

Public Private Partnerships (PPPs) to promote Cluster Development and Research and Skills Development

PPP Implementation Manual

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List of Acronyms

CD PPP	- Cluster Development Public Private Partnership
DFA	- Development Foundation of Armenia
PPP	- Public Private Partnership
EIF	- Enterprise Incubator Foundation
EMP	- Environmental Management Plan
ESMF	- Environmental and Social Management Framework
FDI	- Foreign Direct Investment
FFPMC	- Foreign Financing Project Management Centre
MoE	- Ministry of Economy
MoU	- Memorandum of Understanding
PMU	- Project Management Unit
PSC	- Project Steering Committee
RAP	- Resettlement Action Plan
RPF	- Resettlement Policy Framework
R&D	- Research and Development
R&SD PPP	- Research and Skill Development Public Private Partnership
SME	- Small and Medium Enterprise
TOR	- Terms of Reference
TPQI	- Trade Promotion and Quality Infrastructure Project

Clarification of Terms

PPP Initiative(s)	PPP Initiative(s) means the Public Private Partnership investment project(s) selected in accordance with the procedures and criteria set forth in the PPP Implementation Manual and to be financed from the proceeds of the TPQI.
PPP Program(s)	PPP Program(s) refer to the two funding instruments (CD PPP and R&SD PPP) and the processes and procedures pertinent thereto.
Private Partner	Private Partner is privately held entity, preferably multinational organization represented in more than 3 (three) countries of the world, with sound and respected brand and capacity to support industry development and country brand promotion.
Public Partner	Public Partner is academia, educational, or research related Institution
Project Steering Committee	Project Steering Committee (PSC), is both the high level management for the TPQI and is responsible for overseeing and supervising implementation of the Project. PSC is chaired by the Minister of Economy.
Program Inheritor	Program Inheritor is the organization which ensures successful functioning of the each PPP initiative after its end, also inherits the ownership of assets acquired/created in scope of Initiative.
Implementing Agency	Enterprise Incubator Foundation or Development Foundation of Armenia
Consortium	Group of organizations (legal entities) who collaborate to design and develop joint proposal and implement the activities as per the proposal if selected for the award. Consortium can be one organization.
Consortium Agreement	Memorandum of Understanding (MoU) signed by the members of the Consortium, stating they will be developing joint proposal for the PPP; defining the roles of the members and their financial commitments or Letters of Commitment on roles and responsibilities, financial commitment and joint proposal development from every Consortium member.
Lead Member or Lead Member of the Consortium	An organization from the Consortium, which will be primarily responsible for communications with respective Implementing Agencies and the activities among Consortium Members, also coordination of the proposed PPP Initiative.

1 Background

In the framework of the Trade Promotion and Quality Infrastructure (TPQI) Project financed by the World Bank, Public Private Partnership (PPP) Initiatives will be implemented. PPP initiatives are conducted through the two PPP Programs: 1) Cluster Development; and 2) Research and Skills Development.

The primary objectives of PPP Initiatives are to: (i) strengthen the relationships of firms within Armenia's domestic industries with export potential in order to accelerate the upgrading of these industries; (ii) strengthen Armenia's relationships with existing efficiency-seeking, high value-added Foreign Direct Investment (FDI) as well as to enhance the potential for attracting new FDI to Armenia; and (iii) facilitate industry-academia collaboration.

This PPP Implementation Manual describes the objectives, eligibility criteria, flow of funds, application procedures, including application and evaluation processes for the two PPP Programs – 1) Cluster Development PPPs and 2) Research and Skills Development PPPs.

Enterprise Incubator Foundation (EIF) serves as the Implementing Agency for the proposals related to IT, High-Tech and Engineering PPPs, while the Development Foundation of Armenia (DFA) serves as the Implementing Agency for the qualifying PPPs in other sectors.

2 Objectives of PPP Programs

2.1 Cluster Development PPPs

Cluster Development PPPs (CD PPPs) are intended to strengthen Armenian domestic industry clusters. Illustrative examples of CD PPPs include:

- Development of industry-wide local initiatives that would improve the competitiveness of the entire industry. Such initiatives include introducing innovative technologies and approaches, developing sectoral branding and marketing strategies for the country, and improving workforce competences; and
- Establishment of industry specific facilities that are prohibitively expensive for individual firms in order to develop economies of scale and improve productivity, such as quality and testing laboratories, training centres, common logistics infrastructure, etc.

2.2 Research and Skills Development PPPs

Research and Skills Development PPPs (R&SD PPPs) are targeted at encouraging efficiency-seeking FDI (primarily in high tech) to strengthen their level of engagement in Armenia and facilitate local skills development to promote innovation by funding joint projects between multinationals, Armenian academia, and others. Illustrative examples of R&SD PPPs include:

- Development of enabling infrastructure, such as laboratories, accelerators, innovation centres and related collaborative efforts. Infrastructure supports dissemination of organizational expertise, know-how and facilitates creation of innovative solutions; and
- Upgrading academic programs within universities, providing state-of-art equipment for research projects and access to complex software, or otherwise supporting academic programs encouraging research and development.

3 Funding

The selected proposal of PPP Initiatives will be provided with funding to finance the eligible expenditure as specified in the Section 9. The funds can be used for **up to** 50 percent of the estimated total expenditure per selected proposal, while the

selected beneficiaries and/or Private Partner are required to contribute at least 50 percent of the estimated total expenditure in cash and/or in kind.

While there are no dollar limitations on an individual proposal, the Selection Committee defined in Section 10 will determine the reasonableness and viability of the funding size of proposed activities of PPP Initiatives. The provided funds will be managed based on World Bank regulations and financial management arrangements described in the Section 11 of this PPP Implementation Manual.

4 Duration of Funding under TPQI

Proposed activities of PPP Initiatives are expected to be implemented over the maximum of 3-year period; the term of which can be extended only upon justifiable reasons, with the approval of the World Bank and Project Steering Committee (PSC).

5 Minimum Eligibility Requirements

5.1 Cluster Development PPPs

Applicants for CD PPPs must satisfy all the following minimum requirements for their proposal to be considered:

- Each CD PPP must be proposed by an industry Consortium involving private sector participants;
- At least one Private Partner is required to be a member of the formed Consortium. Consortium may also include multiple members and must present the jointly developed proposal with clearly defined roles for all Consortium Members;
- Each Consortium is required to appoint a Lead Member;
- Consortium must declare financial commitment and participation in the CD PPPs for the whole duration of the proposed activities. The proposal, which includes financial elements, clearly specifies that Members of the formed Consortium contribute at least 50 percent of the total cost for the proposed CD PPPs in cash and/or in-kind;
- The required funding size per CD PPP should be more than 300,000 USD. This means that a proposed CD PPP requires at least 600,000 USD in total funding;
- Proposal of CD PPP should specifically elaborate how the proposed activities will facilitate the growth of Small and Medium Enterprises (SMEs) in the identified sector and catalyze a breakthrough for the specific industry;
- Proposal of CD PPP is expected to facilitate establishment of publicly accessible goods, infrastructure, ecosystem, adding unique value to the industry as a whole; and
- Negative environmental and social impacts such as pollution, damage to trees and other vegetation, and land use or acquisition must be avoided where feasible, or minimized, exploring all viable alternatives. If any such impacts are possible, each proposal must comply fully with the Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) prepared for TPQI Project and proposals must include detailed mitigation measures. No PPPs with expected SIGNIFICANT negative social or environmental impacts will be permitted.

5.2 Research and Skills Development PPPs

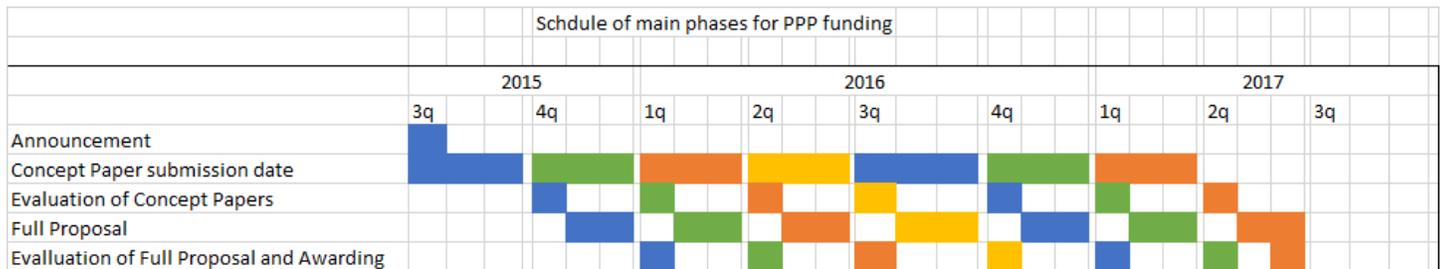
Applicants for R&SD PPPs must satisfy all the following minimum requirements for their proposal to be considered:

- Each R&SD PPP must be proposed by Consortium;
- At least one Public Partner and one Private Partner are required to be a Member of the formed Consortium.

- Consortium may also include multiple members and must present the jointly developed proposal with clearly defined roles for all Consortium Members;
- Each Consortium is required to appoint a Lead Member;
- Consortium must declare financial commitment and participation in the R&SD PPPs for the whole duration of the proposed activities. The proposal, which includes financial elements, clearly specifies that Members of the formed Consortium contribute at least 50 percent of the total cost for the proposed R&SD PPP Initiatives in cash and/or in-kind;
- The required funding size per R&SD PPP should be more than 300,000 USD. This means that a proposed R&SD PPP requires at least 600,000 USD in total funding;
- Proposal of R&SD PPP needs to include an educational and innovation component;
- Proposal of R&SD PPP is expected to facilitate establishment of publicly accessible goods, innovative environment, Research and Development (R&D) laboratory, infrastructure, ecosystem, adding unique value to the industry as a whole; and
- Negative environmental and social impacts such as pollution, damage of trees and other vegetation, and land use or acquisition must be avoided where feasible, or minimized, exploring all viable alternatives. If any such impacts are possible, each proposal must comply fully with the ESMF and RPF prepared for the TPQI Project and proposals must include detailed mitigation measures. No PPPs with expected SIGNIFICANT negative social or environmental impacts will be permitted.

6 Procedure

The respective Implementing Agencies are in charge for organizing Open Call for Proposals. Open Call for Proposals will be announced by Implementing Agencies. Announcement will be distributed via online resources of Implementing Agencies, online media, social media and networks.



6.1 Concept Paper Submission

As a first stage in the application process, the following procedures will be applied:

- 1) A Call for Proposals in form of a PPP Concept Paper is announced by the respective Implementing Agencies;
- 2) Following the Call, the Implementing Agencies will organize presentations, Question and Answer sessions on the PPP Programs and their processes; and
- 3) Implementing Agencies will then be communicating with interested applicants to support submission of their PPP Concept Paper. Sample Concept Paper template can be found in Annex 1 of this Manual.

The interested applicants must submit one original of the Concept Paper and one copy in both Armenian and English to the responsible Implementing Agency. Scanned copies of original documents will be acceptable. Original documents will be required upon request.

Although the Call for Proposals will not have a specific deadline, interested Consortium will be requested to submit the Concept Paper before the scheduled Selection Committee review period. The details of the scheduled review will be specified in the Call for Proposals.

6.2 Evaluation of Concept Paper

Once an applicant has submitted Concept Paper, including all the supporting documents, the following steps will be applied:

- 1) The responsible Implementing Agency checks Minimum Eligibility of the Concept Paper based on Minimum Eligibility Criteria described in Section 8.1. This includes the initial assessment of proposed activities of PPP Initiatives' environment and social impacts, which will be conducted with the support of the Environment and Social Safeguards Specialist of Project Management Unit (PMU) under the Ministry of Economy of Armenia (MoE).

The responsible Implementing Agency will inform applicants on any incompleteness of applications (Concept Paper and supporting documents), such as missing documents, proposal with inadequate information, and missing key elements. The applicant must revise his/her application and provide missing documents and required information within 7 (seven) calendar days, as per notice from the Implementing Agency.

- 2) Eligible Concept Papers are submitted to Selection Committee for review. Selection Committee quarterly evaluates Concept Papers based on the Concept Evaluation Criteria described in Section 8.2;
- 3) Concept Papers approved by Selection Committee are presented to PSC for allocation of funds for the proposed activities of PPP Initiative.
- 4) Implementing Agency shares Selection Committee's evaluation results and recommendations with each applicant. Applicants of the approved Concept Papers are invited to submit Full Proposals. Applicants, who are not approved by Selection Committee for Full Proposals, are allowed to re-submit the Concept Paper by addressing the evaluation comments made by the Selection Committee.

6.3 Submission of Full Proposal

The responsible Implementing Agency consults and assists applicants in preparing a Full Proposal Application Package, including measures for mitigation of negative environment and social impacts (if any).

The applicant must submit two copies of the Package in both Armenian and English to the responsible Implementing Agency. Scanned copies of original documents will be acceptable. When documents are submitted electronically, original documents shall be made available upon request.

The Implementing Agencies will organize Question and Answer sessions and one-to-one meetings to facilitate and help applicants to prepare Full Proposal Application Packages and will submit the Packages to final evaluation process. Annex 2 includes Full Proposal Application Package template and Annex 3 shows Budget Template.

6.4 Evaluation of Full Proposal

Selection Committee reviews Full Proposals Application Package based on Proposal Evaluation Criteria described in Section 8.3. Final decisions of Selection Committee are expected to be made within approximately 4 (four) weeks after the submission of Full Proposal.

Approved Full Proposals by Selection Committee are presented to PSC to authorize release of funds to the selected proposals of PPP Initiatives.

Implementing Agency informs the Applicants about final decision. The announcement of the winning proposal of PPP Initiatives is made publicly.

6.5 Where to Apply

Both Concept Paper and Full Proposal Package must be submitted to the addresses of responsible Implementing Agencies. These can also be submitted electronically through the following e-mail addresses:

- **EIF:** info@eif.am
- **DFA:** info@fda.am

7 Compliance with Safeguards Requirements

The Environmental and Social Safeguards Specialist of the PMU carries out environmental and social screening of Concept Papers and provides his/her opinion to PMU Manager and the WB. The Specialist sends her/his observations/screening results to the Implementing Agencies and Selection Committee. The proposals with expected SIGNIFICANT negative social or environmental impacts, including significant physical resettlement and classified as environmental Category A are not eligible for funding from TPQI Project and will NOT be taken into consideration at the next step (review by Selection Committee). Also, PPP Initiatives do not support businesses that are related to the production of arms, spirits, tobacco, and hazardous substances, or which do not comply with national labour standards.

When proposals of the PPP Initiatives, which are finally approved, include small construction and rehabilitation activities, Environment Management Plan (EMP) needs to be prepared by the selected Consortium, in accordance with the ESMF. The document can be accessed at the following link <http://mineconomy.am/arm/265/naxagtser.more.html>. EMP must be prepared, disclosed for public feedback and cleared with the World Bank prior to tendering construction/rehabilitation works. EMP becomes part of bidding documents and later is attached to works contract hence becoming binding for contractor.

When proposals of the finally approved PPP Initiatives, have resettlement impacts, a Resettlement Action Plan (RAP) needs to be developed by the selected consortium, in accordance with the RPF. The document can be accessed at the following link <http://mineconomy.am/arm/265/naxagtser.more.html>. The RAP must be prepared, disclosed for public feedback, cleared by the World Bank and fully implemented prior to the activity being cleared for implementation.

Both ESMF and RPF for TPQI are available in English and Armenian as well in the website of the MoE. Together with the Environment and Social Safeguards specialist of PMU of the MoE, the respective Implementing Agency will support the assessment of environment and social impacts and preparation of the necessary documents, including EMPs and RAPs.

8 Evaluation

8.1 Criteria for Evaluating Minimum Eligibility

Implementing Agency will check Minimum Eligibility of the Concept Papers, including supporting documents, based on the following table:

No	Minimum Eligibility Criteria	YES	NO
1	Concept Paper and related documents are prepared and submitted as per PPP Implementation Manual and Call for Proposals announcement		
2	Overall the Proposal is in compliance with the objectives of PPP Programs		
3	(For CD) Consortium has at least one Private Partner (For R&SD) Consortium has at least one Private Partner and one Public Partner		
4	Letter of certification/commitment from Consortium for fifty percent (50%) contribution in cash and/or in-kind submitted with the Concept Paper		
5	The activity of proposed PPP requires more than 600,000 USD in total funding of which the Consortium must provide at least 50 percent of the estimated total expenditure in cash and/or in kind		
6	Consortium Agreement: MoU between the Consortium Members or Letters of certification/commitment clearly state/declare member(s)' financial commitments and participation in the proposed PPP for the whole duration of the activity.		
7	The proposed activity of PPP Initiative is maximum 3 year project.		
8	Potential risks of the proposed activities, including those associated with negative environmental and social impacts such as pollution, damage of trees and other vegetation, land use and land acquisition, are minimal and include mitigation measures.		
9	Concept Papers comply fully with relevant national legislation and World Bank safeguards policies, including the Section 7 of this Manual.		

All the Concept Papers rejected by Implementing Agency for reasons of non-compliance with Eligibility Criteria in above table, will be presented to Selection Committee for information purpose.

8.2 Criteria for Evaluating Concept Paper

Concept Papers are evaluated based on following criteria. All Concept Papers need to meet the objectives of PPP Programs, particularly by addressing the following criteria:

No	Evaluation Criteria		Score (0-10)
	CD PPPs	R&SD PPPs	
1	Project Proposal (Problem statement, need addressed, goals and objectives, facilitation of the SME growth in the identified sector)	Project Proposal (Problem statement, need addressed, goals and objectives, creation of infrastructure, innovation supporting ecosystem, R&D)	

2	Members of the Consortium (Experience of the private sector companies and their reputation and background in the relevant cluster)	Members of the Consortium (Experience of the private partner in establishing R&D centres and their background in educational initiatives, relevant experience, background and reputation of the consortium members, previous cooperation with each other, if any)	
3	Impact of the Project (Proposed intervention, technical approach, method of approach and main activities, viability of the suggested method, outcomes of the project, long term impact it will have on the Armenian economy)		
4	Feasibility and Sustainability plans (Budget outline, identification of funding source (i.e., by Consortium Member) for each item, Sustainability plan clearly demonstrating how activities will ensure long term continuity, methods to reach sustainability, including revenue generation model, mitigation measures for potential risks associated with negative environmental and social impacts such as pollution, damage of trees and other vegetation, , land use and land acquisition)		
TOTAL SCORE			

Each item of Evaluation Criteria will be graded according to the following scoring by each member of Selection Committee. Then the members of Selection Committee will discuss and share opinions to reach the Selection Committee's decision to select the Concept Papers approved for submission of a Full Proposal Application Package.

Scores must be in the range from 0-10

Score	Details
0	The proposal fails to address the criteria or cannot be assessed due to missing or incomplete information.
1 - 2	Poor. The proposal addresses the criteria inadequately or there are serious inherent weaknesses
3 - 4	Fair. The proposal broadly addresses the criteria, but there are significant weaknesses.
5 - 6	Good. The proposal addresses the criteria well, but there are a number of shortcomings
7 - 8	Very Good. The proposal addresses the criteria very well, but there are a small number of shortcomings
9 - 10	Excellent. The proposal sufficiently addresses all relevant aspects of the criteria. Any shortcomings are minor.

8.3 Criteria for Evaluating Full Proposals

Evaluation and Scoring of Full Proposal are based on the following criteria:

No	Evaluation Criteria		Score (0-10)
	CD PPPs	R&SD PPPs	
1	Project Proposal (Problem statement, need addressed, goals and objectives, facilitation of the SME growth in the sector)	Project Proposal (Problem statement, need addressed, goals and objectives, creation of infrastructure, innovation supporting ecosystem, R&D)	
2	Members of the Consortium (Experience of the private sector companies and their reputation and background in the relevant cluster, relevant experience)	Members of the Consortium (Experience of the private sector representing consortium member in establishing R&D centres and their background in educational initiatives, relevant experience. Bbackground and reputation of the Consortium members)	
3	Impact of the Project (Proposed intervention, technical approach, method of approach and main activities, viability of the suggested method, outcomes of the project, long term impact it will have on the Armenian economy)		
4	Implementation Plan (Dates for each milestone, key events or changes occurring with each milestone, action steps for each milestone, funding required for each milestone, duration, relevant organizational experience and key staff)		
5	Feasibility and Sustainability plan 3 year indicators to measure the success of the proposal; Sustainability plan clearly demonstrating how proposed activities will ensure long term continuity, methods to reach sustainability, including revenue generation model; identification or establishment of organization (Program Inheritor), which ensures successful functioning of the initiative after the end of TPQI finding. The ownership of assets acquired/created as a result of Initiative will be transferred to Program Inheritor. Budget, financial plan, with major line items , identification of funding source (i.e., by Consortium Member) for each, and a narrative description of what the resources will be used for (the list of in-kind contribution and the means of verification of the in-kind contribution are specified in section 11.4).		
6	Added Value Specific added-value elements, e.g. the promotion or consolidation of public-private partnerships, innovation and best practice, or other cross-cutting issues such as environmental and social issues, promotion of gender equality and equal opportunities, the needs of disabled people, the rights of minorities and the rights of indigenous peoples.		
TOTAL SCORE			

Each item of Evaluation Criteria will be graded according to the following scoring by each member of Selection Committee. Then, the members of Selection Committee will discuss and share opinions to reach a final decision on awards. The table is a simple tool, proposed to facilitate the Selection Committee's discussion around possible awards.

Scores must be in the range from 0-10.

Score	Details
0	The proposal fails to address the criteria or cannot be assessed due to missing or incomplete information.
1 - 2	Poor. The proposal addresses the criteria inadequately or there are serious inherent weaknesses
3 - 4	Fair. The proposal broadly addresses the criteria, but there are significant weaknesses.
5 - 6	Good. The proposal addresses the criteria well, but there are a number of shortcomings
7 - 8	Very Good. The proposal addresses the criteria very well, but there are a small number of shortcomings
9 - 10	Excellent. The proposal sufficiently addresses all relevant aspects of the criteria. Any shortcomings are minor.

9 Eligible and Ineligible Expenditures

Eligible Expenditures under the PPP Initiatives include the following types:

- Civil works: renovation, new construction that do not require physical resettlement;
- Purchase of goods, including hardware and software;
- Services and Operational Costs, including staff salaries and Consultants' fees; and
- Other valid expenses identified in the budget as directly related to execution of the selected proposal of PPP Initiatives and agreed by Implementing Agency all of which cannot exceed more than 10 percent of total budget of each proposal of PPP Initiatives.

All the expenses should follow the timeline and budget lines of the approved budget, presented in the Full Proposal and finalized during the signing of PPP Agreement between the responsible Implementing Agency, Foreign Financing Project Management Centre (FFPMC), and the selected Consortium.

Ineligible Expenses that will not be considered for the PPP Initiatives include, but are not limited to,

- Interest or debts owed to any party;
- Expenditures and provisions for possible future losses or debts;
- Expenditures linked to activities that are related to the production of arms, spirits, tobacco, and hazardous substances, or which do not comply with national labour standards;
- Expenditures for the procurement of second hand goods;
- Any other expenditure that are not related to the selected PPP purpose or identified in the approved Budget in the Full Proposal Application Package.

10 Selection Committee

To ensure meritorious and transparent award decision-making, PSC forms the Selection Committee -- an independent committee, which is comprised of Armenian and foreign professionals from the private sector, academia, and applied research sector who are knowledgeable in business, cluster development, joint ventures and technology development.

Selection Committee evaluates Concept Papers and Full Proposal. The Selection Committee is responsible for making a

decision whether a submitted Concept Paper should be taken to the Full Proposal stage and whether a submitted Full Proposal should be awarded to the funding under the PPP Initiatives.

Selection Committee will reach its agreed decision based on scoring against evaluation criteria and discussion among members of Selection Committee during the evaluation process.

11 Contractual Agreements, Financial Management and Procurement

11.1 Contractual Agreements

Agreements, which will be contracted under the PPP Programs, describe the roles and responsibilities of all parties, and the terms and conditions of the implementation of the activities of PPP Initiative. The PPP Lead Member will be required to maintain a master file which will include: Application and supporting documentation as specified in the manual; Official documentation exchanged during the application and periods; Award notification; Copies of all required reports; Original invoices and other payment supporting documents; Evidences proving the provision of contribution (both in cash and in-kind) by Consortium Members; and other documents as specified by the PPP implementation manual. The master files should be available for the auditors and the World Bank staff for review. Agreements will include a clause allowing external auditor (auditing TPQI project) and the World Bank staff to review the documentation relating to the PPP Initiative progress and disbursements, including funding provided by the selected Consortium under the activities of PPP Initiatives, both in cash and in-kind. There are two types of agreements:

- The Agreement which is signed between Implementing Agency, FFPMC and Supplier/Contractor (Goods, works, and services) describes the roles and responsibilities of all parties, and the terms and conditions of the implementation of the activities of PPP Initiatives. For each PPP Initiative, separate Procurement Plan will be developed.
- The Agreement which is signed between Implementing Agency and Lead Member of the Consortium contains a clause on return of TPQI funds in case if the Consortium fails to meet contribution targets, as per the approved activities of PPP Initiatives.

11.2 Financial Management

Financial Management (FM) arrangements for the PPP Initiatives will follow the Financial Management Manual (FMM).

11.3 Procurement

The World Bank and Government funds will be managed by FFPMC, which will make the payments directly to contractors/suppliers/consultants, and thus, no such funds will flow to the selected Consortiums. Implementing Agency will prepare the Terms of References (TORs) and Technical Specifications. All the procurement activities under proposed activities of PPP Initiatives are made by FFPMC.

For IT, High-tech and engineering PPPs, when the Private Partner requires brand specific, up-to-date quality equipment using brand specific technology or software, the procurement of brand required equipment/software is organised through direct contracting or mentioning the brand name. The responsible Implementing Agency will work with Consortium Members, who will need to present adequate justification for such cases.

11.4 Valuation of In-Kind Contributions

Value of In-Kind Contribution to be provided by the selected Consortium should be verifiable. In-kind contribution is limited to the types mentioned below. Means of verification could differ depending on the contribution type:

- Goods/equipment/software – Invoice; other purchasing documentation; price list from public source (web page, etc.), if purchasing documentation not available; conclusion of appraiser; market price note.
- Salary/consulting – Salary reference from the members of the selected Consortium
- Land – Conclusion of independent licensed appraiser, regarding the cadastral value of land rental/purchase.
- Building – Conclusion of independent licensed appraiser, regarding the cadastral value of building rental/purchase, both before and after renovation, if applicable.
- Utility bills – Utility bill payments will be considered valid In-Kind Contribution, only if issued for specific area (contribution to the activities of the selected PPPs) based on contract with service provider. This might include specific meter measurements/indications or detailed calculations conducted by Implementing Agency.

Implementing Agency facilitates the valuation/verification of In-Kind Contribution. The respective Implementing Agency will work with the selected Consortium to ensure In-Kind Contribution is supported with acceptable means of verification.

12 Reporting and Monitoring

12.1 Work and Progress Reporting

In addition to any reports that may be requested under PPP Initiatives, the Implementing Agency in partnership with Lead Member submits the following reports:

12.1.1 Annual Work Plan

At the beginning of each year, the Lead Member of the Consortium will update annual work plan, outlining activities under the PPP Agreement and results to be achieved over the course of the year. An explanation must be provided for any material deviation from original approved plan, on which the Agreement is based.

12.1.2 Performance Monitoring and Evaluation Plan

At the beginning of each year, the Lead Member of the Consortium submits an annual performance monitoring and evaluation plan in conjunction with the annual work plan. The monitoring and evaluation plan will include specific indicators for measuring progress for project activities, including gender-sensitive data as relevant. Measurement will focus on both output and outcome data, showing the specific impacts and results of activities of PPP Initiatives. Annual reports must also include reporting on any social or environmental risks which arose, and how they were addressed.

12.1.3 Quarterly Progress Reports

The Progress Reports shall contain the following information at a minimum:

- Description of overall progress of PPP Initiative towards results. This should not be a description of activities, but rather a broader analysis that examines the progress in the context of the objectives and expected results;
- A summary of activities undertaken under the contract, progress made/results achieved during the reporting period;
- Data on all indicators established in monitoring and evaluation plan for the contract;
- A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigators or both and a determination as to whether project is on track;
- Reporting on compliance with the relevant safeguards documents;
- Problems encountered, reasons why established goals were not met, if appropriate, and how challenges or problems will be overcome during the next reporting period;
- A comparison of actual expenditures with budget estimates, including analysis and explanation of cost overruns or high unit costs, and any other pertinent information;
- A report on all contributions of each member of the consortium and financial documentation verifying these expenses; and

- Status of environmental compliance of activities of PPP Initiatives which include conduct of physical works, together with filled out monthly environmental monitoring checklists completed for each work site active during the report period; and
- Priorities for the next reporting period.

12.2 Final Report

Implementing Agency and Lead Member of the formed Consortium submit the original and one copy of the final performance report. The final performance report shall be submitted no later than 90 (ninety) calendar days after the completion of the PPP initiative, based on PPP Agreement. PPP Agreement and shall contain the following information:

1. An executive summary of the accomplishments and results achieved;
2. An overall description of the activities, major accomplishments and results achieved, including results for all of the activities under the PPP Initiatives;
3. Final data for all indicators included in the Performance Monitoring Plan of the PPP Agreement;
4. A summary of problems/obstacles encountered during the PPP's implementation, and how those obstacles were addressed and overcome, if appropriate; and
5. An assessment of performance in accomplishing the PPP's overall objectives.

Annexes

Annex 1: Sample Concept Paper Template

Annex 2: Sample Full Proposal Application Form

Annex 3: Budget Template

ANNEX 1: Sample Concept Paper Template

.....
Title of Project

CONCEPT PAPER *for a* ***Public Private Partnership (PPP) to promote [choose either]*** ***“Cluster Development” or “Research and Skills Development”***

Yerevan, Month, Year

Name of the Consortium		
Name and address of organization that is the Consortium Lead		
Contact point:	Lead contact name	
	Relevant telephone	
	e-mail	
Name of the other Members of Consortium Address Contact point (Please add cells to include all members)		
Project Duration		
Budget Requested from TPQI Project (AMD)		
Total Contribution of the Partners (AMD)		
Total Project Budget (AMD)		
Authorized representative of the Consortium		
Signature		

1. TECHNICAL INFORMATION

1.1 Project Title:

1.2 Project Objectives

Indicate how your proposed activity of PPP Initiative addresses the specific challenge and scope of topic, as set out in the PPP Implementation Manual.

1.3 Method of Approach

- Give the background to the preparation of the activity of PPP Initiative
- Key stakeholders group and their attitude towards the action, any consultations held with them and their anticipated participation
- Type of activities proposed, related outputs and results, including linkages between activities
- Timeframe and specific factors, which were taken into consideration

1.4 Anticipated Results and Relevance of the proposed activity

- Relevance to the specific national priorities of Armenia
- Relevance to objectives and priorities, described in the PPP Implementation Manual
- Anticipated outcomes, results and impact of the proposed activity on its stakeholders and beneficiaries;

1.5 Project Partners, Roles and Contribution

- Explain how the profile of each partner is aligned with the objectives of the proposed PPP Initiative
- Indicate the role of each partner towards development of the proposal and implementation of activities in scope of initiative.

1.6 Particular Added Value

Indicate any specific added-value elements, e.g. the promotion or consolidation of public-private partnerships, innovation and best practice, or other cross-cutting issues such as environmental issues, promotion of gender equality and equal opportunities, the needs of disabled people, the rights of minorities and the rights of indigenous peoples.

1.7 Environment and Social impacts and Mitigation Measures

Indicate potential negative environmental impacts and social impacts (if any) and proposed mitigation measures.

2. SUPPORTING INFORMATION

2.1 Proposed Estimated Cost

The total cost is [xxx,xxx AMD].

2.2 Proposed amount of the applicant's participation

Applicant participation includes both in-kind and cash contributions totalling up to [xxx,xxx AMD] over a period of 3 years.

2.3 Proposed amount of prospective partners' participation

Prospective partners will contribute up to AMD within a period of [xx] years both in-kind and in cash (Please attach proposed Estimated Cost and Cost Breakdown (1 page maximum)). This should include proposed budget and projections.

Budget Item	Year 1			Year 2			Year 3			TOTAL	Contribution Covered by
	Consortium		TPQI	Consortium		TPQI	Consortium		TPQI		
	Cash	In-Kind		Cash	In-Kind		Cash	In-Kind			
Renovation, new construction											
Hardware											
Software											
Staff salaries											
Consultants' fees											
Etc.											

2.4 Proposed duration of the funding for the proposed PPP

Proposed duration of the funding for the PPP is ... years.

2.5. Contact Information

Contact information for all proposed partners, including name, title, email and phone numbers and a brief description of each prospective partner's previous work and experience.

2.6. MoU / Letters of Commitment

Please attach MoU signed by the members of the Consortium, stating they will be developing joint proposal for the PPP program and defining the roles of the members,

Or

Letters of Commitment on roles, financial commitment and joint proposal development by Consortium members.

ANNEX 2: Full Proposal Application Package

The package should include, but is not limited to, the following list of documents (Application Package):

- Completely filled-in Application Form
- Detailed budget and financial plan, with narrative descriptions. Separate budget sheet, listing the contribution items, both in-kind and cash, also price per item. Any in-kind contribution items should be included and verifiable. The means of verification for assets for example could be a printed price list from the official web page of the Consortium Member. The detailed budget must be in open MS Excel format (Annex 3).
- Memorandum of Understanding (MoU) signed by the Members of the Consortium, stating they will be developing joint proposal for the PPP Program and defining the roles of the Members, or Letters of Commitment on roles, financial commitments and joint proposal development by Consortium Members. MoU should also recommend the Lead Member of the Consortium.
- Description of Project Management process and plans with roles and responsibilities of key staff with Curriculum Vitae (CVs).

Sample Full Proposal Application Form

I. Title Page

1. Project Title:
2. Partners of the Project:
3. Project Duration:
4. Name and Contacts of the responsible person (provide email, phone):
5. Budget Requested from TPQI (AMD):
6. Total Contribution of the Partners (AMD):
7. Total Project Budget (AMD):

II. Body of the Application

The body of the application shall include the following information:

1. Table of Contents listing all page numbers and attachments
2. Executive Summary
*In one page summarize the proposed activity of PPP Initiative including the problem to be addressed, goal, objectives, activities and expected results.
We advise that this part is completed at the end to ensure that all main points are included.*
3. Background and Problem Statement
Describe the specific industry the proposed activity is targeting, issues related to the selected industry that the proposed activity is going to resolve. Explain why the proposed activity is needed, how it will meet industry needs and how it will support their development. Provide quantitative and qualitative evidence of the problem (e.g. research, statistics, examples and any other facts) to justify its existence and significance.
4. Goal and Objectives
Describe the goal and objectives of the proposed activity of PPP Initiative. Indicate how your proposal addresses specific problem and scope of topic as set out in PPP Implementation Manual. Describe strategy you are going to adopt in order to resolve the presented problem.
5. Consortium Members
Describe partners and their expected roles, including partner and other resources brought to bear (leverage).
6. Proposed Interventions/Technical Approach

Provide description of technical approach of the proposed activity of PPP Initiative. Describe the main ideas, models or assumptions involved. Describe the methodology for carrying out the activities and obtaining the expected output; tools; quality control criteria needed for implementation of the proposed action. Also highlight the compatibility of proposed methodology.

7. Expected Impact

Describe expected results/impact of the proposed activity of PPP Initiative, both short term and long term. Describe what possible development outcomes might be expected. Provide measurable quantitative and qualitative indicators for evaluation of the declared results/impact.

8. Duration of Activity

9. Sustainability Plan

Present detailed sustainability plan clearly demonstrating how activities will continue in the long term when the TPQI funding for the PPP Initiatives is concluded. Highlight 3 year indicators to measure the success of the proposed activity of PPP Initiative; methods to reach sustainability. Include revenue generation model. Describe the approach towards identification or establishment of organization, which ensures successful functioning of the PPP proposal after the end of TPQI finding.

10. The Role of Funding

Describe the role of TPQI funding within the proposed activity of PPP Initiative (e.g. facilities, equipment, material, or personnel resources).

11. Environment and Social impacts,

Describe Environment and Social impact, Mitigation Measures and plan for supervision/oversight of environmental and social compliance.

12. Budget and financial plan

Please attach the budget and describe the financial plan, including major line items, identification of funding source (i.e., by consortium member) for each, and a narrative description of what the resources will be used for (the list of in-kind contribution, schedule for in kind contribution and the means of verification of the in-kind contribution are specified in section 11.4 of PPP Implementation Manual).

13. Monitoring and evaluation

Describe the monitoring and evaluation activities.

14. Relevant experiences of Consortium, Lead member and other partner organizations.

15. Key staff and their Curriculum Vitae

Organization and Staffing. In this sub section you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.

16. Implementation Schedule

17. Branding and Marketing

III. Signature Page

Please attach MoU signed by the Members of the Consortium, stating they will be developing joint proposal for the PPP Program and defining the roles of the members,

Or

Letters of Commitment on roles, financial commitment and joint proposal development by Consortium Members.

All applications must be in English and Armenian and submitted as instructed by the PPP Implementation Manual.

ANNEX 3: Budget Template

1. SPACE	Size, sq.m.	Cost per sq.m.			Year 1	Year 2	Year 3	Total for 3 years	Covered by
2. EQUIPMENT	Unit cost	Units, year1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
3. SOFTWARE					Year 1	Year 2	Year 3	Total for 3 years	
4. FURNITURE	Unit cost	Units, year1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
5. STAFF	Persons	Monthly Gross			Year 1	Year 2	Year 3	Total for 3 years	Covered by
6. TRAININGS AND R&D	Unit cost	Units, year 1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
7. PR and Marketing	Unit cost	Units, year 1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
8. Travel	Unit cost	Units, year 1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
9. Other equipment	Unit cost	Units, year 1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
10. Other Costs	Unit cost	Units, year 1	Units, year 2	Units, Year 3	Year 1	Year 2	Year 3	Total for 3 years	Covered by
TOTAL PROGRAM COST									
Partner 1									
Partner 2									