



Project Implementation Manual (PIM)

PACIFICO - Regional Marine Conservation of the
Central East Tropical Pacific

FINANCING AGREEMENT AFD No. FFEM CZZ 2874.01 J

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PACIFICO - Regional Marine Conservation of the Central East Tropical Pacific

MODIFICATION LOG

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DEFINITIONS

Agency	French Development Agency (AFD), the French public entity acting on behalf of the French Ministry of Economy, entrusted with managing the French Global Environment Facility (FFEM).
Agreement	Refers to the financing agreement(s) between PACIFICO and AFD/FFEM "FFEM CZZ 2874.01 J" and "FFEM CZZ 2874.02 J", including its recitals, Clauses, Schedules, Procurement Guidelines and, if applicable, any amendments made in writing thereto.
Beneficiary	The entity or group that is designated in the Agreement as the direct recipient of funds and responsible for project implementation. Fundación PACIFICO acts as the direct beneficiary; it oversees the management, administration, and supervision of the project, ensuring compliance with objectives and proper use of resources under AFD/FFEM financing.
Deadline for Drawdown	The final payment date, after which no further disbursements may occur: December 31, 2027.
Deadline for the use of fund	The expiration date of a six (6)-month period starting on the payment date of the last Advance.
Drawdown	The drawdown of all or part of the funds made available by the Agency to PACIFICO in connection with the Grant pursuant to the conditions set out in Clause 3 of the Agreement.
Financing Plan	Refers to the Project Financing Plan attached in Annex 4.
Implementing partners	Entities selected by the Beneficiary to carry out all or part of the technical assistance services under the Project, as outlined in the Project Summary (Section 1 – Introduction).
PACIFICO	A coordination platform made up of four Founding Environmental Funds (FEF): Fundación Patrimonio Natural, Fondo Acción, Asociación Costa Rica por Siempre, and Fundación Natura. It mobilizes financial resources for marine and coastal conservation actions in the Eastern Tropical Pacific (ETP).
Project	Refers to the Project as described in Annex 3 of the financing agreement between PACIFICO and FFEM "FFEM CZZ 2874.01 J".
Project Implementation Manual (PIM)	Project Implementation Manual: The set of rules and procedures to be applied in executing administrative, financial, and operational activities to implement project resources. This refers to the present manual and may be amended if agreed upon by PACIFICO.
Technical Completion Date:	The date by which the project is expected to be technically completed: June 30, 2028.

ACRONYMS AND ABBREVIATIONS

AFD	Agence Française de Développement
MPA	Marine Protected Area
TMC	Technical Monitoring Committee
SC	Steering Committee
PC	Project Coordinator
CMAR	Eastern Tropical Pacific Marine Corridor
FEF	PACIFICO Founding Environmental Funds
FFEM	French Facility for Global Environment
IUU	Illegal, Unreported and Unregulated (Fishing)
NGO	Non-Governmental Organization
CETP	Central East Tropical Pacific
PIM	Project Implementation Manual
PACIFICO	Fundación PACIFICO
AOP	Annual Operating Plan
ESMS	Environmental and Social Management System
PEU	Project Execution Unit
EEZ	Exclusive Economic Zone

1. INTRODUCTION

The Eastern Central Tropical Pacific (TCEP) is the coast and Exclusive Economic Zones (EEZ) of Ecuador, Colombia, Panama and Costa Rica. This region is rich in marine biodiversity, home to iconic species such as tuna, sharks, sea turtles, whales and seabirds, and includes five core Marine Protected Areas (MPAs) (four of which are heritage sites UNESCO World).

1. Cocos Island National Park (Costa Rica)
2. Coiba Island National Park (Panama)
3. Gorgona Island National Park (Colombia)
4. Malpelo Island Fauna and Flora Sanctuary (Colombia)
5. The Galapagos Marine Reserve and National Park (Ecuador)

The region is of great importance for the economies of these countries and for the well-being of their coastal communities, which are highly dependent on fishing and tourism. These five main MPAs and their connectivity zones, used as migration routes by emblematic species, are crucial for the conservation of biodiversity. Illegal, unregulated and unreported (IUU) fishing remains one of the greatest threats to biodiversity, as does the unsustainable exploitation of natural resources from economic activities taking place in coastal areas of TCEP and, to a lesser extent, in MPAs.

The overall **objective** of the project is to contribute to a more effective and harmonized management of marine biodiversity in the Eastern Central Tropical Pacific, through the operationalization of PACÍFICO as a long-term regional financial mechanism, coordination actions with PACÍFICO's partners in core MPAs and their connectivity areas, and supporting sustainable blue initiatives with an emphasis on protection, ecological connectivity and blue economy.

The project has three specific objectives:

1. Strengthen national and regional coordination.
2. Consolidate PACIFICO as a sustainable regional financial mechanism for biodiversity conservation in TCEP.
3. Support blue projects / pilot initiatives to ensure the conservation of the PTCE and a transition to more ecological, sustainable, efficient and socially equitable practices.

Fundación PACIFICO is a coordination platform made up of four environmental funds: Fundación Patrimonio Natural, Asociación Costa Rica por Siempre, Fundación Natura, and Fondo Acción. It mobilizes financial resources for conservation actions in the marine-coastal areas of the ETP.

The French government, through the French Facility for Global Environment (FFEM), supports PACIFICO with a grant of up to €2.56 million for the implementation of this project, "*Pacific – Regional Marine Conservation in the Central Eastern Tropical Pacific.*" The grant was approved in 2022. PACIFICO is responsible for the project's execution, including overall coordination, administration, and technical and financial supervision. A Project Execution Unit (PEU), composed of a coordinator and an administrative-financial officer, will be established within the organization. The investment of the funds from this financing will be made in accordance with the provisions of the agreements FFEM CZZ 2874.01 J and FFEM CZZ 2874.02 J (**Annex 1**).

2. PROJECT IMPLEMENTATION MANUAL (PIM) OBJECTIVES

The purpose of this PIM is to define and guide the project's execution mechanisms, specifying procedures, terms, and conditions for implementing technical, administrative, and financial activities included in agreement FFEM CZZ 2874.01 J, signed between FFEM and Fundación PACIFICO¹. Apart from Section 8c, which specifically refers to FFEM's financial contribution to the capitalization of PACIFICO's regional endowment fund (FFEM CZZ 2874.02 K), the operational details presented below apply only to the funds covered under agreement FFEM CZZ 2874.01 J.

This PIM adheres to the AFD/FFEM guidelines, policies, and procedures for projects financed by the Agency, the policies and procedures of PACIFICO (**Annex 2**), as well as the laws and regulations related to environmental matters and those governing the implementation of activities. Acronyms and abbreviations used are explained in earlier pages.

The PIM was developed by PACIFICO and will be shared with the Project Steering and Technical Committees upon receiving FFEM's non-objection. It must be understood and applied by all PACIFICO staff, partners, and contractors involved in project implementation. This is a dynamic document, subject to revision and updates to accommodate evolving project needs. Any changes in procedures based on implementation experiences must receive FFEM's prior approval.

The PIM is structured into nine sections and covers planning, project implementation (including financial management and procurement), as well as monitoring and evaluation.

3. DESCRIPTION OF ACTIVITIES FINANCED BY FFEM

To achieve its objectives, the Project will work with the following three components in mind:

1. **National and regional coordination:** The project will promote collaboration between MPAs and between the authorities responsible for the marine environment in the CETP.
2. **Consolidation of PACIFICO as a regional trust fund:** PACIFICO will be consolidated as a regional trust fund for the sustainable financing of regional conservation activities in the CETP, by capitalizing its endowment fund, supporting its institutional development and designing a facility for investments of conservation impact and supporting marine businesses in the social and solidarity economy.
 - 2.1. *Capitalize PACIFICO's endowment fund with seed funding:* In accordance with the decision of the FFEM Steering Committee, 19th October 2022, FFEM's contribution to this component, through a grant to the Beneficiary of 1.000.000 euros (one million euros), will be paid to PACIFICO's regional endowment fund, according to the terms of the separate financial agreement CZZ 2874.02 K.
 - 2.2. *Design PACIFICO's Regenerative Blue Economy facility.*

¹ Even though this PIM outlines the procedures for implementing the project activities, the content of Grant Agreements FFEM CZZ 2874.01 J and FFEM CZZ 2874.02 K shall prevail.

3. **Regenerative Blue Economy:** PACIFICO will support pilot innovative blue economy initiatives in or around CETP coastal and marine protected areas. These pilots will benefit from technical assistance and financial resources to consolidate their business model, correct inefficiencies in the sector, improve traceability, enter into certification programs and promote innovation. Ultimately, this support will help blue economy initiatives prepare to access impact investments or credit from the private and financial sector.

4. INSTITUTIONAL ARRANGEMENTS

a. Background on Agreement

In 2020, PACIFICO submitted a request for financial resources to FFEM for the development of the project “PACIFICO-Regional Marine Conservation in the Central Eastern Tropical Pacific”, to be implemented over a five-year period. On December 13, 2021, in accordance with the resolution of the FFEM Steering Committee’s remote consultation (No. 2021-0010) and the amended resolution of the Steering Committee (October 19, 2022), the AFD and FFEM agreed to finance the project, establishing PACIFICO as its beneficiary. This grant is divided into two parts: a first part, governed by the terms and conditions of this Agreement (CZZ 2874.01 J) and a second part, specifically designated as FFEM’s financial contribution for the capitalization of PACIFICO’s regional endowment fund, through a separate agreement (CZZ 2874.02 K). On December 9, 2022, after fulfilling all formal and legal requirements, these agreements were signed between PACIFICO and FFEM.

b. Beneficiaries

The beneficiaries of the funding are: i) PACIFICO, which could capitalize its endowment fund and ii) Protected marine and coastal areas and the communities living in and around these areas, which are considered the final beneficiaries.

c. Institutional Responsibilities

PACIFICO is a legally independent regional conservation trust fund, founded by four environmental funds with extensive experience: Fundación Natura (Panama), Asociación Costa Rica por Siempre (Costa Rica), Patrimonio Natural (Colombia) and Fondo Acción (Colombia). PACIFICO is responsible for project implementation and assumes all contractual responsibilities related to the allocated resources. PACIFICO will have a Project Executing Unit (PEU) under the supervision of its Board of Directors. Project implementation will take place within the framework of its alliance with CMAR, in compliance with the [Pacífico Conservation Plan \(2016\)](#).

PACIFICO will collaborate with other partners, hire specialists and service providers, and work with CMAR working groups and the Marine Protected Areas (MPAs) teams to carry out project activities. The Founding Environmental Funds (FEF), members or partners of PACÍFICO, will support the implementation and monitoring of the project activities, specifically under the component on 'Regenerative Blue Economy'. For this purpose, On-granting agreements will be signed between PACÍFICO and the aforementioned environmental funds, which will be subject to FFEM's no-objection.

d. Coordination and Strategic Partnerships

The activities outlined in this PIM will be developed and implemented in accordance with the [Pacífico Conservation Plan \(2016\)](#) and the PACIFICO Policies and Procedures Manual (2018 – **Annex 3**). PACIFICO has established several strategic partnerships, including the PACIFICO-CMAR alliance, which renewed its Memorandum of Understanding (MoU) in 2023. The conservation priorities established in this MoU are aligned with the components financed by the current project.

e. Governance

The governance structure for this project consists of two bodies: i) Steering Committee (SC) and ii) Technical Monitoring Committee (TMC). These committees will meet at least once a year, preferably in person and ideally dovetailing another regional meeting. However, meetings may also be conducted via teleconference.

i. Steering Committee (SC)

The SC serves as the strategic decision-making body. It is composed of the executive directors of PACIFICO's FEF members (Board of Directors) or their representatives, along with a representative from the donor organization:

- Executive Director of Patrimonio Natural
- Executive Director of Fondo Acción
- Executive Director of Fundación Natura
- Executive Director of Asociación Costa Rica por Siempre
- One representative from AFD/FFEM

To meet **quorum**, at least two FEF representatives and one donor representative must be present.

The SC is responsible for project planning, including reviewing and approving annual work plans and budgets. Decisions within this committee will be made by consensus. Other responsibilities include:

- Overseeing the timely implementation of project activities
- Monitoring budget expenditures in accordance with the work plan
- Providing recommendations to support decision-making when project obstacles arise
- Requesting the implementation of corrective measures when necessary

PACIFICO (through the Project Coordinator) will act as the Executive Secretariat of the SC, and will be responsible for:

- Issuing meeting invitations (15 days in advance)
- Preparing the agenda
- Sending relevant documents in a timely manner
- Drafting meeting minutes
- Properly maintaining records of meeting minutes and other documents

All suggestions and comments for the Project documents reviewed should be received on the same day of the meeting and incorporated into the final minutes. PACÍFICO will consider the revisions received from the SC on the day of the meeting as well as those submitted within the previous 15 days.

Each SC meeting minute will include the names of attendees, a summary of the discussions, the decisions made, and the tasks assigned. The meeting minutes will be shared via email within a maximum of two business days after the session. Participants will have two business days to suggest adjustments or modifications. If no feedback is received within this period, the minutes will be considered automatically approved (positive silence rule).

ii. Technical Monitoring Committee (TMC)

The TMC will be composed of:

- Technical Delegate from CMAR Secretariat
- Delegate from the CMAR Regional Technical Committee (CTR-CMAR)
- Technical Delegate from Patrimonio Natural
- Technical Delegate from Fondo Acción
- Technical Delegate from Fundación Natura
- Technical Delegate from Asociación Costa Rica por Siempre

Additionally, a representative from AFD/FFEM may participate as an observer.

To meet **quorum**, at least one representative from the CMAR Secretariat or CTR-CMAR and one representative from the FEF must be present.

The main responsibility of the TMC is to provide technical advice to the Project Coordinator on the design and operationalization of work plans.

PACIFICO will act as the Secretariat of the TMC, overseeing:

- The organization of meetings (ideally three per year)
- Meeting invitations
- Agenda preparation
- Drafting meeting minutes summarizing conclusions and decisions

Each TMC meeting minute will include the names of attendees, a summary of the discussions, the decisions made, and the tasks assigned. The meeting minutes will be shared via email within a maximum of two business days after the session. Participants will have two business days to suggest adjustments or modifications. If no feedback is received within this period, the minutes will be considered automatically approved (positive silence rule).

iii. Project Coordinator (PC)

The day-to-day management of the project will be handled by PACIFICO, which has hired a Project Coordinator for the duration of the project. The PC will have at least the following responsibilities:

- Ensure a solid technical implementation of the Project and effective coordination between the various partners
- Ensure the effective and efficient administrative and financial management of the project.
- Prepare all terms of reference that are necessary for Project activities
- Prepare grants and contracts for local and international partners and consultants for the implementation of Project activities
- Coordinate the selection and hiring processes for Project consultancies
- Follow up on the grants and consultancies approved for the Project according to the signed grant agreements and contracts
- Promote synergies and collaboration with other actors at the regional and national levels, and with relevant projects under way in the different countries in the CETP region
- Write project activity reports for the Committees, the PACIFICO Board and FFEM
- Organize meetings and/or workshops required for the Project
- Promote and coordinate the articulation of partners who are working on issues related to the Project components

5. PROCUREMENT PROCEDURES

This section outlines the procedures for selecting and contracting consulting and non-consulting services² (collectively, "the services") related to project activities. The purpose of this section is to: (i) comply with the PACIFICO Policy and Procedures Manual, the PACIFICO Administrative-Financial Procedures Manual for Managing Cooperation Agreement Funds, and AFD procedures in project implementation; (ii) ensure that project funds are allocated for their intended purposes; (iii) promote criteria for economic and efficient service procurement; and (iv) foster competitiveness in the provision/contracting of services.

PACIFICO is a recipient foundation not subject to public procurement regulations and operates under internal procurement processes and procedures applicable to private non-profit organizations.

² Expenses related to events and workshops, materials and printed items, facilitators, audiovisual recording, travel expenses, among others.

a. Regulations and General Principles

To be eligible for funding through cooperation resources, service procurement processes must comply with AFD guidelines, as stipulated in the [Procurement Guidelines for AFD Financed Contracts in Foreign Countries](#), applicable national regulations, PACIFICO procedures, and agreements established between the parties.

Procurement documents will be prepared following international best practices. The timeframes for bid preparation will allow interested parties reasonable and sufficient time to obtain information, prepare, and submit quality proposals. All consultant contracts (both individual and firms) must include the mandatory clauses required by AFD.

PACIFICO and its suppliers, contractors, or consultants must adhere to the highest ethical standards during procurement processes and contract execution. **Annex 4** includes mandatory contractual clauses related to: Contractor Obligations, Intellectual Property, Authorization for Personal Data Processing and Use, Anti-Money Laundering, Fraud and Corruption Prevention, and Confidentiality. In accordance with AFD Procurement Guidelines, candidates, bidders, or consultants must submit a duly signed **Statement of Integrity (Annex 5)**, which will be included in the contract or service order.

b. Procurement Plan

The Procurement Plan is a planning tool that enables prioritization, scheduling, and monitoring of procurement activities, as well as the allocation of financial resources and the establishment of specific actions and timelines. It contains details regarding the planning and implementation of scheduled activities, including the objective, type of services, estimated amount or volume, procurement method, selection process, and estimated and actual dates for bidding and contracting.

PACIFICO will prepare the Procurement Plan for the Project based on the Indicative Financing Plan from the Agreement (**Annex 6**) and the AFD/FFEM Procurement Guidelines, for which a No Objection from FFEM will be requested. The Procurement Plan must be approved by the Steering Committee and cover a minimum period of 18 months, after which it will be reviewed annually. PACIFICO will oversee its implementation.

The Procurement Plan will indicate the agreed procurement review modalities with FFEM (full prior review, simplified prior review, or ex post review) for No-objection, in accordance with the applicable [Procurement Guidelines for AFD Financed Contracts in Foreign Countries](#) (Articles 1.6.2 and 1.6.3). Any update exceeding 10% of the total value or modifications between Procurement Plan components must receive FFEM's No Objection.

c. Responsibilities related to contracting and execution

PACIFICO and, where applicable, its Founding Environmental Funds (FEFs) will be responsible for conducting and documenting procurement processes in compliance with the PACIFICO Policy and Procedures Manual, the PACIFICO Administrative-Financial Procedures Manual for Managing Cooperation Agreement Funds, and AFD/FFEM Procurement Guidelines. Accordingly, physical or digital records of procurement processes will be maintained, including Terms of Reference, CVs or proposals, selection reports, and signed contracts.

PACIFICO and FEF members guarantee that procurement processes will be conducted with transparency, fairness, and efficiency. Where applicable, FEF members will periodically submit all contractual and financial documents related to the Project to PACIFICO for inclusion in audits commissioned by PACIFICO.

There is no contractual relationship between AFD and/or FFEM and any natural or legal person, except for PACIFICO, which holds direct legal responsibility. In certain procurement processes, FEF will have legal responsibility before PACIFICO in accordance with the On-granting agreements established between them for the purposes of this Project.

d. Safeguards

PACIFICO and the suppliers or consultants engaged under this project must comply with the [PACIFICO Environmental and Social Management System](#) (ESMS or SGAS in Spanish), which enables the identification of risks and impacts. The ESMS includes, among other components:

- Social and Environmental Policy
- Exclusion List
- Gender Policy
- Compliance with National Legislation
- Alignment with International Standards
- Environmental and Social Safeguards

Contractors and consultants in contracts financed by AFD/FFEM must also:

- a) Ensure compliance with international environmental and social standards, including core International Labour Organization (ILO) conventions and international treaties on environmental protection, in accordance with applicable national laws and regulations.
- b) Implement any risk mitigation measures defined under the PACIFICO ESMS.

e. Conflict of Interest

According to FFEM and AFD guidelines, a conflict of interest is a situation in which a party has interests that could unduly influence program activities, policy decisions, contractual performance, or compliance with applicable laws and regulations. Appropriate measures will be taken to manage conflicts of interest, and award proposals may be rejected if a conflict of interest compromises the integrity of any consultant selection process. Unless an exception is expressly granted by FFEM, the following entities will be disqualified from competitive procurement processes:

- 1) Entities controlled by PACIFICO (as the Beneficiary) or shareholders that control the Beneficiary unless the conflict has been disclosed to FFEM and resolved to its satisfaction.
- 2) Entities with business or family relationships with any PACIFICO staff member involved in procurement processes or contract supervision unless the conflict has been disclosed and resolved to FFEM's satisfaction.
- 3) Entities that: control or are controlled by another bidder or consultant, share legal representation with another bidder or consultant, or have exchanged information with another bidder or consultant in a manner that affects proposal integrity or influences decision-making
- 4) Entities involved in consulting services that could be incompatible with their role in the project.
- 5) Entities where a former PACIFICO employee, Board or Committee member is part of the team, and:
 - i. Participated in the preparation or approval of bidding documents.
 - ii. Had access to bidding documents before publication.
 - iii. Left PACIFICO/Committees within six months before or during the bidding process.

If any of these conditions apply, the proposal must be rejected. If no conflict is identified, and the person in question left at least six months prior to the bidding process, PACIFICO may proceed with the evaluation.

- 6) For procurement of goods, works, or plants, entities will be disqualified if they:
 - i. Prepared or were associated with a consultant who prepared specifications, plans, or any other procurement-related documents.
 - ii. Are affiliated with or have been contracted to supervise or inspect works under the contract.
- 7) State-owned entities that cannot provide evidence that they:
 - i. Have legal and financial autonomy
 - ii. Operate under commercial law regulations

f. Procurement, Calls for Proposals, and Contracting

This project will carry out procurement, tenders, calls for proposals, and contracting processes as needed, in accordance with the [Procurement Guidelines for AFD Financed Contracts in Foreign Countries](#). PACIFICO commits to ensuring that all Contracts financed by FFEM are awarded and implemented in line with internationally recognized good practices, particularly those recommended by the Organisation for Economic Co-operation and Development (OECD). Accordingly, all contract awards will be guided by the principles of economy and efficiency. Therefore, a Contract must be awarded through a competitive process that is transparent, open, and fair, and based on the principle of proportionality.

This project will carry out procurements, calls for proposals, and contracting as required. Before initiating any procurement or call for donations, it must be ensured that funds are available and that the requirements and/or guidelines established for their use in the Agreement signed with FFEM are met. These resources may be executed through the following types of contracts:

- **Consulting services Contracts:** for the procurement of advisory, expert, management or training services. For example, this corresponds to feasibility studies, structure design studies, works supervision, training, technical assistance, management or strategic consultancy, financial and accounting audits, etc.
- **Service Contracts** (other than consulting services): for the procurement of services to obtain measurable results for which the performance standards can be clearly identified and systematically applied. For example, this corresponds to topographical surveys, printing services, data collection, vehicle rental, room and office rental, electricity supply, telecommunications, etc.
- **Goods (Supplies):** Refers to contracts for acquiring materials, furniture, technological equipment, software, etc., as required by PACIFICO.
- **Works (Infrastructure):** Refers to contracts for remodeling or construction projects.

The type of competition, procurement procedure and selection method will be detailed in the Procurement Plan (Section 5b), in accordance with the above-mentioned guidelines. Additionally, the following modalities may be implemented:

Request for Quotations (RfQ): This procedure is reserved for standard contracts of low financial value. Provided that it is authorized by the applicable Laws and Regulations, and unless otherwise agreed with FFEM regarding different thresholds, contracts with an estimated unit value (excluding taxes and duties applicable to the contracting country) below the threshold of **€200,000** may be subject to a Request for Quotations for the procurement of goods, consulting services, or other types of services.

Direct Contracting: Although a competitive selection process is always preferable when feasible, for contracts with an estimated unit value (excluding taxes and duties applicable to the Contract in the contracting country) not exceeding **€40,000**, PACIFICO may use direct contracting, provided that the following conditions are met:

- a. Direct contracting is authorized and complies with the applicable Laws and Regulations;
- b. The proposed contractor is qualified and experienced to perform the required services;
- c. The contract amount is consistent with initial estimates and prevailing market prices, and the contractual terms are fair and reasonable.

The selection and contracting of services and purchases will follow PACIFICO and FFEM procedures: (i) Selection Criteria, (ii) Call for Proposals, (iii) Evaluation, and (iv) Contracting/Purchase, as detailed below.

i. Selection Criteria

For any of the procedures, bidders or project proponents seeking funding must meet the specified technical requirements (e.g., proposal/offer, CV, budget, etc.) and comply with the selection criteria outlined in previous sections. PACIFICO will maintain a registry of suppliers and potential candidates for donation calls, allowing interested individuals and legal entities to register by submitting the necessary selection criteria, streamlining the procurement processes.

Before rejecting an entity's participation for any reason, the Project Coordinator may, at their discretion, grant a period of **3 to 5 business days** for the entity to provide clarifications regarding its status before making a final decision. If such an opportunity is granted, it must be equally provided to all entities in similar situations.

PACIFICO reserves the right to remove any bidder or proponent at any stage of the process and even terminate a contract without liability if it obtains credible evidence proving that submitted statements and/or supporting documents were false or incorrect, or if the entity's circumstances have changed negatively since the documents were issued³.

At the Coordinator's discretion, the requirement to submit supporting documents may be waived depending on the procurement or call process. If the bidder or proponent has previously submitted the required documents in another process, and as long as their issuance date does not exceed one year and they remain valid, a sworn statement confirming no changes in their status will suffice.

ii. Call for Proposals

Based on the procurement needs defined in the Procurement Plan, PACIFICO will submit the Terms of Reference (ToR) or technical specifications for the required services to FFEM for its No Objection. The response time for FFEM and the Steering Committee to provide comments or improvements on these ToRs will be 15 calendar days. Once the No Objection is received, PACIFICO will proceed either by inviting potential bidders or through an open call, as applicable.

In a **restricted procurement process** (by invitation), only individuals or legal entities—regardless of nationality or domicile—who are invited by PACIFICO may participate. Internally, PACIFICO must create a list of at least three potential bidders, who may or may not be part of the supplier registry. These bidders will receive a personalized invitation letter and will be directed to PACIFICO's

³ Examples of supporting documentation that may be requested, as applicable, are listed on page 46 of PACIFICO's Manual of Policies and Procedures (Annex 2)."

website, where the procurement notice, and annexes will be published. This procedure aligns with the FFEM modalities of 'Request for Quotations' and 'Direct Contracting', which are accepted for amounts below €40,000.

A maximum period of 30 calendar days will be granted for submitting bids. Once received, the Evaluation Committee (see next section) will review the bids. If necessary, the Committee may request clarifications, granting 3 to 5 business days for the bidder to respond. These clarifications are solely to resolve doubts and not to submit missing documents.

In an **open procurement process**, any individual or legal entity—regardless of nationality or domicile—may submit a bid, whether they are part of the supplier registry or not. The procurement notice must be published on the websites of PACIFICO and its FEF members. Unlike restricted procurement, the procurement file must be approved by PACIFICO's Board of Directors. This procedure aligns with FFEM modalities of 'National' and 'International' competitive bidding, which are required for amounts exceeding €200,000.

iii. Evaluation

For evaluating bids or proposals, except in the case of Single Offer Procedures, the Evaluation Committee will assist the Project Coordinator (PC) in reviewing the proposals. This Committee will be composed of the Technical Monitoring Committee (TMC) and the PC. If necessary, the PC may request the incorporation of an expert on the subject.

The evaluation process consists of three stages:

1. Administrative Compliance Check: Bids that do not meet administrative requirements will be eliminated at this stage.
2. Technical Compliance Evaluation: Bids that pass the administrative stage will be evaluated based on criteria and scores specified in the Terms of Reference.
3. Final Selection: Based on the evaluation, the PC will prepare a report prior to initiating the contracting process.

iv. Contracting and Purchase

The top-ranked candidates will be invited to an initial meeting, where they will be informed of their selection and the process expectations. They will have 15 minutes to present their technical offer. The PC (optionally accompanied by an Evaluation Committee member) will ask relevant questions to clarify expectations. Based on this meeting, the contract will be finalized.

The selected contractor will sign a **service contract**, where disbursements are subject to the satisfactory delivery of products as stipulated in the Terms of Reference.

For material purchases up to €15,000, **purchase orders** will be issued. Specific needs must be submitted to PACIFICO's Project Administrative responsible, who will request quotations from suppliers and present them to the PC for analysis and selection. Supplier selection will follow PACIFICO's shortlist invitation and single-bidder procedures, and the contract will be awarded to the most competitive bidder based on quality and the best economic offer. The Project

Administrative responsible will prepare the purchase order and obtain approval signatures from the PC and PACIFICO's President.

For **travel orders**, the PACIFICO's form for travel request will be used and signed by PACIFICO's President.

6. FINANCIAL CONTROLS

a. Exclusive Bank Accounts

PACÍFICO has opened an exclusive bank account in U.S. dollars for the project: Checking account at Bancolombia, Puerto Rico. This account will receive the project's operational funds following the submission of each corresponding disbursement request. Payments to beneficiaries and contractors will be made directly from this account.

b. Accounting System

The accounting records that control these bank accounts must be reconciled monthly and supported by a bank statement issued by the bank. These bank reconciliations will be audited as part of PACÍFICO's annual audits. The fund management accounting system will record all income and expenses related to the project. PACÍFICO must generate the required financial reports.

Any form related to the management or use of financial resources must be numbered, and its use will be continuously monitored. If a form is replaced for any reason, it must be voided and archived to maintain the numerical sequence. Financial documents must be submitted as required for each disbursement request made by PACÍFICO to FFEM. Each request must include the following documentation:

- a. Payment advance request letter.
- b. Expense summary according to the approved budget.
- c. List of accumulated expenses for the corresponding reporting period.
- d. Original invoices for payments exceeding EUR 5,000 or their equivalent in U.S. dollars. If it is not possible to send the original to FFEM, a certified copy will be provided.

PACÍFICO will retain documentary evidence and other records related to the project's accounts (checking and investment), as well as the use of disbursements, for a period of ten (10) years from the final disbursement date. PACÍFICO must provide such documentary evidence and other records to FFEM or any designated auditing firm upon request.

c. Budget Modifications

The reallocation of funds between components may be carried out as follows:

- Between components.
- Between activities within the same component.

If the adjustment:

- Increases or decreases the budget of an activity by 10% or less of the original amount, the modification may be made and reported in the next financial report.
- Exceeds 10% of the original amount, written authorization must be requested from FFEM, which may result in an amendment to the agreement to modify its budget annex.
- Involves a budgetary activity of a significant amount (and the 10% equals more than USD 5,000), FFEM must also be notified.

d. Financial Reports

The financial report will reflect the project's financial progress during the reporting period and cumulatively from the beginning of activities, detailing each budget line (components) and a detailed list of expenses based on:

- Expenses incurred directly by PACÍFICO.
- Expenses reported by beneficiaries in their semi-annual financial reports.

The financial report will include information on all budget modifications (if any). PACÍFICO will prepare the following financial reports:

- Annually and each time a payment advance is requested.
- Annual audited reports, which must be submitted before July of each year.
- Final report and final audit, no later than six months after the project closing date.

e. Audits

- PACÍFICO's annual institutional audits will include a review of the project's accounts. These audits are conducted by independent accounting firms to verify the proper management of funds.
- The audits will review PACÍFICO's project administration in accordance with AFD's specific requirements, if applicable.
- PACÍFICO may contract an independent external audit, provided that FFEM grants a no-objection approval on the Terms of Reference, in accordance with the guidelines set out in Annex 7.

f. Financial Sanctions List

PACÍFICO and any project beneficiary must:

- Not intentionally establish business relationships with individuals or entities included in financial sanctions lists (including those related to terrorism financing).
- Not purchase, supply, or finance goods, services, or sectors subject to embargoes imposed by the United Nations, the European Union, or France.

PACÍFICO and its sub-beneficiaries will be responsible for reviewing the lists of individuals, groups, or entities sanctioned by the United Nations, the European Union, and France. For reference, the following links can be consulted:

- United Nations: Security Council Sanctions List: <https://www.un.org/sc/suborg/fr/sanctions/un-sc-consolidated-list>
- European Union: Sanctions Lists: https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_fr
- France: National Terrorist Asset Freezing Mechanism: http://www.tresor.economie.gouv.fr/4248_Dispositif-National-de-Gel-Terroriste

7. MONITORING AND FOLLOW-UP

a. *Monitoring and Evaluation*

PACÍFICO will be responsible for overseeing and monitoring the progress of the project. To achieve this, PACÍFICO will develop a Monitoring and Evaluation Plan, which must be approved by FFEM.

b. *Technical Reports*

PACÍFICO will have overall responsibility for reporting to FFEM and will establish a clear procedure for the flow of information among partners and contractors to better consolidate results. PACÍFICO will prepare the following technical reports, which will describe progress based on each project component, related activities, and success indicators agreed upon with AFD/FFEM:

- **Annual Reports:** A technical and financial progress report in relation to the implementation of the Project, including a report on the project indicators, within four months after the end of each year until the Technical Completion Date.
- **Final Report:** Submitted within a maximum of six (6) months after the Technical Completion Date, with a general implementation report (the "General Implementation Report").

8. DISBURSEMENT OF FUNDS

a. *Requests*

Each disbursement request must be submitted by PACÍFICO (represented by any individual designated by the President of PACÍFICO's Board of Directors) to the Agency's office at the following address:

Secrétariat du FFEM
Atención: Philippe HUMBERT-DROZ
Dirección: 5, Rue Roland Barthes 75598 PARIS Cedex 12
Teléfono: + 33 1 53 4431 31
Email: humbert-drozp@afd.fr

b. Payment Mechanisms

PACÍFICO may request funds in the form of advances. Each disbursement will be made as an advance payment and deposited into the Exclusive Project Account (as defined below).

- First Advance: Once the Preliminary Conditions set out in the Grant Agreement are met, the Agency will make the first disbursement to the Exclusive Project Account.
- Additional Advances: PACÍFICO may request further disbursements, provided the following conditions are met:
 - a) Certification of Previous Advance Usage – A certificate signed by an authorized PACÍFICO representative confirming that at least 80% of the previous advance has been used.
 - b) Payment Details – A detailed breakdown of eligible expenses per component for the relevant period.
 - c) Supporting Documents for Expenses over €5,000 – Original invoices and related documentation for any expense exceeding €5,000.
 - d) Updated Project Cost Estimate – A revised estimate of project costs and eligible expenses, updated as of the disbursement request date.
 - e) Latest Available Annual Audit Report.
 - f) Provisional Spending Plan – A detailed projection of expenses for the next 12 months.

c. Endowment Capitalization Fund

PACÍFICO will monitor compliance with the conditions precedent to the first disbursement of €1,000,000 for the endowment fund (Annex 8), namely:

- a. A certificate from ACRXS confirming the opening of the account or sub-account within its endowment fund, dedicated to the pooling arrangement with PACÍFICO, including the banking details of said account.
- b. A copy of the pooling agreement between PACÍFICO and ACRXS;
- c. A copy of the contract (or an addendum to the existing contract) between ACRXS and its portfolio manager confirming the management of PACÍFICO's endowment fund;
- d. A letter from ACRXS confirming the receipt of co-financing dedicated to the endowment fund in an amount of at least USD 1 million.

9. ANNEXES

- **Annex 1** – Grant Agreement between PACÍFICO and AFD/FFEM (CZZ 2874.01 J, 2022)
- **Annex 2** – PACÍFICO's Policies and Procedures Manual (2018)
- **Annex 3** – PACÍFICO's Administrative-Financial Procedures Manual for the Management of Cooperation Agreement Funds (2023)
- **Annex 4** – Clauses for Inclusion in PACÍFICO Contracts with Project Implementing Partners
- **Annex 5** – Statement of Integrity, Eligibility and Environmental and Social Responsibility
- **Annex 6** – Project Indicative Financing Plan
- **Annex 7** – Guidelines and Templates for Audits according to AFD/FFEM
- **Annex 8** – FFEM Resolution 2021-001O_Endowment Fund