

PROCUREMENT INCENTIVES PROGRAM

Warehouse & Customer Verification Protocol for East Africa

June 2018

Verification Process Overview

In order to comply with the Program's [Terms & Conditions](#), CLASP as the Program Administrator will initiate a final 2-step Verification process aimed at ensuring that 1) only eligible Products have been accounted for in the Claim ("Warehouse Verification") and 2) only eligible Products have been sold to end customers ("Customer Verification"). The verification process will be managed and coordinated by the Administrator, and implemented by the Administrator as well as sub-contracted third party organizations that serve as the Administrator's agents ("Verification Agent"). **The 2nd and 3rd Incentive disbursements will be made only after Participants demonstrate compliance with these two stages of the Program's verification process.**

This is a 2-part document that provides detailed guidelines for successful completion of these verification steps

Warehouse Verification Overview

The Verification Agent will conduct an onsite physical inspection of the Distributor's warehouse or storage facility ("Facility") to verify Product receipt. The onsite inspection of the Facility will include a review of the documentation used to provide proof of purchase. Physical inspection must take place at a Facility operated by the Distributor, or in which the Distributor has contractual relationship.

The Verification Agent will endeavor to complete the Facility inspection within 10 business days of notification of Product receipt by the Distributor. Participants will be deemed to have failed this step of the verification process if, among other reasons, materially fewer Eligible Products than claimed are found to be in the Distributor's facility.



1 Manufacturer ships product to distributor



2 Distributor receives products in central warehouse



3 Verification Agent conducts on-site physical inspection to verify product receipt

Warehouse Verification Protocols & Methodology

During the warehouse inspection, the verification agent will need to review the shipment receipt and delivery confirmation (challan) against the information submitted with the incentive claim.

List of needed documents from Distributor:

- Shipment receipt documents e.g. Bill of Lading
- VAT challan e.g. Import Declaration form
- Delivery documents e.g. Packing List
- Money receipt for sale of products e.g. Commercial Invoice

Appliance Distributors are required to collect and organize the above documents ahead of the warehouse inspection and send them via email to the Administrator.

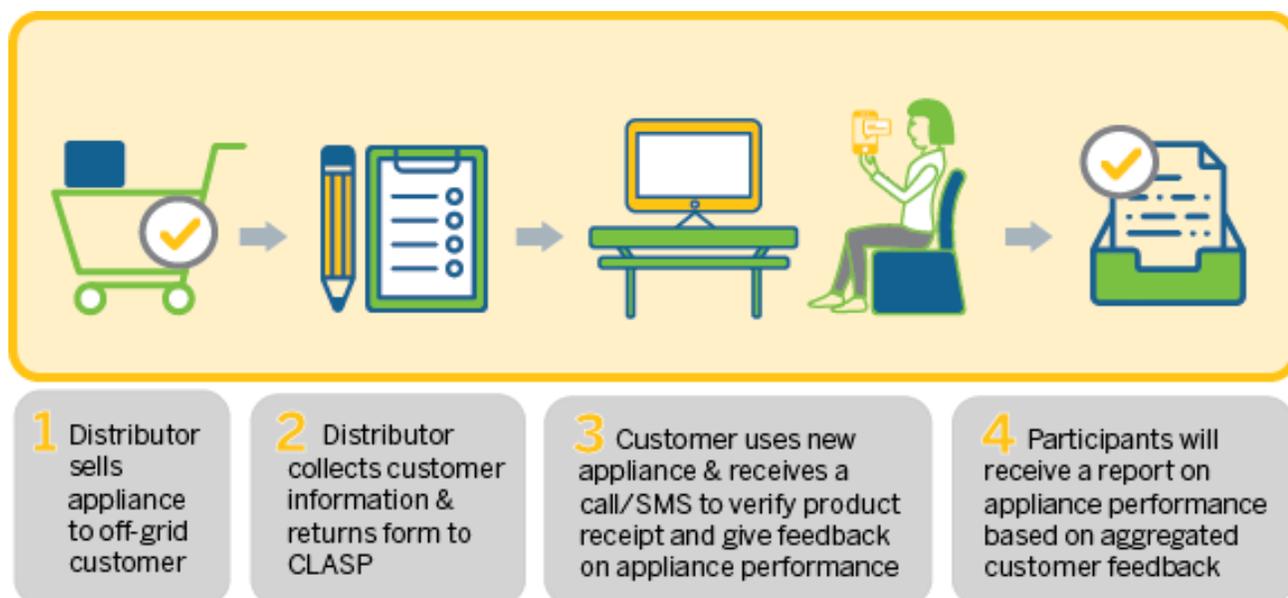
All the activities related to this verification process have been outlined in the table below.

Verification Steps	Owner	Description
1. Initiate Verification Request	Distributor	The Distributor will be required to complete and return the Inspection Booking Form to the Administrator at most 2 weeks before the requested warehouse inspection date . The Distributor must provide a key contact at their warehouse facility to coordinate the inspection. The delivery confirmation documents listed above should also be returned alongside this form.
2. Finalize Verification Date	Verification Agent	The Verification Agent will coordinate and finalize the warehouse inspection dates after consulting with the Distributor's key contact provided in the previous step. The Verification Agent must inform the Administrator about the warehouse verification date.
3. Conduct Detailed Warehouse Verification	Verification Agent	The Verification Agent will perform both a visual quality and quantity inspection: <ul style="list-style-type: none"> • Verify actual vs. claimant data • Verify total received (on paper) with actual delivery quantity (at gate/shipping port) • Cross check received and delivery quantity with challans and stock ledger book, as available • Physically count quantity of claims product, as available • Verify that the serial numbers on the products match with the numbers shown in the delivery challans. • Take digital photographs of stock quantity • Make photocopies of the warehouse Ledger or get softcopies of equivalent
4. Prepare Inspection Report	Verification Agent	The report will contain detailed information from site visits, comparison of claims information and actual findings, and will note any discrepancies between the two. The Administrator will notify the Distributor within 10 days of the warehouse inspection on the outcome of the verification process.

Customer Verification Overview

The Verification Agent(s) will conduct SMS, telephonic and in-person customer surveys to verify that Products have been sold to the end customers. In order to complete this step of the verification process, Distributors must provide customer data for all Product sales to the Administrator. The Administrator will provide formatting and submission guidelines for the customer data to Distributors. Selection of customers to be interviewed will be made by the Administrator or the Verification Agent.

The Verification Agent shall endeavor to complete all customer interviews within three months of receiving customer data. Claimants will be deemed to have failed this step of the verification process if reported sales cannot be confirmed in at least 20% of SMS, telephonic and/or in-person customer interviews.



Customer Verification Protocols & Methodology

The Distributor will be responsible for collecting accurate and verifiable information from each customer that procures an eligible product and reporting to CLASP in a standardized format as per the provided reporting template.

Distributors must inform all participating customers at the time of purchase that CLASP or its representative may follow up with a phone call or through a text message to verify that the customer received the product and to seek additional feedback on their experience.

List of requirements from Distributor

- Collect data disclosure agreement from each customer / Prove that appropriate consent has been granted in the past
- Complete the provided Global LEAP Customer Data Form, an excel sheet with the required customer data information
- Be available via email, Skype or phone to respond to any program related requests from the administrator as needed

Appliance Distributors are required to complete the provided form and send it via email to the Administrator on a bi-weekly basis. This report should be received by the 5th and the 20th day of each month and contain customer data information for all products sold by the end of the previous 2 weeks.

All the activities related to this verification process are outlined in the table below.

Verification Steps	Owner	Description
5. Customer Data Collection	Participating Companies	During the sales process, the distributor is required to collect and record the required information indicated in the Customer Data Form from end users through a digital or paper form. The Distributor is responsible for coding this information into the required format by CLASP. In the event that customer consent allowing the distributor to share their information with 3 rd parties does not exist, the Distributor is required to collect consent via hard copy e.g. in a product registration form. Consent may also be collected verbally or digitally. Proof of disclosure agreement should be retained if needed in the future. The Distributor should ensure that customers are informed about the potential for a follow on call/text and encourage them to respond truthfully as the information will be used to improve their overall experience
6. End-User Sales Verification	CLASP	CLASP will engage a 3 rd party Verification Agent to conduct phone and SMS verification interviews. The sample of customers to be interviewed will be selected randomly and at CLASP's discretion. This exercise will be administered continually throughout the course of the program to: <ul style="list-style-type: none"> • Verify product model and serial numbers match with details shown in the delivery challan • Gauge customer satisfaction with purchased product • Collect additional insights that improve market outcomes To ensure efficacy of the verification process, Distributors are encouraged to report their sales data in a timely fashion on a bi-weekly basis.
7. Incentive Disbursement	CLASP	CLASP will endeavor to make disbursement payments on a Quarterly basis as per the outcomes of the verification process.