



Profonanpe

Administrative guidelines

December 2018

Profonanpe Administrative Guidelines

I. Objective

To set up the rules and procedures of Profonanpe for the granting and rendering of advances granted, contracting, and purchases that are required for the execution of the PROJECTS, as well as for the approval and evaluation of the results thereof, carried out by the Project Executors (Leaders of Protected Natural Areas-PNAs, Managers of Management Units or Coordination Units, SERNANP Headquarters, Other Executors, Regional Governments), hereinafter “EXECUTOR¹” within the framework of the corresponding Cooperation Agreement.

II. Purpose

Comply with the general and specific procedures for these purposes stipulated by the different cooperating agencies financing the activities in the PROJECTS.

The procedures are also related to compliance with disbursements, accountability, contracting, and follow-up, complying with what has been programmed and budgeted in the corresponding AOP and APP.

III. Scope

This Guideline is applicable to all agencies, personnel, and consultants that use the financing of the PROJECTS.

IV Guidelines and procedures for the granting and rendering of advances

V There is a need to achieve an adequate execution of the funds granted for operating expenses and specific assignments in order to guarantee the continuous and timely flow of funds for the execution of the PROJECT activities by means of a fast and correct presentation of expense renderings supporting the requirement for future disbursements, taking into account that they are financed with resources donated by Cooperating Organizations that have specific procedures for supporting expenses and reimbursement of resources to Profonanpe, compliance with which is mandatory.

¹ The person signing the Agreement is referred to as the EXECUTOR in this Agreement. Manager, refers to the manager of the project’s UEP.



V.1 General regulations for the granting of advances

- a) The Fund for Operating Expenses and for Specific Activities constitutes financial resources to be used for the acquisition of goods and services in accordance with the PROJECT's Operating Plan and its financial and budgetary availability.
- b) Disbursement Requests for Operating Expenses and for Specific Activities in favor of the EXECUTOR shall be generated in the SIGA - Profonanpe (hereinafter SIGA²) by creating the corresponding Payment Order.
- c) The "Payment Orders" have a unique identification number, which will be automatically generated when registering them in the SIGA. This number shall be used as a reference to facilitate identification, destination of the funds, and the corresponding rendering of accounts.
- d) Through the SIGA, Profonanpe shall communicate the transfer operation once completed, indicating the payment order number, expense chain, amounts, and voucher number.
- e) The EXECUTOR (responsible for administration³) shall register in the SIGA the rendering of accounts in its "pre-rendering" phase and shall inform Profonanpe, by telephone, by fax, or by electronic message of the guide number and date of departure of its documented rendering.

V.2 Specific regulations for the granting of advances

1. Operating Expenses

a) Advance Request

- i. Operating expenses are understood as payments for public services, rent, fuel, rationing, maintenance, including petty cash, as approved in the AOP.

²

The personnel designated by the Executor shall be trained to submit the requirements of the Project, through the SIGA of Profonanpe.

³ For this Agreement, "Person in charge" is the person designated by the executor.

- ii. For the fulfillment of activities that imply the transfer of funds to the EXECUTOR, this shall be carried out only through the joint account opened specifically for the execution of the PROJECT activities.
- iii. In accordance with the approved Operating Plan, the EXECUTOR shall generate the funds requirement by registering a "Payment Order" in the SIGA "**OFITESO Module - (Cash/Banks / Maintenance / Profonanpe Options / Payment Order)**"⁴, and shall attach the detailed support (Form S-1) for the concepts of expense, activity, and expense chain submitting it scanned via email simultaneously on the date of the "Payment Order" registration.
- iv. The transfer of expenses for the execution of activities or operating expenses is authorized in the SIGA by the highest authority of the EXECUTOR and the MANAGER, as appropriate, and shall be requested in accordance with what has been indicated in subparagraph c) above, so that Profonanpe can carry out the Money Transfer/Check, or make the deposit directly in the bank account (opened especially for the execution of the PROJECT). Previously, the renderings of the funds spent must have been submitted by those responsible for the EXECUTOR, in accordance with these guidelines. This transfer shall be made until the eighth day of the month, according to the Schedule approved in the AOP and the financial availability of the Project.
- v. The personnel responsible for the EXECUTOR (Head of the ANP/Coordinator and/or Administrator), as the case may be, shall sign a receipt for the amount deposited by Profonanpe, each time the payment is made to the indicated bank accounts. Said receipt shall be submitted to Profonanpe within a period of no less than 72 hours after receiving the funds.
- vi. The EXECUTOR shall officially notify Profonanpe the names of the responsible persons (Head of the PNA/Coordinator, and Administrator) at the beginning of each Agreement or when the personnel indicated above is changed with due anticipation in order to provide for the pending rendering of accounts of said personnel. The notification shall include the new bank account number and the corresponding bank entity.
- vii. Bank transfers shall be made directly by Profonanpe, according to the annual schedule,

⁴ According to the "User Manual - SIGA"

these may be suspended in the event that they do not comply with the delivery of the rendering of accounts.

- viii. Current account holders are required to submit a copy of the bank statement of the corresponding account to Profonanpe upon receipt of the advance payment and upon the last withdrawal from the bank account. Likewise, Profonanpe reserves the right to request a cut statement of the account from the holders of the aforementioned checking accounts at any time required.

b) Documented rendering of accounts

- i. The EXECUTOR's local offices, as applicable, shall submit to Profonanpe account rendering reports for amounts transferred for operating expenses in accordance with the following procedures⁵:

i.a)

- up to a minimum of 70% of the transferred amount, during the first 20 calendar days of the month.
- the remaining balance (30%) no later than the next 10 calendar days.

i.b) The rendering of expenses shall be processed in the SIGA "OFITESO Module - (Accounts Payable / Receivable / Maintenance / Profonanpe Options / Pre-Rendering of Bank Expenses)". The corresponding Report shall be submitted to Profonanpe within the periods indicated above.

- ii. The EXECUTOR's local offices may keep cash for up to S/1,000.00 (One thousand and 00/100 PEN) for unforeseen expenses, that is, small, urgent, and unscheduled expenses. This amount may be settled up to 80% before 20 calendar days. The Local Office's Head (PNA or other) may authorize the Administrator to reimburse it up to three (3) times per month.

ii.a) The maximum amount for bill payments in cash may be S/200.00, a check has to be drawn from S/201.00.

- iii. Travel expenses for service fees, payment of basic services (water, electricity, telephone), maintenance of vehicles and equipment, purchase of food (rationing), fuel, clothing and third-party services shall not be considered support for cash payments. Exceptionally, the payment of basic services and vehicle maintenance that does not exceed S/.200.00 may be paid in cash.

⁵
See Appendix 5



- iv. The documentation shall be submitted chronologically and duly numbered, keeping the registration sequence in the Pre-Rendering Expenses Report of the OFITESO module.
- v. All the documents contained in the rendering of accounts shall be signed and sealed by the Head and Administrator (ANP or another), confirming its execution.
- vi. As support for the expense in the acquisition of materials, goods, and/or services, the following documentation shall be attached:
 - Request: which shall indicate the technical specifications of the goods and/or services duly supported by the person responsible for the activity, and shall be authorized by the Representative or Head of the EXECUTOR's Local Office according to the Operational Plan (Form R-1).
 - Delivery Certificate: which shall be signed by the applicant (responsible for the activity) as confirmation of receipt of what was requested (Form R-2).
 - Each proof of payment shall be signed on the back by the person responsible for the activity, and shall clearly write their full names and surnames, ID number (DNI), and bear the corresponding signature.

2. Specific Activities

a) Schedule

The MANAGER shall verify the activities scheduled in the AOP that require disbursement of resources, reviewing the budgeted cost for them, having to coordinate with each area the implementation of these activities until the 20th of the month prior to carrying out said activities, within the framework of what is established in the corresponding AOP, in order to avoid delays or rescheduling.

Specific expenses are understood to be those activities foreseen in the AOP that imply compliance with Goals and are not considered as operating expenses.

b) Advance Request

The person designated by the EXECUTOR, be it the JANPs or Local Offices, the Manager or whoever corresponds, shall request the funds by generating the "Payment Order" OFITESO Module

(Cash/Banks / Maintenance / Profonanpe Options / Payment Order)⁶.

For each “Payment Order” registered in the Profonanpe SIGA involving Specific Activities, an expense support sheet (Form S-1) shall be prepared, which shall be attached to each Order, and shall meet the following requirements:

- i. Submitted by the person in charge designated by the EXECUTOR⁷, either the Head of the PNA, a representative of the Local Office, the Administrator, or another professional, the Administrative Assistant of the ETP, with the approval of the MANAGER⁸, as appropriate.
- ii. Detailed budget for expenses and amounts of the Specific Activity, which shall be scheduled in the AOP.
- iii. Date, duration, activity schedule.
- iv. Requirements that do not correspond to said activity shall not be included as part of a specific activity.
- v. The resources for specific activities shall be delivered in checks, money transfers, or deposited in the account of the EXECUTOR’s Local Offices or that of the Technical Unit of the Project. Advances for specific activities can be granted to PROJECT personnel, with the express authorization of the EXECUTOR⁹ and the PROJECT MANAGER.

c) Documented rendering of accounts¹⁰:

- i. The **specific activities** shall be rendered in a maximum period of 07 days after completion of the activity, and in a total of 25 days maximum from the receipt of funds until the rendering.

The rendering of expenses for specific activities (advances) referred to in the previous paragraph shall be processed in the SIGA Profonanpe “OFITESO Module: Company / (Accounts Payable / Receivable / Maintenance / Profonanpe Options / Pre-Rendering of Bank Expenses)”¹¹. The respective Report and supporting

⁶ According to the “User Manual - SIGA”

⁷ As established in the Inter-institutional Cooperation Agreement

⁸ Project Manager

⁹ As established in Clause... of the Inter-institutional Cooperation Agreement

¹⁰ See Appendix 5

¹¹ See Appendix 5 and 5A of this agreement

documentation shall be submitted to Profonanpe according to the established guidelines.

- ii. Profonanpe shall not transfer resources to the executing agencies that have pending renderings or to those that repeatedly fail to submit their renderings within the established deadlines, under the responsibility of the EXECUTOR¹² in which case Profonanpe shall request that the necessary corrective actions be taken.
- iii. In the event that a personnel member or consultant does not submit the rendering for the advance granted within the established term, when the personnel member or consultant is hired directly by Profonanpe, the EXECUTOR or MANAGER of the Project shall be notified, and a discount shall be applied to fees for the amount equivalent to the advance. If it is a personnel member or consultant hired by the EXECUTOR, it shall proceed to notify the General Administration Office of the institution for the corresponding discount.

V.3 Support

1. All expenses charged to resources transferred by Profonanpe shall be supported by payment vouchers issued in the name of:
 - Profonanpe, RUC 20261430470 ¹³(*)
 - All payment receipts shall be stamped with the inscription PROJECT:
2. Expenditure documents are all those payment receipts approved by SUNAT, such as: Invoices, Professional Fee Receipts, Cash Register Tickets, Sales Receipt, Air Tickets, etc., which shall not have erasures or amendments, otherwise they shall be rejected and shall not form part of the expense rendering.
3. Banking Law 28194 provides that payments to providers for amounts equal to or greater than PEN 3,500 or US\$ 1,000 be made through means of payment, which shall be applied by THE EXECUTOR, when applicable.
4. Legislative Decree No. 940 and Superintendency Resolution No. 073-2006/SUNAT, set up the deduction of 4% for transportation of goods

¹² As established in Clause... of the Inter-institutional Cooperation Agreement

¹³ (*) If the transfer of Profonanpe Resources is incorporated into the "Budget" (Public Sector) of the EXECUTOR, the tax ID (RUC) belongs to the EXECUTOR. If the resources are transferred as a donation to sub-recipients (private entities), the payment vouchers shall be issued in the name and with the Tax ID (RUC) of the EXECUTOR, in which case the rendering of accounts shall not be registered in the SIGA Profonanpe.



carried out by land for amounts greater than S/400.00 that must be applied by THE EXECUTOR, when applicable.

5. In the event that it is not possible to have any of the indicated documents due to limitations of the geographic location, and only in exceptional cases, the expense for each rendition can be supported with an Affidavit up to a maximum of S/500.00.
6. For the payment of wages, where there is no supporting documentation, a Payment List shall be made, containing: names and surnames, ID number (DNI), signature or fingerprint, duly endorsed by the person in charge of the EXECUTOR, Head, or Area Coordinator.
7. Acquisitions (in the JANPs or local office) shall require a shortlist for the respective price comparison and subsequent award to the best alternative in terms of price.
8. The division of expenses is not applicable.
9. The Administrator and the Person in charge shall endorse and seal all the payment vouchers that support the rendering of accounts, as well as sign the Reports of Pre-rendering of Expenses, and corresponding reports. The Representative or MANAGER, as the case may be, shall endorse the documentation related to THE PROJECT.
10. The concepts contained in the payment vouchers shall be consistent with the amounts established in the corresponding budgets, according to the prices of goods, and services in the area.
11. The execution of the expense that is made with funds transferred directly from Profonanpe shall be executed according to the procedures established in the Donation Agreement and these Guidelines.

V.4 Cash counts

1. Profonanpe, on the dates it deems appropriate, shall carry out unannounced cash counts (without prior communication) of the transferred funds, which shall be carried out by personnel designated for this purpose.
2. Records of the cash counts carried out shall be drawn up, which shall be signed by those contracted responsible for the funds, as well as by those in charge of carrying out the cash counts.
3. If there are objections, they shall be corrected immediately.



4. If the objections in the expense renderings are not corrected, THE EXECUTOR shall return the funds to the Profonanpe account.

V.5 Complementary provisions

1. The personnel/consultant appointed by the EXECUTOR¹⁴, as the case may be, shall submit the renderings in accordance with the guidelines and deadlines established, via courier and electronic system, to Profonanpe.
2. The personnel/consultant appointed by the EXECUTOR, or whoever corresponds, in order to avoid tax contingencies for Profonanpe as of the 20th of each month, shall not accept any receipt for professional fees with a cancellation date for said month, and shall immediately submit the Reports of Pre-rendering of Expenses to Profonanpe for the total Fees paid to that date; this rendering shall reach Profonanpe at the end of each month. Receipts for professional fees that are submitted after the aforementioned date shall record the cancellation as dated the following month.
4. The concepts contained in the payment vouchers shall be consistent with the amounts established in the corresponding budgets, according to the prices of goods and services in the area.
5. The cases not provided for in these Guidelines shall be resolved by Profonanpe in coordination with the EXECUTOR, the MANAGER, or person in charge of the PROJECT.

V.6 Other aspects to take into account

- The EXECUTOR, MANAGER, Heads of the PNAs, or Administrators, and in general, the personnel that uses the PROJECT funds, shall verify the following aspects before submitting the accounts:
 - Verify IGV calculation (19%) on each invoice.
 - Professional Fee Receipts:
 - That the document has the RUC's 11 digits printed, otherwise stamp it.
 - Only if applicable: Fourth Category Withholding Suspension Form.
 - Submit the original receipt and a copy to SUNAT.
 - Fill out the RH, except for cancellation date.

¹⁴ As established in the Clause of the Inter-institutional Cooperation Agreement



- For receipts equal to or less than S/1,500, no withholding is made. (This amount may vary according to SUNAT resolution)

☐ Verify if the payment vouchers are subject to the Deductions indicated by SUNAT.

- Invoices and/or receipts that have amendments shall not be accepted under responsibility. Profonanpe shall request from the EXECUTOR the corresponding sanction for the personnel who had deliberately committed said offense.
- Profonanpe is empowered to verify the authenticity of the payment receipts, in order to guarantee faithful compliance with the procedures.
- No disbursements shall be made to the ANPs or to the personnel with pending renderings for advances of operating expenses or for specific activities.
- In the case of personnel/consultants with a pending rendering of advances granted for carrying out specific activities, their corresponding fees shall be retained until they make the corresponding rendering (if it is a personnel/consultant financed by the PROJECT). If the personnel/consultant is hired by the EXECUTOR, the EXECUTOR's Administration Office shall be notified of the corresponding withholding.
- The expenses that support the renderings shall be charged in the chain of expenses for which those expenses were requested. The reported expenses shall correspond to the activities of the Project (under responsibility).
- It is strictly prohibited to divide the acquisition of goods and services.
- They must protect the use of resources.
- It will not be possible to acquire goods, furniture or equipment, with resources from operating expenses or expenses from specific activities.
- At the beginning of the validity of this Agreement, the EXECUTOR shall submit the name of the responsible persons authorized to sign, approve disbursement requests, spend, and those that apply, to Profonanpe in order to make these Guidelines effective (by PNA or Local Office).



V. Guidelines and procedures for contract management of goods, services, consultancies and works

Rules and procedures shall be established for contracting goods, services, consultancies and works for the Operational Plans of the “PROJECT”.

V.1 Purpose

To achieve a proper execution of the Project considering that the Project is financed by resources from the Cooperation Agreement through Profonanpe, which has specific procedures for contracting goods, services, consultancies and works that must be executed following such procedures in order for the expenses to be incurred to be acknowledged as eligible, which is why complying with the procedures is mandatory.

The procedures are also related to the compliance of the schedule and budget of the corresponding AOP.

V.2 General rules

The procurement and contract management of goods, works, services, and consultancies to be executed with the resources of the PROJECT are subject to the rules of Profonanpe, the rules of the Financing agreement with the Donor, and the principles and policies ¹⁵detailed below:

Basic principles:

Economy and efficiency.

Equal opportunities for participation for the possible interested parties.

Promotion of local capacity strengthening.

Transparency.

Policies:

Procurement through competitive procedures. Promotion of competence.

National preference.

Contracts and procurement (of consultants, goods, services and works) required for the execution of the PROJECT will be in accordance with the established guidelines of

¹⁵ Included in the Anti Corruption Standards (appendix 6)



the Financing AGREEMENT¹⁶ with the Donor and according to the Interinstitutional Agreement between the EXECUTOR and Profonanpe, contracts that may require financing to account of resources of the PROJECT for executing the activities approved in the Annual Operating Plans (AOP), and Annual Procurement Plan (APP).

The contracting process must be carried out through SIGA.

Contracting may be conducted under the two following frameworks: (i) Contracting made by Profonanpe at the request of the EXECUTOR and (ii) Contracting made directly by the EXECUTOR according to the following Rules and Procedures:

All contracts to be entered into shall be included in the annually approved Procurement Plan or in the previously approved corresponding modifications.

Profonanpe is liable for:

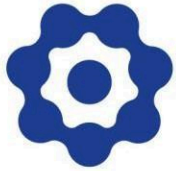
- Supervising the selection procedures of the EXECUTOR in order to comply with these rules.
- Rejecting any procurement process that has not complied with these rules.

All procurements and contracting have contracting processes, which are included in Appendix 1 of this Annex.

1. General Rules for Contracting by Profonanpe at the request of the EXECUTOR

- a) Regarding contracting to be made directly by **Profonanpe**, the institution shall execute the following activities:
 - Conducting the selection process and bid, if applicable, for the procurement of goods, services, consultancies, and other specific or temporary agreements, in accordance with the approved AOP and APP, as well as the technical specifications or terms or reference to be prepared by the EXECUTOR, with the help of the MANAGER.
 - Formalizing the contracts required by the EXECUTOR in accordance with the corresponding Financing Agreement, as well as contracts of works, goods, services, consultancies and other specific and temporary agreements required to be directly made by Profonanpe for the PROJECT.

¹⁶ Donation Agreement between Profonanpe and the Donor.



- Registering the contracts in the Logistics Module of the SIGA – Profonanpe for the EXECUTOR to follow-up the process.
 - Verifying and making, to the account of the resources of the PROJECT, the payments arising from the above contracts, in accordance with the corresponding contracts.
 - The original documents related to the bid process shall be kept by Profonanpe.
- b) Regarding contracting to be directly made by Profonanpe, the **EXECUTOR** shall:
- Approve, in accordance with the AOP and APP of the PROJECT, the technical files, reference terms, technical specifications and any other document prepared for the procurement and contract management of goods, equipment, civil works, consultancies and other specific services.
 - The Executing Unit (EXECUTOR) shall register the requirement for goods, consultancies, services and works in the Logistics Module of the SIGA-Profonanpe.
 - First, the Project Manager approves the requirements in the Approval Module and then the EXECUTOR approves the requirements, in order to be managed by Profonanpe.
 - With the help of consultants specially hired to supervise the infrastructure, the EXECUTOR shall be liable for the selection of consultants and contractors for the execution of works, in accordance with the procedures approved for the project.
 - Conduct monitoring and technical supervision of such contracts. The Infrastructure Specialist shall register, chronologically, the most significant events of the project (delays, modifications or changes in the project) in the Logistics Module, which shall be used as evidence for the requests of extension of terms, deductions, etc.
 - Ensure compliance with Profonanpe for the payment of goods, services, consultancies and works ensuring the due quality supervision of the above, for everything financed with resources of the PROJECT. To such effect, the EXECUTOR shall register the payment request in the SIGA Profonanpe – “OFITESO Module” and shall submit the evidence of the payment to Profonanpe within the term indicated in the contract entered into with the corresponding provider or consultant.



It is expressly stated that Profonanpe shall not be held liable for failing to make timely payment to the supplier of goods, services or works, in the event that the EXECUTOR does not file the corresponding request or communication.

- Receive the goods and/or reports arising from Profonanpe contracting goods and services, if applicable.

2. General Rules for Contract Management of contracts made directly by the EXECUTOR

a) Regarding contracting to be made directly by the EXECUTOR, Profonanpe shall:

- Supervise and review the processes that use the resources of the PROJECT, that is: invitation to tender, evaluation, contracting and payments arising from the above contracts, in accordance with the corresponding financing agreements, and the entered contracts and agreements.

b) Regarding contracting to be made directly by the EXECUTOR, such entity shall:

- Approve, in accordance with the AOP and APP of the PROJECT, the technical files, terms of reference, technical specifications and any other document prepared for the procurement and contracting of goods, equipment, civil works, consultancies and other specific services.
- Conduct the process of selection and bid, if applicable, for the procurement of goods, services, consultants and other specific and temporary contracts, in accordance with the approved AOP and AP, the Procedures indicated in the financing agreements, these guidelines, and according to the technical specifications or terms of reference to be prepared by the EXECUTOR, with the help of the MANAGER.
- Formalize the contracts in accordance with the corresponding Financing agreement, as well as the contracts of works, goods, services, consulting and other specific and temporary contracts required for the PROJECT.
- With the help of consultants specifically hired to supervise the infrastructure, the EXECUTOR shall be liable for the selection of consultants and



contractors for the execution of works, in accordance with the procedures approved for the project.

- Ensure compliance of payment guaranteeing the quality of goods, services, consultancies and works.
- Receive the goods and/or reports arising from contracting goods and services, if applicable.
- The original documents related to the bid process shall be kept by the EXECUTOR in correlative order for the later supervision to be made by Profonanpe.
- THE EXECUTOR shall be exclusively liable as employing entity and/or contracting party regarding the providers, consultants, manufacturers and, generally, personnel hired on its behalf for THE PROJECT.
- Consequently, it is explicitly stated that Profonanpe shall not have any contractual relationship or any other whatsoever with the providers of goods and works, consultants, personnel and people or entities contracted by THE EXECUTOR.
- THE EXECUTOR is liable for the compliance of the applicable national laws, both regarding civil contracts of works, goods and services, and application of the relevant labor law, regarding contracting personnel. No liability shall be held against Profonanpe in case of failure to comply with the obligations and/or procedures applicable to such contracts, regarding both formal and substantive aspects.
- Concerning the above paragraph, specifically regarding the personnel, the EXECUTOR is liable for calculations and labor cost (including retentions, social welfare to be assumed by the employer, among others) that are applicable, in order to comply with the applicable rules.
- The retention and/or payment of taxes or any other tax, labor, benefits contributions or any other kind of contribution to the State arising from contracting goods, services and personnel by the EXECUTOR shall be the sole responsibility of the EXECUTOR. The fines and sanctions that may be imposed by tax authorities and State entities, in general, arising from the failure to comply with this Subsection, as well as any other claim from the goods and service providers, as well as personnel, shall be the sole



responsibility of the EXECUTOR and shall be paid for with the resources derived from the PROJECT.

- No person employed or hired (works, goods or general services) by the EXECUTOR, in accordance with THE PROJECT, shall be considered agent, dependent from, or employee of Profonanpe. Consequently, the EXECUTOR shall be solely liable for all claims – judicial, extrajudicial or any other kind – filed by such people arising from their contractual relationships with the EXECUTOR. In addition, the EXECUTOR shall expressly inform such people of the above dispositions.
- The EXECUTOR shall be liable for the works carried out or services provided by the contracted people or entities (works, goods or general services) or personnel hired for the PROJECT.
- Profonanpe shall not manage or acknowledge any fee, price, revenue or retribution, reimbursement costs, compensation and any other payment arising from such contracts (works, goods, services, personnel), under the EXECUTOR, that are not included in the POA and PA duly approved in THE PROJECT.
- The EXECUTOR shall inform and provide evidence to Profonanpe of any anticipated termination of a contract with a provider or consultant of goods or services, as well as contracts of personnel hired by such entity; and any contingency or claim arising from such contracts, in order to comply with an adequate execution of THE PROJECT and, consequently, this does not imply that Profonanpe is liable for such events or decisions under the responsibility of the EXECUTOR.
- The payment of any retribution, expense (including expenses arising from legal, arbitrary, administrative procedures or similar), revenue, compensation or extraordinary cost arising from the anticipated termination or any other cause related to a personnel contract or contract of works, goods or general services hired by the EXECUTOR, for THE PROJECT and in general, payment of any indemnification, penalty and/or extraordinary cost that may be applicable, with no justification and agreed with Profonanpe, shall be exclusively assumed by the EXECUTOR and shall not be paid for with the resources assigned for THE PROJECT in general.
- Consequently, the EXECUTOR shall handle and directly assume the costs from any claim or contingency arising from the payment of price, retribution or revenue, reimbursement



of expenses, payment or legal, arbitrary or administrative procedures, accrued or extraordinary indemnifications or compensations, or any other concept that may be filed by people or entities hired by the EXECUTOR, in accordance with the above. Such entity shall inform Profonanpe about these claims or contingencies and take the corresponding dispositions to the contracted personnel for the compliance of the established in this Section.

V.3 Specific rules

1. Contracting Consultancies

The process of contracting consultancies shall be as follows:

- a) The processes shall be conducted using the following methods according to the limits established in **Appendix 1**:
 - o Selection based on quality and cost
 - o Selection according to fixed price.
 - o Selection based on consultant qualifications.
 - o Selection by minimum cost: standard
 - o Individual consultants: experience and qualifications of the individual are essential.
- b) The EXECUTOR shall prepare the reference terms, which shall include the following: background, objectives, description of the service, results and expected products, requirements, terms, among others.
- c) The EXECUTOR prepares terms of reference (TOR) and/or technical specifications, which ALWAYS include a detailed budget of the activity to be contracted. This estimation may differ from the budget considered in the AOP. The TOR shall be reviewed by the MANAGER and shall have the approval of the MANAGER prior to the start of the invitation to tender.
- d) If the budget of the TOR is higher than the Budget approved in the corresponding AOP, the EXECUTOR shall accordingly inform of the situation to the Executive Director of Profonanpe prior to the bid and the decision shall be analyzed according to the following budget modification procedure:
 - o If the difference can be managed with the available Budget of the same expense chain or program, the approval of the Executive Director of Profonanpe shall be required.



- o If the difference requires budget movements from other expense programs or chains, or cannot be handled with internal movements of the budget, but rather an increase in the budget is necessary, the approval of the JA of the PROJECT shall be required.
- e) Once the Budget of the TOR is approved, the corresponding bid procedure shall start.
- f) Every Evaluation Committee shall receive, upon their installation, the TOR or the PP (conditions) and the approved budget; as well as the documents that include the procedures applicable to the corresponding bid.
- g) The functions of the Evaluation Committee are: answering queries, receiving proposals, evaluating proposals and issuing a results report (which shall include the specific terms of negotiation that had taken place, if applicable).
- h) The actions and decisions of the Evaluation Committee of the bid shall be subject to the rules and procedures of the cooperating source, by default, those that are applicable according to the Project, the PP or TOR and the specifications included in this document.
- i) The capacity of negotiation of the Evaluation Committees, referred to in the previous Section, shall not compromise additional resources of the Project established in the TOR or PP and approved reference budget, or additional duties or obligations from the Project and, in general, shall be subject to the limits and/or guidelines established in these rules and procedures.
- j) The end of the negotiations between the bidder and the Evaluation Committee of the bid shall not necessarily imply awarding the bid in their favor under the terms negotiated with such Committee. The corresponding approval shall be obtained in accordance with the rules and procedures applicable to the bid and the specifications of this document.
- k) In the event that, in spite of the negotiation corresponding to the type of bid, the proposal with the highest score is higher than the approved reference budget, the Evaluation Committee shall submit its report to the EXECUTOR for its consideration. The EXECUTOR shall decide whether to modify the budget in accordance with the procedures established in this document or end the negotiations and, consequently, the Evaluation Committee shall start to negotiate with the second best qualified bidder according to the rules and procedures



applicable to the bid and the specifications of this document.

- l) The Evaluation Committee shall submit their results report (including the specific terms of the negotiation that had taken place) to the EXECUTOR and the EXECUTOR, in turn, shall submit it to Profonanpe, who will formalize the award of the bid, the bid null and void, or the corresponding result.
- m) For contracting consultants:
 - o Foreign consultants are not required to be registered.
 - o A reference value is not included in the PP.
 - o No minimum number of submitted proposals is required before the award is granted.
 - o There will be a correlative number of the selection processes for consultancies.

2. For the procurement of goods, services:

Contracting goods and services shall be made according to the following procedure:

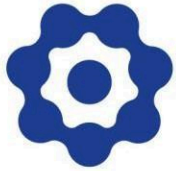
- a) The processes shall be conducted using the following methods according to the limits established in **Appendix 1**:
 - o Public Tender
 - o Price comparison
 - o Direct Award
 - b) The EXECUTOR shall prepare the technical specifications, determine the number (according to the Procurement plan).
 - c) The Specifications shall have the approval of the MANAGER, prior to the procurement process.
 - d) The processes shall be conducted using the methods established in the Procurement rules with loans from the IBRD and KfW, according to the limits and procedures of Appendix 1.
 - e) Granting the award shall be based on the lowest assessed cost.
 - f) The original documents related to the bidding process shall be kept in custody.
 - g) A correlative number of the bidding processes shall be kept.
- 3.** In the event of Procurement of Motor Vehicles and Maintenance, the EXECUTOR is committed to comply with the procedures established in **Appendix 2: Guidelines for use of goods granted to the EXECUTOR and Procurement of Motor Vehicles and Maintenance.**



4. For procurement of works:

Procurement of works shall be made according to the following procedur:

- a) The processes shall be conducted using the following Methods according to the limits established in Appendix 1:
 - o Public Tender
 - o Price comparison
- b) The EXECUTOR shall prepare the technical specifications/terms of reference, which ALWAYS include a detailed budget of the activity to contract. This estimation may be different from the budget considered for the AOP.
- c) A condition for testing or construction activities shall be the legal clearing of the property Is settled, and the EXECUTOR shall include the documents that attest to this.
- d) The TOR shall have the prior approval of the MANAGER.
- e) If the budget of the TOR is higher than the budget approved in the corresponding AOP, the EXECUTOR shall report this situation to the Executive Director of Profonanpe, prior to the EXECUTOR officially submitting the TOR. The decision shall be analyzed according to the budget modification procedure established in the corresponding agreement which that generally states the following:
 - o If the difference can be managed with the available budget of the program, the approval of the Executive Director of Profonanpe shall be required.
 - o If the difference requires budget movements from other programs or components or cannot be managed with internal movements of the budget, and a budget increase is necessary, the approval of the Management Board of the Project shall be required.
- f) Once the Budget of the TOR is approved, the corresponding bidding procedure shall start.
- g) As for the Budget Program (conditions), a detailed budget of their economic proposal or offer shall be requested from the bidders. This shall be classified by activity and product, and shall include the corresponding taxes and labor costs.
- h) Each Evaluation Committee must receive at the time of its installation the ToR, the Budget Program (conditions) and the approved budget;



as well as the documentation containing the procedures applicable to the respective tender.

- i) The functions of the Evaluation Committee are to respond to queries, receive proposals, evaluate proposals, and issue its results report.
- j) The lowest price proposal is awarded.
- k) There is no negotiation with the bidder on the price, except for the terms of the work execution process.
- l) The performance and decisions of the Evaluation Committee of the tender will be subject to the regulations and procedures present, to the Budget Program / bases, ToR, and to the clarifications contained in this document.
- m) The Evaluation Committees may not assign additional resources of the Project established in the ToR or Budget Program /bases and approved referential budget, nor additional commitments or obligations by the Project.
- n) The culmination of negotiations between the bidder and the Tender Evaluation Committee shall not necessarily imply the award in its favor under the terms negotiated with said Committee; the corresponding approvals must be obtained in accordance with the regulations and procedures applicable to the tender and with the details contained herein.
- o) In the event that the proposal with the highest score exceeds the approved referential budget, the Evaluation Committee will submit its report to the EXECUTOR for its consideration, so that the latter may decide whether or not to proceed with the budget modification in accordance with the procedures established in this document.
- p) The Evaluation Committee will submit its report to the maximum authority of the EXECUTOR, on the basis of which it will proceed to formalize the award, the declaration of the tender process as void or the corresponding result.
- q) The original documentation related to the tender process will be sent to Profonanpe or will remain in the possession of the EXECUTOR, in an orderly fashion for subsequent review/supervision, in the event that the resources transferred by Profonanpe are incorporated into the EXECUTOR's budgets.
- r) Details of the operating and control procedures to be followed for the execution of works:



- o Each of the project contracts must have a site supervisor hired for this purpose, who will be responsible for the supervision and follow-up of each of the works, as well as for the approval of the corresponding valuations.

The EXECUTOR's Infrastructure Department is responsible for the technical and contractual follow-up of the infrastructure component and of the works and supervision contracts. This department will schedule inspection trips to the work sites.

- o Occurrences that take place during the execution of the works are recorded in the work logbook, which is signed by the Contractor's Resident Engineer and the Construction Site Supervisor.
- o The Construction Site Supervisor coordinates permanently with the Infrastructure Department.
- o Weekly and biweekly technical reports will be prepared by the Supervising Engineers, which are indicated in their respective contracts.
- o Valuations (payments on account for work progress), which are made every two weeks, are prepared by the Resident Engineer and the Supervising Engineer, the latter approving them in the first instance.
- o The valuation document, together with the respective report of the Supervising Engineer, is submitted to the Head of the PNA or corresponding local office, who will administratively transfer it to the SERNANP's or EXECUTOR's headquarters.
- o At the same time, the Head of the PNA will send a report every fifteen days to the Head of SERNANP or whoever corresponds, regarding the progress of the work execution, pointing out any eventuality or incident that the Head considers noteworthy and that could occur during the development of the work.
- o The Infrastructure Department will review the valuation and verify the contract and, if applicable, will give the corresponding approval and refer the matter to Profonanpe for authorization of the corresponding payment.
- o Profonanpe's Administration and Finance Department, in turn, will process the issuance of the corresponding check,
- o In the event of time extensions and/or additional work budgets, after review and approval by the Supervising Engineer, the respective report will be sent to the PNA's Headquarters, which in turn will submit it to SERNANP's or EXECUTOR's headquarters.



The Infrastructure Department will proceed to evaluate it and, if the report presented is considered to be in accordance with the proposal, it will submit it to the EXECUTOR for final approval.

- o The Head of the PNA is responsible for facilitating the availability of construction materials found within the area, as well as for the control of temporary environmental impacts that will occur during construction, situations that are foreseen in the respective site plans. For this purpose, the Head shall coordinate with the Contractor's Supervising Engineer and Resident Engineer and also when they require any coordination.
 - o Upon completion of the work activities and after verifying the correction of errors, if any, the work will be received and then the corresponding settlement of accounts will be performed.
 - o A Special Commission will be formed for the receipt of works, with the participation of officers of the EXECUTOR.
 - o The payment of the work shall be approved by the maximum authority of the EXECUTOR.
- s) Details of the operational and control procedures to be followed for the execution of the works by Direct Management (Only with the exceptional approval of the DONOR) as indicated in Appendix 3 attached hereto.

4. Personnel Hiring:

In the case of Projects in which the Donor finances the hiring of personnel, this shall be carried out by the EXECUTOR in accordance with the provisions of Section V.2.2 General Regulations for Personnel "Hired" directly by the EXECUTOR, as well as **Appendix 4** General Guidelines on Hiring Personnel.

Profonanpe will transfer the funds on a monthly basis in accordance with the advance payment procedure indicated in section IV.2 Specific Regulations for Granting Advances.



VI Guidelines and procedures for the granting and control of per diems

VI.1 General Regulations

- a) Secondment travels must respond to a detailed and justified schedule of activities and in accordance with the financial and budgetary availability of the PROJECT, for the fulfillment of its goals and objectives.
- b) The budget of authorized travel and per diem expenses (Form S-2) must be prepared and signed by the Commissioner as a sign of conformity with the amount to be received and the maximum amounts of authorized expenses to be incurred. It must be authorized by the EXECUTOR and have the MANAGER's approval, with which the Commissioner will be aware of the maximum amount that can be spent per day (Appendix S-3).
- c) Expenses made with funds transferred by Profonanpe will be executed in accordance with the procedures established in these Guidelines.

VI.2 Specific Regulations

A.- Scheduling and justification of travels:

- a) The requests for secondment (Per diem budget and authorized travel expenses - Form S-2) must be submitted to the EXECUTOR, at least 7 working days prior to the respective travel, for its timely processing, who will develop the "Payment Order" in SIGA¹⁷, using Form S-2 as support. Requests will be sent to Profonanpe 4 working days prior to the Commission.
- b) Requests shall be made according to the established form (Form S-2), which is part of this guideline. Requests must include a travel plan, which must be approved by the EXECUTOR.
- c) Service commissions carried out within the urban radius of the workplace, using working hours that allow the return to the personnel's habitual residence on the same day the commission is carried out, do not generate the payment of per diem allowances. Mobility expenses will only be recognized for travel expenses, when applicable.

¹⁷ See section IV.2.2 of these Guidelines



B.- Granting and payment of per diem allowances:

- a) The daily per diem allowance shall be granted in accordance with Appendix S-3 "Cost of daily allowance" and shall not exceed such amounts.
- b) The amounts paid for per diem shall be supported by a sworn statement duly signed by the person who receives it, according to Form R-V1. Said Form shall be approved by the EXECUTOR. This form shall be provided by the Commissioner at the time of receiving the per diem check or sent simultaneously with the request.
- c) The Commissioner shall report the amounts authorized in the travel commission with respect to transportation, fuel and other expenses approved as travel expenses for a specific expense (Form RV-1).
- d) The settlement of the Commissioner's expenses must be supported with a copy of the respective secondment report (Form RV-2) duly approved by the EXECUTOR, when applicable, as a sign of conformity, and within four (04) days of the conclusion of the activity or the secondment travel.

In the event that the report is not submitted within the established time, when the personnel or consultant is financed by the PROJECT and contracted directly by Profonanpe, the EXECUTOR will be notified and a discount will be applied to their fees. In the case of personnel hired by the EXECUTOR, the General Administration Office of the EXECUTOR shall be notified for the reimbursement of the funds not reported.

- e) In the event that the secondment travel is cancelled or takes less time than initially scheduled, the amount of money not spent must be returned to the PROJECT's bank account held by Profonanpe for the amount of the days not used, in the same currency in which the funds for the secondment were drawn and in the PROJECT's bank account mentioned above, within four (04) working days after the conclusion of the activity and/or secondment travel. In the event that the deposit is not made within the established time, the respective discounts shall be applied in a manner similar to that stipulated in paragraph d) above.
- f) Reimbursements will only be accepted for additional commission days authorized by the EXECUTOR.

- g) In the event that any of the items exceeds the approved budget, it must be duly supported, with a report, by the Commissioner and authorized by the aforementioned officer, as appropriate.

C. Purchase of Tickets:

- a) In the case of land tickets and local air tickets of the Executor / area (light aircraft), these must be purchased by the Commissioner.
- b) Domestic airline tickets will be purchased through the EXECUTOR's Administration or Profonanpe, as agreed in the Interinstitutional Cooperation Agreement, and a copy of the ticket purchase requests will be sent to Profonanpe's Administration and Finance Department. The boarding pass together with the accountability report must be submitted within four (04) days after the end of the secondment travel.

D. Complementary Provisions

- a) In exceptional cases in which expenses are incurred for amounts greater than those authorized/delivered, only those corresponding to additional days and authorized by the EXECUTOR and transportation expenses shall be recognized, provided that they are duly supported with payment vouchers in the name of Profonanpe and a report that supports the reasons why more than the approved amount was spent, the request for reimbursement of these expenses will be carried out through the "Payment Order" in the SIGA - Profonanpe.
- b) Invoices/payment receipts must be issued in the name of Profonanpe, Taxpayer's ID Number (RUC): 20261430470.

Cases not foreseen in these guidelines will be resolved by the Profonanpe Executive Director.

VII Guidelines and procedures for the approval and evaluation process of the AOP and APP

VII.1 Development and Approval of the Annual Operating Plan (AOP)

- a) Annually, the EXECUTOR, with the support of the MANAGER if applicable, prepares the AOP that includes the annual budget for the PROJECT and, in coordination with Profonanpe, prepares the Procurement Plan (PP).
- b) The annual AOP and PP will be submitted by the EXECUTOR to Profonanpe in October of each year, so that Profonanpe can send it to the Administrative Board and to the DONOR, no later than October 30 of each year.

- c) The forms for the presentation of the AOP and PP are attached hereto as an important reference for their preparation. Regarding the PP¹⁸, this management tool is required by the cooperating sources for the approval of the AOP.
- d) The AOP forms include the monthly and quarterly schedule in order to foresee the allocation of resources and to be able to carry out the corresponding evaluations and follow-up.
- e) Profonanpe will communicate annually the exchange rate to be used as a reference for the preparation of the AOP.
- f) Once the AOP has the approval of Profonanpe's Advisory Board, Profonanpe will proceed to register the annual AOP and APP presented by the EXECUTOR in SIGA Profonanpe.
- g) It is recommended that the AOP propose activities that can actually be executed in that year, so as not to unnecessarily increase the budget and subsequently show a low execution capacity.

VII.2 AOP Evaluation

- a) The MANAGER, in coordination with the EXECUTOR, will submit to Profonanpe 20 days after the end of each quarter progress reports (financial and programmatic aspects) or extraordinary or special reports as required, which must be prepared, including Form "E" in said report. These reports will be coordinated in advance by the MANAGER-EXECUTOR.
- b) The MANAGER, in coordination with the EXECUTOR, will submit the Evaluation of the Procurement Plan together with the quarterly Physical-Financial Report to Profonanpe. The financial information for the preparation of the Quarterly and Annual Financial Report will be obtained from SIGA: "OFITPRES Module: Company Reports / Profonanpe Options / AOP Annual Evaluation Follow-up and AOP Quarterly Evaluation Follow-up."**
- c) This process includes the review of the progress of the physical and financial goals set for each project, as well as the follow-up of the annual AOP. Likewise, as a result of the quarterly and/or semiannual evaluation and review of the AOP, the corresponding modifications to the budget are proposed.
- d) The monitoring and evaluation process of a project generates information on results and impacts, which, through follow-up, ensures the proper



execution of projects, improves transparency in decision-making, supports and documents learning and optimizes the processes of the stakeholders involved: protected natural areas, national authority, project management and Profonanpe, as well as the beneficiaries.

- e) The follow-up information collected will serve mainly for the following purposes: (i) to present alerts and (ii) to fine-tune the development of the Projects allowing timely corrections, (iii) to schedule the necessary resources for the next periods, (iv) to carry out rescheduling, if necessary, among others.
- f) Each project should have a logical framework and a matrix of results and impact indicators, which will be evaluated at least every quarter.
- g) Profonanpe will register in the SIGA Budget Module the Quarterly Physical Progress Reports submitted by the EXECUTORS in coordination with the MANAGER.
- h) Profonanpe will organize at least 2 meetings per year with the MANAGER and/or the persons in charge to evaluate the activities carried out. The results of this meeting will be used to correct or strengthen the actions of the AOP.
- i) Profonanpe provides the EXECUTORS through the OFITES and OFIPRES modules of the SIGA Profonanpe with monthly, quarterly and annual expenditure and budget execution reports for the Project/Program. Final expenditure information will be available eight days after the end of each month.
- j) In addition, Managers in coordination with the EXECUTORS will submit every semester a report that will include at least (i) a qualitative and quantitative detail of the most important actions carried out in relation to the achievement of the Project's results and objectives; (ii) the progress achieved in relation to the defined indicators; (ii) an assessment of the problems, constraints and issues arising from the implementation or execution of the Project; (iii) updated implementation and projected disbursements for the next semester; (iv) lessons learned; and, (v) status of compliance with the donation agreement.
- k) Within 30 days of the end of each six-month period of the year, a six-monthly report must be submitted to the Donor and an annual report to the Advisory Board, detailing the achievements in relation to the Logical Framework indicators. It must also provide details on budget execution, constraints encountered and lessons learned.

VII.3 Budget Modifications

One of the conclusions to be reached in the evaluation and follow-up reports is whether a budget modification is required for the Project/Program.

Depending on the need and approach proposed, the approval of a budget modification requires the following procedures:

(i) Approval of each Project by the Administrative Boards is required:

If the Budget modifications involve:

- Increase in the initial budgeted amount
- Transfer between programs

(ii) Donor Approval is required:

If the budget modifications involve:

- Increase in the initial amount budgeted for the Project.

(iii) Only the Approval of the Profonanpe Economic Department is

required: If the budget modifications involve:

- Transfer between subprograms
- Transfer between activities

h) The AOP rescheduling will be carried out mainly on the following dates:

- In March, to include the balances corresponding to the budget of the previous fiscal year, which are committed and not executed.
- In July, after the evaluation of the first semester for corrections in the execution of the AOP. In this case, the rescheduling proposal must be approved by the Project's Administrative Board or equivalent body.