



# **LEGAL SERVICES FACILITY**

## **Grant Management Manual**

**March 2012**



## Table of Contents

Abbreviations.....	3
Foreword.....	4
<b>1. INTRODUCTION.....</b>	<b>6</b>
1.1 The Legal Services Facility.....	6
1.2 Purposes of the Grant Management Manual.....	7
1.3 Roles and definitions of program and implementing bodies .....	8
1.3.1 LSF Organogramme.....	8
1.3.2 The basket Fund Committee.....	8
1.3.3 The Governing Board.....	8
1.3.4 The Legal Services Facility Secretariat.....	9
1.3.5 Ad hoc Proposal Evaluation Committees.....	10
1.3.6 Applicants.....	10
1.3.7 Grantees.....	10
1.3.8 The Action.....	10
<b>2. LEGAL SERVICES FACILITY GRANTS MAKING POLICY/PRINCIPLES.....</b>	<b>10</b>
2.1 General .....	10
2.2 Eligible Applicants.....	10
2.3 Non eligible applicants.....	11
2.4 Eligible costs.....	12
2.5 Ineligible Costs.....	13
2.6 Breach of Grant Conditions.....	13
2.7 Ensuring Public Accountability and Transparency.....	13
<b>3. GRANT MANAGEMENT PROCESS.....</b>	<b>13</b>
3.1 General .....	14
3.1.1 The grant Management Process.....	14
<b>4. PLANNING/PROGRAMMING.....</b>	<b>14</b>
<b>5. CALL FOR PROPOSAL.....</b>	<b>15</b>
5.1 Information dissemination and promotion.....	15
5.2 Application, inquiry and collection of application form.....	16
5.3 Submission of proposals.....	17



<b>6. EVALUATION OF GRANT APPLICATIONS/PROPOSALS.....</b>	<b>17</b>
6.1 Objectives of the evaluation process.....	17
6.2 Evaluation committees.....	17
6.3 Eligibility criteria.....	19
6.4 Evaluation criteria: selection and award.....	19
6.5 Stages in evaluation process.....	19
6.5.1 Receipt and Registration of proposal.....	19
6.5.2 Opening of the proposal .....	19
6.5.3 Assessment of administrative compliance and eligibility....	20
6.5.4 Evaluation of technical and financial quality .....	21
6.5.5 Recommendations of the evaluation committee .....	23
6.6 Restricted call for proposal.....	24
6.7 Cancelling the call for proposals procedure .....	25
<b>7. SITE VISITS.....</b>	<b>25</b>
<b>8. AWARD OF GRANTS .....</b>	<b>25</b>
8.1 Publishing the award grants.....	26
8.2 Terms and conditions of the grant .....	26
8.3 Budget.....	27
8.4 Modifying grant contracts .....	28
8.5 Disbursement procedure .....	29
8.6 Reporting requirements .....	31
<b>9. END OF CONTRACT PROCEDURES .....</b>	<b>32</b>
9.1 Purpose .....	32
9.2 Grant audits .....	32
9.3 Mismanagement of grant funds .....	33
9.4 Final report .....	33
9.5 Additional requirements.....	33
<b>10. TECHNICAL ASSISTANCE .....</b>	<b>34</b>



## Abbreviations

<b>BFC</b>	Basket Fund Committee
<b>CfP</b>	Call For Proposals
<b>CSO</b>	Civil Society Organisation
<b>GMM</b>	Grant Management Manual
<b>GMS</b>	Grants Management System
<b>LAP</b>	Legal Aid Provider
<b>LSF</b>	Legal Services Facility
<b>M&amp;E</b>	Monitoring and evaluation
<b>PEC</b>	Proposal Evaluation Committee
<b>PIP</b>	Programme Implementation Plan



## Foreword

The Legal Services Facility (LSF) has been set up by the Embassy of Denmark based on a development cooperation agreement concluded and signed on 30 July 2011 between the Governments of Tanzania and Denmark in the name of Tanzania Governance Support Programme 2011 - 2015.

This agreement entailed, amongst others, that the Embassy of Denmark will initiate a Basket Fund (the Legal Services Facility) to contribute to increased and improved legal aid services in Tanzania through grant making to and capacity building of legal aid providers while utilizing the fund simultaneously to facilitate and promote governmental recognition, legislation and institutionalizing of legal aid in Tanzania.

At the heart of the LSF approach to grant making are public accountability and transparency. In addition pro-poor and gender equity focuses rule the policies, principles and regulations of the LSF.

In carrying out tasks relating to grants, the staff of the LSF Secretariat will follow the procedures outlined in this manual and any other program specific guidelines issued by the Fund Manager. In the event of any inconsistency the matter will be referred to the Governing Board, and possibly the Basket Fund Committee for resolution.

The LSF will ensure that grant procedures are ethically and technically sound and effective in order to maintain a solid foundation of integrity and professionalism in grant administration. Best practice will be adopted in all LSF operations and the program and projects will be implemented effectively and efficiently with due transparency and accountability. The procedures as outlined in this Grant Management Manual ensure that the LSF will execute its responsibilities on a transparent basis.

The Grant Management Manual will support compliance with, and enforcement of, all terms and conditions relating to grants with respect to:

- Proper and transparent selection of grantees based on objective criteria;
- Limiting the use of grant funds to purposes for which they are approved and provided;
- Improving financial management, accountability and reporting of grantees;
- Improving monitoring techniques, taking preventative action and lessening the risk of loss of grant funded assets; and
- Improving the achievement of outcomes from funding.

The grant management procedures provide an appropriate balance of risk management in relation to meeting relevant legislative requirements and good administrative practice, taking into account generally accepted accounting principles and accepted standards for grant management. The procedures are based and building on sets of grant administration guidelines generally accepted by development partners.



It is important that the procedures outlined in this manual be applied consistently, both by the LSF Secretariat and by grantees. However, where particular situations make full use of these procedures impractical, the Fund Manager may choose to vary to the extent necessary, ensuring that proper risk management processes are applied in relation to those variations. Any departure from these grant procedures will be documented and justified, and risk management considerations noted e.g. to the Governing Board and the Basket Fund Committee.

Attached to this Grant Management Manual are all mandatory documents and they form an integral part of it, thus identifying which documents are required to be recorded and retained as evidence of satisfactory adherence to the grant procedures.

All LSF staff and grantees are required to use the applicable procedures in this manual effectively to ensure and maintain a high standard of program administration and ensure quality outcomes as a result of the LSF funding.

A handwritten signature in black ink, appearing to read 'Kees Groenendijk', is positioned above the printed name. The signature is stylized and written in a cursive-like font.

Kees Groenendijk  
Fund Manager  
Legal Services Facility



## **1. INTRODUCTION**

### **1.1. The Legal Services Facility**

In July 2011 a development cooperation agreement, the Tanzania Support to Governance Programme 2011-2015, was signed between the Governments of Tanzania and Denmark. Under the legal sector component of this programme it was agreed to establish an independent legal aid basket fund in the name of Legal Services Facility (LSF).

#### **Overall Objective of the LSF**

Promoting and protecting human rights for all, particularly for poor women, children and men and the vulnerable, include people living with HIV/AIDS.

#### **Specific Objective of the LSF**

To establish a funding vehicle to provide grants fairly and efficiently according transparent criteria for the promotion of legal aid and paralegal organisations according to their proper objectives and strategies.

#### **Outcomes, outputs and activities**

The expected long term outcomes of the Legal Services Facility are:

- Legal aid and paralegal services enhanced in quality and quantity, covering all districts of the country, improving access to justice for the poor and vulnerable;
- Government responsibility for legal aid provision, incl. paralegals, formalised through legislation and institutionalised;
- Innovative approaches to legal services provision supported;
- Advocacy and legal skills of legal aid and paralegal service providers improved;
- Enhanced awareness about the role and importance of legal aid and paralegal services amongst public and private legal sector stakeholders.

The expected outputs for the LSF are:

- A basket fund with the LSF as immediate beneficiary set up and functioning;
- Increased availability and coverage of legal aid and paralegal services in Tanzania;
- Improved institutional and technical capacity of legal aid and paralegal service providers in Tanzania;
- Pro-poor regulation and monitoring of legal aid and paralegal services enhanced.

Based on the above the LSF will be implemented through 3 interconnected clusters of activities:

- Grant making;
- Capacity building;
- Facilitation of and engagement in relevant policy dialogues and advocacy.



## 1.2. Purpose of the Grant Management Manual

The purpose of this Grant Management Manual (GMM) is to provide guidelines which encourage an integrated and participatory approach to the processing and management of grants provided by the LSF. The manual aims to clarify roles and responsibilities and to assure that key decision-makers are adequately informed about developments within the programme. To meet the above objectives, the manual outlines the following:

- Procedures, including the definition of standards and criteria to be used in assessing and appraising proposals and projects;
- Documentation requirements for analysis and approval of project proposals as well as for overall programme management, including information sharing and management to assure documentation flow and retention;
- Performance, progress and financial reporting requirements;
- Monitoring requirements (performance and financial).

The manual also outlines policies and procedures, which will guide the application, selection, and administration processes of the LSF's grants component. Each organisation seeking a grant must adhere in its grant proposal to the requirements, policies, and procedures set forth in this manual. In addition to the criteria contained in this manual, the selection of grantees will be based, in part, on the thematic priorities identified by the LSF for each Call for Proposals.

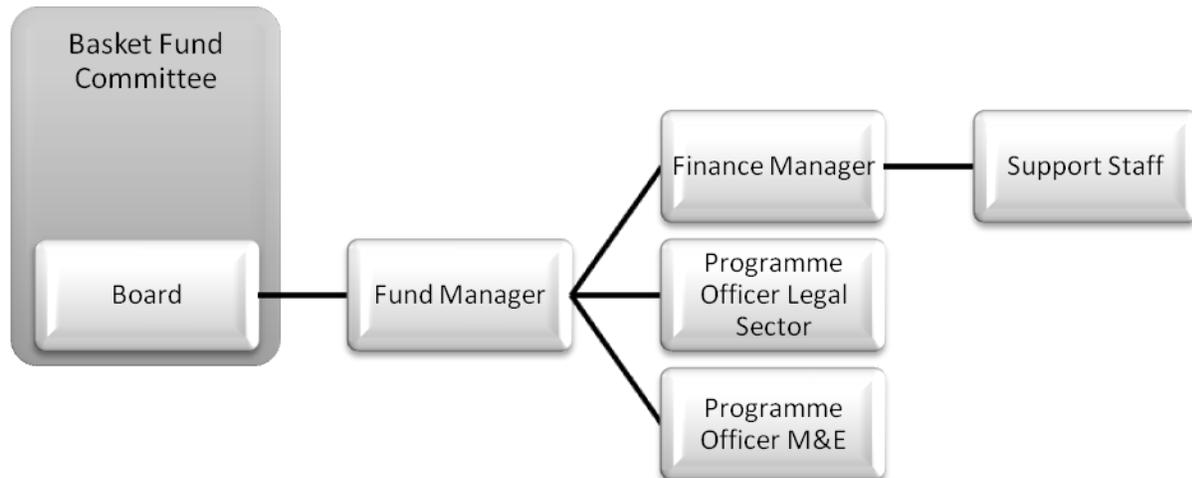
Specifically the procedures will ensure that:

- Competition is open and fair (equity basis);
- Proposed budgets are carefully scrutinized;
- Grant awards are negotiated and structured to protect the interests of all stake holders;
- Recipients are given the assistance and support they need to succeed;
- Awarded grants are carefully monitored to ensure that the implementation is on course and adjustments are made, as necessary, to solve problems that arise;
- Conflicts with recipients are constructively resolved.



### 1.3. Roles and definitions of program governing and implementing bodies

#### 1.3.1. Organogramme of the LSF



#### 1.3.2. The Basket Fund Committee

The Basket Fund Committee (BFC), composed of the contributors to the basket fund (in the initial stage only the Embassy of Denmark contributes and is lead donor, but will be referred to as BFC) oversees the implementation of the basket fund.

It specifically:

- Approves the Inception Report, Program Implementation Plan and Annual Plans and Budgets.
- Approves the Annual Reports and audited Financial Statements.
- Initiates the Mid Term Review and Final Evaluation and assesses whether the basket fund sufficiently achieved expected outcomes. Depending on this assessment the continuation of the basket funds and the formats in which, will be decided.
- Assesses the overall functioning of the Governing Board and the Fund Manager.

#### 1.3.3. The Governing Board

The Governing Board (the Board) provides oversight and policy guidance to the LSF Fund Manager and Secretariat to ensure proper management of the basket fund. The Board advises the BFC on the Inception Report, Programme Implementation Plan and Annual Plans and budgets, Annual Reports and audited Financial Statements.



It specifically:

- Oversees the design and management of the basket fund by the Fund Manager and the Secretariat and provides policy guidance.
- Supervises and monitors the performance of the Fund Manager.
- Oversees and approves Financial and Procurement Procedures, Administrative Procedures, Grant Management Procedures, the Monitoring and Evaluation Procedures and ensures adherence to the accepted procedures.
- Endorses the Inception Report, Programme Implementation Plan, Annual Plans and Budgets, Annual Reports and audited Financial Statements and forwards these to the BFC for approval.
- Monitors and ensures the proper implementation of the approved plans within the approved budgets.
- Provides recommendations to the BFC for the Mid Term Review and Final Evaluation and ensures these are carried out in line with the conditions set out in the ToRs as approved by the BFC.
- Awards grants based on the recommendations of the ad hoc Proposal Evaluation Committees and the Fund Manager.

#### **1.3.4. The Legal Services Facility Secretariat**

The Secretariat works under responsibility of the Fund Manager and consists of the following personnel: Programme Officer Legal Sector, Programme Officer M&E, Finance Manager, and support staff. It is responsible for the day to day management of the basket fund.

It specifically:

- Develops and applies policies, procedures and guidelines for proper management of the basket fund.
- Fulfills the secretarial role for the Board and interacts as and when required with the BFC.
- Prepares Programme Implementation Plan and Annual Plans and Budgets as well as periodic progress reports.
- Facilitates annual audits and midterm review and final evaluation.
- Ensures regular dialogue with relevant Governmental bodies as regards legal aid as well as dialogue and networking with other national (e.g. LAPs) and international (e.g. development partners) organizations and/or programmes of relevance to the implementation of the LSF.
- Launches Calls for Proposals, contracts organisations (e.g. LAPs) to implement the projects proposed, manages the grants and monitors and evaluates the implementation.
- Implements capacity building support programmes for grantees based on organizational capacity assessments.
- Facilitates policy dialogues and advocacy towards policy formulation and legislation as regards legal aid.



### **1.3.5. Ad hoc Proposal Evaluation Committees**

Proposal Evaluation Committees (PEC) will consist of experienced professional evaluators, who may be recruited from the private or education sector, Government or development partners. They will assess the administrative and financial eligibility of applicants to calls for proposals according to pre-defined criteria. Additionally they will evaluate proposals received from applicants, utilizing the pre-defined evaluation grid.

They will be chaired by the Fund Manager, who is not evaluating but safeguarding the integrity of the evaluation process. The LSF will also fulfill the secretarial role for the PECs.

The evaluators will be contracted evaluation specialists from private sector, educational sector, and government and / or donor representatives.

The PECs forward the evaluation results to the Fund Manager, who will provide recommendations for grant award to the Board, based on these results and on data collected from field visits to potential grantees.

The Board will take the grant award decisions.

### **1.3.6. Applicants**

Organisations applying to the LSF for grants.

### **1.3.7. Grantees**

Organisations to whom grants are awarded.

### **1.3.8. The Action**

Project or activities as proposed, funded and implemented by the grantee.

## **2. LEGAL SERVICES FACILITY GRANT MAKING POLICY / PRINCIPLES**

### **2.1 General**

Grants may be awarded through open grant competition to provide all potential applicants equal access to grant funds. The LSF will implement open grant competition in all regions and districts of the United Republic of Tanzania.

Grant funds may also be allocated using a restricted procedure to pre-selected legal aid providers for certain components of the program. If not specified otherwise below all procedures are applicable to both grants resulting from unrestricted and restricted Calls for Proposals.

Grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. No grant may be awarded retroactively for operations already completed.

Expenditure incurred before the grant application was lodged will not be eligible for financing.



## 2.2. Eligible applicants

Target groups are legal aid providers (LAPs), including paralegal organizations, human rights organizations, groups and agencies, development support structures (e.g. teaching and research establishments), and other organizations as long as their linkage experience and professionalism as regards the provision of legal aid can be sufficiently and satisfactorily demonstrated.

Funding can be made available to networks, coalitions and alliances in Tanzania and for networks, coalitions and alliances of Tanzanian and non-Tanzanian legal aid providers as long as the Tanzanian legal aid providers are the contract holders and the resources are in full utilized in Tanzania.

Applicants should be legal entities/organisations established in accordance with Tanzanian law or in cases of none or not yet legalised emergent organisations, funds can be requested through intermediary organisations who have a legal status.

Organisational activities designed to promote particular political or religious objectives shall not be eligible for funding.

Applicants should have sufficient technical and institutional capacity necessary for the efficient and effective implementation of the projects they propose.

## 2.3. Non-eligible applicants

Organisations **are not entitled** to participate in calls for proposals or be awarded grants if:

- They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- They have been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata (i.e. against which no appeal is possible);
- They are guilty of grave professional misconduct proven by any means which the LSF Fund Manager can justify; they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the United Republic of Tanzania;
- They have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Legal Services Facility's financial, professional and/or ethical interests;
- They have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection with a procurement procedure or other grant award procedure financed by any of the recognised grant makers / donors.

Organisations will also be excluded from participation in Calls for Proposals or the award of grants if they:

- Are guilty of misrepresentation of information required by the Legal Services Facility as a condition of participation in the call for proposals or fail to supply this information;



- Have attempted to obtain confidential information or influence the PEC or the LSF Secretariat during the evaluation process of current or previous calls for proposals.
- Have received funding from another donor for the same project and identical activities.
- Have another ongoing contract with the LSF.

## **2.4 Eligible costs**

### **2.4.1. To be considered eligible as direct costs of the Action, costs must:**

- Be necessary for carrying out the Action, be provided for in the Contract and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- Have actually been incurred by the grantee or its partners during the implementation period of the Action as defined in the grant agreement, whatever the time of actual disbursement by the grantee or a partner; this does not affect the eligibility of costs for the final audit;
- Be recorded in the accounts or tax documents of the grantee or its partners and be identifiable, verifiable and backed by originals of supporting evidence.

### **2.4.2 Subject to the above, the following direct costs are eligible:**

- The cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the grantee and/or its partners;
- Travel and subsistence costs for staff taking part in the Action, provided they do not exceed those normally borne by the grantee and/or its partners;
- Purchase costs for equipment (new or used) and services, provided they correspond to market rates;
- Costs of consumables and supplies;
- Subcontracting expenditure;
- Costs deriving directly from the requirements of the grant contract (dissemination of information, monitoring and evaluation specific to the Action, audits, translation, reproduction, insurance, etc.) including financial service costs (in particular the cost of transfers);
- A lump sum not exceeding 7% of the direct eligible costs of the Action may be claimed as indirect costs to cover the administrative overheads incurred by the grantee for the Action. Indirect costs are eligible provided that they do not include costs assigned to another heading of the contract budget.

## **2.5. Ineligible costs**

- Debts and provisions for losses or debts;
- Interest owed;
- Costs for items already financed in another framework;
- Purchases of land or buildings, except where necessary for the direct implementation of the Action, in which case ownership must be transferred to the final recipients at the end of the Action;
- Indirect costs are ineligible if the grantee receives in other respects an operating grant from another donor covering the same.



- Any contributions in kind made by the grantee or his partners do not represent actual expenditure and are not eligible costs. They may not be treated as co financing by the Grantee.

## **2.6. Breaches of Grant Conditions**

- The LSF needs to be continuously satisfied that each grantee complies with conditions relating to accountability and reporting. If breaches are not readily resolved, or if a grantee continues to have breaches of a similar nature, the LSF may consider the following options:
- Continue funding on the basis that the grantee agrees to tighten up its administrative practices or commits to undertake further training or contracts appropriately qualified consultants;
- acceptance by the Grantee of the assistance/supervision of the LSF Secretariat pending a possible restructuring of, or training for, the grantee;
- temporary suspension of funding until the grantee implements acceptable corrective measures;
- Cessation of funding.
- Where the grantee has been found to have breached the condition relating to the use of grant funds, action must be taken immediately as provided in the grant agreement.

2.6.2. The LSF will not release any further funds if any grantee demonstrates an inability to manage the grant, e.g., where the grantee:

- Misappropriates grant funds;
- Engages in fraudulent activities;
- Displays extremely low or deteriorating performance levels, as regards overall achievement of grant objectives and/or financial performance;
- Is insolvent;
- Otherwise breaches the terms and conditions of grant.

## **2.8 Ensuring Public Accountability and transparency**

Steps towards public Accountability and transparency

- Publication of list of awarded grants, the amount, the purpose, the geographic areas covered on the websites of all BFC members and the LSF.
- Publication of the same in the national written media.
- Grant launch events in the areas where the Action will be implemented to be attended by local governments, local CSOs, private sector, community representatives, LSF



representative where same information will be disseminated with an emphasis on the communities targeted and the objectives of the grant, ensuring that no unrealistic expectations are created.

- Quarterly and annual grantee progress reports
- Annual LSF report
- Annual Forum identical to grant launch forum discussing progress
- Grant closure event attended by the same local forum as grant launch event
- Grantee final report

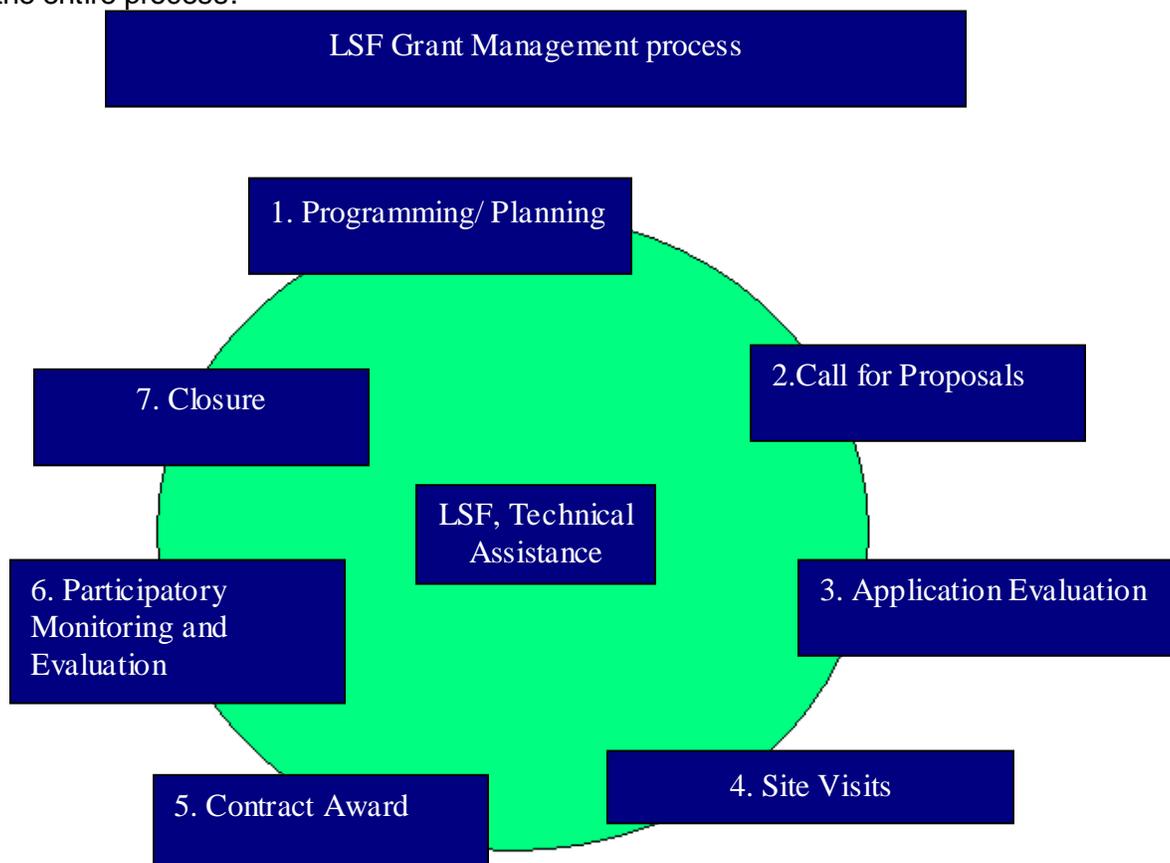
### 3. GRANT MANAGEMENT PROCESS

#### 3.1 General

The Grant Management Process aims at providing a systematic approach for the management of grants. The procedures outlined relate to all stages of the project management cycle.

##### 3.1.1 The Grants Management Process consists of seven steps:

1) Programming/planning, 2) Call for Proposals, 3) application evaluation, 4) site visits, 5) contract award, 6) performance monitoring and review and 7) closure. Technical assistance (Capacity Building) by the LSF (and possibly others) is seen as a cross-cutting issue and is central to the entire process.





#### **4. PLANNING/PROGRAMMING**

- 4.1 Grants should be programmed by the LSF with clearly defined objectives. The annual Programme Implementation Plan must be published, by the LSF, on the Website of the LSF (or any other appropriate media), as appropriate, following the work programme model<sup>1</sup>.
- 4.2 The annual Programme Implementation Plan must specify the objectives, the schedule of Calls for Proposals with indicative amounts and the results and outcomes expected.

#### **5.0 CALL FOR PROPOSALS**

##### **5.1 Information dissemination and promotion**

- 5.1.1 This involves circulating promotional materials and advertisements on the website, radio, television and newspapers with the aim of reaching a broad public with information about available funding opportunities. Calls for proposals will be open to the public and all applicants meeting the published eligibility procedure are free to submit a grant application form in response to the guidelines published on the Internet and media.
- 5.1.2 The guidelines for applicants<sup>2</sup> (which include an application form and other annexes) explain the purpose of the call for proposals, the rules regarding the eligibility of applicants and partners, the types of operation and costs which are eligible for financing, and the evaluation criteria. They also provide instructions on how to fill in the application form, what to annex to it and what procedures to follow for submitting an application. Finally, they give information on the evaluation process that will follow (including an indicative timetable) and on the contractual conditions which will apply to those selected.
- 5.1.3 The guidelines should set out clearly and in detail the objectives and priorities of the call for proposals, with particular attention to the eligibility criteria. The information published in this connection will subsequently become binding on the evaluation committee. The evaluation grid must be included in the guidelines and cannot be changed afterward.
- 5.1.4 The application form<sup>3</sup> to be completed by the applicants is included with the guidelines. It comprises the following parts:
- Information about the Action proposed, including its budget.
  - Information about the applicant.
  - Information about any partners.
- 5.1.5 The LSF Secretariat must submit the guidelines for applicants to the Board for approval prior to publication.

##### **5.2 Application inquiry and collection of application forms**

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<sup>1</sup> Annex1: Work Programme

<sup>2</sup> Annex2: Guidelines to applicants

<sup>3</sup> Annex 10: Application Form



- 5.2.1 Interested organisations and institutions will download or collect the application package (guidelines and forms) and may apply for grants within the specified period
  - 5.2.2 During the time between the publication and the deadline for submission of the proposal, applicants will be able to address questions to the LSF to help them fill in the form and put together their applications.
  - 5.2.3 The LSF Secretariat will respond to questions received. Applicants may submit questions of substance in writing on headed paper (via email or otherwise) up to 21 days before the deadline for the submission of proposals. The LSF must reply to all such questions at least 11 days before the deadline for submission of proposals.
  - 5.2.4 In the interests of transparency and equal opportunity, the answers provided to one applicant on points of interest to all other applicants will be made available to all. The easiest - and recommended - way to achieve this is to publish via the LSF website and possibly local media, where appropriate, a table of questions and answers. This must be done until latest 11 days before the deadline for submission of proposals.
  - 5.2.5 Proposals must reach the LSF Secretariat, at the latest, by the date and time indicated in the call for proposals. The deadline for submission must be long enough to allow for high-quality proposals, at least a 30 to 60 days period should be allowed. Experience shows that too short a period prevents would-be applicants from submitting proposals or causes them to submit incomplete or ill-prepared proposals.
  - 5.2.6 Any application for a grant must be accompanied by an external audit report produced by a recognised auditor.
- 5.3 Submission of proposals**
- 5.3.1. Each proposal must be placed in a sealed parcel or envelope bearing:
    - a. the address for submission of proposals indicated in the call for proposals;
    - b. the reference number of the call for proposals to which the applicant is responding;
    - c. the full name and address of the applicant;
    - d. the words "Not to be opened before the opening session" written in English.
  - 5.3.2. Applications must be delivered by registered mail, courier or by hand-delivery. They must contain the original and required number of copies of the completed application form, budget, logical framework and other supporting documents required in the call for proposals. The application form, budget and logical framework must also be provided in electronic form, if required by the call for proposals.
  - 5.3.3. Applicants must also include with their application the profit and loss account, the balance sheet for the last financial year for which the accounts have been closed and any other supporting document requested.

The application must be accompanied by an external audit report produced by an approved/recognised auditor. The report must certify the accounts for the last financial year available and give an assessment of the financial viability of the applicant.
  - 5.3.4 Copies certified by an approved independent agency must be provided if the supporting documents are written in a language other than the language of the call for proposals. A



faithful translation into one of those languages must be attached which will apply for the purposes of interpreting the proposal

5.3.5 An application register will be maintained to record applications in serial numbers.

## **6. EVALUATION OF GRANT APPLICATIONS / PROPOSALS**

### **6.1 Objectives of the evaluation process**

The objectives of the evaluation process are to determine:

- a) whether an applicant is eligible to receive funding;
- b) whether LSF should fund the proposed activities - either in its role as provider of supplementary funds to mainstream legal aid services or as a primary source of funding;
- c) the risk associated with funding the activities;
- d) the benefits to the basket fund partners of funding, taking into consideration other possible alternative sources of funding;
- e) how LSF will manage and monitor the grant;
- f) the priority of the activity(s) proposed as compared against other activities;
- g) whether the action provides better value for money in comparison with other submissions proposing to deliver the same activities;
- h) the proposed action is sufficiently sustainable (except in case of one off actions).

### **6.2 Evaluation Committees**

6.2.1. A Proposal Evaluation Committee will be appointed by the LSF per call for proposals. An evaluation committee will consist of maximally 5 and minimally 3 evaluators, who preferably will be professionals experienced with evaluating proposals, and who do not have an apparent or real conflict of interest as regards the applicants.

6.2.2. The Chairperson and Secretary of the evaluation committee will be LSF Secretariat staff and are non-evaluating members (*ex-officio*). Their major role is to ensure and ensure the integrity of the evaluation process and its proper recording.  
The evaluating members must possess the technical and administrative skills necessary to give an informed opinion on the proposals. They may be representatives of contributors to the basket fund, government officials, private sector consultants etc.

6.2.4. The composition of the evaluation committee will be decided by the LSF Secretariat based on a Board approved 'pool' of evaluators.

6.2.5 The Board and the BFC may nominate observers to follow all or part of the proceedings of the proposal evaluation committee.

6.2.5 Evaluation committee members are charged with the following responsibilities:

The *Chairperson* is responsible for supervising the work of evaluators, coordinating the evaluation process in accordance with the procedures in this manual as well as with those for the particular Call for Proposals and ensuring its impartiality and transparency.



The *Secretary* is responsible for carrying out all administrative tasks connected with the evaluation procedure. These will include:

- Circulating and collecting declarations of impartiality and confidentiality signed by all members of the evaluation committee;
- Supervising and recording the opening session;
- Ensuring that evaluation grids are completed and made available in good time to the members of the evaluation committee;
- Organising the following order in which proposals are evaluated;
- Keeping the minutes of all evaluation meetings and the required records thereof;
- Registering attendance and compiling the evaluation report and its annexes;
- Ensuring the safety, confidentiality and filing of all evaluation documentation during and after the evaluation process;

The Evaluators have a collective responsibility for proper evaluation recommendations and will:

- Establish the administrative eligibility of each proposal received;
- Seriously study each proposal presented to them;
- Score each proposal according to the criteria in the evaluation grid;
- Discuss and reach a consensus if major differences in the scores of different evaluators are recorded;
- Provide comments, recommendations for each proposal additional to the evaluation grid score.

6.2.6. With the agreement of the other evaluation committee members, the Chairman may communicate in writing with applicants whose proposals require clarification, offering them the opportunity to respond within a time-limit agreed by the committee.

Any request for clarification requiring communication with the applicants during the evaluation process must be conducted in writing (PDF via email) and signed by both the Chairman and the Secretary of the evaluation committee. Copies of any such communication must be annexed to the evaluation report.

6.2.7. Where proposals received are particularly numerous or highly technical, it may not always be possible for the evaluation committee to examine each of them in detail. If necessary, part or all of the detailed examination, e.g. the administrative compliance, may be carried out by assessors so that the evaluation committee may conduct its evaluation on the basis of their assessments.

Assessors may only be used in assessment of administrative compliance and eligibility and/or assessment of technical and financial quality. Although the same assessors may be used for both stages, different types of expertise are required for the two assessments and it is recommended to use different persons wherever possible.

6.2.8. Assessors and evaluators must have an in-depth knowledge of the issues covered by the grant programme concerned. Their expertise should be verified on the basis of their CVs. A minimum of five years' experience of a particular issue is expected.

6.2.9. The assessors, in case required are selected by the LSF Secretariat. The list of assessors must be approved by the Board.



### 6.3 Eligibility criteria

Eligibility criteria relate to three different aspects:

- 6.3.1. *Eligibility of the applicant:* this refers to the applicant's legal and administrative status. If a call for proposals relates to operations to be implemented in partnership, the maximum number of partners and the eligibility criteria applicable to each of them must be specified. Eligibility criteria for the lead applicant and for the partners may differ.
- 6.3.2. *Eligibility of the operation:* this refers to the types of activities, sectors or themes and geographical areas covered by the call for proposals.
- 6.3.3. *Eligibility of costs:* costs which may be financed must be real costs, which will actually be incurred and are necessary for carrying out the Action (refer 2.4. and 2.5).

### 6.4. Evaluation criteria: selection and award

The evaluation criteria consist of selection and award criteria, all of which are defined in the evaluation grid.

- 6.4.1 The published **selection criteria** are designed to assess the applicant's financial and operational capacity to complete the proposed Action. The applicant must have adequate and stable sources of finance to maintain its activity throughout the period of the Action and to contribute, where appropriate, to its financing. Additionally applicants, and their partners, must have the necessary professional skills and qualifications to complete the proposed Action.
- 6.4.2 The published **award criteria** are used to assess the quality of proposals against the set objectives and priorities, so that grants are awarded to Actions which maximise the overall effectiveness of the call for proposals. They enable the LSF to select proposals for Actions which will comply with its objectives and priorities.
- 6.4.3 The **award criteria** relate, in particular, to the relevance of the proposed Action and its compatibility with the objectives of the LSF programme under which the call for proposals is being financed. They additionally relate to the quality, expected impact and sustainability of the Action, and to its cost-effectiveness.

**All eligibility and evaluation criteria specified in the call for proposals must be applied as they stand and cannot in any circumstances be changed in the course of the procedure. The criteria should be precise, non-discriminatory and not prejudicial to fair competition.**

### 6.5 Stages in the evaluation process

The evaluation process starts with the receipt of the proposals by the LSF, and ends with the decision to award grants to the selected applicants. The procedure is set out below.



### **6.5.1 Receipt and registration of proposals**

On reception of proposals, the LSF will register them and provide a receipt<sup>4</sup> for those delivered by hand. The envelopes containing the proposals must remain sealed and be kept in a safe place until they are opened.

### **6.5.2 Opening of the proposals**

All proposals should be opened in an opening session of the proposal evaluation committee in which the registration details will be checked and the proposals numbered (whether or not received before the deadline for receipt of proposals).

6.5.2.1 The Secretary of the evaluation committee supervises the opening session and, if need be, calls on other members of staff of the LSF.

The registration of the proposals will include the following details :

- registration number of proposal;
- date and time of arrival;
- the applicant's name and address.

For each proposal:

- the original is kept safely in the archives of the LSF;
- the copies are distributed to the evaluators or assessors.

6.5.2.2 At the end of the opening session, the evaluation committee rules on any points of dispute and signs the proposal-opening report<sup>5</sup>, which includes the minutes of the opening session. The minutes will indicate:

- the date, time and place of the session;
- the persons present;
- the names of the applicants who submitted proposals within the stipulated deadline; and
- the names of the applicants who submitted proposals after the stipulated deadline.

6.5.2.3 The LSF will send an acknowledgement letter<sup>6</sup> to applicants as soon as possible after the end of the opening session. The acknowledgement letter must include a statement informing the applicant whether or not the application was received within the deadline.

### **6.5.3 Assessment of administrative compliance and eligibility**

6.5.3.1 This assessment must be carried out using the administrative compliance and eligibility grid<sup>7</sup> and the criteria set out in the guidelines for applicants. Under no circumstances

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<sup>4</sup> Annex 3: receipt for hand delivered proposals

<sup>5</sup> Annex 4: proposal opening report format

<sup>6</sup> Annex 5 : acknowledgement letter format

<sup>7</sup> annex 6 :administrative compliance and eligibility criteria



may assessors or members of the evaluation committee change the administrative compliance and eligibility grid.

- Administrative compliance: Is the proposal dossier complete? Incomplete dossiers will be disqualified from the evaluation process.
- Eligibility: Are the applicant, possible partners and the operation eligible? This is assessed according to the criteria set out in the guidelines for applicants. Ineligible proposals will not be further considered.

6.5.3.2 The administrative compliance and eligibility grid included in the guidelines for applicants will be used to record the compliance of each proposal. Proposals not considered for further evaluation will be kept by the LSF Secretariat.

6.5.3.3 The assessment of administrative compliance and eligibility may be carried out by members of the evaluation committee or by assessors. Each proposal will be examined by at least two persons for this purpose. If the members of the evaluation committee do not carry out this assessment themselves, the evaluation committee will review the conclusions of the assessors on the basis of their completed administrative compliance and eligibility grids. In order to facilitate the evaluation committee's review of the assessments, the Secretary to the evaluation committee must ensure that two lists are drawn up: one containing proposals which are ineligible and one containing those deficient in administrative compliance. For each entry on a list, the grounds for ineligibility or administrative non-compliance must be identified.

6.5.3.4 The first part of the evaluation report covering administrative compliance and eligibility, which comprises the checklists, and the record of the session, will be signed by the chairperson, the secretary and all members of the evaluation committee. It will state:

- date, time and place of the session;
- persons present;
- names of applicants whose proposals were found to be ineligible or non-compliant and the requirement(s) with which these proposals failed to comply.

6.5.3.5 The checklists specify the missing documents and the eligibility criteria which have not been met and the reasons for this.

6.5.3.6 The LSF will send a standard letter after this first part of the evaluation report is signed to those applicants who are ineligible<sup>8</sup> and/or whose proposals have been found to be non-compliant, stating the requirement(s) with which their proposals failed to comply.

## **6.5.4 Evaluation of technical and financial quality**

6.5.4.1 The quality of all eligible proposals will be assessed by at least two different evaluators on the basis of the evaluation grid<sup>9</sup>) containing the selection and award criteria. A score is given for each subheading. Comments are made for each heading on the basis of the questions and criteria used for that heading. The overall assessment is based on the

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<sup>8</sup> Annex 7; Ineligible applicants

<sup>9</sup> Annex 8: evaluation grid



scores obtained under each subheading and added up by heading. The final score is the arithmetical average of the scores given by the evaluators examining each proposal.

6.5.4.2 The secretary will then prepare a list of all the proposals, ranked by score. The completed evaluation grids for each proposal and any opinions will be sent to the Board.

6.5.4.3 What is assessed?

For large grants (max. 3 years US \$ 300,000 to 500,000) and medium grants (max 2 years US \$ 150,000 to 300,000)

- The organisation, its status, governing documents, broad strategy, values;
- Its recognised involvement for more than 5 years in legal aid for 3 year grants and for more than 2 years for 2 year grants;
- Management and governance, size and composition of management committee, diversity issues, client involvement, staff and volunteer capabilities, lines of accountability, management and decision making processes. Administration processes, monitoring and evaluation systems;
- Activities of the organisation and its projects, how needs are identified, the way in which activities relate to identified needs, types of activity, quality of services offered and how they are assessed;
- Finance of the organisation and proposed Action, overall finance position, sources of income, assets and reserves, ration of administration costs to expenditure, financial management and control systems, project costings;
- Quality of the proposed action, client centeredness, relevance to poor women, children and men and the vulnerable;
- Innovative approaches proposed;
- Equal opportunities: does the applicant have a policy and if so, how is it implemented;
- Sustainability of the organisation, plans for fundraising and sustainability of the proposed Action;
- Networking: Is the organisation linked into the relevant and appropriate networks? Is the proposed action coordinated with other stakeholders?;
- Risks in the proposed Action and more generally to the organisation and its work.

For small grants (max. 3 years US \$ 50,000 to 150,000; max. 2 years US \$ 20,000 to 50,000; max 1 year max. US \$ 75,000)

- The organisation, its status, governing documents, broad strategy, values;
- Its recognised involvement for more than 3 or years in legal aid for 3 year grants and for more than 2 year for 2 year grants;
- Management and governance, size and composition of management committee, diversity issues, client involvement, staff and volunteer capabilities, lines of accountability, management and decision making processes. Administration processes, monitoring and evaluation systems;
- Activities of the organisation and its projects, how needs are identified, the way in which activities relate to identified needs, types of activity, quality of services offered and how they are assessed;



- Finance of the organisation and proposed Action, overall finance position, sources of income, assets and reserves, ration of administration costs to expenditure, financial management and control systems, project costings;
- Quality of the proposed action, client centeredness, relevance to poor women, children and men and the vulnerable. Public interest value of the action;
- Equal opportunities: does the applicant have a policy and if so, how is it implemented;
- Sustainability of the organisation, plans for fundraising and sustainability of the proposed Action;
- Networking: Is the organisation linked into the relevant and appropriate networks? Is the proposed action coordinated with other stakeholders;
- Risks in the proposed Action and more generally to the organisation and its work.

## **6.5.5 Recommendations of the evaluation committee**

6.5.5.1 The evaluation committee will draw up its recommendations after it has examined all the proposals.

6.5.5.2 The evaluation committee approves the ranking drawn up by the Secretary on the basis of the evaluation grid scores.

6.5.5.3 The evaluation committee then decides what the minimum score is for a proposal to be considered for financing. Proposals scoring below this will not be further considered.

6.5.5.4 The evaluation committee's decisions are taken independently and in an advisory capacity. The evaluation committee will draw up a list of the proposals selected for financing, indicating the score obtained by each proposal, the amount of the proposed grant and the proportion of the eligible costs it proposes to finance. Subject to the following considerations, this list is made up of the proposals obtaining the best scores, ranked by order, within the limits of the funds available under the call for proposals.

- The committee may not allocate all the available funds if it finds that there are too few proposals of the quality required to receive a grant.
- The committee may draw up a list by subject, theme or geographical area specified in the guidelines for applicants.
- The committee may reject a proposal if it has selected another similar proposal which has been awarded a higher score.

6.5.5.5 The second part of the evaluation report will cover the technical and financial quality of proposals. It comprises evaluation grid scores, minutes of the evaluation sessions and, if applicable, opinions of Observers, and must be signed by all members. It will state:

- the date, time and place of the session;
- the persons present;
- the average score awarded to each proposal;
- the successful applicants, the recommended grant amounts and the proportion of the eligible costs proposed to finance;
- the unsuccessful applicants and reasons for their non-selection



6.5.5.6 The final evaluation report will be signed by the Chair, the Secretary and all members of the committee and submitted to the LSF Secretariat. The LSF will submit the evaluation report<sup>10</sup>, and award proposals to the Board.

6.5.5.7 The LSF Secretariat will make site visits (see section 7) to all potential grantees recommended by the evaluation committee to do a rapid Organisational Capacity Assessment (OCA). A report will be made of these rapid OCAs which will also be presented to the Board. Based on the evaluation report and the rapid OCA report the Board will take decisions on award of grants. Once the Board approval on award of grants has been given, the LSF Secretariat will commence awarding the grant contracts.

6.5.5.8 The entire procedure, from the drawing-up of the call for proposals to the selection of successful applicants, is **confidential**. The evaluation committee's decisions are collective and its deliberations must remain secret. The committee members are bound to secrecy.

6.5.5.9 The LAF Secretariat's rapid OCA report is also confidential.

6.5.5.10 The evaluation report, in particular, is for official use only and may be shared, neither with applicants nor with any party outside the authorised bodies of the Governing Board and the Basket Fund Committee.

## 6.6 Restricted call for proposals

6.6.1 In a restricted call for proposals, the notice and the guidelines for applicants invite only to submit a preliminary proposal, or concept paper. Administrative compliance, eligibility and headings 1 and 2 of the technical and financial evaluation grid are assessed on this basis.

6.6.2 The second part of the evaluation report, covering the technical and financial quality of the preliminary proposals (headings 1 and 2 in the evaluation grid), is drawn up following the final meeting of the evaluation committee dealing with this stage of the procedure. It comprises the evaluation grids, the minutes of the evaluation sessions and, where applicable, the opinions of the Observers, and must be signed by all members of the evaluation committee. It will state:

- the date, time and place of the session;
- the persons present;
- the applicants selected for submission of a full proposal;
- the unsuccessful applicants and reasons for their non-selection.

6.6.3 The guidelines for applicants may indicate that a specific number of applicants will be invited to submit a full proposal. In this case a list restricted to the published number is drawn up consisting of the preliminary proposals with the best scores, ranked in order.

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<sup>10</sup> Annex 9: format of the evaluation report



6.6.4 The shortlisted applicants are then invited in writing to submit a full application form, or full proposal, on which basis the points mentioned in headings 3 to 5 of the technical and financial evaluation grid will be assessed, whilst unsuccessful candidates are notified by letter giving the grounds for the decision of rejecting their application.

## 6.7 Cancelling the call for proposals procedure

The LSF may decide to cancel the call for proposals at any stage, but particularly in the light of the evaluation report, if:

- the call for proposals has been unsuccessful, i.e. no worthwhile proposal has been received;
- the economic or technical data of the programme have been fundamentally altered;
- exceptional circumstances or force majeure render the normal conduct of the planned activities impossible;
- there have been irregularities in the procedure, in particular where these have prevented fair competition.

In the event of cancellation of a call for proposals, applicants must be notified of the cancellation by the LSF but will not be entitled to compensation.

## 7. SITE VISITS

The LSF will send a team to visit applicants with a positive recommendation from the evaluation committee prior to presentation to the Board and prior to contract signing. The site visits have as purpose to ascertain that the information the grantees provided in the proposals is correct and aim at undertaking a rapid Organisational Capacity Assessment. These visits will allow the LSF to gain first-hand insight into the applicant's set up and capacity as will provide further in depth information about the Action proposed. This will be useful for the LSF to assess what type of assistance would be most useful with respect to that particular Applicant. Information from these visits will be included in the grant file. In case there are capacity issues identified, the LSF will devise means of assisting the Applicant.

In particular the site visits will accomplish the following:

- Enable the LSF to know more about the location, staff of the applicant concerned;
- Get familiar with the administrative systems, financial and control systems the applicants actually have in place;
- Ascertain the information presented in the application;
- Identify capacity capacity gaps, if any;

## 8.0 AWARD OF GRANTS

Letters to successful applicants<sup>11</sup> will be sent within 15 days of the Board's award decision and letters to unsuccessful applicants<sup>12</sup> within a further 15 days of that.

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<sup>11</sup> Annex 12: Letter to Successful applicants format



## 8.1 Publishing the award of grants

- 8.1.1 Once the contracts have been signed, the LSF will prepare a notice of award<sup>13</sup> for each call for proposals giving the following minimum details in each case: the name and address of the beneficiary, the subject of the grant and its targeted populations, the amount allocated and the proportion of the costs of the operation it is funding. It sends this immediately to the BFC, each member of which will publish the results of the call for proposals on its website, as the LSF will do in addition to publication in the major national media (newspapers).
- 8.1.2 At the end of each calendar year, the LSF will prepare and submit to the BFC for publication a summary table based on the notice of award above, containing the above particulars for every additional grant made during the year. This summary table will also be published on the LSF website and any other appropriate media.
- 8.1.4 The BFC may authorise the LSF to waive the above obligations if publication of the information may threaten the safety of the beneficiaries or harm their business interests.

## 8.2 Terms and Conditions of the Grant Award

8.2.1 The terms and conditions that control the grant are stipulated in the Grant Agreement signed by the LSF Fund Manager and the grantee.

8.2.2 Contract preparation.

In preparing grant contracts for each of the successful applicants, the LSF will:

- Use the standard contract model<sup>14</sup>
- Prepare a general background dossier containing information applicable to all grant contracts to be concluded as a result of the call for proposals, using the following structure:

copy of the call for proposals notice, guidelines for applicants, proposal opening report, evaluation report, the list of grants to be awarded, the award decision and any other relevant information.

Additionally a dossier for each grant contract will be prepared containing:

- Special contract conditions;
- Description of the Action (the proposal);
- General contract conditions;
- Budget for the Action;
- Procurement procedures to be used if services, supplies or works need to be procured as part of an activity funded by a grant;
- Standard request for payment and financial identification form.

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<sup>12</sup> Annex 13: Letter to unsuccessful applicants

<sup>13</sup> Annex 14; Notice of award

<sup>14</sup> Annex 15, Standard contract format



**The standard contract annexes dealing with the general conditions, procurement procedures and standard request for payment will be attached without modification to every grant contract.**

- The Special Conditions and budget for the Action will be completed by the LSF Secretariat;
- The financial identification form must be completed by the successful applicant before the contract is signed by either party;
- The budget proposed for the operation by the successful applicant may be corrected for arithmetical errors or ineligible costs prior to signing the contract;
- The description of the operation may be corrected accordingly, if necessary. Other clarifications or minor corrections may be made to the description of the operation provided that they relate to points clearly identified by the evaluation committee, do not call into question the grant award decision and are not contrary to the equal treatment of applicants.

**The LSF Fund Manager and the grant beneficiary must note on the contract the date on which they are signing it. The contract will become effective on the date of the later signature. A contract cannot cover for activities prior to the final signature date, except in duly substantiated exceptional cases.**

**All Actions funded by the LSF are subject to audit at any stage, whether during the award process, during execution of the Action or once it has been completed**

Three signed copies of each contract will be sent to the grant beneficiary concerned, who must countersign them within 30 days of receipt and return two copies to the LSF together with a request for payment and any financial guarantee required in the contract.

8.2.3 Once signed the terms and conditions of the contract are non-negotiable and must be strictly adhered to by the LSF and the grantee.

8.2.4 The terms and conditions will govern the resolution of any ambiguities, questions or disputes that may arise in the course of the grant activity implementation.

### **8.3 Budget**

8.3.1 The budget<sup>15</sup> is the expression in financial terms of the activities the applicant proposes to undertake and what is expected to be achieved.

8.3.2 The standardized grant application budget format serves several purposes.

- It presents the projected grant-funded cash cost for an activity by source;
- As it is broken down into line items with descriptions, it provides an indication as to how funding will be allocated and used;
- Each grantee must report usage of grant funds against this format, so it ensures uniformity of financial reporting across all grants.

8.3.3 Grantees must use grant funds as they are budgeted in the grant contract.

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<sup>15</sup> Annex 11: Budget Form the Action



8.3.4 Significant spending deviations are often signal that work is not proceeding on schedule or that the strategy for achieving project goals has been altered. Overspending will be examined immediately to ascertain that the grantee is be able to complete the project with available funds and that no irreconcilable irregularities exist.

8.3.5 The standard grant contract recognises the beneficiary's independence of action. In particular, it allows the recipient to adapt or modify the Action without the prior consent of the LSF provided that the modifications are not substantial and do not result in a change of more than 15% to any budget heading.

#### **8.4 Modifying grant contracts**

8.4.1 Grant contracts may need to be modified during their lifetime if the circumstances have changed since the initial contract was signed. Grant contract modifications require a formal addendum to the contract to be signed by the contracting parties.

8.4.2 Minor changes of address, of bank account or changes of auditor may simply be notified in writing by the grant beneficiary to the LSF, although this does not affect the right of the LSF to oppose the grant beneficiary's choice of bank account or auditor.

8.4.3 General principles for modifying grant contracts.

The following general principles always apply:

- A grantee's requests for grant contract modification will not automatically be accepted. There must be substantiated reasons for modifying a grant contract. The LSF will examine the reasons and reject requests with little or no substance.
- Modifications must not have the purpose or the effect of making such changes to the contract as would call into question the grant award decision or be contrary to the equal treatment of applicants.
- Grant contract modifications can only be made within the duration of the contract and cannot be effected retro-actively.
- The maximum amount of the grant will not be increased.
- Any modification extending the performance period of the contract must be such that implementation and final payments can be completed before the expiry of the budgetary commitment covering the contract. Implementation must be completed before the expiry of the Tanzania Support to Governance Programme 2011-2015.

8.4.4 Requests for modifications to grant contracts must be made (by one contracting party to the other) allowing at least 30 days for the addendum to be signed before the modifications are intended to enter into force.

8.4.5 Preparing an addendum

When preparing an addendum, the LSF will proceed as follows:

- 1) Use the standard model for an addendum.

All references in the proposed addendum to articles and/or annexes to be modified must correspond to those in the initial contract



Any addendum modifying the budget must include a replacement budget showing how the full budget breakdown of the initial contract has been modified by this addendum (and any previous addenda). The following column headings should be used:

<i>Budget item</i>	<i>Initial contract budget</i>	<i>Addendum 1</i>	<i>(Addendum 2 etc.)</i>	<i>Revised budget</i>

If the budget is modified by the proposed addendum, the payment schedule may also need to be modified accordingly, taking into account any payments already made in the course of the grant contract.

The payment schedule will not be modified unless either the budget is being modified or the contract is being extended.

2) Prepare a dossier comprising the following items:

- setting out the technical and financial grounds for making the modifications in the proposed addendum;
- copy of the grant beneficiary's request for (or agreement to) the proposed modifications;
- copy of the initial contract and any subsequent addenda;
- three copies of the proposed and signed addendum, which is based on the standard addendum model and includes any revised annexes.

## **8.5 Disbursement Procedures**

### **8.5.1 General**

8.5.1.1 A Payment Schedule is prepared for each grant. This schedule details the content of, and due date for, each report the grantee is required to submit under the grant. In addition, the schedule specifies the amount of payment and the disbursement date for each scheduled grant payment.

8.5.1.2 The Payment Schedule is prepared by the LSF at the time of preparing the grant contract pursuant to information provided by the evaluation committee and from the grant file. The schedule is appended to the Grant Agreement as an attachment.

### **8.5.2 Procedures**

8.5.2.1. The principle model for pre-financing the grant expenses will be 40%-40%-20%. This model coincides with the actual expense pattern of the majority of grant implementations. Additionally it gives to the LSF the (important) option to keep the final 20% in case of under expenditure. When grantees have reached the expense level of 80% of the previous advance they are allowed to present their request for the next advance in order to prevent them running out of cash. However, individual contracts may be concluded on the basis of a different pre-financing modality.



8.5.2.2 The first prefinancing payment, which covers 40% of the amount of the contract, is paid after both parties have signed the contract and the LSF has received a standard payment request<sup>16</sup> from the grantee. Subsequently, quarterly reports (technical and financial) and cash flow forecasts will each quarter be presented for the activities for the next 6 months.

8.5.2.3. Subsequent prefinancing payments are made on the above basis. The balance, if any, is refunded by the grantee on approval of the final (technical and financial) report.

8.5.2.4 Grantees will not send original documents in support of their request to the contracting authority but must keep them in case of inspection or audit for a period of three years after the contract has expired. The payment requests will be accompanied by copies of the accountability documentation. Each grantee which has spent 50% or more of the total grant will at least one time be audited by the LSF Finance Manager at their office.

8.5.2.5 The LSF finances a specific percentage of the total eligible costs rather than a particular part of the Action. If at the end of the Action, the actual eligible costs are lower than anticipated, the grant will be reduced proportionately.

8.5.2.6 An external annual audit of the accounts of the Action is compulsory for every grantee. The approved audit report, including the management letter, will be presented to the LSF Secretariat. In case of problematic audit results of a grantee and upon the discretion of the Fund Manager, the Board will be informed and further action decided.

8.5.2.7 No grant contract will be finalized without an approved overall Project Implementation Plan and annual plans for the first and consecutive year(s). As part of the contracting process, it may be necessary to modify the PIPs the grantee submitted as part of their grant application so that numbers, time frames and responsible persons are clearly understood by the LSF. The PIPs are an integral part of the grant contract as it details how the activities are going to accomplish overall program goals. The PIPs typically address the following:

- goals and objectives of the program;
- target population, number of individuals to be served;
- tasks to be accomplished, services to be provided;
- Time frames, key collaborators, responsible parties and, monitoring and evaluation strategies.

Additional information about PIPs is contained in the budget. As part of the contracting process it may be necessary to modify the budget that was submitted as part of the grant application.

The budget for the Action should be specific and in Tanzania Shillings appropriate to the activity level described in the PIPs. Line items should be reasonable and be based on marketplace considerations. The budget should provide the basis for computing all Action-related costs.

The grant budget should reflect specific Action activities only, not the overall organization budget. If the grant is also meant to contribute to the overall budget this should be clearly distinguishable in the budget as well as in the proposal.

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<sup>16</sup> annex 16 payment request



## 8.6 Reporting Requirements

### 8.6.1 General

The LSF will have reporting formats (grantee manual) and accounting procedures (Basket Fund Financial and Procurement Procedures Manual) and is responsible for ensuring that the grantees are conversant with these.

Organisations to which grants are awarded will be required to submit quarterly reports. A midterm is due halfway and a final report is due upon completion of the Action. Filing deadlines will be specified in grant agreements. All reporting, including developed professional papers must be in English, although some organizations will be encouraged, where appropriate, to circulate project outputs like fliers, booklets in the local languages as well.

All reports should document the grant activities and the expenditures up to the date of the report. Additionally, if *materials* or *products* have been prepared under the grant, the grantee should submit copies or itemization of them as part of the technical report.

### 8.6.2 Reporting Requirements

The Grantee must provide the LSF with all required information on the implementation of the Action. The reports shall consist of a technical section and a financial section. They shall cover the Action as a whole, regardless of which part of it is financed by the LSF. The LSF may request additional information at any time and that information must be supplied within 30 days of the request.

8.6.2.1 Quarterly Reports, in a format to be distributed upon signature of the grant contract, will contain a description of the work accomplished to date, give indications of problems in the process of implementing the Action, describe strategies designed to overcome the problems, will contain a budget implementation report and a brief outline of the activities planned for next 6 months accompanied by a cash requirement statement.

The report will be laid out such as to allow comparison between on the one hand the objective(s), the means proposed, the results expected in the proposal, the budget details for the Action and on the other hand the means employed, the costs incurred and the results obtained, using the indicators of achievement provided for in the proposal. The report shall include a work plan for the next 6 months of the Action's implementation.

8.6.2.3 The midterm and final reports will cover all of the above for the period covered by the report and in addition a detailed description of the conditions in which the Action was carried out, information with which to evaluate the Action's achievements and impact and a (final) statement of all the eligible costs of the Action, plus a full summary statement of the Action's income and expenditure and payments received.

8.6.2.4 Mid Term and Final reports will also include evidence that the full scope of work outlined in the grant contract has been successfully conducted, including but not limited to a professional paper summarizing the project's outcomes, practical recommendations resulting from the accomplished work, and an account of outreach and dissemination activities undertaken.

8.6.2.5 Any problems, concerns and issues arising out of the implementation of the Action that were not anticipated when the application was submitted should immediately be brought



to the attention of the LSF. If action is needed or requested, the Fund Manager and or technical LSF staff will meet with appropriate grantee personnel to determine what actions may be taken. The grantee should not wait for midterm or final reporting to bring such issues to the attention of the LSF.

8.6.2.6 Financial reports must show the amount budgeted for each line item, the amount expended against each line item as of the date of the report, including the remaining balance in each line. Totals must be shown for each of the three columns. Legible copies of accountability documentation must accompany all financial reports.

8.6.2.7 Grantees must retain the original receipts for tax and audit purposes, and must retain copies of expenditure accountabilities for a minimum of three years following the conclusion of the grant process.

## **9. END OF CONTRACT PROCEDURES**

### **9.1 Purpose**

9.1.1 The purpose of end of contract procedures is to determine whether agreed objective(s) have been achieved and that all funds provided can be accounted for. Documentation requirements and closure date are set out in the grant contract.

9.1.2 The grantee grants the LSF the right to freely use as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual and property rights.

9.1.3 By the end of the implementation of the Action and depending on the grant contract conditions, equipment, vehicles and supplies paid for by the budget of the Action may be transferred to any local partners or the final recipients of the action. Copies of the transfers must be attached to the final report

9.1.4 Appropriate visibility and credit must be given to the grant made by LSF, for example, in reports and publications stemming from the action or during public events associated with the action, etc.

### **9.2 Grant Audits**

9.2.1 During the grant period there will be annual external audits. The external final audit will review not only the expenditures of the grantee during the grant period and audit the schedule of receipts and expenditures of the grant funds by budget category, but will also include additional reports that evaluate the organization's internal control structure and the organization's compliance with applicable laws and regulations, including compliance to the grant contract and LSF procedures.

9.2.3 Receipts for expenditures of grant funds in the audit report should reconcile with amounts reported to the project by the grantee. If inconsistencies are found, payments to the grantee may be suspended or a reimbursement of fund requested, while LSF finance personnel will investigate the matter. The Finance Manager, as well as other Authorized project personnel, will review all audit reports to determine whether the grantee has effectively managed the grant funds.



### **9.3 Mismanagement of Grant Funds:**

This could refer to:

- Use of grant funds for a purpose other than what has been approved in the grant contract;
- Deficient accounting of grant funds according to PMU's norms and procedures;
- Fraud and abuse.

Intervention is required if a grantee is suspected of mismanaging grant funds. If a claim of 'mismanagement' is found to be justified by the LSF, the program will stop further grant payments until the matter has been thoroughly investigated and resolved. The grantee will be notified in writing of the same. At the state of closing the grant this may entail that the grantee may be requested to re-imburse (part of) the grant.

### **9.4 Final Report**

Grantees are required to produce a comprehensive final report within two months after closure of the grant. This report will at least contain:

- A description of the achievements of the project based on the baseline information collected at the start of the Action;
- A comparison of objectives and achievements and an analysis of the reasons why they were or were not achieved;
- Lessons learned, good practices, potentially replicable practices;
- Problems and constraints and strategies applied to cope with them;
- Budgetary constraints and / or other financial issues e.g. late disbursement of fund by LSF etc.;
- Description of failures and successes;
- Full financial report.

### **9.5 Additional requirements**

Grantees are expected, after the closure of the grant, to extend their full co-operation to facilitating the final audit and final evaluation.

Additionally, towards the end of the grant the LSF may employ consultants to do final data collection and validation for which the full collaboration of the grantee is required.

It also may be so that grantees are requested to participate in final stakeholder forums to share and disseminate lessons learned.



## **10. TECHNICAL ASSISTANCE**

- 10.1 The purpose of LSF technical assistance to the grantees is to ensure the quality of grant-funded activities relative to established performance standards for each grant, and to translate their benefits to a wider audience.
- 10.2 Issues of assistance may be (but not limited to): proposal writing, strategic planning, project planning and management, monitoring and evaluation, human rights based approach to development, resource mobilization and management, financial management and accountability, how to do effective advocacy, legal and legal aid skills etc.
- 10.3 It will involve explaining grant requirements to recipients, assisting recipients with business management problems or needs, and training and advising recipient staff in proper management methods and approaches.
- 10.4 Feedback on periodic (quarterly, annually) reporting with a view towards improvement is technical assistance. The feedback may deal with the progress (narrative) part of the reporting or with the financial part.
- 10.5 Technical assistance may be provided at any point in the grant management process, before or after award of contract. It may amongst others be provided over telephone, by skyping, during on-site visits and reviews, through organized conferences or through issuance of written guidelines or correspondence.
- 10.6 The LSF will also set up peer experience sharing (study tours), peer review and peer training modalities as these have also proven to be effective in capacity enhancement.