MEMORANDUM OF UNDERSTANDING WITH THE **GOVERNMENT OF MONTSERRAT** FOR

**{NON BUDGET SUPPORT FINANCIAL AID AND TECHNICAL**

**CO-OPERATION}**

Between

The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (“DFID”)

and

The **Government of Montserrat** (“the Government”)

together called “the Participants”

**MONTSERRAT FINANCIAL AID 2016/17**

**{ARIES 204238}**

* 1. The arrangements and the purpose for which the Grant will be used are set out in this Memorandum of Understanding (MoU) and its Annex’s and the corresponding **Business Case** collectively referred to as “this Arrangement”.

Following the recent discussions between the Participants, DFID, will make available a sum not exceeding the lower of **£20.6m and EC$79.2m** to support non budget support **Financial Aid to the Government of Montserrat.**  The schedule of disbursement for Financial Aid will consist of three tranches released in May, July and November.

The budget for financial aid is composed as set out in table 1

|  |  |  |
| --- | --- | --- |
| **Table 1. Composition of DFID Financial Aid to Montserrat 2016/17** | | |
| **Component** | **Full year Budget** | **Details** |
| Recurrent | Up to £17,479,000 | To support the Government’s recurrent expenditure across its Ministries, including up to:   * £7.74m for salaries, wages and allowances including £158,000 to support the Government’s increasing provision for safeguarding of children and vulnerable adults; * £423,000 for the purchase of health equipment; * £164,000 to undertake health financing and health functional reviews; * £1.21m to support the Government’s maintenance of assets, which will be disbursed according to a new comprehensive maintenance strategy and effective delivery vehicle to be put in place by the Government; * £1.24m to support the Government’s Disaster Preparedness activities; and * £6.49m for other government recurrent expenses such as subventions, utilities, etc., including £54,000 for a family centre as part of the Government’s increasing provision of safeguarding of children and vulnerable adults. |
| Access subsidy | Up to £1,402,000 | * To support and maintain access to Montserrat. * The sea ferry subsidy, of up to £1,186,000, is dependent on the Government running the ferry service on a purely commercial basis which maximises revenue. The ferry subsidy will therefore not be used for the provision of complimentary or arbitrary reduced cost tickets. * Up to £52,000 will be ring fenced to meet any additional fuel costs for the ferry due to a rise in oil prices. * Up to £164,000 will be provided to cover subsidies to the two passenger airline operators in Montserrat (SVG and fly Montserrat), and to WINAIR Charters which provides medivac services. * The subsidy is transferable between the air and sea providers upon agreement with DFID, in order to maintain reasonable access in the event that either mode of transport is not operational. |
| Technical Cooperation and Capacity Building | Up to £1,720,000 | * To support the Government in filling key safe guarding posts in line with the relevant protocols, including specifically:   + up to £248,000 for specified safeguarding TC posts;   + up to £65,000 ring-fenced specifically for recruitment costs for a specialised agency, if one is engaged by the Government to fill the safeguarding TC posts. * Up to £266,500,000 for filling other priority long-term posts. * Up to £652,400,000, to enable the Government to engage expert inputs to key discrete pieces of work or studies that will assist it in delivery of services. * Up to £488,000, to support the Annual Country Training scheme particularly to ensure local capacity in social work |

* 1. The Grant will start on **1 April 2016** and is expected to end on **31 March 2017**

**Funding Requirements**

* 1. The funding amount and disbursement schedule above are subject to revision and will depend on: the fulfilment of the provisions of this arrangement; any revisions to budgets; and actual expenditure and need. It will also depend on any additional specific conditions accepted by the Government.
  2. DFID funds must be separately accounted for by the Governmentand therefore readily identifiable at all times. The Government will ensure that all goods and services financed from the Grant will continue to be used for the purposes set out within this arrangement. In the event of such goods or services being used for other purposes, the Government must notify DFID in writing and DFID may seek to recover from the Government the value of the goods and services concerned.
  3. Budgets will be subject to regular review to identify where any surpluses may occur. The Government must seek DFID approval on the use of any surplus at least one month prior to the date for the proposed use of funds.

**Assurance and Audit Arrangements**

* 1. The Governmentwill co-operate fully with DFID and its agents during any assessment of the public financial management system and the project, providing the information and evidence necessary for effective assessments to be made. Whenever required and practicable, the Government will permit DFID authorised personnel to visit the project(s) funded, directly or indirectly by this grant.

The Government will, within 9 months of the end of each financial year, provide DFID with Annual Audited Statements from its Auditor General (or equivalent) confirming that DFID’s Grant has been used for the intended purposes;

**Reporting and Reviews**

* 1. Formal reviews and reporting will be conducted to assess progress against project objectives. It is expected that the Ministry of Financial and Economic Management (MOFEM) will meet with DFID on a monthly basis to report on the following:
     1. Performance to date and forecasts for both domestic (e.g. tax) revenues and expenditure;
     2. Related key budget policy and departmental developments
     3. performance against financial aid targets (e.g. as set out in the DFID Financial Aid Business Case and supporting logframe);
     4. Programme delivery risks.
  2. The Government must submit full and timely evidence in support of claims, including: a) performance to date and a forecast to the end of the claim period of both domestic (e.g. tax) revenues and of expenditure; b) a breakdown of expenditure needs by key department and spending area, including a separate section of each of the ring-fenced areas. The evidence and required reporting must be submitted by the dates indicated below to enable the planned disbursements in May July and November, to ensure payment within that month. Failure to provide timely reporting and evidence will delay disbursements.

|  |  |  |
| --- | --- | --- |
| Payment Tranche | Deadline for GoM submission of reporting and supporting documentation | Target for DFID release of funding |
| 1 – May 2016 | 6 May 2016 | 13 May 2016 |
| 2 – July 2016 | 15 July 2016 | 25 July 2016 |
| 3 – November 2016 | 18 November 2016 | 25 November |

* 1. As part of each claim process, the Government will supply DFID with an up-to-date estimate of the actual exchange rate they expect to apply in transferring the £ sterling claim to EC dollars. The Government will also provide DFID with evidence to satisfy the DFID exchange rate protocol (see Annex 5) requirements on competitiveness and value for money in July 2016, advance of the second claim.

* 1. There will be a Mid-Year discussion in August 2016 on budget performance and related policy with agreed action to the year end as required. There will be a Financial Aid Mission in early December 2016 to review progress with 2016/17 plan and budget and gather evidence for the 2017/18 proposed budget and DFID settlement.

**Accountability and Indemnity**

* 1. DFID will not be responsible for the activities of any person, organisation or company engaged by the Governmentor its agenciesas a result of this Memorandum, nor will DFID be responsible for any costs incurred by the Government or its agenciesin terminating the engagement of the aforementioned persons, organisations or companies.
  2. Although accountable to DFID for the appropriate use of funding and delivery of project objectives,the Government will retain ultimate responsibility for the appropriate delivery of aid funding and will as such be solely responsible for any adverse effects of aid expenditure that have an undesired or unexpected result upon recipients.

**Communication and Branding**

* 1. The Government will collaborate with DFID and proactively look for ways to build support for development and raise awareness of DFID’s funding. Wherever appropriate, the Government will explicitly acknowledge DFID’s support through the use of DFID’s UK aid logo in all communications with the public or organisations regarding this funding.
  2. The Government also commits to collaborate with DFID on other awareness raising activities, where feasible and appropriate, in the UK and overseas, to profile the partnership and the results it is delivering. Consideration of safety and security will always take precedence over the need to brand.

**Intellectual Property**

* 1. Intellectual property developed in all material (including, but not limited to, reports, data and designs, whether or not electronically stored) produced by the Government or its personnel, members or representatives in the course of this project (“the Material”) will be the property of the Government.
  2. In signing this arrangement the Government hereby grants to DFID a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material, where “use” shall mean, without limitation, the reproduction, publication and sub-licence of all the Material and the intellectual property therein, including the reproduction and sale of the Material and products incorporating the same, for use by any person or for sale or other dealing anywhere in the world.

**Fraud and Corruption**

* 1. DFID and the Governmentwill immediately and without undue delay inform the other participant of any event which interferes or threatens to materially interfere with the successful implementation of the project, whether financed in full or in part by DFID, including credible suspicion of or actual fraud, corruption or any other financial irregularity or impropriety.
  2. DFID have an expert fraud investigation unit, that should be contacted in the first instance at [fraud@dfid.gov.uk](mailto:fraud@dfid.gov.uk) or +44 (0)1355 84 3747. All suspicions will be treated with the upmost confidentiality.
  3. DFID and the Government have a zero tolerance approach towards fraud and fraudulent behaviour that may lead to the misuse of funds and will fully co-operate with investigation into such events, whether led by DFID or the Government. DFID may, at any time during the term of this arrangement and up to five years after the end of the programme, arrange for additional audits, on-the spot checks and / or inspections to be carried out. These may be carried out by DFID, or any of its duly authorised representatives.
  4. DFID reserve the ability to recover funds that have been subject to a proven fraud and will work with the Government to do so. Where fraudulent or unethical activity is alleged, DFID reserve the right to suspend or terminate funding with immediate effect, in preference to the standard notice period and irrespective of any contractual requirements.
  5. The Government will assure itself that UK funding, including financial assets or economic resources is not made available, either directly or indirectly to, or for the benefit of persons, groups or entities listed in accordance with European Council Regulation EC/2580/2001 (as amended) and/or the Terrorism (United Nations Measures) Orders 2009 of the United Kingdom, or contravene the provisions of those and that of any subsequent applicable terrorism legislation.

**General Termination**

* 1. If DFID becomes concerned that the provisions of this MoU, or specific conditions made under this arrangement have not been fulfilled by the Government or if any activities occur which in DFID’s opinion will significantly impair the development value of the project, DFID will discuss with the Government and undertake an assessment. DFID may then take any of the following actions:
  + Signal a possible future response
  + Change the way DFID delivers aid
  + Delay or reduce all or part of a specific aid disbursement
  + Stop aid for this arrangement under the termination provisions set out within this MoU
  1. This Arrangement including this MOU can be terminated by three months’ written notice by either participant. It is accepted nonetheless that any decision of either participants regarding termination of this Arrangement will first be subject to discussion and the additional provisions cited within this arrangement.
  2. Any unspent funds remaining at the end of a project, must be returned to DFID unless specifically decided between both participants, in writing. The template in Annex 5 should be used when returning funds.

**Additional Provisions**

* 1. Programme assets, specifically identified to be procured under the terms of this grant will be operated and controlled by the Government for the duration of the programme.The Government will be accountable to DFID for the appropriate use of these assets, in line with project objectives. Ultimate ownership of programme assets will be decided in writing by all participants.
  2. When requesting payment the Governmentshould complete **Annex 4,** Payment Request Form. Payment will be made to the bank account details provided in **Annex 3** of this arrangement.
  3. The Grant will not, unless agreed by DFID in writing, be used to meet the cost of any import, customs duties or any other taxes or similar charges, applied directly or indirectly, by the Government or by any local public authority on the goods / services provided.
  4. If this arrangement is acceptable to the Government it will place on record the understanding of the Participants and will come into operation on the date of the Governments signature below.
  5. In the event of translation the English text of this document will prevail.
  6. Any amendments to the provisions contained within this Memorandum will be set out in writing and approved by the authorised personnel through DFID’s standard amendment letter or, where significant, a revised Memorandum of Understanding.

Signed on behalf of DFID:

Name: Martin Dawson

Position: DFID Resident Representative, Montserrat

Address/Contact Details: Overseas Territories Department, DFID

Date:

Signed on behalf of the Government of Montserrat:

Name: Lindorna Brade

Position: Financial Secretary (Acting), Government of Montserrat

Address/Contact Details: Ministry of Finance and Economic Management, Brades, Montserrat

Date:

**ANNEX 1. PROCEDURES AND PRACTICES FOR UNITED KINGDOM NON-BUDGET SUPPORT FINANCIAL AID & TECHNICAL CO-OPERATION**

**Introduction**

1. This document sets out the procedures and practices applicable to Non-Budget Financial Aid Support and Technical Co-operation provided by the United Kingdom, including payment, procurement and audit arrangements. This guide should be read in conjunction with the Memorandum of Understanding (MOU).

**Disbursement of the Grant**

1. In line with UK financial rules and regulations, disbursements, in advance of operational need should only be made when they have been properly justified. This justification will need to be set out in writing as part of this arrangement. All payments will be made on submission of an appropriate claim from the Government, or where applicable, the acting, Procurement Agent.
2. All claims should be accompanied by any relevant supporting documents and should include the necessary information to allow DFID to make payments to the bank details provided in Annex 3. The **Request for Payment template in Annex 4** sets out the recommended format for this information which must include the following information:
   1. Title of Grant
   2. Project location/official address
   3. Amount of claim
   4. Details of expenditure (Type of expenditure including how the amount claimed is calculated, material purchased, labour used, name of supplier/contractor, services used etc.)
   5. Bank account details (To corroborate with the Bank details provided in Annex 3)
   6. Details of audit discharge being applied to the project and confirmation that the relevant audit authority has been informed of the claim. *(See audit discharge options below)*
   7. All claims must also include the following certification statements:

“I certify that this claim is correct and that the sum requested is properly due on the basis of the information provided, project objectives and on the work carried out or future work plans. I have the authority to sign this on behalf of the Government of…”

1. All outstanding claims should be submitted within 6 months of the project end date.
2. Any monies paid out and subsequently to be refunded to the Government by a contractor or by a guarantor must be returned to DFID by the contractor or guarantor

**Audit discharge for Partner Government expenditure**

1. For expenditure where audit discharge is not received through the submission of invoices and supporting documentation, there are three options through which audit discharge can be ascertained. These are:

***Annual Audited Accounts***

* + A Partner Government certifies that a particular sum of money has been spent on approved purposes and this statement is independently audited and a certificate given by a local independent audit authority. Each annual audited statement is provided in triplicate to DFID and is countersigned by the appropriate audit authority; it shows the drawing made from the Grant and the actual expenditure incurred during each financial year and certifies that the expenditure was incurred in accordance with the provisions of the MOU and any provisions on which the project/programme was accepted for financing from the Grant. Completed Annual Audited Accounts relating to expenditure actually and necessarily incurred and paid within a particular financial year must be received by the UK Government no later than 9 months after the end of the recipient’s financial year.

***Agency Audit***

* + A self-contained accounting and audit system is established within the management supervisory structure of a large scale project/programme. Local payments are paid direct to the contractor against claims certified by a consultant; an external auditor acceptable to DFID is appointed to the consultants to audit the accounts. Reports or certificates should be available to DFID and the National Audit Office (NAO).;

***Continuous Audit***

* + Each request for reimbursement made by the Partner Government is certified by an external auditor acceptable to DFID and the Partner Government. The auditor confirms that the claim is correct and accords with the MOU and is acceptable for payment.

**Procurement of Goods and Services**

1. There are three routes by which goods and services can be procured under the grant.
2. DFID may decide to control the process and buy goods or services directly from the supplier, on behalf of the Partner Government. In these cases, DFID will arrange a separate contract with the respective suppliers.
3. DFID may allow the Partner Government to take partial control of the process by managing and appointing a DFID approved procurement agent to procure the goods and services - *refer to guidance below*.
4. DFID may allow the Partner Government to take full control of the process and procure goods and services through their own internal processes – *refer to guidance below.*

***Procurement through a Partner Government appointed and DFID approved Procurement Agent***

* + 1. The partner Government appoints a DFID approved Procurement Agent, using the draft contract in Appendix 1. Fees for procurement agents are met from the Grant. The Partner Government will notify the Procurement Agent of authorised signatories and submit specifications to the Procurement Agent for goods and services to be procured.
    2. The Procurement Agent sends the specification, call-down contract (under the Procurement Agent Framework) and any other relevant documents to DFID. DFID authorises the Procurement Agent to proceed where there are sufficient available funds.
    3. On satisfactory delivery of the goods or services, in line with the call-down contract, the Supplier sends invoices to the Procurement Agent who submits these to DFID for payment. DFID makes payments to the Procurement Agent for the goods and services to effect payment, and pays their fees.
    4. Receipt of appropriate invoices and supporting documentation is considered to provide adequate audit discharge for DFID and therefore further audit provisions are not required for this type of expenditure.

***Procurement by the Partner Government***

1. If this arrangement allows for the Partner Government to arrange procurement for goods and services, without the use of a procurement agent, before any commitment is made to procure goods and/or services the following guidelines must be observed:
2. Prior approval for the procurement must be given by DFID (who reserves the ability to assess the procurement capacity and capability of the relevant government institution(s) at any time);
3. No commitments should be entered into before the MoU has been signed;
4. All procurement arranged by the partner government must be carried out in full accordance with current approved procurement and financial accounting procedures of the partner government and must be arranged by approved procurement personnel;
5. financial records of all the procurement must be kept and must be made available for audit discharge purposes

**APPENDIX 1**

(PARTNER GOVERNMENT HEADED PAPER)

(Draft contract for the appointment of Procurement Agents by the Partner Government)

United Kingdom**/{COUNTRY NAME} {NAME OF PROJECT / PROGRAMME IF APPROPRIATE}** Grant 20… {YEAR}

1. I confirm your appointment as Agents of the Government of **{COUNTRY NAME}** ("the Government") to procure and arrange the shipment of goods and services required under the above mentioned aid Grant **{NAME OF PROJECT / PROGRAMME IF APPROPRIATE}.**

2. Procurement and the arrangement of shipment of goods will be handled according to the procedures laid down by the Government of the United Kingdom's Department for International Development (DFID) and the terms and conditions of DFID’s Procurement Agent’s Framework Agreement.

3. Original documents generated or any goods or documents coming into the possession of your company in relation to this Contract will be the property of the Partner Government.

4. The method of calculating your fees and charges for the services rendered are subject to the prior approval of the Procurement Group of DFID.

5. Your approved fees for arranging procurement and arranging shipping will be paid directly to you by DFID, acting on behalf of the Government, on presentation of your company invoice for the sum due.

6. This arrangement is made on the understanding that the Government of the United Kingdom representatives may at any time have direct access to original documents and any information it may require to satisfy itself regarding fees and charges made.

Yours faithfully

**ANNEX 2. PARTNER GOVERNMENT BANK ACCOUNT DETAILS**

|  |  |
| --- | --- |
| **Partner Government Name** | **Government of Montserrat** |
| Bank Name: |  |
| Bank Postal Address: |  |
| Name of Account: |  |
| Bank Account Number: |  |
| Sort Code: |  |
| Currency of Bank Account: |  |
| IBAN number:  [required for bank accounts within Europe] |  |
| SWIFT number: |  |
| ABA or BIC Number:  [BIC required for bank accounts within Europe] |  |
| Intermediary bank details: |  |
| Bank Email Address: |  |

**ANNEX 3. PARTNER GOVERNMENT PAYMENT REQUEST FORM**

|  |  |
| --- | --- |
| To: | **Accounts Payable, DFID, Abercrombie House, East Kilbride, Scotland**  ***(NB. Where payment request is not electronic and originates from overseas, request should be sent via the local DFID Country Office)*** |
| Cc: | **Moira Marshall [Senior Responsible Owner, Montserrat Financial Aid** |

**Title and Details of Funding**

|  |  |  |  |
| --- | --- | --- | --- |
| Partner Government | Government of Montserrat | | |
| Title of Grant / Project name | Montserrat Financial Aid | | |
| Details of Expenditure |  | | |
| DFID Component Code / Purchase Order No. |  | | |
| Date of Claim |  | | |
| Period of Funding Request | **[dd/mm/yyyy]** | *to* | **[dd/mm/yyyy]** |
| **Payment Request Amount** |  | | |

**Partner Government Bank Details**

|  |  |
| --- | --- |
| Bank Name: |  |
| Bank Postal Address: |  |
| Name of Account: |  |
| Bank Account Number: |  |
| Sort Code: |  |
| Currency of Bank Account: |  |
| IBAN number:  [required for bank accounts within Europe] |  |
| SWIFT number: |  |
| ABA or BIC Number:  [BIC required for bank accounts within Europe] |  |
| Intermediary bank details: |  |
| Bank Email Address: |  |

Audit Discharge

***Specify details of audit discharge through annual audited statements / continuous audit / agency audit, confirming that the audit authority has been informed of the claim and attaching any applicable audit discharge documentation or details of any supporting documentation.***

Certification

I certify that this claim is correct and that the sum requested is properly due on the basis of the information provided, project objectives and on the work carried out or future work plans. I have the authority to sign this on behalf of the Government of **{Country}**

Authorised Signatory ............................ Date ....................

Name:

Position:

Address/Contact Details:

# ANNEX 4: NOTIFICATION OF RETURN OF FUNDS TO DFID

|  |  |
| --- | --- |
| To: | **Moira Marshall, Senior Responsible Owner, Montserrat Financial Aid ]** |
| Cc: | Treasury and Banking, DFID, Abercrombie House, East Kilbride, Scotland |

**Project Details**

|  |  |
| --- | --- |
| Partner Name | Government of Montserrat |
| Title of Grant / Project name | Montserrat Financial Aid |
| Purchase Order / Component Code |  |
| **Payment Date** |  |
| **Payment Amount to DFID** |  |

**Bank Details**

|  |  |
| --- | --- |
| DFID Bank: | Citibank |
| DFID Sort code: | 08-33-00 |
| DFID Account number: | 12294702 |
| DFID Account Code |  |
| DFID Component Code |  |

**Payment Method**

For UK Payments under £10,000 we recommend the use of BACS. For UK Payments in excess of £10,000 we recommend the use of CHAPS. Cheques should be made payable to ‘Department for International Development’ and sent to the DFID Programme Manager. All payments direct from overseas bank accounts should also quote the following:

|  |  |
| --- | --- |
| *Pay* | *Citi London* |
| *BIC/Swift* | *CITIGB2L* |
| *IBAN* | *GB33CITI08330012294702* |
| *Posting Address* | *25 Canada Square , Canary Wharf, London , E14 5LB* |

|  |  |
| --- | --- |
| **Partner Contact Details** | |
| Name: |  |
| Position: |  |
| Address: |  |
| E-mail: |  |

**ANNEX 5. EXCHANGE RATE PROTOCOL**

Value for money of banking/foreign exchanges services

* At least once a year, usually as part of the financial aid mission process, GoM should assess whether the banking/foreign exchange services it uses to process Montserrat financial aid payments are competitive and represent value for money.
  + This should include a comparison between the existing arrangement and other plausible providers.
  + GoM should either
    - (i) provide evidence that the existing arrangements represent value for money; or
    - (ii) suggest a new provider, with evidence demonstrating that the new provider represents value for money (for example, evidence that it is clearly offering a more favourable exchange rate). In addition, GoM should provide DFID with comprehensive information to ensure DFID can transfer the money smoothly through the new provider.

Payment process (designed to minimise financial aid payment variations caused by differing exchange rates)

GoM submit financial aid claim together with exchange rate it expects to receive **(with evidence)**

DFID OTD pays £ into GoM bank account using the exchange rate indicated by GoM (subject to sense-check with OANDA rate).

If GoM fail to provide exchange rate information and evidence, DFID OTD will use the OANDA average bid rate for **converting £ into EC$.**

**ANNEX 6 (A) – PROPOSED CSG POSTS AND ESTIMATED COSTS**

|  |  |  |  |
| --- | --- | --- | --- |
| **On GoM restructuring proposal and MoHSS submission** |  | **Status @ 1 April 2016** | **Projected costs for 1 year** |
| MoHSS |  |  |  |
| 1. Child safeguarding specialist | STTC | In post | already budgeted |
| 2. Snr Social Worker (adult) | LTTC | Vacant since Oct 2015 | already budgeted |
| 3. Social worker (adult) | LTTC | New | 68,172 |
| 4. (Snr) Social worker (family) | LTTC | New | 71,736 |
| 5. Social worker (welfare) | LTTC | Upgrading post – on nominal roll as SW assistant | 68,172 (upgrading) |
| 6. Counsellor | LTTC | New | 71,736 |
| 7. Snr probation officer | STTC | New | 120,000 |
| 8. Snr Social Worker (CPU Manager) | STTC | New | 145,704 |
| 9. Social worker (CPU) | LTTC | New | 68,172 |
| 10. Social worker (CPU) | LTTC | New | 68,172 |
| 11. Principal Assistant Secretary | local | New | 62,064 |
| DoE |  |  |  |
| 12. Safety Officer | Local | New | 44,022 |
| 13. SEN teacher | Local | New | 93,300 |
| 14. Guidance Counsellor | Local | New | 93,300 |
| 15. Communication Liaison officer | Local | New | 49,400 |
| DPP/AG Office |  |  |  |
| 16. Senior Crown Counsel (DPP) | STTC | New | 77,550 (+ allowances 4,920) |
| 17. Crown Counsel (CPU) | LTTC | New | 193,704 |
| **Total cost** |  |  | **1,295,204** (excluding allowances for 16 above) |