

TVET SECTOR SUPPORT PROGRAMME

OPERATIONAL MANUAL TRAINING FUND

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TABLE OF CONTENTS

1.	Introduction.....	1
2.	Training Fund for Sindh and Balochistan:	3
2.1	Rationale of the Training Fund:.....	3
2.3	Financial Arrangements of the Training Fund:	5
2.4	Overview of the Training Fund Processes:	5
3.	Application Phase:	9
3.1	Stage 1: Expression of Interest.....	9
3.2	Stage 2: Short-listing of applicants	9
3.3	Stage 3: Commercial and Legal Eligibility Check.....	9
3.4	Stage 4: Proposal Development	10
3.5	Stage 5: Selection and Review Panel.....	14
3.6	Stage 6: Contract Awarding.....	15
3.6.1	Agreement type and definition:.....	15
4.	Implementation Phase:	16
4.1	General Obligation:.....	16
4.1.1	Implementation Principles:	16
4.1.2	Conflict of interest:	16
4.1.3	Dispute resolution:	17
4.1.4	Liability:.....	17
4.1.5	Force majeure:.....	17
4.1.6	Responsibility:.....	17
4.2	Administrative Provision:	17
4.2.1	Fund Disbursement:.....	18
4.2.2	Procurement Process:.....	25
4.2.3	Eligible and ineligible costs:	27
4.2.4	Project Changes, Supplement, No-Cost Extensions and Budget Modifications:..	28
4.2.5	Suspension of Agreement:	29
4.2.6	Sub-contract or sub-awarding:	30
4.2.7	Termination of the Agreement:.....	30
4.3	Control, Verification and Audit:	31
4.3.1	Right of Access:.....	32
4.3.2	Audit:	32

4.3.3	Verification missions:	32
4.3.4	Record keeping:.....	32
4.3.5	Verification outcome procedure:.....	32
4.4	Reporting, Monitoring and Evaluation:	33
4.4.1	Purpose and scope:	33
4.4.2	Information and Reporting:.....	33
4.4.3	Reporting Type:	33
4.4.4	Monthly Report:.....	34
4.4.5	Monitoring:	36
4.4.6	Evaluation:	38
4.5	Communication and Visibility:	38
5.	Closing Phase:	39
5.1	Final Audit Report:.....	39
5.2	Final Report:.....	39
5.3	Final Settlement:.....	41
5.3.1	Reimbursement Payment Procedures:.....	42
5.4	Submission of the Final Data:	43

Accroynoms

GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
NAVTTTC	National Vocational and Technical Training Commission
TVETA	Technical Vocational Education and Training Authority
QAB	Qualification Awarding Body
TVET SSP	Technical Vocational Education and Training Sector Support Programme
NSIS	National Skills Information System
NVQF	National Vocational Qualification Framework
CBT&A	Competency Based Training and Assessment
CVT	Cooperative Vocational Training
OJT	On-the-Job Training
MOC	Memorandum of Collaboration
PKR	Pakistani Rupee
NCE	No-cost Extension

1. INTRODUCTION

A country's economic performance, its social cohesion and international recognition highly depends on its human resources. The Government of Pakistan recognizes this opportunity and therefore strongly advocates Technical and Vocational Education and Training (TVET) as a mean to promote economic growth and human development. The launch of Pakistan's first national TVET Policy in March 2015 reflects the government's commitment towards providing access to high quality training for young people.

Since 2011, the TVET Sector Support Programme (SSP) has been supporting the Government of Pakistan (GoP) to establish the foundation for a Competency Based Training and Assessment (CBT&A) system in-line with the TVET Policy. The first phase of the TVET Sector Programme ended in December 2016 and achieved a number of milestones, such as the establishment of the National Vocational Qualifications Framework (NVQF), the development of 72 qualifications and the implementation of competency-based training for more than 16,000 young people. In the second phase between 2017 and 2021, the Programme further focuses on linking TVET provision with the labour market. The objective is to enhance the access for young people to quality skills development that meets the demands of the labour market.

In order to achieve the objective, the TVET Sector Support Programme uses the following approaches across all provinces and regions of Pakistan:

- **Strengthen competency based training and assessment:** The TVET Policy advocates a shift to competency based training and assessment, which departs from the traditional approach to education and training and places a strong emphasis on what a person can do in the workplace after the completion of training. The training approach is based on standards, which are set by the industry. Each trainee is assessed against these standards to ensure the required skills, knowledge and attitude are acquired to perform a job. In this way, competency based training supports learners to acquire competencies demanded in the labour market, which leads to better employability of graduates. The TVET Sector Support Programme assists the TVET sector in Pakistan in the development of national vocational qualifications and the establishment of an assessment and certification system across the country.

- **Promote workplace-based training:** The introduction of competency-based training promotes flexibility in the Pakistani TVET system by allowing for individualization and diversification of learning pathways. The National Vocational Qualifications Framework recognizes formal, non-formal and informal ways of learning and provides suitable assessment and certification mechanisms for them. In this way, training courses can be designed and delivered in a flexible manner that meets the requirements of enterprises. To achieve this, the TVET Sector Support Programme supports training providers to select qualifications relevant for the labour market and to combine learning at the classroom and at the workplace. This delivery approach allows learners to acquire and apply at the same time practice-oriented skills and, thus, improves their employability. Among the supported training pathways are on-the-job training, cooperative vocational training and apprenticeship training.

- **Engage private sector in TVET:** In order to link TVET provision with the demands of the labour market, private sector engagement is a key measure of the on-going reform. The introduction of competency-based training has provided the opportunity to meaningfully involve the private sector in the development of qualifications, the management of TVET bodies and institutes, the delivery of training programmes, and the assessment and evaluation of skill programmes. The TVET Sector Support Programme assists business industry associations to take advantage of these opportunities and support the TVET sector in developing a skilled workforce. The Programme therefore supports the establishment of Sector Skills Councils, the representation of private sector organizations on boards of TVET bodies and the strengthening of Institute Management Committees. Furthermore, support is provided to engage enterprises in the planning, implementation and assessment of training courses.

The TVET Sector Support Programme pursues all three approaches in order to support the Pakistani TVET sector to link training provision to the demands of the labour market. In the **result area 1** the Programme assists the National Vocational and Technical Training Commission (NAVTTTC) to steer and implement the reform by improving the coordination between public and private actors on both federal and provincial levels. In the provinces and regions the Programme provides technical assistance to the Technical Education and Vocational Training Authorities (TEVTAs), Qualification Awarding Bodies (QAB), relevant business industry associations, training providers and enterprises. The support is provided in the areas of private sector involvement, operationalization of reformed TVET, teacher and assessors training, development of qualifications and implementation of competency based training courses.

In the **result area 2** the TVET Sector Support Programme has established a Training Fund for Sindh and Balochistan to foster private sector engagement in designing, delivering and coordinating competency based training courses. The objective is to promote workplace-based training programmes, in which trainees learn skills, knowledge and attitude in a working environment combined with theoretical instructions. The Training Fund will therefore provide financial support to train 18,000 young men and women and prepare them for the labour market in Sindh and Balochistan.

This manual provides an overview of the Training Fund for Sindh and Balochistan. The chapter on the Training Fund describes the rationale behind the measure and the general processes of the fund management. In the following chapters, the manual will explain in detail the steps behind the application, implementation and closing processes and will introduce the working templates for each of the steps described.

2. TRAINING FUND FOR SINDH AND BALOCHISTAN:

2.1 Rationale of the Training Fund:

The TVET sector in Sindh and Balochistan has an existing system with infrastructure and personnel. However, the TVET provision in large parts of both provinces is not oriented towards the demand of the labour market. The shortcomings can be summarized in the following two points, which gravely affects the already low reputation of the TVET system in both provinces:

- a) Training institutes plan and deliver training courses in isolation from the private sector, thus irrelevant qualifications are offered, which, on the one hand, does not match the skill needs of local enterprises and, on the other hand, decreases the employment opportunities of the trainees.
- b) Training institutes solely focus on school-based training and do not provide the opportunity for trainees to practice knowledge and skills in a working environment as part of training programmes. As a result, graduates of TVET institutes in Sindh and Balochistan suffer from low employability and are not able to find jobs.

In the last years the public and private sector brought TVET back on the agenda and increased investments into the sector. Through the skills development programmes, the provincial governments can address some of the challenges faced from the rapid population growth by improving the income and the employment situation of young people. The private sector equally has announced its interest to participate and contribute to TVET provision in Sindh and Balochistan. The motivation of enterprises to join TVET is driven by the challenge to find skilled workers on the labour market.

The Training Fund for Sindh and Balochistan considers the interest of both the provincial governments and the private sector and supports the TVET sector in offering training solutions for the labour market. The objective of the TVET Sector Support Programme and therein the Training Fund is to facilitate the training of 18,000 young people and prepare them for successfully entering the labour market. The Training Fund foresees that at least 75 percent of the graduates, including 30 percent of women, shall be employed or self-employed after finalizing the supported training courses. The pass-outs shall earn at minimum a monthly income of 13,000 PKR in a relevant occupation they learnt during the training. Nonetheless, The TVET Sector Support Programme therein the Training Fund would like to encourage the Applicant Organizations in improving the implementation of Gender mainstreaming in TVET Sector in Sindh and Balochistan and thereby pursues a target of 30 percent of women inclusion in the training programmes funded by the programme.

In order to achieve this, the Training Fund assists the Applicant Organization through financial contributions based on agreed measures. The Training Fund sets the requirement for proposals that Applicant Organization introduces competency-based training and assessment and promotes workplace-based training. In this way, the Training Fund ensures that TVET providers offer training solutions, which meet the expectations of enterprises and improve the employability of graduates. The application process for the Training Fund foresees that training institutes in advance agree with the private sector on the cornerstones of the training programme and on how partnering enterprises are engaged in the planning and delivery of training. The proposals shall define the training needs of enterprises, the selection of relevant qualifications, the delivery mode of the training programme and the coordination with partnering enterprises. In a nutshell, successful proposals shall cover the following points:

- Specification of training needs in enterprises: The Training Fund focuses on priority sectors in Sindh and Balochistan, which ideally has higher employment potential for TVET graduates. The list of the selected sectors is available on the website of the TVET Sector Support Programme (<http://tvetreform.org.pk/private-sector-engagement/>). Before preparing a proposal, the Applicant Organization shall establish a dialogue with selected

enterprises in the priority sectors to identify training needs. Both partners shall discuss and identify the skill shortages in the proposal, which will improve the operations of enterprises. In the needs assessment it is important to identify the training needs and to quantify the number of new staff, enterprises are willing to employ. In this way, the Applicant Organization is able to ensure that the planned training programme supported by the Training Fund directly leads to employment.

- Selection of national vocational qualification: The training needs assessment becomes the foundation for further planning the training programme in the proposal. Based on the findings the Applicant Organization and partnering enterprises shall select a qualification from the NVQF to address the skill need (Annex 10: list of national vocational qualifications).

- Delivery of training: The Training Fund only supports the implementation of workplace-based training programmes, in which part of the training is conducted in a workplace setting. In the proposal the Applicant Organization selects either on-the-job training, cooperative vocational training or teaching factory as the preferred delivery mode. These delivery modes ensure that trainees acquire at the same time theoretical knowledge and practical skills required to perform a job. Below is a brief description of the three training delivery approaches that is supported by the TVET Sector Support Programme:

- a) On-the-job training programme course is entirely conducted in an enterprise supported by company instructors. The theoretical knowledge is taught either through teachers visiting the partnering enterprises or through blended learning programmes.
- b) Cooperative vocational training, in contrast, links theoretical training in training institutes with on-the-job training in partnering enterprises. The time sequence of institutional and on-the-job training in a course is responsive to the stakeholder's preferences and is defined through consultations among the enterprises and training institutions in the planning phase.
- c) The teaching factory is a new concept to Pakistan, in which a training provider introduces a factory environment within the classroom. The trainees are taught theoretical knowledge and in parallel take part in production processes, which are connected to supply chains outside of the training institute.

- Coordination of training: In order to facilitate the coordination throughout the planning and delivery of the training course, it is important that the Applicant Organization agrees on a coordination arrangement with the partnering enterprises and specifies it in the proposal. The coordination can be structured through a committee or other institutional arrangements, which ensure that joint decisions are made by the Applicant Organization and partnering business industry association and enterprises with regards to the selection of the qualification, the training design and delivery mode, monitoring and vocational counselling and job placement. The committee can further be used as a clearing point for challenges occurring in the training implementation. The Training Fund particularly encourages the involvement of business industry association in the coordination of training. Business industry associations have the advantage that they represent a variety of enterprises in a particular sector or a region and can, thus, serve as a counterpart for the Applicant Organization in coordinating the training programme. Business industry associations can take over tasks, such as identifying and supporting enterprises as training partners for the proposed measure. In this way, business industry associations are able to support the training providers in increasing the outreach of the training programme.

The overall purpose of the Training Fund is to create and strengthen linkages between the private sector and the training providers and is furthermore designed to promote workplace-based training in the TVET landscape of Pakistan with emphasis on involving business industry associations and enterprises in planning and delivering training. Funded projects should therefore suggest innovative solutions on how to address skill needs of the private sector and improve the employability of graduates.

Globally, TVET experts are convinced that engaging the private sector in all procedures relevant to TVET provision is the most effective approach and has promising results. Case studies from other countries, in which

the cooperative training approaches are applied, suggest workplace-based training as the most promising way to match vocational training with the demand of the labour market. In this way, the Training Fund provides mutual benefits to training institutes, enterprises and young people.

2.3 Financial Arrangements of the Training Fund:

Based on approved applications, the Training Fund provides financial resources to plan, deliver and monitor workplace-based training in accordance with the Training Fund's objectives.

The Training Fund is able to cover costs in relation to the personnel. This includes HR related costs for project coordination, administration and finance, procurement, industrial linkages and job placement. In this regard, the Training Fund puts a special focus on personnel costs for enabling that the teaching and training is conducted in the training institute and partnering enterprises. For the preparation of the training programme the Training Fund provides financial input for the development of the training design, production of teaching and learning resources (if not available in the qualification packages), procurement of equipment (including the safety and health measures) and consumables and the accreditation with relevant authorities and bodies. Furthermore, the Training Fund covers training, counselling, assessment and placement related costs, which should be used to support the implementation of training in the training institutes and partnering enterprises. In this regard, the Training Fund can also provide financial support to cover transportation costs for distances up to 25 kilometres. Under indirect costs the training provider is, finally, able to request financial support to cover coordination and communication expenses, utility bills and office supplies.

Notwithstanding the foregoing, in-kind and financial contribution of the Applicant Organization to the proposed project implementation is a prerequisite to the agreement. While the in-kind contribution entirely depends on the nature and requirement of the project therein the availability of the resources with the Applicant Organization, the financial contribution to the project implementation is a must and shall make up to 20 percent of the overall project budget estimation. The exact percentage of the Applicant Organization financial contribution will depend upon the project requirement and negotiation made with the GIZ TVET Sector Support Programme, nonetheless, the following principles shall be observed when including contribution costs in the project budget:

Accordingly, the Training Fund provides financial contribution of up to 80 percent of training related costs defined in the proposal, if training programme covers the requirements of the Training Fund and other legal prerequisites.

2.4 Overview of the Training Fund Processes:

The Training Fund operates on the basis of defined procedures and regulations, determined by GIZ's internal regulations, which is described in this manual.

In the following chapters the manual describes the rules and procedures behind the Training Fund and answers related questions on how to apply for the Training Fund, how to manage and administer approved projects, and how to successfully close projects. Generally, this manual differentiates between three different phases, which are the following:

- **Application Phase:** In this phase, there are 6 distinct stages through which applications will be processed and applicants that successfully fulfil the requirements of each stage will be put forward for processing in the subsequent stage. In other words, each stage is intended to thoroughly examine the suitability of each applicant and the quality of its proposal based on set of defined criteria:

Stage 1: Applicant Organizations will be invited to submit an expression of interest which will be announced on the websites of the GIZ TVET Sector Support Programme and the National Vocational and Technical Training Commission (NAVTTTC).

Stage 2: Applications will be examined on the basis of criteria published in the terms and conditions of expression of interest and a short-list of applicants will be prepared by a panel comprising of representatives of the GIZ TVET Sector Support Programme and the National Vocational and Technical Training Commission (NAVTTTC).

Stage 3: For each of the organizations a suitability check will be conducted, which have been short-listed. The suitability check assesses among others the commercial, operational and legal capacity of the Applicant organizations. The suitability check needs to be completed successfully to qualify for the following stages of the Application Phase.

Stage 4: The Applicant Organization will be provided with support, individually or in a group, to develop the technical and financial proposals on the standard template and prepare a number of other complementary documents.

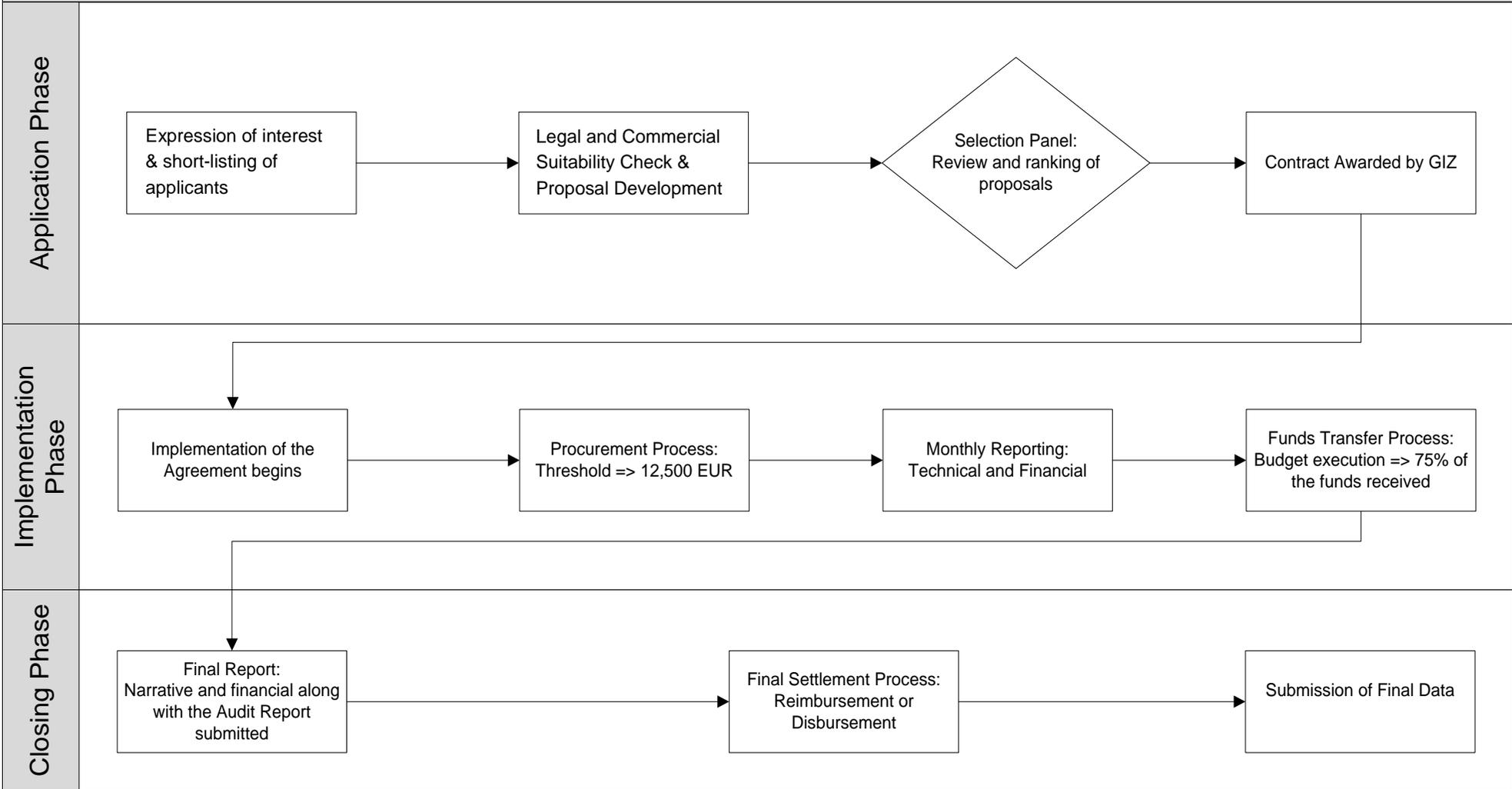
Stage 5: The final technical and financial proposals of the Applicant Organizations will be presented to a Selection and Review Panel, comprising of representatives from the NAVTTTC and the private sector, who will rank the proposals according to a defined set of assessment criteria, such as the quality of the proposed training programme and the estimated labour market outcome.

Stage 6: The results of the ranking will be considered by the GIZ TVET Sector Support Programme and accordingly, in the first place, top ranking proposals will be put into process of contract awarding and should the availability of funds, for the year in question, permits so, the remaining proposals will be put forward for contract awarding.

- **Implementation Phase:** After the award of the contract the Recipient Organization is entitled to request advance payments in order to implement the project proposal according to the agreed outputs and activities. In this regard, the Recipient Organization shall adhere to financial, administrative and management procedures outlined in this part of the manual. The part of the manual furthermore provides templates for monitoring and reporting purposes.

- **Closing Phase:** In this phase, the Recipient Organization shall adhere to financial, administrative and management procedures outlined in this part of the manual.

Training Fund – Process Flowchart



3. APPLICATION PHASE:

This part of the manual aims at providing the necessary information in general and outlining the 6 distinct stages through which applications will be processed. The applicants that successfully fulfil the requirements of each stage will be put forward for processing in the subsequent stage.

There are six headings in this chapter of the manual which are 1) Expression of interest, 2) Short-listing of applicants, 3) Commercial and Legal Eligibility Check, 4) Proposal Development, 5) Selection and Review Panel, and finally 6) Contract Awarding. The information and guidance provided under each of the headings intends to help the Applicant Organization in understanding the procedure and requirements according to which their application will be processed and considered for a contract award.

3.1 Stage 1: Expression of Interest

The TVET Sector Support Programme in Sindh and Balochistan, where the Training Fund mainly operates, will advertise an expression of interest on the websites of the TVET Sector Support Programme and the National Vocational and Technical Training Commission (NAVTTTC).

The expression of interest notice will provide a link to terms and conditions which will explicitly layout the qualification criteria, the documents and the deadline for submission for the Applicant Organization. Nevertheless, the notice will remain open for a specific period within which the interested Applicant Organizations are invited to submit their bids to the TVET Sector Support Programme.

TVET Sector Support Programme in Sindh and Balochistan, depending on the need and the intended plans of the programme, reserves to right to pursue this process as many times as it deems necessary in a given period.

3.2 Stage 2: Short-listing of applicants

In this stage of the application process, pursuant to the submission of the expression of interest, the submitted bids of Applicant Organizations will be thoroughly examined by a committee. In complying with standards of the transparency, the applications can and must only be screened and stringently examined against the sets of qualification criteria which is outlined in the terms and conditions of the expression of interest.

The intended results of this stage of the application process is that the committee will be expected to put forward a short-list of Applicant Organizations that have met the criteria and maybe considered for the subsequent stages of the application process.

The results of this stage of the process will be communicated with all the Applicant Organizations through the websites of the TVET Sector Support Programme and the National Vocational and Technical Training Commission (NAVTTTC). Nevertheless, reaching this short-listing stage doesn't automatically interpret into awarding of contract to the Applicant Organization. The short-listed Applicant Organizations will have to go through the subsequent stages where they will be put through further processes and lens of scrutiny.

3.3 Stage 3: Commercial and Legal Eligibility Check

GIZ's internal regulations and therein the TVET Sector Support Programme requires that the Applicant Organizations are checked on their commercial, operational and legal capacity. This exercise is called a commercial and legal suitability check and is of critical nature in the decision-making process of whether or not an Applicant Organization meets the minimum criteria for partnership.

Soon after the successful completion of stage 2, the short-listed Applicant Organizations will be approached by the Training Fund team to conduct a thorough assessment of the commercial and legal eligibility. The

Applicant Organization maybe required to provide further information on the commercial and legal aspects, if required.

During the eligibility check the Training Fund team will look into the following organizational, administrative and financial aspects of the Applicant Organization:

- a) Legal form of the institution or organization: What is the legal form of the institution or organization? How is the institution or organization registered? The Applicant Organization is required to provide evidence of legal form and registration.
- b) Public-benefit status: Does the institution or organization have a public-benefit status? Does it have non-profit status under the partner country's legislation? Is there any intention according to the project proposal to use the funds for tax-privileged purposes? The organization is required to provide background documentation to confirm the public-benefit status.
- c) Accounting: The eligibility check must determine whether there is an appropriate accounting system with qualified personnel. As a minimum requirement, this system must meet national standards, and where larger sums are involved possibly also international accounting standards. This requires information on annual budget and properly drawn up annual financial statements, annual sales figures and implemented budgets for the past three years, comparison with level of planned financing.
- d) Contract award procedures: Does the Applicant Organization apply rules that meet national legislation and international standards? The Applicant Organization is required to provide information on procedures with regards to contract award legislation, implementation, and results of checks?
- e) Internal and external controls: The Applicant Organization is required to provide background information on the existence, mandate and quality of internal control bodies. This also refers to external audit bodies and audit reports, including those of other donors.
- f) Previous experience: The Applicant Organization provides information on the extent of previous experience, quality of technical and administrative implementation of previous financing arrangements, including funds provided by other donors.

3.4 Stage 4: Proposal Development

In this stage, the Applicant Organization will be provided with the support, individually or in a group, in order to develop the technical and financial proposal on the standard templates. Nonetheless, in order for this stage to be a more productive one, it is understood that the Applicant Organization have had a dialogue and agreed with the private sector on the cornerstones of the training programme and on how partnering enterprises are engaged in the planning and delivery of training.

In a nutshell, a comprehensive proposal shall cover the following points:

- Specification of training needs in enterprises: The Training Fund focuses on supporting training initiatives in Sindh and Balochistan, which ideally has higher employment potential for TVET graduates. Therefore, while preparing application, the Applicant Organization shall establish a dialogue with selected enterprises to identify skills shortages and define training needs and packages from the NVQF to address the deficiencies of skilled labour-forces of the market. In this way, the Applicant Organization is able to ensure that the planned training programme supported by the Training Fund directly leads to employment.

- Selection of national vocational qualification: The training needs assessment becomes the foundation for further planning the training programme in the proposal. Based on the findings, the Applicant Organization and

partnering enterprises select national vocational qualification(s) from the NVQF to address the skill need (Annex 10: list of national vocational qualifications).

- **Delivery of training:** The Training Fund only supports the implementation of workplace-based training programmes, in which part of the training is conducted in a workplace setting. In the proposal the Applicant Organization selects either on-the-job training, cooperative vocational training or teaching factory as the preferred training delivery mode. These training delivery modes ensure that trainees acquire at the same time theoretical knowledge and practical skills required to perform a job. Below is a brief description of the three training approaches that is supported by the TVET Sector Support Programme:

- a) On-the-job training programme course is entirely conducted in an enterprise supported by company instructors. The theoretical knowledge is taught either through teachers visiting the partnering enterprises or through blended learning programmes.
- b) Cooperative vocational training, in contrast, links theoretical training in training institutes with on-the-job training in partnering enterprises. The time sequence of institutional and on-the-job training in a course is responsive to the stakeholder's preferences and is defined through consultations among the enterprises and training institutions in the planning phase.
- c) The teaching factory is a new concept to Pakistan, in which a training provider introduces a factory environment within the classroom. The trainees are taught theoretical knowledge and in parallel take part in production processes, which are connected to supply chains outside of the training institute.

- **Coordination of training:** In order to facilitate the coordination throughout the planning and delivery of the training course, it is important that the Applicant Organization agrees on a coordination arrangement with the partnering enterprises and specifies it in a form of a Memorandum of Collaboration (MoC). The coordination can be structured through a committee or other institutional arrangements, which ensure that joint decisions are made by the Applicant Organization and partnering business industry association and enterprises with regards to the selection of the qualification, the training design and delivery mode, monitoring and vocational counselling and job placement. The committee can further be used as a clearing point for challenges occurring in the training implementation. The Training Fund particularly encourages the involvement of business industry association in the coordination of training. Business industry associations have the advantage that they represent a variety of enterprises in a particular sector and can, thus, serve as a counterpart for the Applicant Organization in coordinating the training programme. Business industry associations can take over tasks, such as identifying and supporting enterprises as training partners for the proposed measure. In this way, business industry associations are able to support the training providers in increasing the outreach of the training programme.

In this stage of the process, the Applicant Organization will be requested to prepare an in-depth financial and technical proposal using below-listed templates. The Applicant Organization will be briefed on the templated and guided along the way.

- a) Technical Proposal (see Annex 2a)
- b) Financial Proposal (see Annex 2b)

In addition to these templates and any annexures thereto, the Applicant Organization will be requested to equally take care of the followings which are mandatory for processing of the application at the later stage in the process.

- a) Opening of separate project account (savings account);
- b) Obtaining authorization letter and no-objection-certificate from relevant authority for signing and partnering with GIZ TVET SSP (where applicable);
- c) Preparation and signature of the memorandum of collaboration (MoC) for coordination and delivery of the training programme with partnering business industry association and enterprises;

The list below is not exhaustive and, therefore, the Application Organization maybe asked to take care of other matters while the proposal is being developed.



How to use the Annex 2a: Technical Proposal

The Technical proposal shall be developed in line with the expression of interest and the template provides the following description fields to specify the project proposal:

- Profile of the applicant organization and the partnering business industry association and enterprises: In this part of the document, the applicant organization is expected to elaborate on the organization`s vision, mission and values. Furthermore, the Applicant Organization is asked to provide background information on its organizational structure, annual budget of the last 3 years, a description of the training facilities and other information. The Applicant Organization is also requested to elaborate on the business industry association and enterprises with which its partnering and following information to be highlighted: business name, contact person detail, address, business nature, business size and industry.
- Objective(s) of the Project: The Applicant Organization must elaborate on the objectives of the project, which must be specific, measurable, achievable, realistic and time-bound.
- Training programme details : In this part of the document, the Applicant Organization is expected to provide necessary information on the training programme under the respective sub-heading.
- Assessment and Certification: In this part of the document, the Applicant Organization must describe assessment procedures selected for conducting the assessments (formative and integrated) and highlight the involvement of partnering business industry association and enterprises and how the different activities will be managed under the respective sub-headings.
- Employment potential and joint placement strategy: In this part of the document, the Applicant Organization, in line with the training needs identified, shall describe the potential for placement and involvement of the partnering business industry association and enterprises. In this regard, the strategy shall differentiate between employment and self- employment.
- Quality Assurance: In this part of the document, the Applicant Organization must elaborate on the status and plans for complying with the measures for quality assurances regulated by the Government of Pakistan in each of the provinces;
- Description of project measures: In this part of the document, the Applicant Organization shall provide the expected project measures and activities for achieving the overall objectives. The description of project measures and activities proposed shall represent a clear understanding of the National Vocational Qualification Framework (NVQF) and should contribute towards achieving of the overall Training Fund and therein the TVET Sector Support Programme objectives.
- Risk and mitigation strategies: In this part of the document, the Applicant Organization shall provide a list of main risks underlying the project that may prevent the successful implementation of the project and achievement of the expected results. The Applicant Organization shall indicate whether the risk is high, moderate or low. For each risk identified, describe possible mitigation strategies.



How to use the Annex 2b: Financial Proposal

This annex consists of two excel sheets 1) Budget Forecast Summary and 2) Budget Forecast Breakdown and below is a brief guide on the usage of these sheets:

In principle, you will have to start by providing the necessary details in the budget forecast breakdown sheet which consist of the following cost category:

- Personnel: The Applicant Organization should provide the list of the personnel and their associated costs required to plan and execute the project activities.
- Pre-training: The Applicant Organization should provide the list and the associated costs required before imparting the trainings.
- Training: The Applicant Organization should provide the list and their associated costs required for imparting the trainings.
- Post-training: The Applicant Organization should provide the list and their associated costs required in the post-training stage.
- Traveling: The Applicant Organization should provide the list and their associated costs required for transportation needs before, during and after the training stages.
- Indirect: In this section, the application organization should provide the list and their associated costs to cover administrative cost of the before, during and after the training stages.

Under each cost category the Application Organization will define cost relevant activities, which further need to be described in the following different columns, listed below:

- Budget Line Code: The Applicant Organization should define a unique code for each budget item listed under the cost category, which then is defined as Budget Line.
- Description: The Applicant Organization should provide a brief description for each budget item listed under the cost category.
- Quantity: The Applicant Organization should provide the overall quantity required for each budget item listed under the cost category.
- Unit: The Applicant Organization should provide the unit of measure for each budget item listed under the heading.
- Unit Cost PKR: The Applicant Organization should provide the unit cost in Pakistanis Rupees for each budget item listed under the cost category.
- Total: The Applicant Organization should multiple the column Quantity to Unit and then to Unit Cost PKR columns to obtain the total forecasted budget for each budget item listed under the cost category.
- GIZ Contribution: These columns provide the detail of the contribution from the GIZ and therein the TVET Sector Support Programme:

- Quantity: The Applicant Organization should define the quantity from the overall quantity required for each budget item listed under the cost category, which should then form the contribution of the GIZ.
- Total: The Applicant Organization should multiply the column Quantity (of the GIZ's Contribution) to Unit and then to Unit Cost PKR columns to obtain the total forecasted for each budget item listed under the cost category.
- Recipient Contribution: These columns provide the detail of the contribution from the Recipient Organization:
 - Quantity: The Applicant Organization should define the quantity from the overall quantity required for each budget item listed under the cost category, which should then form the contribution of the Recipient Organization.
 - Total: The Applicant Organization should multiply the column Quantity (of the Recipient's Contribution) to Unit and then to Unit Cost PKR columns to obtain the total forecasted for each budget item listed under the cost category.

The sheet budget forecast summary, as the name indicates, consist of only summarized information which should be automatically filled with costs in PKR from the Budget Forecast Breakdown sheet.

This sheet has three main columns in addition to the cost categories which are a) GIZ Contribution, b) Recipient Contribution and finally c) Total. These 3 columns evidently, under the respective cost category, will have the overall costs in PKR which is automatically filled with costs in PKR from the Budget Forecast Breakdown sheet and furthermore provides one additional column called 'EURO' so that Applicant Organization using the official exchange rate of the month from the link here (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_de.cfm) to convert the PKR costs in Euro. The Euro amount will be used in the contract awarding stage of the Application Process.

3.5 Stage 5: Selection and Review Panel

In this stage of the process, the Panel, consisting of 3 members from NAVTTC and 3 individuals from private sector of the respective province, will rank the technical proposal and the capacity of the Applicant Organization on a pre-defined scale, bearing in mind the following questions that are relevant for assessing the eligibility and quality of the proposal:

- a) Is the application in line with the objectives of the Training Fund and therein with TVET Sector Support Programme?
- b) Does the Applicant Organization possess the required capacity to implement the proposed training programme?
- c) What is the labour market outcome of the proposed training programme?
- d) What is the level of engagement of organization from the private sector in coordinating and delivering the training?
- e) What is the degree of innovation in linking classroom training with workplace-based training?
- f) What is the level of sustainability in establishing cooperation between the training provider, business industry associations and enterprises?

The selection panel will be convened, as necessary, to select the most promising proposals for the next stage of the application process.

3.6 Stage 6: Contract Awarding

In this stage of the process, the full proposal set consisting of a) final technical proposal (See Annex 2a) and b) final financial proposal (See Annex 2b) and other complementary documents are considered for drafting the Agreement.

The Training Fund team drafts the Agreement and submits the request along with the full proposal set to the GIZ Contract Awarding Unit. The Contract Awarding Unit reviews the documents and clarifies any questions with the Training Fund team and the Applicant Organization, should there be the need.

The Agreement is signed, in two originals, first by the GIZ Contract Awarding Unit and then by the Recipient Organization to formalize the engagement with the TVET Sector Support Programme, through the Training Fund.

In the subsequent article, the manual provides you with additional information with respect to the Agreement type, duration, currency and exchange rate.

3.6.1 AGREEMENT TYPE AND DEFINITION:

Financing Agreement:

The GIZ and therein the TVET Sector Support Programme would engage into partnership and conclude a project agreement of this type, if and when the Recipient Organization is GIZ's implementation partner as defined in the programme proposal or implementation agreement, for example, TVETAs or one of the subordinate partner structures of TVETAs.

The currency and the exchange rate and the duration of the agreement is depending on proposals considered and the contract processing units of the organization.

Grant Agreement:

The GIZ and therein the TVET Sector Support Programme would engage into partnership and conclude a project agreement of this type, if and when the Recipient Organization isn't GIZ's implementation partner. To this category belong private training institutes, training institutes established within an organization, such as a foundation or business industry association, training institutes established by non-governmental organizations with a track record in training delivery and other organizations with a stake in TVET delivery complying with the formal requirements stated below.

The currency and the exchange rate and the duration of the agreement is depending on proposals considered and the contract processing units of the organization.

4. IMPLEMENTATION PHASE:

This part of the manual aims at providing the necessary information in general and outlining the rules relating to the project implementation and the execution of the Agreement signed between the Recipient Organization and the GIZ TVET Sector Support Programme.

There are five headings in this chapter of the manual which are 1) General Obligation, 2) Administrative Provision, 3) Control, Verification and Audit, 4) Reporting, Monitoring and Evaluation, and finally 5) Communication and Visibility. The information and guidance provided under each of the headings intends to help the Recipient Organization understanding the scope of the responsibility, the engagement and of the requirements during the implementation of the project Agreements and as such this manual forms as the integral part of the Agreement signed between the Recipient organization and GIZ TVET Sector Support Programme.

4.1 General Obligation:

This heading intends to clarify some of the guiding and core principles of the engagement with the GIZ and therein with the TVET Sector Support Programme to which the adherence of the Recipient Organization, during the implementation of the project Agreement, is indispensable which are set out in the following sub-headings 1) Implementation Principles, 2) Conflict of Interest, 3) Dispute resolution, 4) Liability, 5) Force Majeure and finally 6) Responsibility.

4.1.1 IMPLEMENTATION PRINCIPLES:

- a) The Recipient Organization shall implement the project with the requisite degree of care, efficiency, transparency and diligence and in compliance with the Agreement and this guideline.
- b) The Recipient Organization shall perform the activities assigned to it under the Agreement in accordance with the principle of sound financial management, transparency and non-discrimination.
- c) The activities shall be properly prepared, with a clear and verifiable objective, which shall be achieved within the Agreement period; the results obtained should be assessed through specific, measurable, achievable, and relevant and time bound indicators.
- d) In the performance of the activities, the Recipient Organization may apply its own accounting system, which shall provide timely, accurate, complete and reliable information; ensure the functioning of an effective and efficient Internal Control System and be subject to an independent audit performed in accordance with internationally accepted auditing standards by a functionally independent audit service.
- e) In the performance of the activities, the Recipient Organization must refrain from any activity that is environmentally hazardous, promotes drug or alcohol abuse, conflict, violence or discrimination on the basis of gender, religion, social status or ethnicity.

4.1.2 CONFLICT OF INTEREST:

- a) The Recipient Organization shall refrain from any action that may give rise to a conflict of interest.
- b) There is a conflict of interest where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party, such as a Contractor or enterprise.

4.1.3 DISPUTE RESOLUTION:

- a) The Agreement and this manual shall clearly define the responsibilities and obligations of both the Recipient Organization and GIZ TVET Sector Support Programme in order to minimize the possibility of disputes and disagreements.
- b) Amicable settlement is the first step in a dispute resolution process. All negotiations undertaken to reach amicable settlement are based on openness to compromise since this is often less costly than alternative methods of dispute resolution.
- c) Where negotiation is not possible or fails, the parties maybe get engaged into mediated dispute resolution by submission to an agreed impartial third party that has a non-binding authority.

4.1.4 LIABILITY:

- a) The GIZ TVET Sector Support Programme shall not under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Recipient Organization while the project activities are being carried out or as a consequence of the project activities. GIZ TVET Sector Support Programme shall not therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- b) The Recipient Organization shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the project activities.
- c) The Recipient Organization shall discharge the GIZ TVET Sector Support Programme of all liability associated with any claim or action brought as a result of an infringement of the Recipient Organization rules and regulations committed by the employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights.

4.1.5 FORCE MAJEURE:

- a) Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it has been prevented from performing them by *force majeure*.
- b) *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their contractual obligations, which is not attributable to error or negligence on their part and which proves overwhelmingly challenging in spite of all due diligence.
- c) Defects in equipment or material or delays in making them available or financial difficulties cannot be invoked as *force majeure*.

4.1.6 RESPONSIBILITY:

- a) The Recipient Organization shall remain fully responsible for organizing, planning, managing and monitoring project activities and resources well within the financial contribution of the GIZ TVET Sector Support Programme.
- b) The Recipient Organization shall remain fully responsible towards the GIZ TVET Sector Support Programme for the implementation of the project and for ensuring compliance with the provisions of the Agreement and this guideline, regardless whether the recipient itself or Business Industry Associations carries out the activities.

4.2 Administrative Provision:

This heading intends to set the frame of the Agreement execution and provides specific information and guidance with respect to fund disbursements, procurement processes, eligible and ineligible costs, project

changes, suspension, sub-awarding and termination processes which are set out in the following sub-headings 1) Fund Disbursement, 2) Procurement Process, 3) Eligible and ineligible costs, 4) Project Changes, Supplement, No-Cost Extensions and Budget Modifications, 5) Suspension of Agreement, 6) Sub-contract and sub-awarding, and finally 7) Termination Procedures.

In the subsequent articles of the present chapter, the requirements and procedures along with the standard formats are distinguished between those of the Financing Agreement and those of the Grant Agreement. Therefore, the Recipient Organizations are requested to pay attention to the requirements which is specific to the Agreement type they have signed with the GIZ.

4.2.1 FUND DISBURSEMENT:

In the subsequent articles, the requirements and procedures along with the standard formats are distinguished between those of the Financing Agreement and those of the Grant Agreement. Therefore, the Recipient Organizations are requested to pay attention to the requirements which is specific to the Agreement type they have signed with the GIZ.

4.2.1.1 Advance Payment Procedures:

- a) The GIZ's internal regulations require the Recipient Organization to open a special profit and loss account (PLS) for the Agreement (Financing Agreement or Grant Agreement) which have been signed by Parties. The funds transferred by GIZ TVET Sector Support Programme shall, at all times, be held in this special bank account until they are used for payment of the supplies and services of the Agreement.
- b) The Recipient Organization's credit balance in this 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 standard formats (See Annex 6 for Financing Agreement or Annex 3e for Grant Agreement). The GIZ reserves the right to deduct such interest from the financial contribution.
- c) Upon signature of the Agreement (Financing Agreement or Grant Agreement) by Parties, the Recipient Organization shall submit a written call for disbursement (Advance Payment) to the GIZ TVET Sector Support Programme.
- d) The Advance Payment is agreed upon by Parties on the basis of the project implementation plan or otherwise stipulated in the Agreement. The advance payment shall, however, not exceed the sum of Euro 150,000.00 or 50 percent of the total amount of the financial contribution.
- e) The request shall be presented using the standard format (See *Annex 5* for Financing Agreement or *Annex 3c* for Grant Agreement) of the Agreement, including any annexes attached thereto. Funds remaining from the preceding transfer and revenues in connection with the Project shall offset the advance payment.
- f) Further information on the subject matter can be found in the Annex 4 (Advance Payment Procedures) of this Manual.

4.2.1.2 Call for Disbursement:

- a) The Call for Disbursement here refers to, in the GIZ internal regulations, release of ensuing installments of the approved Project Budget to the Recipient Organization.
- b) The prerequisite for the Recipient Organization to submit a written call for disbursement is that at least 80 percent of the preceding funds have verifiably been expended for the project implementation.

- c) The remaining funds from the preceding transfer and revenues in connection with the project shall offset the current demand for the fund.

4.2.1.2.1 Requirement for Financing Agreement:

- a) The call for disbursement, in case of a financing agreement, request shall be presented on standard format provided (see Annex 5) of the Agreement, including the below mentioned annexes.
- Statement of account overview (Annex 6)
 - List of Expenditures (Annex 7)
 - Copy of bank documents (bank statement, reconciliation sheet and credit advice)
 - Duplicates/photocopies of the invoices for supplies and services with an order value exceeding Euro 2,500
 - Copy of the contracts on supplies and services with an order value exceeding Euro 12,500, where not already submitted with previous call for disbursement
 - Copies of the shipping documents for shipments from abroad with an equivalent value exceeding Euro 2,500
 - Schedule(s) of measures on own inputs performed in accordance with the Agreement
 - Proof of transfer to the special bank account of the co-financing contribution of the Recipient



How to use Annex 5: Call for Disbursement for Financing Agreement

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- **Name:** The Recipient Organization will have to write here the name of the organization which must be the same the one stated in the Agreement signed with GIZ.
- **Address:** The Recipient Organization have to write here the exact and actual address of the organization.
- **E-mail:** The Recipient Organization will have to write here the e-mail address of the organization.
- **Place and Date:** The Recipient Organization will have to write here the place and date of the request.
- **Project Processing N.:** The Recipient Organization have to write here the project Processing Number which you can find in the Agreement signed with GIZ.
- **Project Title:** The Recipient Organization will have to write here the project name which you can find in the Agreement signed with GIZ.
- **Agreement No.:** The Recipient Organization will have to write here the agreement number which you can find in the Agreement signed with GIZ.
- **Call for Disbursement No.:** The Recipient Organization will have to write here the number for the fund request which has to be in sequential order keeping in mind the previous fund disbursement submitted to GIZ for processing.
- **Requested Amount.** The Recipient Organization will have to write here the amount you are requesting with this Fund for Disbursement.

- **Bank Details:** The Recipient Organization will have to write here the bank details of the project where the Funds have to be transferred.



How to use Annex 6: Statement of Account Overview for Financing Agreement

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- **Statement of account overview from and to:** The Recipient Organization will have to write here the period (from and to) for which statement of account overview is prepared and submitted.
- **Project Processing N., Project Title and Agreement No.:** The Recipient Organization you will have to write here the information regarding the project processing number, project title and Agreement number for which statement of account overview is prepared and submitted. The information can be found in the Agreement signed with the GIZ.
- **Date:** The Recipient Organization will have to write here the date on which the sheet is prepared and submitted.
- **Cost Category/Measure:** The Recipient Organization will have to write here budget category which has been agreed and can be found in the Agreement.
- **Financing by GIZ:** The Recipient Organization will have to write here the exact contribution of the GIZ per budget category which has been agreed and can be found in the Agreement.
- **Cost Settled to Date (accumulated per cost category) in Euro:** The Recipient Organization will have to write here the total amount, per budget category, which has been agreed and considered settled by the GIZ and the Recipient Organization.
- **Cost in the current statement of account in Euro (per the list of expenditure in Annex 7):** The Recipient Organization will have to write here the total amount, per budget category, of the current statement.
- **Total cost/expenditure in Euro:** The Recipient Organization will have to write here the total amount, per budget category, of expenditures, which is the sum of total cost settled plus (+) total cost of the current Statement.
- **Funds required for the next 3 months in Euro:** The Recipient Organization will have to write here the total funds required, per budget category, for the next three (3) months of the project.
- **Amount Transferred by GIZ to date in EUR:** The Recipient Organization will have to write here the total amount so far received from the GIZ.
- **Credited in local currency (without charges):** The Recipient Organization have to write here the total amount so far received from the GIZ in PKR without any charges.
- **Interest Credited in local currency:** The Recipient Organization will have to write here the total interests (minus bank charges) so far credited in the bank account in PKR.
- **Total Revenues in local currency:** The Recipient Organization will have to write here the total income amount of the project (credited in local currency from GIZ + interest credited).

- Total Expenditure in local currency (Column 5): The Recipient Organization will have to write here the total expenditures in local currency (value of the column 5 from the table above of this excel file).
- Remainder in local currency: The Recipient Organization will have to write here the remainder amount in local currency (Total revenue in local currency - total expenditures in local currency).
- Current Funds required in EUR (Column 6): The Recipient Organization will have to write here the value of the current funds required in EUR (value of the column 6 from the table above of this excel file).
- Remainder per above in EUR (value at current rate of exchange): The Recipient Organization will have to write here the value from the cell above in EUR (value of the Remainder in local currency).
- Amount of call for disbursement in EUR: The Recipient Organization will have to write here the actual value requested in EUR (Current Funds Required – Remainder per above in EUR).



How to use Annex 7: List of Expenditures for Financing Agreement

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- List of expenditures of the individual receipts for the period from and to: The Recipient Organization will have to write here the period (from and to) for which the list of expenditures is prepared.
- Project Processing N., Project Title and Agreement No.: The Recipient Organization will have to write here the information regarding the project processing number, project title and Agreement number for which the list of expenditure is prepared and submitted. The information can be found in the Agreement signed with the GIZ.
- Date: The Recipient Organization will have to write here the date on which the sheet is prepared.
- Cost Category/Measure: The Recipient Organization will have to write here the budget category under which the expenditure has incurred and presented in this list.
- Consecutive entry number: The Recipient Organization will have to write here the voucher/expenditure number which has to be in sequential order keeping in mind the previous list of expenditure submitted to GIZ for processing.
- Object of supply/service: The Recipient Organization will have to write here the purpose (or description) of the expenditure.
- Recipient of Payment: The Recipient Organization will have to write here the name of the individual or company in favour whom the payment has been released.
- Date of the payment: The Recipient Organization will have to write here the date of the expenditure which must be the same as the date written on the invoice of the company or individual.
- Amount paid in local currency: The Recipient Organization will have to write here the amount paid in local currency.

- Conversion Rate: The Recipient Organization will have to write here the exchange rate to be able to convert expenditures to the currency of contract. Please take note that here the conversion rate is the one applied for the funds transferred from Europe into the Recipient Organization's PKR currency account in Pakistan. This rate remains effective for all transactions until the totality of transferred funds is utilized.
- Amount in currency of contract: The Recipient Organization will have to write here the equivalent of the amount paid in local currency converted using the exchange rate in the column before.

4.2.1.2.2 Requirements for Grant Agreement:

- a) The request shall be presented on the Annex 3c of the Agreement, including the below mentioned annexes.
 - Schedule of Financial Requirement (Annex 3b)
 - Financial Statement – Cover Note (Annex 3d)
 - Financial Statement – Totals per Category (Annex 3e)
 - Financial Statement – Breakdown per Category (Annex 3f)
 - Copy of bank documents (bank statement, reconciliation sheet and credit advice)
 - Duplicates/photocopies of invoices for supplies and services with an order value exceeding EUR 500
 - Copies of the contracts for supplies and services with an order value exceeding EUR 12,500, if not already submitted with an earlier call for disbursement



How to use Annex 3b: Schedule of Financial Requirement

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- From and To: The Recipient Organization will have to write here the duration (from and to) as stated in the Agreement signed with GIZ.
- GIZ's Project Processing N. and GIZ's Contract No.: The Recipient Organization will have to write here the information regarding the project processing number and contract number for which the Schedule of Financial Requirement is prepared. The information can be found in the Agreement signed with the GIZ
- Budget Line: The Recipient Organization will have to write here the budget category of the Agreement for which the Schedule of Financial Requirement is prepared.
- Financial Requirement (From and To): In this excel sheet, there exist a number of column with the same title and the actual number will depend on the number of schedules envisaged for the Agreement signed with GIZ. The Recipient Organization will have to write here the amount in EUR per budget category for each schedule of the Agreement for which the Schedule of Financial Requirement is prepared.



How to use Annex 3c: Call for Disbursement for Grant Agreement

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Name: The Recipient Organization will have to write here the name of your organization which must be the same as the one stated in the Agreement signed with GIZ.
- Address: The Recipient Organization will have to write here the exact and actual address of the organization.
- E-mail: The Recipient Organization will have to write here write the e-mail address of your organization.
- Invoice No.: The Recipient Organization will have to write here the number for the fund request which has to be in sequential order keeping in mind the previous fund disbursement submitted to GIZ for processing.
- Project Processing No.: The Recipient Organization will have to write here the project Processing Number which you can be found in the Agreement signed with GIZ.
- Contract No.: The Recipient Organization will have to write here the contract number which you can be found in the Agreement signed with GIZ.
- Call for Disbursement Period: The Recipient Organization will have to write here the period (from and to) for which the fund request is submitted to GIZ for processing.
- Requested Amount in number and word: The Recipient Organization will have to write here the amount your requesting with this Call for Disbursement both in numbers and words.
- Bank Details: The Recipient Organization will have to write here the bank details of the project, in the respective fields, to which the Funds have to be transferred.



How to use Annex 3d: Financial Statement – Cover Note for Grant Agreement

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient's name, address and e-mail: The Recipient Organization will have to write here the name, address and e-mail of the organization which must be the same as the one stated in the Agreement signed with GIZ.
- Fields relating to bank details: The Recipient Organization will have to write here the bank details, in the respective fields, of the project bank account.
- Invoice No.: The Recipient Organization will have to write here the number for the cover note which has to be in sequential order keeping in mind the previous fund disbursement submitted to GIZ for processing.
- Project Processing N. and Contract No.: The Recipient Organization will have to write here the information regarding the project processing number and contract number for which the Financial Statement Cover Note is prepared. The information can be found in the Agreement signed with the GIZ.
- Financial Statement for the period from and to: The Recipient Organization will have to write here the period (from and to) for which the Financial Statement Cover Note is prepared.

- Amount in words and in number: The Recipient Organization will have to write here the total amount spent in number and in words for the period for which the Financial Statement Cover Note is prepared.
- Declaration on co-financing according to article 1.6 (if applicable): The Recipient Organization will have to write here name of the organization and the amount the organization have contributed and spent during the period for which the Financial Statement Cover Note is prepared.



How to use Annex 3e: Financial Statement – Totals per Category for Grant Agreement

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient: The Recipient Organization will have to write here the name of the organization which must be the same as the one stated in the Agreement signed with GIZ.
- Financial Statement for the period from and to: The Recipient Organization will have to write here the period (from and to) for which the Financial Statement by Totals per category is prepared.
- Project Processing N. and Contract No.: The Recipient Organization will have to write here the information regarding the project processing number and contract number for which the Financial Statement by Totals per Category is prepared. The information can be found in the Agreement signed with the GIZ.
- Expenditure Category: The Recipient Organization will have to write here the budget category under which the expenditure has incurred and presented in this Financial Statement.
- Total Expenditures: The Recipient Organization will have to write here total expenditures, in EUR, by budget category, that has incurred and presented in this Financial Statement.
- Less interest: The Recipient Organization will have to write here the total amount of interest income (total interest income – bank charges) credited to the project account which will deducted from the total expenditures presented in this Financial Statement.



How to use Annex 3f: Financial Statement – Breakdown per Category for Grant Agreement

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient: The Recipient Organization will have to write here the name of the organization which must be the same as the one stated in the Agreement signed with GIZ.
- Financial Statement for the period from and to: The Recipient Organization will have to write here the period (from and to) for which the Financial Statement by Breakdown per Category is prepared.
- Project Processing N. and Contract No.: The Recipient Organization will have to write here the information regarding the project processing number and contract number for which the Financial Statement by breakdown per Category is prepared. The information can be found in the Agreement signed with the GIZ.

- Expenditure Category: The Recipient Organization will have to write here the budget category for which the expenditure has incurred, prepared and presented in this Financial Statement.
- Entry Number: The Recipient Organization will have to write here the voucher/expenditure number which has to be in sequential order keeping in mind the previous fund disbursement submitted to GIZ for processing.
- Date of Receipt: The Recipient Organization will have to write here the date of the receipt.
- Amount in local currency: The Recipient Organization will have to write here the amount of the receipt in PKR.
- Exchange rate according to attached bank information on the exchange funds: The Recipient Organization will have to write here the exchange rate used to convert the receipt amount into EUR.
- Reasons for payment: In this excel sheet, the column title, located on the top of the table, allows you to type the necessary information in the cells underneath the column title. Here you will have to write the reasons or description of payment.
- Expenditure in the currency of Grant Agreement: The Recipient Organization will have to write here the amount in EUR (using the exchange rate in the previous column) for the receipt in question.

4.2.2 PROCUREMENT PROCESS:

In the subsequent articles, the requirements and procedures along with the standard formats are distinguished between those of the Financing Agreement and those of the Grant Agreement. Therefore, the Recipient Organizations are requested to pay attention to the requirements which is specific to the Agreement type they have signed with the GIZ.

- a) In principle, when procuring for supplies and services financed in full or in part from the Agreement (Financing or Grant), the Recipient Organization shall comply with the provisions of the awarding procedures (See Annex 4a), which forms an integral part of the Agreement.
- b) Procurements exceeding the equivalent of EUR 1,000.00 in value of the Agreement (Financing or Grant), the Recipient Organization must engage into a competitive and transparent procurement process through means of obtaining minimum three written offers and must document the awarding procedure in the standard form (Annex 3 for Financing and Annex 4b for Grant) provided in the Agreement.
- c) Procurements equivalent or exceeding the EUR 12,500.00 in value of the Agreement (Financing or Grant), the Recipient Organization must engage into a competitive and transparent procurement process through means of public or restricted invitation to tender. The awarding procedure must be documented in the standard form (Annex 3 for Financing and Annex 4b for Grant) provided in the Agreement.
- d) Documentation and bidding procedures for the procurements equivalent to or exceeding the EUR 12,500.00 in value of the Agreement (Financing or Grant) is subject to the review and prior approval or rejection of the GIZ TVET Sector Support Programme. Below is the list of documents required for this exercise:
 - Covering letter (Request for Approval)
 - Specimen Document (Annex 3 for Financing and Annex 4b for Grant)
 - Copy of the notification of awarding committee
 - Tender document Request for quotation

- Bids received from the supplier both Technical & Financial along with the copy of bid security (Demand draft)
 - Copy of Advertisement in the newspaper
 - Evaluation sheet with signatures of the Awarding Committee (with evaluation of all the suppliers)
 - Signed envelopes in which bids were received
 - Copy of NTN & GST certificate of all the suppliers
 - Company profile of the supplier whom contract have been awarded
- e) Written documentation shall be kept of all decisions regarding invitations to tender and placement of orders, and this shall be kept with the accounting vouchers.
- f) Procurements for supplies and services awarded contrary to the provisions in the Annex 4 (Award Procedure) may not be financed from the Agreement, unless otherwise stipulated in the Agreement.



How to use annex 3: Specimen for Contract Award Documentation for Financing Agreement;

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient: The Recipient Organization will have to write here the name of the organization which must be the same as the one stated in the Agreement signed with GIZ.
- Project related details – Agreement number, project number/title and subject of procurement/contract: The Recipient Organization will have to write here the information regarding the Agreement number, project number and title, which can be found in the Agreement signed with GIZ, and subject of the procurement matter.
- Information on Tenders: The Recipient Organization will have to write here the name of the companies who were requested to submit an offer in writing for competition or only the name of one company and the reasons of inviting only one.
- Decision on contract award: The Recipient Organization will have to write here the result of the decision in the respective unit depending on result and process of procurement.
- Expected contract value: The Recipient Organization will have to write here the contract value expected to be signed.
- Place and date: The Recipient Organization will have to write here the date and place of this document followed by a signature.



How to use annex 4b: Specimen for Contract Award Documentation for Grant Agreement;

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient: The Recipient Organization will have to write here the name of the organization which must be the same as the one stated in the Agreement signed with GIZ.

- Project related details – Agreement number, project number/title and sub-measure: The Recipient Organization will have to write here the information regarding the Agreement number, project number and title, which can be found in the Agreement signed with GIZ, and sub-measures if any.
- Information on Offers: The Recipient Organization will have to write here the name of the companies who were requested to submit an offer in writing for competition or only the name of one company and the reasons of inviting only one.
- Decision on contract award: The Recipient Organization will have to write here write result of the decision in the respective unit depending on result and process of procurement.
- Probable contract value: The Recipient Organization will have to write here the contract value expected to be signed.
- Place and date: The Recipient Organization will have to write here the date and place of this document followed by a signature.

4.2.3 ELIGIBLE AND INELIGIBLE COSTS:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.2.3.1 Eligible costs:

The following attributes define the nature of eligible costs:

- a) Must be necessary and reasonable for the delivery of the objectives and results of the project and therefore must be incorporated in the project proposal and therein in the Agreement.
- b) Must comply with the principles of sound financial management, in particular the principles of economy, efficiency, effectiveness, transparency and accountability.
- c) Must be identifiable in the accounting records and backed by original supporting evidence as incurred in accordance with the approved project proposal and period.
- d) Must have incurred within project period in order for the associated costs to be supported by the Agreement, unless otherwise a written agreement is granted by the GIZ TVET Sector Support Programme.
- e) Transactions in PKR must be converted into EURO using conversion rate applied for the funds transferred from Europe into the Recipient Organization's PKR currency account in Pakistan. This rate remains effective for all transactions until the totality of transferred funds is utilized.

4.2.3.2 Ineligible costs:

The following costs are ineligible, unless otherwise stipulated in the Agreement:

- a) Costs not included in the approved budget (taking into consideration duly approved budget revisions).
- b) Costs incurred outside the approved implementation period of the project (taking into consideration duly approved no-cost extensions).
- c) Debts and provisions for possible future losses or debts.

- d) Interest owed by the Recipient Organization to any third party.
- e) Items already financed from other sources.
- f) Purchases of tangible assets (particularly vehicle and property).
- g) Currency exchange losses.
- h) Travel expenses other than the accommodation charges (laundry, gym, mini-bar, pool, etc.)
- i) Hospitality expenses, provision of food/refreshments for project staff (not including water and hospitality for trainings, events and meeting directly related to project implementation).
- j) Incentives, mark-ups, gifts to staff.
- k) Fringe benefits such as cars provided by the organization to staff, individual full housing allowance and the like.
- l) Fines and penalties.

4.2.4 PROJECT CHANGES, SUPPLEMENT, NO-COST EXTENSIONS AND BUDGET MODIFICATIONS:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.2.4.1 Project Changes:

- a) Changes in a project can be required due to various reasons and may have different consequences to the project's scope, duration and budget. Variations of all forms must be brought to the attention of GIZ TVET Sector Support Programme in a written form.
- b) Major changes will require a project revision and subsequent amendment of the Agreement.
- c) The Recipient Organization must formally submit the request for project revision to the GIZ TVET Sector Support Programme. The request must clearly explain why the Agreement needs to be amended and indicate the current operational status of the project. A financial statement detailing expenditures incurred to date should be submitted, including the proposition of budget adjustment.
- d) GIZ TVET Sector Support Programme shall assess whether the proposed changes need formal written authorization, whether an amendment to the initial grant agreement is necessary or whether the extend of the proposed changes is such that the project needs to be terminated or supplemented with another Agreement due significant addendum.

4.2.4.2 Addendum through supplement:

- a) Addendum request may be considered on a case-by-case basis, depending on how significantly it contributes to the overall Programme objectives and results.
- b) Addendum request should be submitted at least twelve (12) weeks prior to the end of the project. Late submissions will not be considered.
- c) Addendum can modify the Agreement to extend the duration of the project, typically, with significant changes to the project's budget and activities. To extend the duration with additional budget and activities, a supplement to the original Agreement must be signed by both parties.
- d) GIZ TVET Sector Support Programme will respond to the Recipient Organization in writing, accepting, modifying or rejecting the request. If accepted, this amendment becomes an integral part of the Agreement.

4.2.4.3 Budget Modification:

There are two types of acceptable budget revisions:

4.2.4.3.1 Budget revision not exceeding 20 percent of the approved budget within the budget category:

- a) This type of modification does not require formal authorization by the GIZ TVET Sector Support Programme, which means that within this limit the Recipient Organization has the flexibility to make adjustments to the project budget as needed throughout the implementation.
- b) Cost redeployments to budget categories not exceeding 20 percent of the originally approved budget category are acceptable for all categories, provided an equivalent savings can be made in other cost categories to ensure that total budget of Agreement remains unchanged.
- c) Redeployment must be done against existing budget lines.
- d) Budget variations of this type, without prior consent, are acceptable as long as the activities retain the same scope and nature of the original Agreement.

4.2.4.3.2 Budget revision exceeding 20 percent within the budget category:

- a) Cost redeployments to budget categories exceeding 20 percent of the amount originally approved require the GIZ TVET Sector Support Programme prior authorization.
- b) The Recipient Organization will make the request to the GIZ TVET Sector Support Programme, after prior consultation with Technical Advisor. Should the budget modifications imply programmatic changes (within the scope and nature of the original Agreement) the implementing partner will also submit a revised operational plan.
- c) The GIZ TVET Sector Support Programme approval of such modification will be formalized through an amendment to the original Agreement (inclusive of all necessary supporting documents, project proposal, and project budget).

4.2.4.4 No-Cost Extensions (NCEs):

- a) No-Cost Extension (NCE) requests will be considered on a case-by-case basis, depending on the reasons justifying the request and evidence of progress collected through narrative and financial reports or through monitoring mechanisms.
- b) No-Cost Extension request should be submitted at least twelve (12) weeks prior to the end of the project. Late submissions will not be considered.
- c) No-Cost Extension can modify the Agreement to extend the duration of the project, with or without any changes to the project's budget or activities. To extend the duration, an amendment to the original Agreement must be signed by both parties.
- d) GIZ TVET Sector Support Programme will respond to the Recipient Organization in writing, accepting, modifying or rejecting the request. If accepted, this amendment becomes an integral part of the Agreement.

4.2.5 SUSPENSION OF AGREEMENT:

- a) GIZ TVET Sector Support Programme may request the Recipient Organization to suspend part or all of the implementation activities in the event of risks affecting the Programme objectives and results and on suspicion of fraudulent activities or the breach of rules set out in the Agreement and in this guideline.
- b) The Recipient Organization has 15 calendar days after receipt of the suspension request to reply to the GIZ TVET Sector Support Programme and present its observations. If the Recipient Organization fails to do so or if the GIZ TVET Sector Support Programme reasonably rejects the observations, the suspension of activities shall be applied.

- c) The GIZ TVET Sector Support Programme reserves its right to terminate the Agreement, in accordance with the procedure established under article 4.2.7.3 of this manual, in case of failure to comply with the suspension request and/or the gravity of risks and breach of rules.
- d) Parties shall agree the resumption of the implementation of the activities once the grounds for the suspension cease to exist. The duration of the suspension may be added to the implementation period of the Agreement.

4.2.6 SUB-CONTRACT OR SUB-AWARDING:

In no circumstances the Recipient Organization is authorized to sub-contract or sub-award any activity of this agreement to a third party, unless otherwise stipulated in the Agreement.

4.2.7 TERMINATION OF THE AGREEMENT:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.2.7.1 Termination with advance notice by the Recipient Organization:

The Recipient Organization may terminate the Agreement at any time by serving six (6) weeks written notice and/or by completion of the training cycle of the trainees.

4.2.7.2 Termination with advance notice by the GIZ TVET Sector Support Programme:

- a) The GIZ TVET Sector Support Programme may terminate the Agreement without any indemnity at any time by serving six (6) weeks written notice when:
 - o a legal, financial, technical or organizational change in the Recipient Organization's situation affects the Agreement substantially or calls the award decision into question; or
 - o the Recipient Organization has failed to comply with its obligations under the Agreement, including its Annexes and this guideline.
- b) After receipt of the notice letter the Recipient Organization has fifteen (15) calendar days to present its observations. If the Recipient Organization fails to do so or if the GIZ TVET Sector Support Programme reasonably rejects the observations, the notice shall continue to run.
- c) The notice period starts to run on the day when the notice letter is received. The termination date is the day when the notice period expires.

4.2.7.3 Termination by the GIZ TVET Sector Support Programme with immediate effect:

- a) The GIZ TVET Sector Support Programme may terminate the Agreement with immediate effect without any notice, nor indemnity, in any of the following circumstances:
 - o if the suspension lasts longer than one third of the implementation period of the Agreement;
 - o if the Recipient Organization fails to present the due Final reports within sixty (60) calendar days from the end of the implementing period of the Agreement without justified reasons;

- if the GIZ TVET Sector Support Programme twice explicitly rejected the Final reports in their entirety presented by the Recipient Organization;
 - if the Recipient Organization is bankrupt or being wound up, has its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - if the Recipient Organization has been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, or if it is guilty of grave professional misconduct proven by any justified means;
 - if the Recipient Organization has been the subject of a judgment or administrative decision which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to GIZ TVET Sector Support Programme interests;
 - if the Recipient Organization intentionally makes false declarations, is guilty of misrepresentation or submits reports inconsistent with the reality and result achieved;
 - if the Recipient Organization has, intentionally or by negligence, committed a substantial irregularity in the performance of the Agreement. 'Irregularity' shall mean any infringement of the obligations under the Agreement resulting from an act or omission by the Recipient Organization, which has, or would have, the effect of prejudicing the GIZ TVET Sector Support Programme and the budgets managed by it;
- b) The GIZ TVET Sector Support Programme shall inform the Recipient Organization of the termination and of the grounds of termination in a written form. The termination takes effect on the day following the date of receipt of the letter.
- c) The Recipient Organization shall have fifteen (15) calendar days following receipt of the termination letter to request the GIZ TVET Sector Support Programme to review its decision, submitting any supporting evidence it considers adequate. If the Recipient Organization does not react within this deadline, it is deemed as having accepted the termination.
- d) The GIZ TVET Sector Support Programme shall react within fifteen (15) calendar days following receipt of the Recipient Organization's observations. In the absence of a reply by the GIZ TVET Sector Support Programme the observations of the Recipient Organization are deemed to be accepted and the termination procedure shall be cancelled.

4.2.7.4 Rules applicable in case of termination

- a) The terms and conditions set out in the Agreement, Special Agreement and in this manual will continue to apply after termination to the extent necessary to allow an orderly liquidation of the Agreement.
- b) When the termination is based on the motives mentioned in the article a of the heading 4.2.7.3 of this manual, herein, the GIZ TVET Sector Support Programme shall proceed to the recovery of any amounts already paid to the Recipient Organization and not justified by the documentation previously submitted by Recipient Organization.
- c) When the termination is based on other grounds, the Recipient Organization shall submit the final narrative and financial reports with a request for payment within sixty (60) calendar days from the termination date. If no request is made within this time limit the GIZ TVET Sector Support Programme shall recover any amounts not justified by the documentation previously submitted by the Recipient Organization.

4.3 Control, Verification and Audit:

This heading intends to set the frame of the Agreement's Control, verification and Audit measures and requirements and outlines the importance of Control and Verification that the TVET Sector Support Programme intends to pursue while overseeing the project Agreements which are set out in the following sub-headings 1)

Right of Access, 2) Audit, 3) Verification Mission, 4) Record Keeping and finally 5) Verification outcome procedure.

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.3.1 RIGHT OF ACCESS:

The Recipient Organization shall give the GIZ TVET Sector Support Programme or any other organization nominated and authorized on its behalf, the access to any location where the Agreement is implemented and to all relevant financial and technical information and data necessary to verify the implementation of the project and the Agreement.

4.3.2 AUDIT:

The Recipient Organization acknowledges that the contribution and the Agreement for the project implementation from the GIZ and therein the TVET Sector Support Programme is subject to an external auditing procedures before the final settlement of the Agreement.

4.3.3 VERIFICATION MISSIONS:

The GIZ TVET Sector Support Programme or any other organization mandated and authorized on its behalf, may verify the Recipient Organization's use made of the contribution. Such verification missions may be initiated during the implementation of the Agreement until five years after Final settlement of the Agreement. The Recipient Organization assures full assistance to the GIZ TVET Sector Support Programme or any other organization mandated by the GIZ TVET Sector Support Programme in the course of verification missions.

4.3.4 RECORD KEEPING:

- a) The Recipient Organization shall ensure that all the relevant information and data is available to ensure at all times a sufficiently detailed audit trail. For each Agreement the Recipient Organization shall therefore make available upon request from the GIZ TVET Sector Support Programme or any other organization nominated and authorized on its behalf, accurate and regular records and accounts detailing all income and expenditure, and all other documents necessary to verify the implementation of the project and the Agreement. These documents will be kept in original form (as the case may be in electronic form) for a period of five years starting from the date of payment of the balance.
- b) The Recipient Organization's standard accounting and control procedures will be in a form which makes it possible for the GIZ TVET Sector Support Programme to verify the use to which its funds or contributions have been put.

4.3.5 VERIFICATION OUTCOME PROCEDURE:

On the basis of the findings made during the verification, a provisional report ("draft verification report") shall be drawn up and sent to the Recipient Organization concerned, to the extent possible, within 30 calendar days from the completion of the verification mission. The Recipient Organization shall have 30 calendar days from the date of receipt to submit observations. The final report ("final verification report") shall be sent to the Recipient Organization concerned within 60 calendar days of expiry of the time limit for submission of observations.

4.4 Reporting, Monitoring and Evaluation:

This heading intends to set the frame of the Agreement's reporting, monitoring and evaluations requirements which is primarily the responsibility of the Recipient Organization and outlines some of the measures and the importance of the result-based reporting and monitoring approach that the TVET Sector Support Programme intends to pursue in overseeing the project Agreement which are set out in the following sub-headings 1) Purpose and scope, 2) Information and Reporting, 3) Reporting type, 4) Monitoring, and finally 6) Evaluation.

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.4.1 PURPOSE AND SCOPE:

- a) The main principle of the Agreement is that the Recipient Organization is subject to reporting, monitoring and evaluation of the project and thereby the Recipient Organization is expected to have adequate internal mechanisms for project management, reporting, monitoring and evaluation. The capacity of each organization will be verified during the capacity assessment, during the project approval process and finally during the monitoring and reporting phase.
- b) The purpose of reporting and monitoring is to provide GIZ TVET Sector Support Programme with full information on the implementation of the project so it makes reasonable assurance on whether the project was implemented in accordance with the Agreement and to determine which costs are eligible for funding.
- c) Every report shall relate to the whole of the project, regardless whether the project is fully or partially funded by the GIZ TVET Sector Support Programme.
- d) Every report shall provide comparability with the original proposal, while taking into account of any amendments of the project.
- e) Where errors and weaknesses were identified, analysis of their nature and extend as well as information on corrective measures should also be provided.

4.4.2 INFORMATION AND REPORTING:

The GIZ TVET Sector Support Programme may request specific information related to the implementation of the project at any time providing reasons for that request. The Recipient Organization shall submit the reasonably available information as soon as possible, and at the latest within 15 calendar days following the receipt of the request.

4.4.3 REPORTING TYPE:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.4.3.1 Narrative Report:

- a) The Narrative Report shall in particular assess the level of achievement, in a given period, of the objective, results and measures envisaged in the project proposal, while taking full account of any modifications or supplement of the activities presented in the amended Agreement.
- b) The report shall also provide an overview of the control measures carried out in case weaknesses are detected, information on their nature and extent as well as corrective measures adopted.
- c) The report shall be presented on the standard format provided in the Agreement, including any annexes attached thereto.

4.4.3.2 Financial Report:

- a) The Financial Report shall provide an overview of the expenditures incurred per budget category as it is defined in the Agreement as well as of the contributions received from the GIZ TVET Sector Support Programme.
- b) The Financial Report will provide the GIZ TVET Sector Support Programme and the Recipient Organization critical information with regards to the overall financial situation of the project implemented.
- c) The Financial Report shall be presented on the standard format provided in the Agreement, including any annexes attached thereto.

4.4.4 MONTHLY REPORT:

- a) The Recipient Organization shall submit a Monthly Report on both the implementation of the project activities ("Narrative Report", see annex 8 and Annex 8a of the Agreement) and the use of the financial resources ("Financial Report", see annex 8b of the Agreement), unless otherwise stipulated in the Agreement.
- b) The Recipient Organization shall submit the Monthly Report no later than the 10th of each month for the previous month.
- c) The Monthly Report shall form the basis and support the decision making process for the disbursement, or not, of the fund to the Recipient Organization.



How to use Annex 8: Narrative Report (Progress Report)

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Project title, Project Processing No., Agreement No. and name of the Recipient: The Recipient Organization will have to write here the project title, processing number, agreement number and the name of the organization which can be found in the Agreement signed with GIZ.
- Objective and description of project: The Recipient Organization will have to write here the agreed objectives and project description which can be found in the final project proposal.
- Project measures: The Recipient Organization will have to write here the agreed project measures (or results) which can be found in the final project proposal.
- Status report on implementation of the measures: The Recipient Organization will have to write here the status of each measure (result) so far implemented and those in the pipeline.
- Evaluation of achievement of objectives: The Recipient Organization will have to write here the overall evaluation of the achievement of objectives and measures (result) so far implemented.
- Major deviations from scheduled measures: The Recipient Organization will have to write here the reasons for which the scheduled measures (results or activities) have been affected and delayed.
- Special events/developments at the level of the Recipient: The Recipient Organization will have to write here about any special events/developments that have occurred in side of the organization that may have affected the project activities and results positively or otherwise.

- Status of contribution rendered by partners: The Recipient Organization will have to write here the situation on the financial contribution of the Agreement.
- Coordination with GIZ or third parties: The Recipient Organization will have to write here about the coordination mechanism experienced and how it affected the project activities and results.
- Recommended action: The Recipient Organization will have to write here the recommendations to the overall project implementation that could positively affect the project activities and results.
- Planning for the period to be covered by the next report: The Recipient Organization will have to write here about the draft plan envisaged for the upcoming reporting period.



How to use Annex 8a: Progress Report – KPI

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient, Project Processing No. and Contract N. The Recipient Organization will have to write here the organization name, project processing number and contract number which can be found in the Agreement signed with GIZ.
- Date and Reporting Month: The Recipient Organization will have to write here the date of the reporting and the month for which the report is prepared.
- Total N. of Trainees and Total N. of Batches: The Recipient Organization will have to write here the total number of trainees and training batches agreed in the Agreement signed with GIZ.
- N., Batch N., Start Date and End Date: The Recipient Organization will have to write here the serial number, the batch number, the training batch starting and ending dates in their respective fields.
- Qualification: The Recipient Organization will have to write here the name of the trade selected for training and whether the full or part qualification training is provided.
- N. of Trainees - Enrolled: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates enrolled in the training programme.
- N. of Trainees - Dropouts: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates dropped out of the training programme.
- N. of Trainees - Completed: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates completed the training programme.
- N. of Trainees - Assessed: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates assessed of the training programme.
- N. of Trainees - Competent: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates declared competent of the training programme.

- N. of Trainees – Awarded with certificate: The Recipient Organization will have to write here, in the respective fields, the number of female, male and total candidates awarded with the national certificate of the training programme.
- Last update of NSIS: The Recipient Organization will have to write here the last date on which the information related to the training programme was uploaded on the National Skills Information System (NSIS) registry.
- N. of Counselling Session Organized: The Recipient Organization will have to write here the total number of counselling sessions organized for the trainees.
- N. of placements facilitated: The Recipient Organization will have to write here the total number of trainees for whom the placement (employment or self-employment) is facilitated.



How to use Annex 8b: Financial Report

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Date: The Recipient Organization will have to write here the date on which the report is prepared.
- Report No.: The Recipient Organization will have to write here the Report number which has to be in sequential order keeping in mind the previous reports submitted to GIZ.
- Project title and agreement No.: The Recipient Organization will have to write here the project title and agreement number which can be found in the Agreement signed with GIZ.
- GIZ Contribution, released amount and remaining balance: The Recipient Organization will have to write here the total contribution amount agreed by GIZ, the total instalments released in favour of the organization and the remaining balance of the agreed contribution in the respective fields.
- Start date and end date: The Recipient Organization will have to write here the starting and ending date of the Agreement which can be Agreement signed with GIZ.
- Target spending: This field is automatically filled after having inserted information in the other date fields of this sheet.
- Budget and Expenditures by budget category: The Recipient Organization will have to write here the agreed budget per budget category and the relevant expenditures to date by budget category. The budget must be the same as the one stated in the Agreement.
- Budget line deviation: The Recipient Organization will have to choose yes or no to answer to the question.
- Explanation Box: The Recipient Organization will have to write here the brief explanation for any deviation that the Agreement may have experienced.

4.4.5 MONITORING:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

4.4.5.1 Objectives of Monitoring:

- a) Project performance information is effectively generated through internal mechanisms developed by the Recipient Organization.
- b) The role GIZ TVET Sector Support Programme is to collect, organize and provide quality control of the information that has been generated through the mechanism of the Recipient Organization.
- c) The purpose of monitoring is primarily to assess progress made towards set results and targets and to verify the accuracy of reporting submitted by the Recipient Organization.
- d) Ensure that resources are used efficiently and according to what was agreed upon in project documents and the Agreement.

4.4.5.2 Process and Monitoring Tools:

- a) Taking into consideration that Recipient Organization's project management systems form the backbone of monitoring, the main objective of TVET monitoring tools is to provide an additional level of verification of project results.
- b) Recipient Organization must describe the tools they intend to use for project monitoring in the project proposal. The monitoring plan should describe what type of monitoring tools that will be used to satisfy the minimum standards defined by the GIZ TVET Sector Support Programme.
- c) The following represent the most commonly used monitoring tools that the project may use;
 - o Field site monitoring is a critical component of the overall framework in order to verify that projects are delivering against targeted outputs, and to allow GIZ TVET Sector Support Programme to assess the qualitative aspects of project implementation. As there are limitations to what can be observed through site visits, additional information will still need to be collected through other means. The monitoring visits will not attempt to make evaluative assessments of projects, nevertheless, this should provide an opportunity, at a minimum, to collect information that: (i) makes an assessment of the timeliness of the overall project implementation, (ii) verifies reported results, and (iii) assesses progress on key project activities.
 - o Third Party Monitoring could be considered as one of the monitoring approaches suitable for GIZ TVET Sector Support Programme if and when the need for it arises due a given situation or requirement of the internal or external factor. This approach enables GIZ TVET Sector Support Programme to obtain independently verified information about the status of implementation of projects (mainly in high risk areas), with particular emphasis on the achievement of project outputs. The approach combines field visits and desk reviews of available documentation (e.g., project proposals and any other relevant information/documentation). The main focus of third party monitoring is to verify that contracted activities are being implemented and associated outputs are delivered.
 - o Remote Call Monitoring can be a cost-effective means of collecting statistics and recording observations of the progress made, project outputs and satisfaction. The key feature of such an approach is that information is collected directly from project beneficiaries using structured multiple-choice questionnaires. All information collected can be captured directly in a web-based platform hosted by TVET Support Sector Programme or an assigned third party, thereby providing real-time progress information on projects monitored. This approach occurs in instances when it is not feasible to conduct physical project visits. Remote monitoring only be used as a last resort in cases where there are no other options, the principle is to use enough sources of information to allow for meaningful monitoring.

4.4.6 EVALUATION:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

- a) Project evaluation is a systematic and objective assessment of an on-going or completed Project. The aim is to determine the relevance and level of achievement of project objectives, development effectiveness, efficiency, impact and sustainability.
- b) The Recipient Organization must describe the tools and measures they intend to use for project evaluation in the project proposal.
- c) The Recipient Organization is expected to provide a project evaluation report twelve (12) weeks after the completion of the project, unless otherwise stipulated in the Agreement.
- d) The Recipient Organization is expected to partake in any kind of third party evaluation process and engages to provide whatsoever information and data necessary for the third party to conduct the evaluation on behalf of the GIZ TVET Sector Support Programme.

4.5 Communication and Visibility:

In the subsequent articles, there is no distinction made between the financing agreement and grant agreement. Therefore, the requirements and procedures stipulated underneath applies to all the Recipient Organization.

- a) Any activity with respect to the communication and visibility of the Training Fund therein the TVET Sector Support Programme, the Recipient Organization must take into consideration the procedures stipulated in Communication and Visibility Guideline (See Annex)
- b) Any communication and visibility material, the Recipient Organization must ensure that standard colour schemes and font styles is in use as stipulated in the Communication and Visibility Guideline (See Annex).
- c) Whenever recorded films and photographs of the individuals used in the Web, Leaflets, Brochures, Posters and the Learning Material, the Recipient Organization must ensure a written consent is obtained and documented, since the TVET Sector Support Programme may reproduce it in the local or international context (See Annex).
- d) Wherever the usage of logo is necessary, the Recipient Organization must ensure that its logo along with those of the TVET Sector Support Programme partners such as the EU, the Federal Republic of Germany, the Royal Norwegian Embassy, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and that NAVTTC is used in the appropriate formats as stipulated in the Communication and Visibility Guideline (See Annex).
- e) Any publication material, the Recipient Organization must acknowledge the contribution of the TVET Sector Support Programme by adding the disclaimer statement as stipulated in the Communication and Visibility Guideline (See Annex).

5. CLOSING PHASE:

This heading intends to set the frame for the Agreement's Closing processes, measures and outlines requirements that TVET Sector Support Programme intends to pursue while closing the project Agreements which are set out in the following sub-headings 1) Final Audit Report, 2) Final Technical Report, 3) Final Settlement, and finally 4) submission of the final project data.

5.1 Final Audit Report:

- a) The Recipient Organization acknowledges that the contribution and the Agreement for the project implementation from the GIZ and therein the TVET Sector Support Programme is subject to an external auditing procedures before the final settlement of the Agreement.
- b) The Recipient Organization acknowledges to provide a written explanation for any perceived discrepancies and irregularities highlighted by the Auditing firm.
- c) The Recipient Organization acknowledges that any established discrepancies and irregularities by Auditing firm with financial implications on the Agreement, particularly, on the part of GIZ and therein TVET Sector Support Programme's contribution shall be subject to reduction from the Final Settlement or reimbursement.
- d) The final audit report along with any documented communication shall be available and annexed to the Final Report of the project Agreement.

5.2 Final Report:

- a) The Recipient Organization shall submit a Final report on both the implementation of the project ("Narrative Report", see annex 9 of the Agreement) and the use of the financial resources ("Financial Report", see annex 9a of the Agreement) within sixty (60) calendar days after the project completion.
- b) The Final report shall be presented on standard format provided in this guideline, including any annexes attached thereto.
- c) The Final report shall form the basis and support the decision making process for the final disbursement or refund, in case of under spending, of the fund to/from the Recipient Organization.
- d) The Final report shall be deemed approved, if the GIZ TVET Sector Support Programme has not reacted within forty (40) calendar days after its receipt. If the GIZ TVET Sector Support Programme does not intend to approve a report as submitted, it shall revert to the Recipient Organization within thirty (30) calendar days from the receipt of the report explaining the reason and specifying the additional information it requires. The deadline for approving the report shall be suspended pending the receipt of the requested information.



How to use Annex 9: Narrative Report (Final Report)

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Project title, Project Processing No., Agreement No. and name of the Recipient: The Recipient Organization will have to write here the project title, processing number, agreement number and which can be found in the Agreement signed with GIZ
- Description of project: The Recipient Organization will have to write here the agreed project description which can be found in the final project proposal.

- Project measures: The Recipient Organization will have to write here the agreed project measures (activities or activities) implemented and achieved which can be found in the final project proposal.
- Objectives: The Recipient Organization will have to write here the status of achievement and overall evaluation of the achievement of objectives and measures (result) implemented during the project duration.
- Total costs and financing (broken down by measures and objectives): The Recipient Organization will have to write here about the total costs and financing of the project distributed on the measures (results or activities) and objectives.
- Problems during the implementation: The Recipient Organization will have to write here about the problems that the project experienced and how it affected the project activities and results.
- Analysis and assessment of project: The Recipient Organization will have to write here about the overall project implementation and provide extensive analysis and assessment of the project implementation.
- Conclusions for future contribution: The Recipient Organization will have to write here about the future partnership linking to the current project, if any.



How to use Annex 9a: Financial Report (Final Report)

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Date: The Recipient Organization will have to write here the date on which the report is prepared.
- Report No.: The Recipient Organization will have to write here the Report number which has to be in sequential order keeping in mind the previous reports submitted to GIZ.
- Project title and agreement No.: The Recipient Organization will have to write here the project title and agreement number which can be found in the Agreement signed with GIZ.
- GIZ Contribution, released amount and remaining balance: The Recipient Organization will have to write here the total contribution amount agreed by GIZ, the total instalments released in favour of the organization and the remaining balance of the agreed contribution in the respective fields.
- Start date and end date: The Recipient Organization will have to write here the starting and ending date of the Agreement which can be Agreement signed with GIZ.
- Target spending: This field is automatically filled after having inserted information in the other date fields of this sheet.
- Budget and Expenditures by budget category: The Recipient Organization will have to write here the agreed budget per budget category and the relevant expenditures to date by budget category. The budget must be the same as the one stated in the Agreement.
- Budget line deviation: The Recipient Organization will have to choose yes or no to answer to the question.

- Explanation Box: The Recipient Organization will have to write here the brief explanation for any deviation that the Agreement may have experienced.

5.3 Final Settlement:

In the subsequent articles, the requirements and procedures along with the standard formats are distinguished between those of the Financing Agreement and those of the Grant Agreement. Therefore, the Recipient Organizations are requested to pay attention to the requirements which is specific to the Agreement type they have signed with the GIZ.

- a) The Recipient Organization acknowledges that GIZ TVET Sector Support Programme reserves the right to hold the disbursement of 10 to 20 percent of the Agreement contribution until the processing and approval of the final report (Narrative and Financial).
- b) GIZ TVET Sector Support Programme engages to release the withhold amount of the Agreement within forty five (45) calendar days from the approval date of the Final Report. In the likelihood of any delays caused by the banking procedures, the GIZ TVET Sector Support Programme informs the Recipient Organization and facilities to expedite the payment.
- c) If the Recipient Organization, upon completion of the project activities, is left with any unspent amount of the Agreement, the Recipient Organization engages to refund the said amount upon request of the TVET Sector Programme irrespective of the outcome of the Final Report (Narrative and Financial).
- d) In the case of grants agreements, as part of the final settlement, the Annex 3g (Record of surrender of equipment and inventory list of procured items worth of EUR 400 and above) have to be filled by the Recipient Organization and signed by both parties.



How to use Annex 3g: Financial Statement - Inventory List

This annex (excel format) provides the following fields and below is a brief guide on the usage of these fields:

- Recipient: The Recipient Organization will have to write here the name of the organization which shall be the same as the one stated in the Agreement.
- From and To: The Recipient Organization will have to write here the duration (from and to) as stated in the Agreement signed with GIZ.
- Project Processing N. and Contract No.: The Recipient Organization will have to write here the information regarding the project processing number and contract number for which the Inventory List is prepared. The information can be found in the Agreement signed with the GIZ.
- Entry Number: The Recipient Organization will have to write here the Inventory number which has to be in sequential order in this table.
- Date of receipt: The Recipient Organization will have to write here the date on which the material or equipment was delivered to the project.
- Amount in Local Currency: The Recipient Organization will have to write here the amount in local currency for which the material or equipment was purchased by the project.
- Exchange rate according to the attached bank information on exchange funds: The Recipient Organization will have to write here the exchange rate used to convert the receipt amount into EUR.

- Inventory: The Recipient Organization will have to write here the description of the material or equipment purchased.
- Expenditure in the currency of Grant Agreement: The Recipient Organization will have to write here the amount in EUR (using the exchange rate in the previous column) for the receipt in question



How to use Annex 3g: Financial Statement - Record of surrender

This annex (word format) provides the following fields and below is a brief guide on the usage of these fields:

- Project number: The Recipient Organization will have to write here the project number which can be found in the Agreement signed with GIZ.
- Name of Project: The Recipient Organization will have to write here the Project Name which can be found in the Agreement signed with GIZ.
- The equipment and materials on the attached list of items were surrendered on.: The Recipient Organization will have to write here the date on which this document is going to be signed by both Parties.
- By (name and position): The Recipient Organization will have to write here the name and the position of person from GIZ who will be signing this document, which is the head of the Programme for TVET Sector Support Programme.
- To the representative of the project executing organization (name and position): The Recipient Organization will have to write here the name and position of the person in-charge of the Organization who will be signing this document.
- The list of items consists of: The Recipient Organization will have to write here the number of pages of the inventory list prepared for signature.
- in duplicate: The Recipient Organization will have to write here the number of duplicates of the inventory list and this protocol document prepared for signature.

5.3.1 REIMBURSEMENT PAYMENT PROCEDURES:

- a) In the last phase of the Agreement, the Recipient Organization is required to advance funds for the project implementation which will be reimbursed to the Recipient Organization by GIZ TVET Sector Support Programme after the final report (Narrative and Financial) has been approved.
- b) GIZ's internal regulations require that the Recipient Organization advances the required funds through the bank transfer to the Project Special Account.
- c) The Recipient Organization shall settle all due payments for services and supplies with respect to the project from the funds transferred to the Project Account by the Recipient Organization.
- d) The Recipient Organization may request for reimbursement once the final report (Narrative and Financial) of the Agreement has been approved.
- e) The request shall be presented using the standard format (See *Annex 5* for Financing Agreement or *Annex 3c* for Grant Agreement) of the Agreement, including any annexes attached thereto. Funds remaining from the preceding transfer and revenues in connection with the Project shall offset the requested amount.

- f) Further information on the subject matter can be found in the Annex 4 (Reimbursement Payment Procedures) of this Manual.

5.4 Submission of the Final Data:

- a) The Recipient Organization acknowledges that GIZ TVET Sector Support Programme reserves the right to access to whatsoever final data with respect to any activities that were planned in the project and financed by the Agreement.
- b) The Recipient Organization engages to provide whatsoever final data when available or at the request of the GIZ TVET Sector Support Programme including any third party requesting on behalf it.
- c) The final data may include any or a combination of the followings:
 - Total number of trainees employed (employment or self-employment)
 - Income of the trainees employed (employment or self-employment)
 - Satisfaction of the employers from the graduate

TVET Sector Support Programme

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