

Annex 1C
Special Conditions for

Vouchers Monetization

1. *Subject to the availability of resources, WFP shall provide the Cooperating Partner with the financial resources specified in the Plan of Operations and described in the Budget. In accordance with the Plan of Operations, the Cooperating Partner shall arrange payment of funds to retailers approved by WFP (the “Retailers”) against remittance of redeemed vouchers (the “Retailer Funds”).*
2. *The Budget shall comprise two parts: (i) the Retailer Funds payable by WFP in advance in accordance with Section E below; and (ii) the costs and management service charge for the activities implemented under this Agreement (the “Cooperating Partner’s Costs”), payable by WFP to the Cooperating Partner in arrears, in accordance with Section F below. The Budget for the Cooperating Partner’s Costs shall contain fully justified elements for: (a) Delivery; (b) Technical or Specialist Services; (c) Management and Administration; and (d) a Management Fee equal to 7% of the aforementioned costs. Start-up and close-down costs included in the Budget will be specifically identified.*

Section A – Special Obligations of the Cooperating Partner

In addition to its obligations under the General Conditions, the Cooperating Partner shall:

3. Arrange for the reception, safekeeping and disbursement of the Retailer Funds, provided by WFP in accordance with the Plan of Operations.
4. Maintain proper accounts of (i) all funds earmarked as Retailer Funds received from WFP and disbursed in accordance with the accounting procedures/financial guidelines set out in the Plan of Operations, (ii) the costs, and (iii) all funds received from WFP but not distributed or disbursed;
5. Provide WFP with a list of persons authorized to certify and sign for the reception and handling of funds and submit to WFP certified documents, reports and information as required under this Agreement. Such list shall also include specimen signatures of authorized persons and a specimen of the Cooperating Partner’s official stamp. The Cooperating Partner shall notify WFP of any change in the list;
6. Open and/or maintain a bank account, with a bank approved by WFP, specifically and solely dedicated to the deposit of the funds received from WFP earmarked as Retailer Funds until such funds are utilized (the “**Programme Account**”). The Cooperating Partner shall not create or permit to subsist any mortgage, lien, charge, hypothecation, encumbrance or security interest or any other agreement or arrangement having the effect of conferring security over the Programme Account;
7. Inform in writing the Programme Account bank of the status of the funds as specified in Section C, paragraph 15, and obtain written acknowledgment from the bank to this effect.

Section B – Special Obligations of WFP

In addition to its obligations under the General Conditions, WFP shall:

8. Make payments to the Cooperating Partner and transfer funds earmarked as Retailer Funds into the Programme Account in accordance with the terms of this Agreement;
9. Inform the Cooperating Partner of any known or anticipated problems in the availability of funds; where appropriate, assist the Cooperating Partner in minimizing risks resulting from such an event;
10. Provide advice and guidance on the implementation of the Operation; and
11. Provide training, where necessary, for Cooperating Partner staff on the management of the Operation (e.g. baseline selection, verification, monitoring, accounting, reporting and finances).

Section C - Status of funds earmarked as Retailer Funds

12. Funds earmarked as Retailer Funds shall be transferred to and managed by the Cooperating Partner in accordance with the terms of the Plan of Operations as agreed upon by the Cooperating Partner and WFP. These funds shall be reimbursable to WFP until they are received by the Retailer in accordance with the terms of this Agreement.
13. Such funds shall be immune from any form of legal process pursuant to Article II of the 1946 Convention on the Privileges and Immunities of the United Nations and Article III of the 1947 Convention on the Privileges and Immunities of the Specialized Agencies.
14. Any undistributed funds earmarked as Retailer Funds shall be refunded to WFP in accordance with Section F, paragraphs 23 and 24 of these Special Conditions.

Section D – Special Provisions on Reporting

15. The Cooperating Partner shall provide **monthly** reports on quantitative data relating to its activities under the Agreement. The monthly report shall be in accordance with the reporting format specified in the Plan of Operations and shall include details of the funds disbursed to intermediaries (such as financial intermediaries or Retailers), beneficiary numbers by gender, and fund balance in the Programme Account. Unless otherwise specified in the Plan of Operations, the reports shall be submitted to WFP within thirty (30) calendar days of the end of each month of implementation of the Programme(s) to which they refer. Except as specified in Article 5.5 of the General Conditions, WFP shall not make any payment of Cooperating Partner Costs in connection with any part of the Programmes until the related reports have been received by WFP.
16. The Cooperating Partner shall also provide **quarterly**: (i) progress reports, including both narrative and quantitative information, and (ii) financial reports in the format specified in the Plan of Operations. Narrative information in the progress report shall include: overall

progress in the implementation of agreed activities, operational difficulties encountered and measures taken to overcome them, information on complementary inputs from other sources, results achieved for the direct benefit of the targeted people, expected developments and additional activities proposed. Wherever possible, information on beneficiaries shall include gender-disaggregated data such as percentage share of resources allocated to women/men, composition (by gender) of local Food Assistance Committees specifying positions held by women, and share of benefits by category of activities;

17. The Cooperating Partner shall inform and consult with WFP if it suspects or becomes aware of any fraud or attempted fraud in connection with the implementation of this Operation. In such cases, the Cooperating Partner shall propose remedial measures, including but not limited to investigation and recovery actions for WFP's consideration and approval, or otherwise agree with WFP on how the situation shall be managed.

Section E - Losses

18. Without prejudice to Article 7 of the General Conditions, the Cooperating Partner shall assume full legal responsibility for the safekeeping, handling and management of the Retailer Funds handed over to it by WFP, and for any sub-contracting of its obligations to third parties including financial intermediaries or Retailers. The Cooperating Partner shall be liable and shall refund WFP for any losses or misappropriations of the Retailer Funds following their transfer from WFP, which may arise from any breach of this Agreement or from any negligent or intentional acts or omissions, attributable to the Cooperating Partner and/or its officials, employees, agents, servants, subcontractors and other representatives.
19. WFP shall have the right to set off any losses for which the Cooperating Partner is liable under this Agreement against any remaining obligation to pay the Cooperating Partner.

Section F – Special Provisions on Payments

20. The Cooperating Partner shall receive funds earmarked as Retailer Funds as per the agreed Budget and/or Plan of Operations. No payment shall be made by WFP without the supporting documentation certified by the Cooperating Partner listed in the Plan of Operations and accepted/signed by the WFP-authorized representative specified in the Plan of Operations.
21. The first instalment of funds earmarked as Retailer Funds shall be based on the disbursement schedule outlined in the Plan of Operations and shall cover the full amount of Retailer Funds to be paid during the first distribution period. Transfer to the Cooperating Partner shall occur prior to the commencement of the first distribution period.
22. Subsequent releases of funds earmarked as Retailer Funds shall be made by WFP upon receipt of an instalment payment request from the Cooperating Partner. The Instalment Payment Request shall be supported by the necessary reports and documents, certifying the actual Retailer Funds paid to retailers in the previous distribution period and the remaining balance of the previous instalment. Any subsequent release shall correspond to Retailer Funds planned for the relevant distribution period, reduced by the amount of any remaining balance from the previous instalment.

23. The Cooperating Partner shall within seven (7) calendar days following the last day on which Retailer Funds were to be paid to the Retailers under the Plan of Operations, refund to WFP any and all undisbursed Retailer Funds on the bank account specified in Article 5.6 of the General Conditions. The Cooperating Partner shall, as necessary, put in place adequate contractual requirements with other parties to ensure satisfaction of this article.
24. The Cooperating Partner shall return to WFP all undisbursed Retailer Funds immediately upon expiration, termination or suspension of this Agreement.
25. The Cooperating Partner's Costs shall be reimbursed as follows:
 - (a) The costs relating to Delivery and Technical or Specialist Services shall be reimbursed on the basis of the actual incurred costs plus 7% Management Fee;
 - (b) The Management and Administrative costs shall be reimbursed on the basis of the actual Delivery and Technical/Specialist Services Costs incurred multiplied by the Management and Administration percentage specified in the Budget, plus 7% Management Fee.
26. Except for final payments under Article 5.1 of the General Conditions, the Cooperating Partner's Costs shall be paid by WFP within thirty (30) calendar days in accordance with Article 5.5 of the General Conditions, based on invoices submitted by the Cooperating Partner and approved by WFP, or statements of accounts in an agreed format. No payment shall be made by WFP without the supporting documentation certified by the Cooperating Partner, and accepted/signed by a WFP-authorized representative including as a minimum the following information:
 - statement of expenses incurred during the period for which payment is being made by WFP;
 - Retailer Funds disbursement registers for the period under consideration;
 - reports set out in Article 4 of the General Conditions and Section D above; and
 - bank reconciliation of the WFP Programme Account supported with a bank statement.
27. In the event that WFP does not, due to unavailability of funds or to the suspension or termination of this Agreement, provide the full amount of Retailer Funds specified in this Agreement, WFP shall provide written notice of such circumstance to the Cooperating Partner; notwithstanding such notice, WFP shall reimburse the Cooperating Partner for any actual and substantiated costs resulting from commitments incurred by the Cooperating Partner prior to the date it received the notice from WFP, to the extent that such costs do not exceed two months of Management and Administrative costs as specified in the Budget, and are proven to have been incurred in compliance with the terms of this Agreement. Any reimbursement shall be made by direct payment as arranged by the Parties or by setoff against funds to be refunded by the Cooperating Partner to WFP. In exceptional circumstances, an amount corresponding to a period exceeding two months may be agreed by WFP, at its sole discretion, if substantiated. The Cooperating Partner shall use its best efforts to minimize any such costs, and to include appropriate provisions in any contracts with third parties that shall enable the Cooperating Partner to terminate or suspend such contracts in the event that this Agreement is terminated or suspended.