/supervisory body held in accordance with the byelaws and/or governing documents (frequency, quorum and notices) and as/when required?
- d) Are the minutes properly recorded, confirmed and retained?
- e) Are women represented in the governing/supervisory body?
- f) Do the members of the governing/supervisory body represent the different interests of the stakeholders, including target groups?
- g) With regard to the independence of the governing/supervisory body: What is the percentage of members of the governing/supervisory body who benefit financially from the organisation?
- h) Does the organisation change the members of the governing/supervisory body?
- i) Does the organisation clearly segregate the roles between the governing/supervisory body and the management?
- j) Does the governing/supervisory body provide overall policy direction and oversight?
- k) Does the governing/supervisory body review, approve and monitor the annual budget of the organisation?
- l) Have all the organisation's policies been approved by the governing/supervisory body?
- m) Have all decisions of the governing/supervisory body including new or amended policies and procedures, been communicated to staff in a transparent manner and, if applicable, implemented in a timely manner?
- n) Does the organisation have a procedure for informing the members of the governing/supervisory body of significant issues in a timely manner and in a way that enables the governing/supervisory body to fully understand the issues and their implications?
- o) Does the organisation have well-defined policies and procedures for "conflict of interest" and "related party transactions" (real and apparent) that provide adequate safeguards to protect the organisation from them?
- p) Does the governing/supervisory body have appointed the statutory auditors?
- q) Does the organisation have an organogram and a defined and documented organisational structure with clear levels of authority and responsibility?

2.2.2 Financial and control systems

Finance policy and procedures manual

- a) Does the organisation have an accounting/financial policy and a procedure manual and are they easily accessible to all staff?
- b) Do the policies and procedures established in the procedure manual comply with generally accepted accounting practices in accordance with regional practice? Do they cover the following critical areas?
 - Roles and responsibilities (including segregation of duties)
 - Review and approval procedures, including the levels of authority for different types and levels of transactions
 - Procurement procedure
 - Reporting procedure
 - Financial transactions procedure
 - Use and requirement of supporting documents for financial transactions

Accounting system

- a) Does the organisation keep basic books of account and update them regularly? Are the date, description and amount of each transaction recorded accurately and promptly in the accounting system?
- b) Does the organisation keep subsidiary books and update them regularly (stock register, fixed asset register, vehicle logbook, advance register, medical reimbursement register, etc.)?
- c) Does the organisation have a unified chart of accounts and a general ledger that enables itself to classify and record financial transactions systematically and consistently?
- d) Does the organisation keep the financial records for the funds of all donors and for the own means of the organisation in the same accounting system?
- e) Does the organisation have an accounting system that allows a clearly distinction between specific projects?
- f) Are the books of account of the organisation consistent with the financial reports that have been submitted to the donors?
- g) Has the organisation sent the financial reports to the donors within the due dates?
- h) Has the organisation recorded all the financial transactions through proper receipts and adequate supporting documents?
- i) Does the organisation have an appropriate accounting software?
- j) Does the organisation have a reasonable methodology for fair allocation of shared costs among projects (in particular personnel and administrative costs)?
- k) Does the organisation make the bank reconciliation statements on a monthly basis?
- l) Does the organisation complete a trial balance on a periodic basis, i. e. quarterly?
- m) Are all bank accounts of the organisation in its name?
- n) Does the organisation maintain separate bank accounts for different projects?
- o) Does the organisation have signatories for the bank accounts used for the transactions with Brot für die Welt funds?
- p) Does the organisation require more than one signatory for each bank transaction?
- q) Does the organisation make regular backups of the accounting records?

Internal control system

- a) Does the organisation adequately segregate the functions of requesting, authorising, ordering, receiving, accounting and paying for goods and services?
- b) Does the organisation carry out the following financial management tasks through different bodies/staff?
 - Authorisation for the execution of a transaction
 - Record of a transaction
 - Custody of the assets involved in a transaction
- c) Have all expenditure of the organisation been authorised by the competent level of authority?
- d) Does the organisation have an internal audit function?
- e) Does the organisation have a procedure to ensure that the controls described in the financial policy and procedure manuals are properly applied?
- f) Does the organisation regularly review and update policies and procedure manuals?
- g) Does the organisation advise staff, beneficiaries and other recipients to whom they should report suspect fraud, waste or misuse of funds or property?

Procurement

- a) Does the organisation have procurement policies and procedures that are followed (roles and responsibilities, review and approval, sourcing/pre-qualifying suppliers, bids evaluation, value for money checks, procurement tracking, compliance with donor rules and regulations)?
- b) Does the organisation have a procurement committee that reviews and approves contracts?
- c) Does the staff of the organisation have the purchasing and procurement forms, documents and registers required to record and file activities and transactions to create a paper trail for audits?

Cash management

- a) Does the organisation carry out cash control, banking and cash flow management generally according to the established policies (review and approval procedures, implementation, monitoring and reporting, safeguarding of assets)?
- b) Does the organisation reconcile bank and cash balance monthly and are they properly authorised? Do significant and unusual reconciling items have to be explained?
- c) Does the organisation keep an adequate, up-to-date cash book recording receipts and payments?
- d) Does the organisation make the majority of payments through a proper banking system?
- e) Does the organisation route all advances through the books of account and settle them systematically after actual costs have incurred?
- f) Does the organisation sign cheques only when the expenditure is incurred, i.e. no pre-signed cheques are kept in the organisation?
- g) Does the organisation keep cash money and checks in a safe place and is access to them properly regulated?

Fixed assets

- a) Does the organisation regularly update the record of all fixed assets?
- b) Does the organisation carry out an annual inventory?
- c) Does the organisation have insurance that fully covers the current value of the fixed assets?
- d) Do the byelaws contain a clause on the distribution of assets in the event of dissolution or winding up of the organisation?

2.2.3 Budgeting

- a) Does the organisation keep project-specific budgets?
- b) Does the organisation prepare a cash budget (cash flow forecast) and update it regularly?
- c) Does the organisation inform the staff concerned about the approved budget and tell them what they have to do to stay within the budget?
- d) Do the programme and finance staff meet regularly to discuss the plan and progress towards the objectives?
- e) Does the organisation monitor and review the budget regularly (monthly or quarterly) by comparing planned and actual expenditure?
- f) Does the organisation elaborate budget performance reports? In case of deviations (both deficits and surpluses): Does the organisation identify the reasons for deviations, develop recommendations for corrective actions and implement them?

2.2.4 Financial status

Handling of previous statutory audits

- a) Have statutory annual audits of the organisation's financial statements been conducted by an independent auditor?
- b) Have the audit report and management letter been submitted to the management as well as to the governing/supervisory body of the organisation by the auditor?
- c) Have audit reports and/or management letters been free from major accountability issues over the past three years?
- d) Does the organisation implement the auditor's recommendations from previous audit reports and/or management letters?

Analysis of the last available annual financial statement

- a) Are the financial statements complete with balance sheet, income/expenditure account, notes and, if applicable, opinion (according to page numbering)? Are at least two years included? Are there enough explanations/additional tables in the notes for all relevant items?
- b) Has an "unqualified opinion" been issued by the auditor?
- c) Are liabilities lower than assets, meaning that the organisation is not at risk of heading towards insolvency?

- d) Are short-term liabilities lower than cash and cash equivalents, meaning that the organisation does not have any liquidity problems?
- e) Are restricted funds covered by cash and cash equivalents and thus available for expenditure/repayment?
- f) Are the financial statements free from significant differences compared to the previous year (upward/downward)?
- g) Are the financial statements free from noticeable aspects regarding the creditors or debtors (e.g. critical creditors/debtors such as state institutions, banks, staff, etc., where the organisation has to repay within a short time/high-risk of reprisals, etc.)?
- h) Are cash assets reasonably high?
- i) Does the donor structure remain stable compared to the previous year?
- j) Does the organisation have unrestricted and restricted funding sources and a sufficient surplus of unrestricted funding to cover at least three months of running costs?
- k) What is the percentage of Brot für die Welt funds in relation to the total income of the organisation?

2.2.5 Human resources management

- a) Has the organisation established recruitment norms, including a mandatory and transparent recruitment process, and does the organisation follow these norms?
- b) Does the organisation have employment contracts, including job descriptions?
- c) Does the organisation have qualified finance staff who understand how accounting system and internal control works and the factors that affect them?
- d) Has the turnover rate of financial staff in the past five years not been so high that it could affect the efficiency of the financial management of the organisation?
- e) Are the staff involved in accounting systematically made aware of and trained in the content of the policies and procedure manuals?
- f) Does the organisation have a policy and procedure manual for payroll (roles and responsibilities, review and approval, implementation, documentation, monitoring and reporting, segregation of duties)?
- g) Is the level of salaries appropriate to the local context?
- h) Does the organisation have a time and attendance system to support salary and wage payments?
- i) Does the organisation have a system for allocating time to projects, project activities or cost centres/departments?
- j) Are non-direct salary items, paid to staff such as overtime, travel allowances, housing allowances and performance bonuses, in compliance with established policies and procedures and approved by an authorised staff?

2.2.6 Legal compliance

- a) Does the organisation have a valid, official and legal registration at the relevant authorities?
- b) Does the organisation comply with applicable statutory requirements (including labour and social law, specific requirements for NGOs)?
- c) Are there any ongoing legal proceeding against the organisation?
- d) Does the organisation file relevant tax returns (income tax, social security, etc.) with the authorities on time?
- e) Are these tax returns properly recorded in and in accordance with the books of account?
- f) Does the organisation provide for social benefits and gratuity in accordance with the respective laws?

2.2.7 Other

Reporting/planning monitoring and evaluation (PME)

- a) Does the organisation have a PME-system for the project that allows to monitor project activities, outputs, outcomes and impacts?
- b) Does the organisation have the capability to comply with the reporting standards of two different donor organisations funding a project together?

Collaboration with sub-organisations

- a) Does the organisation conclude agreements with sub-organisations and do these agreements contain all relevant requirements from the donor's perspective?
- b) Is there systematic monitoring of the cooperation between main organisation and sub-organisations?

2.2.8 Time schedule

The entire assessment shall be completed within 11 person-days and preferably take place between the end of March and beginning of April 2022. The report shall be submitted by the end of April 2022 at the latest.

Activity	Estimated time (in person-days)
Preparation phase	3
On site work	5
Travel days	1
Reporting	2
Total	11

3. Auditor/consultant requirements

3.1 Qualifications

- a) Language skills
- b) Experience in auditing/consulting NGOs
- c) Experience in finance management

3.2 Methodology

A (local) auditor/consultant shall carry out the pre-funding financial assessment in accordance with the scope of the engagement mentioned in 2.2. The engaged auditor/consultant must be an English-speaker and should have knowledge of relevant local languages of the project region. The organisation shall support the auditor/consultant providing access to all required documentation as identified by the auditor/consultant.

4 Reporting

The auditor/consultant shall prepare a report on the assessment in English and submit a soft copy to Brot für die Welt and to the organisation within 30 weekdays after the completion of the engagement. The auditor/consultant shall also provide Brot für die Welt with a hard copy of the report (see address in item 6).

The report shall consist of:

- a) A narrative assessment report (max. 20 pages) that includes the following aspects:
 - A short description of the assessment process (including the work carried out, methods used and persons involved)
 - A summary of the financial assessment findings and an overall risk rating of the organisation's financial management capacity with regard to the aspects mentioned in 2.2
 - A description of any specific weaknesses with regard to the sub-categories mentioned in 2.2
 - A prioritised list of recommendations with the identified weaknesses to be addressed, with explicit indication to any substantial weaknesses that need to be solved as a prerequisite for funding by Brot für die Welt
 - Recommendation for monitoring and assurance activities to follow up the capacity building process
 - A statement of the organisation in response to the report and its recommendations
- b) The completed document "diagnostic tool" that complements the narrative assessment report and represents the basis for the overall risk rating. The tool is provided to the auditor/consultant immediately after conclusion of the contract.

In addition to the report, a detailed debriefing with the auditor/consultant and the management/responsible staff of the organisation shall take place on site on the last day of the assessment, so that the most important findings can be presented and recommendations discussed.

5 Confidentially

The engagement shall be treated confidentially. The auditor/consultant shall not take any action that could lead to an impairment of independence or give the impression to outsiders that independence

and confidentiality are impaired. The auditor/consultant shall not use or appear to use information obtained under this engagement for personal gain or for the benefit of third parties. The auditor/consultant shall immediately report to Brot für die Welt any potential conflict of interest with which it may be confronted while carrying out of the assessment.

6 Proposal

The proposal must include at least the full contact details of the auditor/consultant, core competencies (description of expertise including language skills/regional experience and CV's of proposed audit team members), methodology, estimated fee with a full breakdown of hours per member of the audit team and any additional costs. It cannot exceed 15 pages. If applicable, please attach a scan of the national audit accreditation certificate (or equivalent) to the proposal.

Award criteria will be applied and weighed as follows: Quality of the technical proposal 30%, qualification of the evaluators 30%, price 30%, organisational planning 10%.

Please send your proposal by 06.02.2022 to kimnoelle.kwibuka@brot-fuer-die-welt.de indicating the recipient as follows:

Evangelisches Werk für Diakonie und Entwicklung e.V.
Attn. Mrs Kim N. Kwibuka
Referat Europa, Zentralasien und Kirchen helfen Kirchen (EZK)
Caroline-Michaelis-Str. 1
10155 Berlin
Germany

Annex 2

Terms and Conditions for Payment

The Client will endeavor to settle payments under the agreement as quickly and conveniently. However, this is only possible if Contractors submit complete and accurate invoices that comply with the specific agreements made and general standards.

Being accountable to donors, financial authorities and the public, the Client has to meet high standards for the settlement of payments as for any other disbursement of funds.

1. Contractor invoices

1.1 Components of a Contractor's invoice

For proper processing by the Client, the Contractor's invoice must contain at least the following:

- Name, address and details of Contractor's bank account
- The bill must be addressed to:
 - Evangelisches Werk für Diakonie und Entwicklung e.V.
 - Brot für die Welt
 - Department/Unit
 - Mr/Mrs XXX
 - Caroline-Michaelis-Str.1
 - 10115 Berlin, Germany
- Sales tax identification number of Evangelisches Werk für Diakonie und Entwicklung e. V.:
DE 147801862
- Date of issue
- Invoice number
- Title of the agreement the invoice refers to (and where applicable the project, subproject and contract number).
- Verifiable evidence of performance and productive activity ,date and subject area of the service, description of the service rendered and amounts invoiced in each case, , for travel exceeding 10 km distance starting from the traveler's usual place of work, list of travel itinerary or by providing information in a separate report on carrying out the assigned task. Urban transport (exceeding 10 km) can be summarized under one item.
- Documents in accordance with No. 9, a translation into English must be enclosed, if the Client requests it.
- Total amount of invoice
- Any advance payments received
- Tax number of the contractor.

If the Contractor is subject to turnover tax and has its registered office within the European Union, the turnover tax identification number must be stated. In these cases, the invoice must show the rate and amount of VAT separately. If this is required due to legal regulations and the financing of the framework agreement from public and church funds and donations, the invoice must include additional details.

1.2 Document check by an auditor

The Client and the Contractor may agree on a preliminary audit of the invoice and vouchers by an independent recognised auditor. The Client must be provided with evidence of the licence or registration as an independent auditing company. The Consultancy agreement and the present terms of payment shall form the basis of the document review. The Client shall provide the Contractor with a non-binding sample contract (sample "Agreed-upon procedures agreement"). The contractor agrees with the auditor that a copy of the concluded agreement and a copy of the audit report will be made available to the client.

1.3 Payments made by the Client

Payments by the Client will be made to the bank account specified in the agreement.

Incoming payments to accounts outside the European Union or foreign currency accounts must be confirmed in writing by the Contractor, stating the amount received (in foreign currency if applicable) and the date of receipt of payment. The confirmation must be accompanied by a copy of the bank voucher.

2. General invoicing issues

2.1 Conversion from foreign currency to euro

The Client pays and refunds in Euro. If the Contractor incurs expenses in foreign currency, the amounts will be converted into Euros.

- The conversion from foreign currency to Euro is carried out as follows: If the Contractor has incurred expenses in foreign currency or has received an advance payment in foreign currency, the exchange rate applicable at the time of payment or advanced payment will apply.
- If such an exchange rate is not available, the Contractor must provide evidence of the actual exchange relating to the invoiced costs.
- If no such evidence is available, the Client will apply exchange rates from reliable sources that are deemed reasonable. Using this method, the conversion takes place either periodically or on a daily basis for each individual issue.

3. Taxation

All declaration and payment obligations regarding taxes and duties are incumbent on the Contractor. These are not reimbursed by the Client.

Special provisions apply if the Contractor is domiciled outside Germany and conditions for a reverse charge procedure are met. To the extent that the provision of services by the Contractor is considered a taxable service under German tax law, the Client is legally required to submit the turnover tax payable in Germany on the invoiced amount to the German tax authorities.

If the Client is obliged by law to withhold and pay VAT on behalf of the Contractor (reverse charge procedure), the Contractor shall issue an invoice for the net amount only (without German VAT) in accordance with the applicable statutory provisions. Furthermore, the contractor is obliged to comply with the local regulations on income tax and VAT and to pay the taxes to the local tax authorities if the service is taxable abroad. It is strongly recommended for the Contractor to seek the advice of a tax adviser to ensure correct handling of tax issues.

4. Invoicing and settlement of invoices

4.1 Contractor remuneration (fee)

The Contractor will receive the agreed remuneration for actual services rendered. Remuneration is made per day in euros on a time and material basis. One day includes 8 full hours of work. If less than 8 hours are worked on any day, a pro-rata payment will be made. Per day a maximum of up to 8 hours are remunerated.

Travel time is remunerated with half of the agreed fee.

4.2 Advance payments

At the Contractor's written request and upon submission of a detailed action plan, the Client will make an advance payment for a period of up to three months up to a maximum of 40% of the contract sum, if appropriate. Further advance payments will only be made insofar as previous advance payments have been invoiced and insofar as no more than 40 % of the contract sum is thereby advanced. The granting of advance payments does not imply any acceptance of the services. Advance payments shall be set off against the next due payments, if services for which the advance payments have been granted are to be settled thereby.

4.3 Interim and final invoices

The Contractor will submit an interim invoice at the latest at the end of six months of the term of the agreement. After completion of the agreement, the Contractor will submit a final invoice. Both the interim invoice and the final invoice will be submitted within 30 days of the end of the respective invoice period. The interim invoice and the final invoice are prepared in accordance with item 1 of this Annex. The Client will pay the invoice within four weeks of its acceptance. If the advance

payments made exceed the services stated in the final invoice, the Contractor will repay the excess amount paid within four weeks of the Client's request. Advance payments shall be set off against the next due payments that are settling services for which the advance payments have been granted.

4.4 Retention

Notwithstanding the above provisions, advance payments and the settlement of interim invoices by the Client will only be made up to 80% of the contractual amount. Payments in excess of this will only be made in exchange to the presentation of the final invoice if the prerequisites for this are met.

5. Travel expenses incurred by Contractor

5.1 Transport expenses

Transport expenses for journeys of 10 km or more from the usual place of work of the traveler in the respective country/region will be reimbursed in accordance with the agreement. If no such regulation has been agreed on, reimbursements will be made in accordance with the rules of the Federal Travel Expenses Act (Bundesreisekostengesetz - BRKG). Reimbursable are costs for the least expensive but most adequate mode of transport and transport class (i.e. Economy Class for flights; for rail 2nd class or foreign equivalents to 2nd class tickets with Deutsche Bahn). The Client is requested to take environmental aspects into account when choosing the means of transport.

Transport costs are always documented by tickets used, supplemented by invoices and/or receipts.

Flight costs are documented by presenting the used flight ticket and boarding pass and the invoice or receipt of the travel agency.

Reimbursement for the use of a motor vehicle will be made in accordance with the rules of the German Federal Travel Expenses Act (Bundesreisekostengesetz – BRKG), unless otherwise agreed.

If evidence of a valid reason for the use of a taxi or rental car is provided, the necessary costs incurred will be reimbursed.

5.2 Contractor overnight stays

If an overnight stay was necessary to provide a service, the costs incurred will be reimbursed in accordance with the prior regulation. If no such regulation has been reached, reimbursement will be made in accordance with the rules of the Federal Travel Expenses Act (Bundesreisekostengesetz - BRKG).

It must be ensured that the invoices, in particular the data specified therein, are congruent with the travel itinerary and other receipts (e.g. for transport).

5.3 No reimbursement of subsistence costs, no payment of daily allowances or per diems

Subsistence costs, i.e. costs for meals, even during stays outside the usual place of work are not reimbursed. Daily allowances or per diems are not paid.

6. Other costs associated with contract performance

Additional costs (e.g. for communication, writing materials, photocopies, printing, bank charges etc.) incurred by the Contractor during the implementation of the contract, as well as the time spent on administrative tasks will be covered by the agreed remuneration (fee).

7. Costs for events with several participants

If the contract covers the organisation of events with several participants/partner organisations (conferences, workshops, consultations, etc.), the external costs for the event will be reimbursed. External costs are costs for deliveries and services which are not part of the Contractor's own services (e.g. costs for event rooms and technology, costs for catering, costs for speakers, handouts, interpreters, costs to be reimbursed to participants). Prior to events, the Contractor will consult with the Client on the event budget. An upper budget limit will be agreed which may only be exceeded with the express written consent of the Client.

A prerequisite for the reimbursement of costs to participants or for travel and accommodation costs of participants is a daily participant list containing signatures of all participants and their organisational affiliation.

The following details apply to the reimbursement of the costs of such events:

7.1 Travel expenses incurred by participants

As a rule, these costs are to be borne by the participants or their employer. Reimbursement by the Client will only be considered in exceptional cases and only if this has been expressly agreed in writing by contract. This requires full documentary evidence for each individual participant. In the event of reimbursement by the Client, Clause 5.1 shall apply analogously.

7.2 Overnight stays and catering costs for participants

Clause 5.2 shall apply analogously. In addition to generally required information, documentation on event costs must also be included: number of individuals, number of days/nights, rates for accommodation and meals and indication as to whether costs include full board, half board, or breakfast only.

No additional costs for food and beverages beyond full board or the usual refreshment services will be covered. In particular, no reimbursement will be made for "mini-bar" consumption in hotel rooms, alcoholic beverages or use of the hotel's telecommunications system.

7.3 Other costs incurred by participants

Additional costs incurred by participants will not be reimbursed.

7.4 Costs for conference rooms, technical equipment and catering during breaks

Documentation on costs must include details (number of participants, type and/or size of rooms, if applicable), supplemented by information from the Contractor, as needed.

8. Tenders

When awarding contracts for the supply of goods and services the Contractor shall apply the procurement law of its country applicable to supplies and services. The invitations of tender shall be conducted regularly in compliance with the principles of economy and efficiency and shall be subject to competition. Wherever possible, eco-fair procurement criteria shall also be taken into account. The tendering procedure shall be documented in writing.

Goods and services up to an estimated contract value of 1.000 Euro excluding value added tax may be procured without the need to conduct a tendering procedure, taking into account the budgetary principles of economy and efficiency (direct order). The Project Partner shall switch between the contracted companies; the process shall be documented.

It is not permitted to split one order into several tendering procedures, if the purpose of this is to fall below a maximum value.

9. Settlement against documented expenses and documentation requirements

Reimbursements of costs will only be made, if relevant supporting documents have been presented and up to the amount of the relevant receipts.. In particular, invoices, receipts or sales slips may be used as supporting documents. See No. 5.1 for documentation on transport costs incurred.

Cost estimates or non-binding price information are not acceptable forms of documentation. Documentation should include:

- Name and address of invoicing party (payee)
- Name and, if applicable, address of the service recipient
- Service rendered
- Total amount, if necessary in the required breakdown

Evidence must comply with applicable (tax) law. This may include, among other things, the separate disclosure of turnover tax or the provision of tax identification numbers (No. 1.1 applies analogously).

As a rule, only documents issued by third parties regarding delivered goods or services are accepted ("external documents"). In exceptional cases, substitute documents ("internal documents"), issued by the contractor, may also be accepted if there is a valid reason to do so.

The documents will be safeguarded by the Contractor for 10 years after the end of the contract period. The client may stipulate longer preservation obligations.

Should the Client be or become obliged to provide and submit evidence under the law, the

Contractor undertakes to submit the relevant evidence, e.g. for the commissioning of third parties, and to prove the cost-effectiveness of contract implementation and the commissioning of third parties.

If a lump-sum reimbursement of costs has been agreed on, this shall be made without documentary proof if the contractor invoices it.

A G R E E M E N T

with Contractors not based in the EU

Between

Evangelisches Werk für Diakonie und Entwicklung e.V.
 for Brot für die Welt
 Caroline-Michaelis-Straße 1
 10115 Berlin - Germany
 - hereinafter the "Client" -

and

Name:
Address:
Telephone:
Fax:
E-mail:

- hereinafter the "Contractor" -

the following agreement is hereby concluded:

1. Subject of the assignment:

<i>Short title of the assignment:</i>

<i>In all correspondence please supply the following reference number:</i>	Project/Sub-project n°
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Details of the assignment are to be found in the Terms of Reference attached as Appendix 1, which form an integral part of this agreement.

2. Remuneration and reimbursement of expenses

The Client will pay remuneration and reimburse expenses up to the following maximum limits

No.	Maximum remuneration and reimbursement (all amounts in Euro)							
2.1	Fee	Number of days:		Daily fee:		0,00	0,00	
2.2	Travel costs	Country	Number	Flat fee	Max. amount for costs-based reimbursement	Sub-total		
2.2.1	Accommodation					0,00		
2.2.2							0,00	
2.3	Other reimbursement of expenses							
2.3.1							0,00	
	Total contractual amount (gross)							0,00

The Contractor undertakes this assignment as a self-employed contractor. If the Contractor is subjected to any tax or duty, it will be his responsibility to acquit him- or herself of these.

If the Contractor is based outside of the European Union, and if the services provided are, according to German taxation law, additionally subjected to German turnover tax, it will be the responsibility of the Client to acquit themselves of this tax on the basis of the gross amount of the invoice issued by the Contractor.

The above payments cover all claims of the Contractor, including claims to payment arising on the basis of the rights granted pursuant to Section 3 of this agreement.

3. Rights granted

3.1 The results of work done and any versions intended for publication (hereinafter together "work") are the property of the Client.

3.2 If the Contractor is entitled to claim statutory copyright, the Contractor hereby grants the Client an exclusive right of use, not subject to any geographical or time limits, covering in particular the duplication, dissemination and publication of the work. This includes the right to present the work in the Internet.

3.3 The granting of these rights is covered by the payment of the agreed remuneration as per section 2 of this agreement.

4. Remuneration, payments, bank account

4.1 The Contractor will receive the remuneration offered for services actually rendered.

4.2 As part of this agreement, the "terms of payment" apply to the settlement of remuneration and costs to be reimbursed and payment modalities and are attached as Appendix 2.

4.3 Bank account

The Client will make payments to the Contractor, using the following account:

Holder of the bank account:

Account number:

IBAN:

BIC (SWIFT-Code):

Bank's name and address:

4.4 If this agreement is rescinded, the Client will be entitled to demand repayment of the remuneration paid out pursuant to Section 3, less than the value of any services already supplied and any expenditure on costs, in addition an interest rate of 6% per annum on this amount, starting from the date of the advance payment.

5. Contract term

The contract will come into force on		and end on the completion of the assignment, at the latest on	.
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6. Supply of services, impairment of performance, notice

6.1 In order to supply its services, the Contractor is entitled to use employees of his/her own and/or subcontract to third parties. The Contractor will in all cases remain responsible for the provision of the service and must indemnify the Client against any third-party claims.

6.2 The Contractor undertakes to remedy any defects discovered by the Client. This must be done within a reasonable period to be specified by the Client. Until a defect has been remedied, the Contractor will not be entitled to receive any further fee payments or reimbursements of expenses. Any additional costs incurred for the purpose of remedying a defect must be borne by the Contractor.

6.3 If the Contractor is obliged to travel in order to execute this assignment and the date of travel is postponed due to his/her own fault, there will be no entitlement to payment for the period of the delay. Any additional costs incurred as a result - e.g. rebooking or cancellation charges - must be borne by the Contractor.

6.4 If it should become impossible, in whole or in part, for the Contractor to execute the assignment due to circumstances for which neither he/she nor the client nor the organisation to be advised are responsible (natural disasters, the safety situation in the country concerned), the Contractor will either not be entitled to any fees or only be entitled to payment for the partial service actually supplied. Any overpayments must be reimbursed to the Client.

6.5 This agreement may be terminated by either party by giving two weeks' notice to the end of the month in writing.

6.6 If the Contractor's conduct threatens to damage the Client's image and reputation, the Client will be entitled to terminate the agreement without notice for good cause.

7. Liability

7.1 Unless otherwise provided in the following, any claims to damages by the Contractor against the Client are excluded. This does not apply to claims to damages based on injury to life, limb or health if the Client is responsible for the breach of obligation, or to any other claims based on an intentional or grossly negligent breach of obligation by the Client.

7.2 Any other claims by the Contractor, whatever their legal basis (in particular claims based on breaches of primary or subsidiary contractual obligations, claims to reimbursement of expenses, claims based on unlawful acts or on any other tortious liability), are excluded; this applies in particular to claims for consequential losses or loss of profit. It will not apply if the Client has breached a substantial contractual obligation or if the Client, its legal representative or its vicarious agent acted deliberately or with gross negligence. Substantial contractual obligations are obligations which protect legal rights of the Contractor which are integral to the contract and which the agreement by its very nature and purpose is effectively obliged to protect; other substantial contractual obligations are those whose satisfaction is indispensable to enable the contract to be properly executed and upon whose satisfaction the Contractor is entitled to and did rely.

7.3 If the Client is liable for a breach of a substantial contractual obligation, damages will be limited to foreseeable losses typical of the type of contract concerned.

8. Insurance cover, required certificates, cooperation

8.1 If this assignment involves foreign travel, the Contractor hereby gives assurance that there are no health reasons why travel to the countries concerned should not be undertaken and that he/she will comply with all relevant vaccination requirements. If necessary, the Contractor will provide the Client with a certificate stating that he/she is fit enough to travel in the tropics.

The Contractor is responsible for obtaining any visa necessary for travel to the country concerned in good time.

8.2 The Client has no travel, medical or accident insurance cover in place for Contractors either in Germany or abroad. The Contractor hereby undertakes to obtain the necessary insurance cover and to ensure that this cover includes all the countries in which travel is required.

The Contractor must also ensure that technical equipment taken on trips (recording equipment, laptops, mobile telephones etc.) is adequately insured against loss, theft, damage and destruction.

The cost of all insurance cover must be borne by the Contractor.

8.3 The Client is not liable for any losses suffered by the Contractor as a result of a failure to fulfil the above obligations.

9. Duty of care, confidentiality

9.1 The Contractor hereby undertakes to keep confidential any information acquired in connection with the execution of this assignment and not to pass either this or any data obtained in the process to any third party. The Contractor also undertakes to store any documents/records and other materials/equipment etc. supplied to him/her carefully and to protect them against unauthorised third-party access. Such documents/records and other materials/equipment must be returned to the Client on request.

9.2 The Contractor undertakes to keep confidential both during and after the termination of this agreement all information representing business or company secrets which is acquired by him/her in connection with the execution of this assignment. The Contractor must also keep confidential information which the Client designates as confidential.

10. Amendments of agreement, legal validity, legal venue

10.1 Amendments and additions to this agreement must be in writing to have legal force.

10.2 Should any individual provision of this agreement be invalid, this shall not affect the validity of its remaining terms.

10.3 This agreement is subject to German law. The language of contract for the purpose of legal interpretation is German. The two parties hereby expressly confirm that the German courts have jurisdiction. The place of performance and legal venue is Berlin.

11. Special terms

Contrary to the provisions of Section/Subsection Number:
the following is hereby agreed:

For the Client:	
Place and date:	Signature:
Place and date:	Signature:

For the Contractor:	
Place and date:	Signature:

Appendices:

Appendix 1: Terms of Reference

Appendix 2: Terms of Payment

EWDE-responsibilities for this contract:		Administrative information:	
Work unit:		Fonds-/project- or cost center no.:	
Contact person:		Sub-project-no.:	
Telephone:		Contract-no.:	
E-mail:			