



GUIDELINES: MONITORING AND EVALUATION FOR EQUITY EQUIVALENTS PROGRAMMES

The dti will evaluate a Multinational's progress in implementing the approved Equity Equivalents Programme, taking into account the projected deliverables according to the approved business plan, whilst also evaluating the extent to which the desired results have been achieved.

Monitoring and Evaluation Criteria for Multinationals in Equity Equivalent Programmes

1. General Criteria

- 1.1. Quarterly and annual progress reports, which shall list individual project activities and indicate planned progress in terms of the Business Plan to the dti's designated representatives
- 1.2. Quarterly financial progress reports which indicate the amounts of Funds that have been expended as well as planned and actual expenditure in terms of the Business Plan to the dti's designate representatives
- 1.3. Annual Reviews on actual progress in terms of the Business Plan to the dti's designated representatives for the first two (2) years and then two (2) yearly for the remaining period
- 1.4. The multinational shall permit, after the dti has given five (5) days written notice thereof, the dti to carry out inspections or audits during offices hours regarding the implementation of the programme
- 1.5. A consolidated report at the end of each year to be submitted and a final consolidated report at the end of the measurement period.

- 1.6. The quarterly progress reports should explicitly reflect the following details in separate columns:
 - 1.6.1. Original agreed measurable milestones, both financial and activity based milestones (e.g. number of qualified interns trained etc)
 - 1.6.2. Actual performance to date against the milestones above in (1.6.1) and comment/ explanations on any variances
 - 1.6.3. Suggest any revised/ updated forecasts for the remainder of the measurement given actual performance to date (1.6.1) and previously agreed budgeted milestones (1.6.2). Suggest reasons/ motivation for revisions, and why future revisions are unlikely to occur.
- 1.7. Detail as to how voting/ decision making is conducted for the EE Programme and who constitutes the board membership (if applicable)
- 1.8. A list of the decision makers of the Fund
- 1.9. A list of the management of the Equity Equivalent Programme, their CVs and managerial experience in functioning as an administrator
- 1.10. A typical service level agreement between the Multinational and service providers, if applicable.
- 1.11. A detailed review on the progress, which shall list individual programme activities indicating actual progress in terms of the expected outcomes as per the Business Plan.
- 1.12. Whilst it is a condition in the MOA for a Multinational to provide quarterly and annual reports to the dti, the various EE Programmes should have monthly monitoring processes and should have available abridged monthly summaries typical of good business practice that covers milestone measurement, administrative and financial process. This will assist if the dti chooses to audit the projects unannounced, between quarters.

2. Finance Criteria

- 2.1. Audited Annual Financial Statements for the project vehicle housing the Equity Equivalents (EE) Programme, to include Management Accounts (signed off by Financial Director) if audited financial statements not available. These statements are to be made available no later than six (6) months after the year – end.
- 2.2. A detailed break-down of the flow of funds into and out of the Enterprise Development Fund for the period of measurement.
- 2.3. Detailed operational costs incurred, including costs associated with salary, wages, management fees or any other remuneration or payment clearly distinguishing between payments made to:
 - 2.3.1. Multinational direct personnel or other payments
 - 2.3.2. Third party vendor/service provider supported by an arms length contract
 - 2.3.3. the EE Programme's own personnel supported by employment contracts underpinned by deliverables and performance criteria
 - 2.3.4. Any interest rate charged to the project vehicle of the Equity Equivalent
- 2.4. Source and application of all flow of funds as suggested, separated out into the detailed operational categories and in terms of the three classifications above 2.3.1 – 2.3.3