

## **PROJECT AGREEMENT**

The

**Sterntaler für Afrika e.V., hereinafter referred to as Sterntaler**

**Friedensstraße 22b/ ALMUC**

**D – 81671 München**

represented by Jürgen Nagler

and

**RDIC (Réseau de Développement et D'appui aux Initiatives Communautaires)  
hereinafter referred to as RDIC**

**Rue : 400, Porte : 810, B.P.MA 69 Kalabancoro Nèrèkoro Mali**

represented by Youchaou Traore

have agreed as follows:

### **1. Project goal**

Sterntaler shall co-operate with RDIC over a promotion period starting on 15.09.2012 and ending on 15.01.2013.

Project purposes, target groups, measures:

Improvement of the educational situation from schoolchildren in the commune Niamana by

- building and equip two classrooms
- building three teacher apartments

### **2. Financing**

On the basis of the Financing Plan of ...08.08.2012, RDIC shall receive up to € 44.480 from Sterntaler for the implementation of the project. This sum is made up of up to € 6.980 taken from Sterntaler's own funds and up to € 37.500 from the Federal Ministry

for Economic Co-operation and Development (BMZ). RDIC shall contribute € 5.520 in total to the project. The total costs of the project amount to up to € 50.000.

The present Agreement is based on the Financing Plan, attached as Annex 1, which shall be regarded as binding by both sides. RDIC may exceed individual budget items in the Financing Plan by up to 50% to the debit of other items, if the attainment of the project purpose makes this necessary. Increases in excess thereof and all changes in the quantities specified must have the prior approval of Sterntaler.

### **3. Drawing on funds**

Sterntaler has expressed its willingness to make the grant available in advance to cover the requirements of a 4-month period in each case, according to the progress of the project. Should the grant, before being utilised in the project, generate interest on RDIC's account, this may - after consultation with Sterntaler - be used for additional, developmentally relevant expenditure within the scope of the project. Otherwise, the grant shall be reduced by the amount of the interest accrued.

RDIC may only draw on the grant when and to the extent that the money is required to meet payments due within a period of 4 months, and not before.

### **4. Duty to supply information**

RDIC shall inform Sterntaler immediately, if

- the project goal or other circumstances of vital relevance for the provision of the grant change or lapse,
- it intends to make significant changes to the project concept,
- the project purpose cannot be achieved, or there are obstacles to project implementation,
- in the course of funding by Sterntaler it receives additional funding from elsewhere for the same project,
- the planned overall expenditure either decreases or increases,

- the funds made available to cover the planned requirements of a 4-month period in each case cannot be spent,
- real estate, buildings, articles, equipment and credit funds, which are part of the inventory, are no longer being used in accordance with the project goal or are no longer needed.

## **5. Utilisation of funds and awarding of contracts**

RDIC shall utilise the funds efficiently and economically. Payments made before receipt of counter-performance may only be agreed or effected if this procedure is normal practice or is justified by special circumstances. The voucher for this payment must contain pertinent indications.

Contracts for the provision of supplies and services (such as the purchase of goods/services, the awarding of building contracts) shall normally be awarded on the basis of competitive tendering (invitation of three offers wherever possible/ selection of the most economical offer, documentation of price comparison). Preference shall be given to offers from Mali or other developing countries if such offers are equivalent in value to those from industrial countries.

## **6. Inventory**

All items and buildings financed out of Sterntaler's grant shall become the property of the commune Niamana. The commune shall draw up an inventory of all items with a value of over € 400 that have been financed out of the grant and shall undertake to use the items solely for work in the project. The items may be used for another purpose only with Sterntaler's consent, otherwise RDIC shall pay compensation in the amount of the current market value.

Compensation need no longer be paid if

- 15 years have elapsed since the procurement of items or since the procurement or completion of buildings or land having a procurement cost of more than €50,000;
- five years have elapsed since the procurement of items having a serviceable life of more than one year or since the procurement or completion of real estate and buildings with a procurement cost of more than €5,000;
- two years have elapsed since the procurement of items having a serviceable life of more than one year and a procurement cost of more than €400.

Any compensation paid in the case of unintended misappropriation shall be transferred to Sterntaler.

Living accommodation financed out of Sterntaler's grant shall not be sold by the owners until ten years have elapsed since the purchase was made, regardless of the procurement cost. RDIC shall conclude an agreement to this effect with each owner.

## **7. Credit fund**

The binding terms defined in Section 6 apply analogously to credit funds.

The use of the credit fund and the granting and use (in conformity with the project goals) of the money shall be regulated in an agreement. RDIC shall ensure that funds are used for the intended purpose, as described in the project proposal. During the binding terms, RDIC shall provide proof of the use of funds. Accounting shall be based on the original employment of the funds. The only proof accepted shall be a disbursement voucher concerning the actual procurement including the BMZ-projectnumber 2012.1535.9.

The return flows, interest and fees (if any) shall be paid into a special account. The return flows shall be used in the form of a revolving fund; another use may only be agreed upon after consultation with Sterntaler. An annual report on the use and development of the credit fund shall be submitted as per 31 March.

## **8. Statement of accounts and reporting**

RDIC shall keep accounts showing all receipts and payments in the project and shall keep the books for a period of five years after the termination of the project. The book-keeping must conform with the principles of adequate and orderly accounting. Evidence of the conversion of the financial contribution into local currency shall be furnished in the form of official exchange vouchers. The exchange control regulations in force at the time shall apply to all such transactions. Proof of payments and receipts must be furnished in the form of vouchers. The receipts for expenditure must provide information as to the recipient, the reason for payment, proof of payment and the date. All vouchers must also include a clear indication of the project to which they relate (e.g. BMZ project number or (short) title of the project).

Contributions by the target group which count as counterpart contributions must be documented and recorded as income and expenditure. In the case of work done, the names of the people who did the work, the date the work was carried out and the number of hours worked by each person must be listed and receipted. The value put on the work is to be based on the normal hourly or daily rate of pay in the country concerned; if necessary, proof of the rates is to be provided.

RDIC shall submit to Sterntaler as per 31 March of each year a statement of accounts for the preceding calendar year, showing receipts and expenditure in full and structured in conformity with the order of the Financing Plan. Payment vouchers - organised in accordance with the financing plan and grouped together by budget items - as well as exchange vouchers, shall be attached to the statement of accounts. Quotations obtained in respect of the procurement of large items (cf. para. 5) shall also be attached. If the audit is to be carried out by independent accountants, they shall be nominated jointly by Sterntaler and RDIC. The qualifications of recognised independent accountants shall in all cases be verified by the German embassy or by another recognised institution in the partner country (e.g. chamber of commerce). The accountants shall be required to prepare their auditor's certificates in accordance with the specimen attached as Annex 2. To that end, RDIC shall furnish them with all the necessary documentation.

An up-to-date inventory list shall be submitted along with the annual project accounts.

RDIC shall report to Sterntaler as per 31 March of each year on the progress made by the project in the preceding year. The report shall compare the progress of the project with the targets, setting forth the achievements and failures, the obstacles and steps taken to overcome them. RDIC shall report to Sterntaler not later than five months after the termination of the project on its overall evolution. In doing so, it shall address questions relating to the hand-over or take-over of the project and set out how the project should be continued.

## **9. Right of inspection**

Sterntaler may, after consultation with RDIC, visit the project at any time, obtain information and inspect books and vouchers. Members of the Federal Ministry for Economic Co-operation and Development and the Federal Audit Office shall have the same rights.

## **10. Halting of disbursement or demand for reimbursement of funds**

Sterntaler may halt the disbursement of funds and demand reimbursement of amounts already disbursed if

- the prerequisite conditions for this Agreement later become invalid,
- excess payments have been made,
- the data on which funding was based were incomplete or incorrect,
- the funds are not being utilised in accordance with the present Agreement,
- the funds transferred are not used within the envisaged period for payments due,
- obligations in respect of bookkeeping, accounting and reporting are not met within the required period.

Furthermore, Sterntaler may demand payment of interest of 5,37%<sup>1)</sup> per annum as of the year in which the reimbursement claim arose.

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<sup>1)</sup> The interest rate is to be set at 5% above the base rate valid at the time.

## **11. Reservation of right to withdraw**

Sterntaler shall reserve the right to withdraw from this Agreement with future effect, if it comes to the conclusion that the project goal is unattainable.

## **12. Entry into force, changes**

This agreement shall enter into force as soon as it has been signed by the authorised signatories of the contracting parties.

Changes to the present Agreement must be made in writing.

Munich, 5th September 2012  
for Sterntaler für Afrika e.V.  
Juergen Nagler

Bamako, 5<sup>th</sup> September 2012  
for RDIC  
Youchaou Traoré

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### Annexes:

Annex 1: Financing Plan

Annex 2: Specimen statement of accounts by chartered accountants

**Financing Plan**

Project 2012.1535.9

**Financing Plan for financial years 2012**Total  
Euro**4. 1 Expenditure (in Euro)**

4.1.1	<u>for investment</u>	44.245
4.1.1.1	Building the two classrooms	27.160
4.1.1.2	Furniture for the classrooms	2.130
4.1.1.3	Building three teacher apartments	14.955
4.1.2	<u>for operating expenditure<sup>*)</sup></u>	610
4.1.2.1	Transport and Communicationcosts	610
4.1.3	<u>for personnel<sup>**)</sup></u>	3.470
4.1.3.1	Projectmanager (incl. travelling expenses and lodging)	1.220
4.1.3.2	Project supervision (incl. travelling an lodging)	800
4.1.3.3	project care travlling	1.450

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Project expenditure (budget appropriation): 48.325

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45.1.7	Administration Costs (up to 4 % of project expenditure)	1.675
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Total expenditure in Euro: 50.000

**Receipts** Total

4.2.1	<u>Contribution from private executing agency (Sterntaler)</u>	6.980
4.2.2	<u>Counterpart contribution from RDIC benefiting community, and/or other sources</u>	5.520
4.2.3	<u>Other receipts</u>	0
4.2.4	<u>BMZ grant</u>	37.500

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**Total receipts** **50.000**

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<sup>\*)</sup> Operating expenditure is to be broken down separately into annual figures.

<sup>\*\*)</sup> Personnel costs are to be broken down separately into annual figures per employee.



**Statement of Accounts by**  
**Chartered Accountants**

1. The chartered accountant shall structure his auditor's certificate according to the quantitative documentary proof of the statement of application of funds (cf. Annex 2). He must record the commissions and documents which make up the terms of use made available on which the audit is based.
2. Expenditure which exceeds the budget appropriations by more than 50% shall be explained separately, if the approval of the BMZ has not previously been obtained.
3. The final auditor's certificate shall contain the following (minimum requirement):

"We hereby certify that we have audited the statement of accounts of (name of the project-executing agency in the developing country) in respect of the financing of the project (name) on the basis of the following terms of use made available to us (list of commissions and documents). To this end, we have inspected the books and vouchers and report that:

1. Proofs of receipts and expenditure have been properly furnished in the form of vouchers.
2. The expenditures, for which evidence has been supplied, are in keeping with the appointed purpose as set out in the Financing Plan. Any deviations from the Financing Plan are described and explained separately.
3. The amount and origin of documented income which is accounted for as counterpart contributions made by the project executing agency, the target group and/or other agencies in the project country have been specified.
4. The terms set by the donor have been observed/have not been observed in the following points.
5. Special notes."