

Guidelines for selection of Host Institutions for GWP Regional Water Partnerships

September 2008

1. Introduction to the Hosting service

GWPO provides core funding to Regional Water Partnerships (RWP) to implement their programmes in accordance with the GWP core values. RWP and GWPO entrust the financial and administrative management to a “Host Institution” (HI), who by virtue of its legal personality is able to manage funds and employ staff on behalf of the RWP. The HI is obliged to be accountable to GWPO for the funding and the way it is used and to be accountable to the RWP for the management of the personnel engaged on behalf of the RWP. The RWP personnel would normally comprise a regional coordinator, a communications officer and other personnel as necessary. The HI is not responsible for the GWP programme itself.

The HI agreement only regulates the core funding provided by GWPO. The establishment of a relationship between the RWP and the HI also provides a framework for the HI to manage and be accountable for funds raised locally for the regional programme. GWPO has no formal role in such arrangements, but requires the HI to provide it with summary information on such other funds.

The HI does not have to be a GWP Partner to provide this service, in which case they are welcome to join the Partnership if they wish to do so. It provides a remunerated service, sometimes for a symbolic fee. In any case, regardless of the fee, the HI should have the required experience and capacity to provide a good service from the outset.

GWPO is responsible for reassuring its donors that the HIs selected to manage their funds comply with the minimum performance standards set for this service. The confidence in the HI that is generated should also provide some assurance to local donors. The following description and guidelines relates to how GWPO requires its funds to be managed. Other donors, local or project specific, may have other requirements. In order to keep GWP’s accountability to donors, the quality of the hosting service shall be the main criteria to take into consideration when recommending a HI. Political implications that may exist amongst countries within the region are important but should not prevail over operational aspects.

A key factor for successful hosting is a close collaboration between the HI and the Regional Secretariat in preparing financial reports, discussing procurement of services (i.e. contracts to consultants and provision of goods and services, support to RWP personnel) etc. It is therefore strongly recommended that the Secretariat will be physically located within the HI premises in order to ensure a good flow of communication.

2. Description of the expected service from a RWP Host Institution

This section intends to give an idea about the standard services to be provided by the HI. It includes the key elements required to develop the TOR describing the services to be provided by each HI. It is understood that those services may not necessarily be the same for all HIs. For example, office space and facilities often differ amongst HIs and need to be specified based on what the HI, RWP and GWPO agrees that the specific HI shall provide. Therefore, the cost for the services to be covered by the HI Fee needs to be agreed upon on a case by case basis.

A. Financial management and administration of funds

1. Provide financial management to safeguard the GWP funds, including proper delegated authorities, timely payments, accurate and up to date accounting, transparent and acceptable procurement practices, adherence to GWP travel policy.
2. Prepare financial reports and follow up on annual budgets as requested by GWPO, including quarterly financial expenditure and balance reports, by the 15th of the month following the quarter. The financial reports are to be produced in English.
3. Appoint an English speaking contact person for financial and administrative matters
4. Store and safeguard audited books and other relevant documents for 10 years.
5. Maintain separate bank accounts for GWP funds in local and foreign currency, and to receive and make international payments in foreign currency. If this is not allowed or disadvantageous under national legislation an alternative should be suggested, which should be regulated in the HI Agreement
6. Where the HI is requested to transfer funds to the Country Water Partnerships (CWP) the

- HI shall remain accountable to GWPO for the financial and administrative management of these funds including application of the GWPO financial guidelines and the rules for procurement specified in the host institution agreement. The HI shall provide sufficient guidance and support to the CWPs on financial management and reporting.
7. The HI shall monitor expenditure and cash flow particularly within the annual budget and limits which it may be required to operate under. This includes submitting funding requests to GWPO when needed.
 8. Procure and facilitate the annual audit of the RWP and ensure that annual audits of CWPs are procured by the CWPs or their HIs and monitor and facilitate the audits of the CWPs. The auditor shall be selected from a local firm of auditors preferably with a demonstrated association with an internationally recognised firm of auditors subject to acceptance of the auditors of GWPO.
 9. Provide necessary and timely response to audit reports and Management Letter.

B. Administrative Management

The Host Institution shall provide administrative management as requested by the RWP, including making contractual arrangements, recruiting and employing RWP personnel, undertaking procurement and providing the RWP with office space and services as well as administrative support.

B1 Contractual arrangements

Enter into any formal contractual arrangements required for the operations of the RWP.

B2 Employment and Human Resources management

1. Personnel are to be recruited to meet the requirements set by the Council/SC of the RWP. Standard good practice criteria for the recruitment of personnel shall be applied, which require transparent, fair and non-discriminatory selection procedures, offering equal opportunities, where knowledge and competence shall be the basis for selection. The Regional Coordinator is to be the line manager for all personnel recruited on behalf of the RWP.
2. The HI is solely responsible for matters relating to rules and policies for human resources and employment. The Council/SC of the RWP is responsible for determining the terms of reference of the RWP personnel. The employment of RWP personnel shall be based on the staff policies of the HI. Remuneration levels, however, are to be agreed with the RWP Council/SC and GWPO. The HI is responsible for all decisions relating to personnel such as contracting, renewal and/or dismissal and for ensuring that such decisions are in line with the applicable national law, rules and policies.
3. Handle payroll administration.
4. Ensure that all travel including that for RWP personnel is in line with the GWP travel policy rules.
5. Guide and support the Regional Coordinator with personnel performance management and personnel development activities.

B3 Procurement

Undertake procurement of goods and services including consultants in accordance with the rules specified in the host institution agreement and the principles of transparency, professionalism, efficiency, competition, merit, and equity.

B4 Office space and facilities

1. An acceptable standard of office accommodation for RWP Regional Secretariat staff including utilities (water, electricity, toilettes and office cleaning) and administrative support.
2. Access to meeting room.
3. Well-functioning technical facilities including computers, internet, national and international phone and fax
4. Access to photocopier and scanner.

3. Host Institution Fee and recoverable costs

A Host Institution Fee is agreed upon for the purpose of covering the Host Institution's costs for the services provided. There are different ways of calculating the HI Fee. The HI Fee can be set as a percentage of funds spent over the year or as a fixed amount. There are some HI who do not charge

any HI fees or charge a symbolic fee.

Unless otherwise is agreed the fee shall cover all costs, which are not explicitly recoverable in accordance with the host institution agreement and the budget. According to the standard agreement the following costs are not included in the HI Fee but may, if budgeted for, be recovered in addition to the HI Fee

1. Cost for personnel required for the implementation of the RWP annual work plan
2. Technical expertise provided by the Host Institution that may be requested by the RWP to support the implementation of the work plan.
3. Insurance
4. Audits

In addition to these recoverable costs other costs may be specified as recoverable. Some HI and RWP may wish to separate e.g. recurrent costs (rent for office space and facilities) from the HI Fee. This can be done by specifying such costs in the agreement and budget as other recoverable costs.

4. GWPO documents for HI operations

The HI will be required to comply with the requirements of the following documents

- HI Standard Agreement
- General conditions for HI
- GWPO Financial Guidelines
- GWPO Travel policy
- GWPO Audit Guidelines

The HI Standard Agreement includes a limited license for the use of the GWP name and logo in connection with the programme undertaken by the RWP. Where the GWP name and/or logo are used it is to be done in accordance with the graphical policy of GWPO

5. GWPO basic requirements to select a RWP Host Institution

The check list below is meant to facilitate the identification of suitable Host Institutions (HI) and to guide the selection process.

It is the starting point to assess compliance with GWPO hosting requirements. Requirements listed below shall be discussed, commented on, and supporting documents collected by the person responsible for ensuring that they can and will be met by the proposed HI. In cases where the host does not fully meet a requirement, any modification shall be discussed at an early stage with the relevant person/s (see "Sign" column below) at GWPO in order to assess its acceptability.

The search of an adequate HI is considered a team effort between all those concerned, including the RWP who is the main beneficiary of this service.

Item	Check points – requirements of the hosting service	Supporting documents	Sign	Comment
1	The HI must be a well known and reputable organisation , with proven track record for successful management of development programmes. Preferably it should be an organisation with previous experience of having hosted another organisation in their premises. It shall not be an organisation with restraints in executing external audits (e.g.. UN agencies) . Where a government related organisation is deemed the most appropriate HI, a major consideration will be the institution's ability to promptly execute financial administration management and external audits as per GWPO requirements. A good reputation in water related sectors may be an advantage, but is not essential to the nature of the agreement.	Short report provided by the NO justifying the selection	NO	
2	There shall not be any conflict of interest. The HI shall respect and safeguard the RWP Office's independence in programmatic/ content terms.	Acknowledgement in writing by the HI representative	NO	
3	The organisation shall be a legally constituted entity in the country and should not be involved in any legal disputes which materially affect its ability to act as HI for GWP. It shall be a solvent organisation with a sound financial situation and transparent financial reporting.	Verification through statement of the HI's Auditor Annual Reports and Audit Reports for the two preceding years.	HoF	
4	The HI shall be in position and undertake to provide adequate office space and facilities , which may include the following: 1. An acceptable standard of office accommodation for RWP staff with utilities (water, electricity, toilettes and office cleaning) and administrative support 2. Access to meeting room 3. Well-functioning technical facilities including computers, internet, national and international phone and fax, 4. Access to photocopier and scanner		NO	

5	<p>HI shall be able to provide adequate financial management and administration of funds including:</p> <ul style="list-style-type: none"> a) Qualified financial management to safeguard the GWP funds, including proper delegated authorities, timely payments, transparent and acceptable procurement practices, adherence to GWP travel policy etc b) Produce financial reports in English and appoint an English speaking contact person for financial and administrative matters c) Accurate and up to date accounting d) Store and safeguard all documents related to accounting, staff, procurement, contracts, consultancy agreements etc in an orderly manner for 10 years e) Maintain separate bank accounts for GWP funds in local and foreign currency, and to receive and make international payments in foreign currency. If this is not possible an alternative should be suggested, which should be regulated in the HI Agreement f) Ensure the necessary administrative and financial management arrangements with the Country Water Partnerships for transfer of funds. Provide sufficient guidance to the CWPs on financial management and reporting g) Monitor the annual budget, expenditures, and secure sufficient cash flow h) Submit fund requests to GWPO i) Prepare financial reports as requested by GWPO, including quarterly financial expenditure and balance reports, by the 15th of the month following the quarter j) Procure and facilitate the annual audit of the RWP and to guide and facilitate the audits of the CWPs. Audit firm should be a qualified audit firm preferably with a demonstrated association with an internationally recognised association of auditors k) Provide necessary and timely response to audit reports and management Letter 	<p>Audit report by the HoF supported by the relevant candidate HI's documents/policies.</p>	<p>HoF</p>	
6	<p>HI shall be able to undertake procurement of goods and services in accordance with the principles of transparency, professionalism, efficiency, competition, merit, and equity. GWPO shall audit the HI's procurement procedures and confirm whether they are adequate or not, if they are not then the HI should use GWPO's procurement manual</p>	<p>Report by the HoF supported by the relevant candidate HI's documents/policies.</p>	<p>HoF and LO</p>	

7	<p>The HI shall provide HR administration and management including</p> <ul style="list-style-type: none"> a) Standard good practice criteria for the recruitment of personnel, which require transparent, fair and non-discriminatory selection procedures, offering equal opportunities, where knowledge and competence shall be the basis for selection. b) Ensure that all decisions relating to Personnel such as contracting, renewal and/or dismissal are in line with the applicable national law, rules and policies. c) Handle payroll administration. d) Ensure that RWP personnel travel is in line with the GWPO travel policy rules. e) Guide and support the RWP Regional Coordinator with personnel performance management and personnel development activities. 	<p>Report by the HoHR supported by the relevant candidate HI's documents/policies.</p>	<p>HoHR</p>	
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NOTE: To bear in mind is also the values of flexibility, friendliness and the courtesy of the institutions that are supporting GWP's work.

6. Approval process

The approval process is coordinated by the Network Officer (NO), with the NO being the main link between the RWP and GWPO. Any request for further clarification on the HI requirements should be addressed to the respective NO. The approval process applies to selection of new HI or change of HI. When an extension of a current HI agreement is made step 1-5 below need no be followed but the NO, in coordination with the HoF, shall justify that the performance of the HI has been in accordance with the HI criteria. Step 6 onwards is to be followed, though step 6 may be in the form of an extension letter.

Step	Action	Parties involved
1	<p><u>Justification of the change of Host Institution</u> The RWP SC is responsible for overseeing the HI's performance and when justified recommending its change. The cost of moving Secretariat is considerable. Thus careful thought should be given prior to recommending a change of HI. GWPO is accountable for the funding provided to the regions. Thus it has the prerogative of advising the RWP SC to keep or change the HI based on its performance. Likewise, GWPO has the option to terminate the HI agreement if the HI is not performing.</p>	RWP SC NO and HoF
2	<p><u>Identification of HI candidates</u> The Regional Steering Committee is to recommend to GWPO potential candidates who can provide the hosting service based on the requirements mentioned under "5. GWPO basic requirements to select a RWP HI". The provision of names of organisations is not sufficient; a preliminary review on compliance to GWPO hosting requirements should be undertaken by the RWP SC prior to recommending any organisation to GWPO. The Regional SC shall consider as many candidates as possible and recommend a short list of up to 3 candidate organisations (depending on available possibilities the short list may only reach one or two potential HI) to GWPO via the NO for detailed evaluation using this process.</p>	RWP SC and NO
3	<p><u>Survey on compliance to hosting requirements by HI candidates</u> For the HI to become familiar with the substance of the cooperation, the NO in coordination with HoF will provide the HI candidates with the following documents:</p> <ul style="list-style-type: none"> • Guidelines for selection of HI for RWPs • HI Standard Agreement • General conditions for HI • Financial and other applicable Guidelines <p>The best of the proposed HIs shall be selected based on an assessment of compliance with the HI requirements. Collection of supporting documents by HoF and NO Negotiation of HI management fee by RWP SC and NO</p>	NO and HoF with support from HoHR, LO and RWP as requested by NO
4	<p><u>Prepare recommendation to the Executive Secretary (ES)</u> HoF and NO prepare a recommendation for the ES to proceed with the selected HI. The NO shall consult with the RWP SC to ensure that the specific requirements (e.g. conditions for personnel) have been taken into account. The recommendation should contain a summary of the survey assessment of all candidate HIs and for the selected HI address all the items in the check list and the supporting documents should be attached. The check list should be signed off by the relevant people.</p>	HoF and NO
5	<p><u>Authorisation by the ES to start developing the HI Agreement with the selected HI</u></p>	ES
6	<p><u>Development of Draft HI Agreement</u> A draft HI Agreement will be prepared by the NO in coordination with the HoF, HoHR, LO and the RWP SC. Negotiate and finalise the details of the HI agreement and prepare specific terms of reference with the HI</p>	NO, HoF, HoHR, LO (with participation of RWP SC as appropriate)

	Send the draft agreement to the selected HI for their perusal and approval.	
7	<p><u>Prepare Final draft of HI Agreement</u></p> <p>The NO, HoF and LO negotiate and further incorporate input of HI into the final draft of the HI Agreement.</p> <p>The LO should receive the final draft of the HI Agreement including the check list duly signed off and the TOR for review before it is passed on to the HI and the ES for their final perusal and approval.</p> <p>The final revised draft to be circulated by the NO to the relevant parties (RWP Chair, HI representative, ES).</p>	NO, HoF, LO (ES as appropriate)
8	<p><u>Prepare Decision to sign the final HI Agreement</u></p> <p>GWPO decision for having chosen a HI and sign the Agreement should clearly state all changes in the standard agreement, if any. Should there be many amendments, a copy of the final agreement with track-changes should be attached.</p> <p>The Decision should state that all check-list points have been covered and attach this document duly signed by all concerned parties.</p> <p>A full copy of the HI Agreement should be attached to the Decision.</p>	NO Assistant
9	<p><u>Signature of the Decision</u></p> <p>Decision with attachments and original agreement to the signatories.</p>	ES
10	<p><u>Signature of HI Agreement</u></p> <p>Prepare three copies of the final version, including all attachments and send the originals signed by the ES to the HI and the RWP Chair for their signatures and return of one original to GWPO.</p>	NO
11	<p><u>File the document and keep record of validity periods of all RWP HI Agreements</u></p> <p>Returned signed original including appendices to be</p> <ol style="list-style-type: none"> scanned copy to be uploaded in SharePoint archive the original in the agreements binder make a copy for the Network team "mapping" files keep record of the validity deadlines of HI Agreements and inform the ES, HoF and NO six-month in advance when the agreement is about to expire 	NO Assistant