



CONSERVATION OF MARINE RESOURCES IN CENTRAL AMERICA

PHASE II

Financing Agreement: (2010 66 836)

Project Administrative Operations Manual

Second Ed.

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Prepared with the technical assistance of:



www.typsa.es

LIST OF ABBREVIATIONS USED IN THE DOCUMENT

AOP:	Annual Operative Plan
CBOs:	Community based organizations
FMCN:	Fondo Mexicano para la Conservación de la Naturaleza
FCG:	Fundación para la Conservación de los Recursos Naturales y Ambiente en Guatemala
GOP:	General Operation Plan
KfW:	Kreditanstalt für Wiederaufbau (German Development Bank)
MAR Fund:	Mesoamerican Reef Fund
MPA:	Marine Protected Area
NGO:	Non-Governmental Organization
PACT:	Protected Areas Conservation Trust
TIDE:	Toledo Institute for Development and Environment

Administrative Operations Manual for the "CONSERVATION OF MARINE RESOURCES IN CENTRAL AMERICA" Project, Phase II, Financing Agreement: (2010 66 836). Especially for the Disposition Fund.

The "Conservation of Marine Resources in Central America-Phase II" Project is a project within the framework of the regional cooperation between Central America and Germany, executed by the Mesoamerican Reef Fund (MAR Fund-Fondo SAM) and co-financed by the Federal Republic of Germany through the Kreditanstalt für Wiederaufbau (KfW) (German Development Bank).

1. Background

1.1. The Central American Commission for Environment and Development – CCAD - signed an intergovernmental agreement with the German Government to support the development of the Conservation of Marine Resources project, to be executed by the MAR Fund.

1.2. This Operational Manual forms an integral part of the Financial Contract signed between the MAR Fund and KfW on April 30, 2013, and the "Separate Agreement to the Financial Contract". The Agreement includes the following annexes:

- Annex 1: Project objectives and results, and assumptions made to achieve them – logical framework.
- Annex 2: Record of Agreements for the Conservation of Marine Resources Project in Central America of 26 October 2012.
- Annex 3: Record of Agreements of 18 February 2011.
- Annex 4: Total cost and financing.
- Annex 5: Standards for the hiring of consultants within the framework of Official Financial Cooperation with Developing Countries.
- Annex 6: Disbursement procedure.
- Annex 7: Standards for the awarding of supplies and services within the framework of Official Financial Cooperation with Developing Countries.
- Annex 8: Content and form of reports.

2. Main aspects of organization and execution

2.1. The programme will be executed in the open programme mode. The MAR Fund shall be responsible for the implementation of the project, using its objectives and policies as well as its organisational structure, administrative and financial procedures and the Project Cycle Manual.

2.2. The Board of Directors of the MAR Fund shall be responsible for the overall supervision of the programme. Overall financial coordination, as well as administrative and technical supervision of the programme shall be undertaken by the Executive Management of the MAR Fund with the support of the TYP SA consultancy firm.

2.3. The programme will be based on a decentralised scheme that will be coordinated by the Member Funds, the founders of the MAR Fund, which will also support the programme through their technical, administrative and financial capabilities. This structure will be based on the following institutions:

- Mexico: Fondo Mexicano para la Conservación de la Naturaleza (FMCN) -.
- Belize: Protected Areas Conservation Trust (PACT).

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- Guatemala: Fundación para la Conservación de los Recursos Naturales y Ambiente - (FCG).
 - Honduras: Fundación Biosfera.

2.4. The Member Funds shall develop the project through established structures and persons responsible for the administration of the respective MCPAs, and in coordination with communities and local associations. These structures will be based on the following NGOs, local counterparts or beneficiaries:

- Mexico: Reserva Estatal Santuario del Manatí.
- Belize: Santuario de Vida Silvestre Corozal Bay.
- Belize: Reserva Marina South Water Caye.
- Guatemala: Área de Usos Múltiples Río Sarstún.
- Honduras: Zona Marina de Protección Especial Turtle Harbour/Rock Harbour.

3. Responsibilities and Functions

3.1. The responsibilities of the Board of Directors of the MAR Fund shall be as follows:

- The Board of Directors of the MAR Fund shall be responsible for the overall supervision of the programme and to oversee the proper execution of the Project.
- It will be the responsibility of The Board of Directors to approve programme planning instruments submitted by the MAR Fund Executive Management: The General Work Plan (GWP), the Annual Work Plans (AWPs) and this Operational Manual.

3.2. The responsibilities of the Executive Management of the MAR Fund shall be as follows:

- Overall and financial co-ordination of the programme.
- Administrative supervision of the programme, in particular the application of standards and procedures set out in the Convention signed with KfW and the administrative procedures included in this operational manual.
- Technical supervision of the Programme.
- Planning coordination (logical framework) of the GWPs and AWPs.
- Supervision of monitoring and follow up of the execution.
- Financial management of the Financial Cooperation funds.
- Coordination and integration of the periodic progress and financial reports detailed in Appendix B of Annex 6 and in Annex 8 of the Separate Agreement to the Financial Contribution Contract, sent by the Member Funds and submitted to the Board of Directors and the KfW.
- To approve the AWPs sent by the Member Funds and submit them for the approval of the Board of Directors and the agreement of KfW.
- To organise and implement the call for bids for small projects.
- To give other "no-objections" in accordance with the procedures included in this operational manual.
- To carry out the activities planned for component 3 of the Project. In this respect, the MAR Fund may allocate, in accordance with the procedures for service and supplies contracts of the German Cooperation, contracts to other entities for defined tasks within the activities of the aforementioned component.

3.3. The responsibilities of the Member Funds shall be as follows:

- To review the budgets and AWPs for each MCPA in its country, in accordance with the GWP of each area and with the Project Operation Manual.

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- To present the budgets and AWP for each MCPA to the Board of Directors of the MAR Fund for final approval.
 - In Mexico, the FMCN will establish annual donation agreements with a pre-qualified NGO in accordance with the criteria to be agreed between the FMCN and the MCPA, which shall execute the project for the protected area in accordance with that stipulated in the Separate Agreement to the Financial Contribution Contract.
 - Monitoring and follow up of the execution at the MCPA level.
 - To analyse the financial proposals to be included in the GWP and AWP of each area.
 - To sign annual financial allocation agreements on behalf of the MAR Fund.
 - To assess the degree of progress of each approved AWP in the field.
 - The main administrative functions of the Member Funds shall be:
 - To carry out disbursements, supervise and organise the purchase of goods and services to be financed by this project's funds, in accordance with that stipulated in this manual.
 - To supervise the purchase of works, goods and services to be carried out in Mexico, Belize, Guatemala and Honduras, funded by the Financial Cooperation budget and in accordance with the sections of this Administrative Operations Manual.
 - To deliver to the Executive Management of the MAR Fund, every four months: the financial forms included in Annex 6 of the separate agreement, as well as account statements relating to the special accounts and national sub-accounts and the list of the accumulated costs of supplies, services and works for each measure, in accordance with the detailed budget of the Project and the AWPs.
 - To retain and protect the original and/or a copy of the accounting entries signed by an authorised person, of costs incurred every four months by the Funds and their local counterparts in the MCPAs, and other accounting documents required in this Administrative Operational Manual, as indicated in Appendix 8 of Annex 6 of the Separate Agreement (item e-5).
 - To file the original and/or copy proofs of payments signed by an authorised person, that should be retained for possible checks and have those available for planned audits. These proofs of payments should be put into safekeeping during the execution of the project and be kept for a minimum period of five years after its completion.
 - To control the proof of payment documents, ensuring that they are put in the name of the Project, that they refer to items of expenditure included in the budget, that the unit costs and quantities do not differ significantly to that specified in the corresponding budget, and that invoices or receipts are settled. If a payment of an invoice has been made through the bank, the invoice should be accompanied by a copy of the cheque or transfer receipt.
 - As regards the Biosphere Foundation, it will have the same functions and responsibilities as the other Member Funds with the exception of the management of the Financial Cooperation funds, these will be delivered directly to the local counterparts by the Executive Management of the MAR Fund, as required by the KFW. However, this Fund shall be responsible for all supervisory and coordination functions assigned to Member Funds. After the second year of the Project's execution, the feasibility of the direct management of the funds by the Biosphere Foundation will be assessed, if there is no objection from KFW.

3.4. The responsibilities of the beneficiary entities shall be as follows:

- Preparation of the GWP and AWPs at MCPA level and their budgets.
- To carry out the activities planned in each AWP.
- To manage costs in accordance with that stipulated in this manual.
- To supervise and monitor the progress of each AWP for each MCPA.

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- To provide the administrative documentation to the Member Funds required for the technical supervision and financial accountability of the Funds.
 - To oversee the attainment of results, activities and target indicators.

4. Planning

- 4.1. The planning of the Project and its costs shall be carried out by preparing a General Work Plan (GWP) and five Annual Work Plans (AWPs).

5. Accounting

- 5.1. The accounting system for the management of the Cooperation Fund shall record all income and expenses relating to the management of the fund. The administrators of the Member Funds and Executive Management of the MAR Fund shall produce accounts for the part that they are responsible for, that will support the financial reports required by KfW, in addition to the documentation stipulated relating to payments.
- 5.2. The Special Account for managing the Cooperation Fund, managed by the Executive Management of the MAR Fund, and the national sub-accounts, managed by the respective Member Funds, shall have their own account book. The accounting records that control these bank accounts shall be reconciled monthly, and be supported by a statement issued by the bank. The bank reconciliations shall be audited in the annual audits planned by the Member Funds and the Executive Management of the MAR Fund.
- 5.3. Any form that involves managing or use of financial resources shall be numbered, and its use shall be continuously controlled. When a form is replaced for any reason, it will be cancelled and filed so the numerical sequence is maintained.
- 5.4. Financial documents shall be submitted every four months for the replenishment of the disposition fund by reimbursement, they shall be prepared in accordance with Annex 6 to the Separate Agreement (Annex1 of this document), and shall include the following documentation:
- The Disposition Fund reimbursement request.
 - The report on the account statements signed by the authorised representatives of the Member Funds or by the Executive Management of the MAR Fund.
 - The list of accumulated costs for the respective payment period itemised by supplies/services/works carried out, and compared with the budget approved by the KfW.
 - The list of accumulative costs for the respective payment period itemised by supplies/services/works for each individual measure/contract.

6. Bank accounts and petty cash

- 6.1. The Executive Management of the MAR Fund, the Member Funds and their local counterparts will maintain specific accounts for the exclusive management of the Disposition Fund. The Executive Management of the MAR Fund will keep a record of all existing current accounts, whether in the name of the MAR Fund or the Member Funds and its local counterparts, through which all financial resources from the Disposition Fund will pass. The MAR Fund shall maintain a separate and exclusive account for the Project in the United States for receiving funds disbursed by the KfW, from which transfers shall be made to the Member Funds and the local counterparts.

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- 6.2. Petty cash may be kept and managed. It will be the responsibility of the beneficiaries of the cooperation funds to maintain a petty cash balance, and they must report the existing petty cash balances and include the expenditures in the list of monthly expenses. Its use and support documentation is governed by the stipulations of this manual.
 - 6.3. The petty cash fixed fund mechanism should be used for the purchase of low cost items or services. Generally, it will be used to cover costs for the logistical management of the offices and those associated with the activities included in the Project.
 - 6.4. For small petty cash amounts for which neither an invoice nor receipt can be issued (for example transport by taxi or similar costs), the cash voucher form shall be used. Costs justified by cash vouchers must not exceed 50 American dollars and/or its equivalent in local currency.
 - 6.5. Maximum monthly expenditure justified by cash vouchers shall not exceed 200 American dollars and/or its equivalent in local currency.
 - 6.6. The petty cash shall not be used under any circumstances for borrowing, salary advances or for cashing personal cheques.

7. Filing system

- 7.1. At the commencement of activities funded by the Disposition Fund, each MAR Fund member shall develop a Filing Plan for financial documentation of the Project. Files shall each be marked with a consecutive number, the Project number, the contract reference (KfW 2010 66 836), and the order number, in accordance with the Filing Plan.
- 7.2. On the files for accounts supporting documents, the dates and numbers of the documents contained in the folder shall be recorded.
- 7.3. For each bank account associated with the Disposition Fund, the Administrators of the MAR Fund and Member Funds shall keep an exclusive file for all the documentation relating to that bank account.
- 7.4. Before a check is issued and/or a transfer is made from the special accounts or from the national sub-accounts, the administrators shall check that each payment order (payment document) is signed by the Executive Management of the MAR Fund or the authorised representative of the Member Funds or the authorised representative of the local counterparts.
- 7.5. For better control of proofs of payments, they shall have unique sequential numbering for each account. This numbering shall consist of the year, the month and a sequential number. The documents corresponding to payments made by the Project should have the identification seal and project number of the Project (KfW 2010 66 836) and they shall be filed, and at least the following supporting documentation shall be retained: Proof of payment, payment order, original invoice and any other document that supports the payment.
- 7.6. All contracts must bear the signature of the Executive Management of the MAR Fund, the authorised representative of the Member Funds or the authorised representative of the local counterparts.

- 7.7. Employment contracts must be coded and filed separately, as well as those for professional services (consultancy), specified works and purchases, together with their respective selection/purchase processes.
- 7.8. The administrators shall keep a separate chronological record of all appropriate events relating to each contract.
- 7.9. Each employment and/or professional services contract shall also include the respective terms of reference in an annex, the service provided and the documents relating to the selection process. The administrators shall monitor strict compliance to their content, especially those clauses relating to the payment method and period. Payments will only be made on presentation of the respective supporting documents and contractual compliance to each one of its clauses.

8. Purchase of goods, services and works

- 8.1. For the purchase of goods, services and works, the practical instructions given in the following table shall be followed:

Services	Goods (Materials and Equipment)	Works
<p>X\geq100,000.00 EUR</p> <p>International public invitation to tender Submission of the terms for the invitation to tender to KfW through the Executive Management of the MAR Fund before the tender process begins. The terms for invitation to tender, the proposal for awarding and the respective contract will require the non-objection of KfW.</p> <p>In case of the impossibility of inviting tenders, the non-objection of KfW shall be requested through the Executive Management of the MAR Fund.</p>	<p>X\geq100,000.00 EUR</p> <p>International public invitation to tender Submission of the terms for the invitation to tender to KfW through the Executive Management of the MAR Fund before the tender process begins. The terms for invitation to tender, the proposal for awarding and the respective contract will require the non-objection of KfW.</p> <p>In case of the impossibility of inviting tenders, the non-objection of KfW shall be requested through the Executive Management of the MAR Fund.</p>	<p>X\geq100,000.00 EUR</p> <p>International public invitation to tender Submission of the terms for the invitation to tender to KfW through the Executive Management of the MAR Fund before the tender process begins. The terms for invitation to tender, the proposal for awarding and the respective contract will require the non-objection of KfW.</p> <p>In case of the impossibility of inviting tenders, the non-objection of KfW shall be requested through the Executive Management of the MAR Fund.</p>
<p>10,000.00 \leq X < 100,000.00 EUR</p> <p>3 Quotations from competitive and unrelated suppliers. To assess the quotations, a comparison table shall be used and an awarding document prepared and signed by three representatives of the selection committee.</p>	<p>5,000.00 \leq X < 100,000.00 EUR</p> <p>3 Quotations from competitive and unrelated suppliers. To assess the quotations, a comparison table shall be used and an awarding document prepared and signed by three representatives of the selection committee.</p>	<p>20,000.00 \leq X < 100,000.00 EUR</p> <p>3 Quotations from competitive and unrelated suppliers. To assess the quotations, a comparison table shall be used and an awarding document prepared and signed by three representatives of the selection committee.</p>
<p>X < 10,000.00 EUR</p> <p>The purchase can be made based on a single bid.</p>	<p>X < 5,000.00 EUR</p> <p>The purchase can be made based on a single bid.</p>	<p>X < 20,000.00 EUR</p> <p>The purchase can be made based on a single bid.</p>

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- 8.2. Irrespective of the purchase amount, and generally, bids must be selected by taking into account the quality/price ratio, adherence to national and international standards, delivery times and applying the principles of transparency and equality of conditions to the potential suppliers.
 - 8.3. Purchase of goods and/or services shall be carried out in accordance with that set out in the Financial Contribution Contract and the corresponding Separate Agreement. It will be governed by the contractual law of the States where the cost is incurred and KfW's Standards for the Awarding of Contracts for Supplies and Services.
 - 8.4. If a Selection Committee is required, it should be made up of at least three people designated by the Executive Management of the MAR Fund or by the authorised representative of the Member Fund and/or the authorised representative of their local counterparts. These representatives shall be identified before the tender process begins to ensure their impartiality and their ability to assess the bids.
 - 8.5. The processes to follow to make a purchase based on three quotations are as follows: The request for a bid from at least 3 suppliers, the comparison table of the various bids with the justified assessment of its choice approved by the selection committee, the purchase order with the agreed supply methods and the contract with the selected supplier.
 - 8.6. The MAR Fund shall prepare, for each AWP, a detailed list of goods and services that are going to be purchased directly by the MAR Fund, and that will require the prior non-objection of KfW.
 - 8.7. For international invitations to tender ($\geq 100,000.00$ EUR), the Standards for the Awarding of Contracts for Supplies and Services shall be used within the framework of the Official Financial Cooperation with Developing Countries considered in Annex 7 of the Convention signed between the MAR Fund and KfW. The invitations to tender shall require coordination with the Executive Management of the MAR Fund.
 - 8.8. It is not permissible to artificially divide the total amount indicated in the budget into several purchases, referred to as the same cost item, in order to avoid the controlled purchasing procedure in this manual.
 - 8.9. All purchases of goods and/or services should be supported by invoices that comply with legal requirements.
 - 8.10. Payment in advance must be justified and insured with sufficient guarantees in accordance with national customs. For service contracts, a first advance payment may be made without a guarantee, this should not exceed 40% of the total value of the contract, taking care in all cases to apply that stipulated in the general provisions of the Budget.

9. Funding agreements with local organizations.

- 9.1. In order to speed up the AOPs implementation of each area, it may make agreements with local institution (CBOs, NGOs, Schools, Municipalities, etc.) to execute Project activities of Components 1 and 2.
- 9.2. These agreements may be signed with organizations that are recognized and / or recorded by any valid governmental level. They should also have a working Executive Board (for instance,

local authority). Its headquarters should be established in any of the MAR region countries to be eligible.

- 9.3. Implementation of these projects will be governed by an agreement (letter of commitment and compliance) prepared for this purpose. It must be signed by the Member Funds and the Executive Management.
- 9.4. The agreements must include at least a profile with a description of the activities to develop, a detail budget and an activities schedule.
- 9.5. Managers of protected areas will be responsible for follow up and monitoring of the agreements. They will have the support of the Member Funds.
- 9.6. The maximum amount to be financed will not exceed fifty thousand dollars (USD 50,000.00) and /or its equivalent in local currency for each agreement. The transferred funds will be used exclusively to finance the activities approved in the agreement.
- 9.7. The funds enforcement will be guide by the Project Operation Manual.
- 9.8. The beneficiary must open an exclusive bank account to carry out the agreement funds and to keep accurate financial records and separately for five (5) years from the start date of the project.
- 9.9. It is responsibility of the Member Funds to keep the technical and financial reports, with copies of all accounting documents of expenditure incurred; all the documentation will be delivered by the beneficiary organisation when the term of the agreement is completed, as set out the point 3.3 (Responsibilities of the Member Fund) of the Project Operation Manual.
- 9.10. Whenever it is necessary for some reason, the Member Funds will have the power to claim the transfer of the unused and unencumbered balance to the beneficiary of the agreement.
- 9.11. The beneficiary will inform to Member Funds about any fund balances once the project is completed. A written request for the use of the balance may be forwarded to the Member Fund. The request will be analyzed in coordination with the protected area. If the proposal is not accepted, the funds must be reimbursed to the Member Fund.

10. Financing of small projects awarded by the MAR Fund

- 10.1. The financing of small projects included in the third component of the Project shall be made in accordance with the standards, regulations and forms provided in the "MAR Fund Project Cycle" document, which is annexed to this manual.
- 10.2. The call for bids for projects shall be specified in the AWP of the MAR Fund.
- 10.3. A selection committee shall issue a recommendation on the awarding of funds to small projects. This committee shall be made up of members of the Selection Committee of the MAR Fund, permanent expert hired by Typsa and other institutions that contribute resources to the small donations programme, where appropriate.

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- 10.4. The application requirements for each bid shall be published on the MAR Fund website and on the sites of the respective Member Funds.
 - 10.5. The execution of the selected projects is governed by Donation Agreements signed between the Member Funds of each country on behalf of the MAR Fund and the organisation that is successful in receiving funding, and based on a list of small projects approved by the Board of Directors of the MAR Fund.
 - 10.6. The MAR Fund shall transfer the financial resources to the Member Funds corresponding to the small projects approved in each country, plus an amount equivalent to 10% of the cost of each project to cover the costs of administration, monitoring and assessment of each project. The Funds shall issue proof of receipt of these funds, detailing the amounts and beneficiaries of each small project and a receipt for the overall costs of administration. The supervision of the technical and budgetary execution of each small project shall be the responsibility of each Member Fund.
 - 10.7. The planned annual audits shall select some of the small projects on a random basis in order to verify the correct use of the awarded funds.

11. Inventory

- 11.1. The MAR Fund shall have a general inventory that includes all goods purchased with funds from the Disposition Fund, with the exception of consumable materials and items. The inventory shall include goods purchased in each country. It will be the responsibility of the Member Funds to send an updated inventory to the MAR Fund every six months with details of the final beneficiaries of the purchased goods and their location. The copies of the Donation Records compiled over the half year period shall be added to the inventory. These copies will be in hands of the Member Funds.
- 11.2. The characteristics of the item shall be documented in the inventory register together with the model, serial number, value on the invoice, number/s of the proof/s of payment in the accounting system and the code assigned in the inventory and its final destination.
- 11.3. The coding must allow all goods purchased with German financial cooperation funds to be distinguishable from other goods.
- 11.4. All purchases of movable items shall form part of the inventory of the organisation responsible for the purchase, and must bear the respective physical coding at all times as allocated in the inventory system. When a movable item is included in the inventory it shall be coded with indelible paint and in the case of goods that are made up of several components (e.g. computers) each one of the components shall be marked with the same code.
- 11.5. If any of the moveable items or equipment are moved to another unit in the institution, a delivery and receipt note must be raised which should record all the relevant information, and especially the detail of the condition of the item in accordance with its nature. In addition, a copy of the notes should be sent to the Member Funds and these in turn shall be submitted to the Executive Management of the MAR Fund.

12. Vehicles

- 12.1. Vehicles purchased with funds from the Disposition Fund shall be bought directly in the name of the final beneficiary, under no circumstances will the MAR Fund be made responsible for their use.
- 12.2. Local counterparts that plan to purchase vehicles within the framework of the Financial Contribution Contract should oversee use and maintenance and send its internal rules for governing use to the MAR Fund before making the purchase.
- 12.3. The rules for governing use of the vehicle hired by the MAR Fund for international technical assistance shall have specific rules, signed by a represent person of the Tyspa company and by MAR Fund.

13. Travel allowances

- 13.1. Official journeys relating to the Project can only be reimbursed if they were included within the implementation framework of the project's AWP.
- 13.2. Reimbursement for travel expenses is governed by the current rules for reimbursement of each Member Fund and the local counterparts.
- 13.3. The rules for reimbursement of travelling expenses of the Executive Management of the MAR Fund shall be governed by the MAR accounting administration manual, which is annexed to this manual.

14. Reports

- 14.1. Narrative reports shall be prepared by following the guidelines shown in the following table:

Type of report	Content	Author and submittal date	Review and submittal date
Monthly Narrative Report*	Concise Report covering the most relevant aspects of monthly execution of the project.	During the first week of each month, the MAR Fund technical staff describes the activities undertaken in the previous month with a financial performance table and the months used for technical assistance by different consultants.	MAR Fund submits to KfW during the second week.
Quarterly Narrative Report*	Succinct reports, at least 2 pages containing relevant aspects to the execution of the project in the quarter.	Local counterpart: submission to the Member Funds no later than the first week of the month following the quarter to be reported (April and October). The Member Funds shall submit the reviewed report to the MAR Fund no later than the second week of April and/or October.	MAR Fund submits to KfW the last week of the current month (April and October) at the latest.
Semi-annual Narrative Report *	Complete detail reports describing the progress of	Local counterpart: submission to the Member Funds in the	

	the Project in the first half of the year and the development of other important general conditions (achievement of the objectives and expected results, evolution of indicators).	second week of July. The Member Funds shall submit the reviewed report to the MAR Fund in the last week of July at the latest.	
Member Fund Monitoring Report*	The Project Cycle Manual format of MAR Fund should be used for this report. The report shall include information about the compliance of the objectives, results and activities planned and comments on the methodology developed.	The Member Funds visit the areas in the first week of August. During the following two weeks, the report shall be developed and then submit it to MAR Fund Central Office no later than the last week of August.	
Annual Narrative Reports*	Annual report on the progress of the programme as well as the development of other important general conditions (achievement of objectives and planned results, evolution of indicators).	Local counterpart. Submission to the Member Funds 15 days after the end of the corresponding year at the latest. The Member Funds shall submit the reviewed report to the MAR Fund, one month after the end of the corresponding year at the latest.	MAR Fund submits it to KfW, two months after the end of the corresponding year at the latest.
Report on the operation and maintenance of activities**	Subsequent development of the project.	Member Funds: Submission a month before the closing of the 4th year of project execution.	MAR Fund, one month after the end of the project's fourth year at the latest.
Final report**	Information on the measures taken within the framework of the five years of the Project.	Member Funds: Submission a month after the closing of the 5th year of Project execution.	MAR Fund, two months after the end of the Project at the latest.

*The formats for the preparation of monthly, quarterly, semi-annual narrative and monitoring report of member funds are available as annexes to the Project Monitoring Manual at the following link: <http://www.marfund.org/en/learnmore/wheregrants/marinecostaldocumentos.html>

**The formats of the reports on the concept of operation and maintenance of activities and Final report will be provided by MAR Fund during the fourth year of the project.

14.2. Administrative reports shall be prepared by following the guidelines shown in the following table:

Type of report	Content	Author and submittal date	Review and submittal date
Monthly Financial Report (each area and overall)*	Monthly report on financial progress of the project - ledgers for each specific	Local counterpart submits on the first week of each month to the Member Funds the day	Review and integration by the MAR Fund.

Type of report	Content	Author and submittal date	Review and submittal date
	Project account.	<p>book (corresponding to the previous month).</p> <p>The Member Funds submit during the second week of the same month, to MAR Fund Central Office, the daybooks for the area administrator accounts and their own accounts (corresponding to the previous month).</p> <p>During the second week of each month the Member Funds must send to MAR Fund Central Office a copy of the statements of their special accounts and the sub-accounts of the area administrators.</p>	
Four monthly administrative reports on accounts settlement and payment transfer*	Report containing the electronic forms to record the expenses incurred during the four months, copy of statements of special accounts and national sub-accounts with the monthly banking reconciliation, planning of expenses for the following four months.	The MAR Fund technical staff will review and integrate information from the four countries on the basis of the monthly financial reports (ledger), in the second week following the conclusion of the four months.	Submission to KfW in the second week following the conclusion of the four months period.
Inventory and records of donation**	The report is a list that details the goods purchased with the Project funds. If the goods acquired with Project funds are donated to other actors (local communities or associations) which are not Project implementers, in all cases a handover and receipt document must be drawn up.	<p>Local counterpart updates every semester the Inventory and records of donation and submits it to the Member Funds.</p> <p>Member Funds submit this information in the following month of the semester to the MAR Fund</p>	Review and integration by the MAR Fund.
Counterpart certificate**	This report should be done after each annual administrative closure, and includes the certification of the counterpart contributions. The declarations will be signed by each of the area administrators and Member Funds.	<p>Local counterpart, submits no later than fifteen days after the annual administrative closure, the certification to the Member Funds.</p> <p>The Member Funds submit the reviewed certification to MAR Fund Central Office, a month later after the annual administrative closure.</p>	Review and integration by the MAR Fund.

*The formats for the development of these reports are available as annexes to the Project Monitoring Manual and the Administrative Management System, at the following link:

<http://www.marfund.org/en/learnmore/wheregrants/marinecostaldocumentos.html>

**The formats of the development of these reports are available as annexes to the Administrative Management System, at the following link:

<http://www.marfund.org/en/learnmore/wheregrants/marinecostaldocumentos.html>.

15. Audits

- 15.1. The annual audits planned for the Disposition Fund, the special accounts and the national sub-accounts will be entrusted to an accounts auditing firm that will verify the proper administration of the Member Funds and of the MAR Fund, following International Auditing Standards published by the International Auditing and Assurance Standards Board (IAASB) and the requirements of Appendix C of Annex 6 of the Separate Agreement.
- 15.2. The selection and contracting process of the specialist firm will be governed by that stipulated in section 6 of this Operational Manual.

16. Work conditions

- 16.1. All Project members shall oversee the work conditions of their employees and collaborators.
- 16.2. Participants shall offer equality of conditions, without discriminating in any way in the areas of taking on of responsibility, selection, salary, training, assignment of duties, promotions and payment or any other activity relating to human resources based on race, nationality, religion, opinions, affiliations, sex, age, ethnicity or citizenship, marital or family status, sexual identity, union membership or current or prior disability.
- 16.3. The participants are obliged to provide a safe, risk and hazard free working environment.

17. Annexes

- 17.1. Annex I: Annex 6 of the Separate Agreement.
- 17.2. Annex II. MAR Fund Accounting Manual.
- 17.3. Annex III. MAR Fund Project Cycle.