

Initiative Africa

Empowering Marginal Economic Actors Through Policy Reform from the Bottom Up Project (EMEA)

Innovative Grants Fund (IGF) Procedures Manual

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Empowering Marginal Economic Actors Through Policy Reform from the Bottom Up Project (EMEA)

Innovative Grants Fund (IGF) Procedural Manual

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List of Acronyms

IA - Initiative Africa

NGOs - Non-Governmental Organizations

BMOS - Business Membership Organizations

IGF - Innovative Grant Fund

FA - Full Application

SIDA - Swedish International Development Agency

EMEA - Empowering Marginal Economic Actors

SMEs - small and medium enterprises

INTRODUCTION

The Operational Policy Manual describes how IA manages all activities at each step of the grant cycle from accessing funding through to grant closure. It captures both IA policies as well as approaches to implementing those policies that have been endorsed.

For each step of the grant cycle, the Manual provides:

- i. Relevant information and policies that are applicable; and
- ii. A brief step-by-step process guide that summarizes important activities and those responsible

This document provides procedural guidance on the different process steps that constitute an integral part of the design and review of funding requests for the Innovative Grant Fund (IGF) as part of the “Empowering Marginal Economic Actors through Policy Reform from the Bottom-Up” Project to be implemented during 2020-2022.

Regardless of the applicable funding request and review approach, the IGF Team should refer to the relevant sections of the Operational Procedures below for guidance on the applicable process.

ABOUT INITIATIVE AFRICA (IA)

1. Initiative Africa (IA) works to promote self-reliance, opportunity, and access to key supports for persons vulnerable to poverty. Over the past years, IA has teamed up with Non-Governmental Organizations (NGOs), professional associations, policy makers, and media experts to achieve its key objectives such as reducing, alleviating and preventing poverty through capacity development and community empowerment. IA is committed to taking an integrated and coordinated approach with marginalized economic actors (women, youth and the disabled) as part of its every program. IA is also the lead organization for the administration of the Innovative Grant Fund (IGF) hence, actively engaging its partners to determine how best to implement decisions related to the IGF.

MISSION

2. To contribute to a sustainable, just, and peaceful Ethiopia and Africa with opportunity for all

VISION

3. Ensure that today’s children, youth and women are adequately prepared to be tomorrow’s innovators and leaders

VALUES

- Commitment
- Self-reliance
- Trust worthiness
- Non-discrimination
- Transparency and accountability at all levels
- Integrity and mutual respect between and among stakeholders

INITIATIVE AFRICA'S GRANT MANAGEMENT EXPERIENCE

4. Since its establishment IA has been managing donors' grants effectively and efficiently. So far, IA has worked with more than 150 sub-Contractee. It follows a tested grant making process. For IA, grant making is considered not just as an award or facilitating a payment for an agreed-upon body of work, but an opportunity to increase the effectiveness and impact of the funded organization through capacity building.

PURPOSE OF THE IGF PROCEDURAL MANUAL**DEFINITION OF GRANT**

5. A grant is a direct financial contribution, by way of donation, in order to finance an action intended to support achievement of a specific objective; A grant is made for an operation which is proposed to the Contracting Authority by a potential beneficiary (an "applicant") and falls within the normal framework of the beneficiary's activities.
6. A grant contract cannot be signed unless the action concerned meets the definition of a grant according to the abovementioned criteria. A Standard Grant Contract is a legally binding Contract signed between the IA and the Grant Beneficiary. An action eligible to receive grant funding must be clearly identified. No action may be split for the purpose of evading compliance with the rules laid down in this Manual.

KEY PRINCIPLES

7. **Innovation:** the program aims to encourage and support applicants that come up with innovative ideas in the focal areas of the project objectives.
8. **Competitive Process:** grants will be awarded on a competitive basis using criteria outlined under.
9. **Inclusiveness:** projects benefiting women will be encouraged to facilitate employment creation, income generation and women's empowerment.
10. **Equality of Treatment:** A fundamental principle of IA is that all proposals will be treated fairly. IA welcomes all proposals irrespective of where they originate or the

identity of the applicant. All proposals will be reviewed using the established selection criteria.

11. **Cost effectiveness:** The project with best and most realistic, with highest cost benefit values will be awarded.

STRATEGIC PRIORITIES

12. The objectives, goals, outputs and outcomes of EMEA project and the grants that will be awarded to BMOs or their members are expected to: address institutional capacity gaps of the chamber systems; create an enabling business environment; strengthen the financial capacity of the chamber systems; and/or build the capacity of the private sector to be internationally and locally competitive. Strategic priorities of the IGF component on the EMEA project are described below:

- **Improving the Institutional Capacity of the Chamber Systems:** in order to effectively represent members' interests and advocate for the creation of enabling business environment in the country, there is the need to enhance the institutional capacity of the Chamber systems. Hence, this project will support BMO's plans to improve its operational efficiency and service quality, strengthen evidence-based decision making and organizational learning, and improve communication, publicity and visibility to facilitate smooth information flow.
- **Promoting effective -Business Policy Advocacy:** it will encourage promotion of an enabling business environment in the country through strengthening advocacy to enable better representation and increased influence with policy makers; strengthen public-private consultations to improve government policies that enhance ease of doing business in Ethiopia; advocate for the development and implementation of a private sector strategy or roadmap; improve the business community's awareness of government laws and policies; advocate for the issuance of a legal framework for Public Private Partnership; institutionalize dispute resolutions mechanisms; and enhance the working relationships and linkages with the government.
- **Broadening Resource Base and Strengthening Financial Sustainability:** As lack of financial capacity to effectively undertake activities is a major problem for BMOs; increasing income from internal operating activities, and diversifying the resource base of BMOs is a priority for the chamber system to effectively finance its operation from sustainable sources.
- **Building the Capacity of the Private Sector to be Internationally and Locally Competitive:** Improving the competitiveness of the private sector both locally

and internationally is another priority of this project. This is planned to be achieved by improving operational efficiency and effectiveness of small and medium enterprises (SMEs)

- **Technology:** encourages usage of IT & transform the services to modern way of doing things.

GRANT MAKING PROCESS

13. IA's grant making approach is more than a transactional process in which IA identifies, selects, and funds non-profit organizations and social enterprises that do work in line with IA's strategic mission. As indicated above IA's strategy is the program management's give-and-take approach where it fosters larger, deeper, and less judgmental questions that invite self-reflection and what-if thinking, in order to identify entry points, leverage comparative advantages, facilitate learning and build capacities.
14. In general, the process is relatively straight forward. A call for proposal is issued, /announcement for grants and cooperative agreement shall be announced through the IA website and /or letter to NGOs and umbrella organization and the media. The grants announcement shall include instruction regarding where to obtain the full information for the opportunity. program management review the proposals and meets with potential applicants to learn more about the organization and the proposed project, this will be IA's first entry point to start building capacities. The program management will then make recommendations, based on this due diligence, as to which applicants should be approved and which should be rejected. Once a grant is approved, IA enters into a grant agreement with the funded organization. The program officer, as the first point of contact, then manages that grant by reviewing progress reports and interacting regularly with IGF Contractees. Our approach is more facilitative and enabling, to foster knowledge and to capacitate partners to learn by doing.
15. All along the discussions with the applicants, IA does not expect the Contractee to have it all figured out, but instead will interact to know how the organization is thinking about the situation and what it plans to try. Basically, IA's staffs are directed to be close to the Contractee as it deepens its analysis and explore different ideas for programs and strategies.
16. Within this general grant making framework, IA can easily adopt a distinct approach depending on the nature of the grant mission. IA might choose to issue an open request for proposals using a high circulation newspaper, or it might solicit proposals from a small group of pre-screened organizations to provide equal opportunity. It might also specify particular types of work that are open for funding or leave it up to applicants to propose their preferred projects. In all the instances the Evaluation

Committee/Peer review put in place by IA will decide which applicants will receive a grant.

17. As regards to monitoring and holding Contractees accountable, IA directs Contractees to systematically collect and analyse information to help managers and IA project staff make informed decisions and improve the performance of projects. Once a grant has been made, the IA program officer interacts with Contractees regularly to delve into details such as how the project is going, what is working according to plan and what is not, what is being learned about the work, and the concerns of the people doing the work. The program officer's role is to listen, to ask probing questions, to offer perspective and occasionally advice, to promote critical analysis, and to encourage the organization to act upon what it learns.
18. The finance team will follow IA's financial management arrangements with sub-Contractees. Some of the accountings required for sub-Contractees include:

GENERAL PRINCIPLES

19. Satisfactory financial management arrangements comprise the following:
 - The Sub-Contractee shall open a separate Project Bank Account for project funds. IA's cash contributions for project activities and the contributions received from the Sub-Contractee shall be deposited into the Project Bank Account. The Project Bank Account would be used for project related receipts and payments only.
 - The Sub-Contractee shall have a trained accountant book-keeper.
 - The Sub-Contractee shall maintain the following accounts registers/ records as per the formats provided by IA:
 - Simple Cash/ Bank Book providing details of amounts received and details of payments along with classification on major heads;
 - Register of contributions received from IA
 - Register of materials purchased using project funds and materials utilized.
20. The Sub-Contractee shall maintain vouchers/ bills supporting documents for the various receipts and payments (systematically numbered), and copies of the Bank Account Statement.
21. The Sub-Contractee shall prepare and submit a simple report each quarter as per format provided by IA. This summary would indicate:
 - i. Amount received from IA contributions, amount spent on the various items, and balance in the Bank Account or cash;
 - ii. The details of the work being carried out activity to be completed, cost, the work already completed and the work to be done in the next month); and

- iii. Amounts of the Sub-Contractee contribution in labour and materials.
22. The Sub-Contractee shall provide the account registers/records, supporting documents, and all other information and cooperation to the Project Auditor appointed by IA.
 23. The release of instalments would be worked out to ensure that the processing time taken by IA does not adversely affect the execution of the project by the sub-Contractee. In general disbursement to sub-Contractee would be made according to the contract agreement. The basis for the release of all subsequent instalments would be completion certifications for the previous milestones.
 24. Accounting records must be supported by such source documentation as cancelled checks, paid bills, invoices, purchase vouchers, payrolls, deposit slips, time and attendance records, and sub-grant award documents, etc. Sub-Contractee will not be allowed to make a payment without invoices and vouchers physically in hand. All vouchers/ invoices should be on vendors' letterhead. Source documentation should explain the basis of the costs incurred and the actual dates of the expenditure.
 25. Where an applicant has had prior awards, outstanding audit issues and delinquent audit, financial, or progress reports must be resolved prior to awarding additional/ new discretionary funds.

SPECIAL REQUIREMENT

26. The account for the grant should show IA's grant as a separate item of income, and managed from a separate account specifically opened for this grant. Each receipts of the grant should show the name of IA along with the partner organization implementing the project. A copy of the original should be submitted to IA as a proper discharge for the money provided by IA. In addition, IA reserves the right to request to provide any receipts of examples of expenditure from any budget at any time.

Amendments to Grant Agreement

27. Any Amendment to any agreement with Grantee should be in writing as an addendum. Agreements can be modified only during its period of validity. Amendment request involving targets or costs needs approval also from IA.
28. If an amendment is requested by the Grantee, it must submit that request to IA- EMEA-IGF TEAM two months before the date on which the amendment shall enter into force. Amendments are then agreed in writing of approval by Project manager of IA.

Termination of Grant Agreement

29. If a party believes that the agreement can no longer be executed effectively or appropriately, it shall consult the other party for possible action. Failing to reach an agreement on a solution, either party may terminate the agreement by providing two months written notice. The grantee must refund the unutilized amount of the grant to IA. IA will pay the grantee for approved project related expenses incurred before the termination and not included in previous disbursements. The grantee will be responsible for submitting a payment request with supporting documents.
- a. IA may terminate the agreement without giving notice and without paying any compensation of any kind to the grantee when the following conditions occur:
 - b. The grantee fails, without justification, to fulfil any of the obligations, after being given written notice to comply with those obligations, or fails to do so, or fails to furnish a satisfactory explanation within 30 days after receiving the notice
 - c. When the grantee ceases operation, or is closing, or is having its affairs administered by the court
 - d. IA has evidence on the grantee, or any related entity or person (a person having power of representation or decision making), of a serious professional misconduct
 - e. IA has evidence on the grantee, or any related entity or person (a person having power of representation or decision making) of fraud, corruption, involvement in a criminal organization or any other illegal activities detrimental to IA's financial interest. In this case IA may request full or partial repayment of funds already paid from the grant
 - f. The grantee fails to notify IA in writing of any conflict of interest
 - g. The grantee makes false or incomplete statements to obtain the grant or provides reports that do not reflect reality. In this case IA may request full or partial repayment of funds already paid from the grant.
 - h. The grantee has not fulfilled obligations relating to the payment of social security contribution or payment of taxes in accordance with the legal requirements of Ethiopia
 - i. IA has evidence on the grantee or related entity or person (a person having power of representation or decision making), of substantial errors, irregularities or fraud in the application process or performance of the grant
 - j. Prior to termination, IA may suspend payments as a precautionary measure without prior notice
 - k. If a Grantee has made substantial errors or committed irregularities and fraud or has been in serious breach of contractual obligation, it may be excluded from any future agreements financed by IA.

Funding Levels and Payment Schedule

30. Grants will range up to 2,000,000 ETB.
31. The project implementation period will be a maximum of two years.
32. Fund will be released in four/five phases as per the size of the project:
 - 30% of the total grant after Fifteen days of executing the grant agreement (signed by both parties).
 - 40% of the grant, after completing the milestones indicated in phase one.
 - 20% of the grant after completing the milestones indicated in phase two.
 - 10% of the grant after the final report and evaluation of the project.
33. IA has the right to modify the payment schedule if conditions warrant doing so.
34. All fund transfers will be made through bank accounts.
35. The concerned official of the Grantee shall request payments using the disbursement request form, supporting the request with the performance report.
36. The disbursement shall be made in Ethiopian Birr.
37. The Grantee shall immediately acknowledge receipt of the funds in writing to IA stating the amount deposited, attaching receipt voucher within 5 days of hitting its bank account.

IA'S FINANCIAL MANAGEMENT MANUAL

38. This manual would serve as reference document for all project staff. The financial management would be periodically updated based on implementation experience. The current IA manual includes the following aspects of financial management:
 39. Budgeting and flow of funds;
 40. Accounting system (including chart of account, formats of books, accounting and financial procedures:
 41. Financial reporting (including formats of reports, and linkages with chart of accounts): staffing and training aspects;
 42. Auditing arrangements including terms of reference;
 43. Procurement and contract administration monitoring system;
 44. Financial and accounting policies; and

45. Service standards (benchmarks) for various accounting and financial activities.

This document has two parts:

- PART I presents the GRANT MANAGEMENT POLICY and
- PART II presents PROJECT IMPLEMENTATION POLICY to be used by IA in carrying out its activities and ensure the effective utilization of the overall financial and material resources.

PART I

GRANT MANAGEMENT POLICY

PRINCIPLES OF GRANTS MANAGEMENT

1. The overall objective of grants under EMEA Project is to achieve the objectives of the different programmes by ensuring that funds are spent in a transparent, efficient and fair manner.
2. There are strict rules governing the way in which grants are awarded. The award of grants is subject to the principles of transparency and equal treatment. They may not be cumulative or awarded retrospectively and they must generally involve co-financing. The amount eligible for financing, as specified in a grant contract, may not be exceeded.
3. Grants shall be awarded by a written agreement concluded with the beneficiary.
4. The availability of grants must be publicized widely and in an easily accessible way. The call duration & timeline for submission will be announced along with other relevant information. The work program will be implemented through the publication of calls for proposals. All grants awarded in the course of a financial year will be published annually with due observance of the requirements of confidentiality and security
5. The grant award process must be completely impartial. This means notably that the proposals must be evaluated by an Evaluation Committee; with the advice of assessors or experts where appropriate, using the published eligibility and evaluation (selection and award) criteria
6. Grants may, as a rule, only cover costs incurred after the date on which the grant contract is signed. A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the contract is signed.
7. In such cases, expenditure incurred prior to the deadline for submitting, the date of submission of the grant application, and if applicable the date of signature of the relevant financing agreement, will not be eligible for financing. No grant may be awarded retroactively for actions already completed.

8. Grants may not, as a rule, finance the entire cost of the action or the entire operating expenditure of a beneficiary body. The financing of an operation in full may be authorised if the Contracting Authority is in a position to show that financing in full is essential in order to carry out the operation in question and substantiates its award decision accordingly.
9. The beneficiary supplies evidence of the amount of the co-financing brought either with its own resources or in the form of financial transfers from third parties.
10. The Contracting Authority may accept co-financing in kind, if considered necessary or appropriate. This possibility must be specifically mentioned in the Guidelines for Applicants. Non-eligible contribution in kind must always be included in the budget so as to prove the operational capacity and feasibility of the action.
11. This Manual incorporates policy provisions and procedures to promote transparency, accountability and ethics in the operation, management and reporting of grants management. All Officers are required to consistently apply these policies and procedures, together with professional judgement and good management.
12. The use of funds under call for proposals must be conducted in a transparent and open manner, allowing both stakeholders, and the general public, access to information, as well as providing a means to control and audit all calls for proposals' activity. IA requires that:
 - all Officers involved in calls for proposals from initiation to completion shall be held accountable and responsible for their actions; all grants beneficiaries will be treated fairly and given equal opportunity to obtain grants from the IA;
 - grants management shall be done in the most efficient manner, upholding the principles of transparency and equal treatment and funds will be used solely for the purposes for which they have been entrusted;
 - all transactions are properly authorised and fully supported by written records;
 - An Officer shall treat all applicants with fairness and impartiality, and avoid any arrangement that might prevent equal treatment among applicants.
 - It is essential that all grants management activities are carried out in a manner above reproach, with complete impartiality and with no preferential treatment. The grants management process must allow applicants to compete on a fair basis. Officers associated with the grants' management function are responsible for protecting the integrity of the grants management process and maintaining fairness treatment of all applicants.

PURPOSE

13. This **IA GRANT FUNDING GUIDE** clarifies the requirements for awarding and administering grants to civic and non-profit organizations. The IA Grant and Cooperative Agreement guide can be found at: www.initiativeafrica.net on the section **Apply IGF**.

STEP-BY-STEP GRANTS MANAGEMENT GUIDELINES

14. Grants must be awarded following the publication of an Open Call for Proposals. Calls for proposals are open where all applicants are free to submit a grant application form including a full proposal in response to the published Guidelines for Applicants.
15. A call for proposals is always published on the Initiative Africa Official website www.initiativeafrica.net.
16. The Guidelines for Applicants (which include the 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 action and costs which are eligible for financing, and the evaluation (selection and award) criteria. They also contain instructions on how to fill in the application form, what to annex to it and what procedures to follow for applying. They give information on the evaluation process that will follow (including an indicative timetable) and the contractual conditions which will apply to successful applicants.
17. The Guidelines should set out very clearly and in detail the objectives and priorities of the call for proposals, and give particular attention to the eligibility criteria. The guidelines must be published and any modification must be published as well. The information published will become binding on the Evaluation Committee once the date for submission has elapsed.
18. The Application Form to be completed by the applicants comprises the following parts:
 - a concept note
 - information about the action proposed, including its budget
 - information about the applicant
 - information about any partners.
19. In order to ensure the widest possible participation and the requisite transparency, Guidelines for Applicants must be published for every Call for Proposals.
20. The Guidelines are published on the Internet and in any other appropriate media (specialized press, local publications, etc.). They should also be available in hard copy from the Contracting Authority. They should be available in the languages appropriate to the context of the Call for Proposals.

21. It is also advisable, after the launch of the call for proposals, to organize one or more information sessions (info-days) which all the potential applicants can attend.
22. During the time between publication and the deadline for the submission of proposals, and in addition to the eventual information session mentioned in point 21, applicants should be able to ask questions to help them fill in the form and put together their applications. The Contracting Authority should therefore provide a contact point to which questions may be addressed.
23. In the interests of transparency and equal opportunity, the answer provided to one applicant on points which may be of interest to the other applicants should be made available to all the others. The way to achieve this is to publish on the Internet a table of questions and answers provided.
24. The proposals must be submitted in accordance with the instructions given in the Guidelines for Applicants.
25. The application form consists of the project proposal and all the relevant documents requested in the Guidelines for Application.
26. An online application form will be created to reach all applicants remotely at www.initiativeafrica.net.
27. The Personnel responsible for an individual call for proposals has the discretion to decide whether to request the supporting documents from all the applicants with the application form or only from the applicants which have been provisionally selected after the evaluation. Even if this does not change the basic principle that the supporting documents will be examined only for the provisionally selected applicants, the Guidelines for applicants and the Application form should be adapted accordingly.

PRE-AWARD REQUIREMENTS

28. Announcements for grants and cooperative agreements shall be announced through: the IA website and/or letters to NGOs and umbrella organizations, and/or the media. The grants announcements should include instructions regarding where to obtain the full information for the opportunity.

GRANT AWARDING PROCESS/ STANDARD AWARD TERMS AND CONDITIONS

29. Consistent with the agreement reached with SIDA, IA's policy is to use competitive procedures to award grants whenever possible. A grant can result from:
 - A proposal submitted in response to Grant Request Announcement
 - An Unsolicited Proposal

30. The proposal shall contain a detailed narrative description of the work to be undertaken, including the objectives of the project and the applicant's plan for carrying it out. All proposals shall include budget data as prescribed in the Budget Summary narrative detail must support the proposed budget.
31. A Taxpayer Identification Number (TIN) must be included with the address listed on the proposal. If an award is made, advance payments cannot be made without a TIN.
32. All announcements for grant and cooperative agreement funding opportunities shall require the applicant to submit all required certifications, disclosures, and assurances as part of the proposal.

ELIGIBILITY REQUIREMENT

33. The eligibility criteria shall determine the conditions for participating in a call for proposals. Those criteria shall be established with due regard for the objectives of the action and shall comply with the principles of transparency and non-discrimination. The eligibility criteria relate to two different aspects:
 - Eligibility of the applicant: this refers to the applicant's legal and administrative status. If a Call for Proposals relates to actions to be implemented in partnership, the minimum number of partners and the eligibility criteria applicable the lead applicant must be specified.
 - Eligibility of the action: this refers to the types of activities, sectors or themes and geographical areas covered by the Call for Proposals.
34. In order to be eligible for a grant, applicants must:
 - Be registered with a recognized legal status as a Business Membership Organization (BMO) or an Association to operate in Ethiopia;
 - Have a Tax Identification Number (TIN) issued by the Federal Inland Revenue Service;
 - Have prior program activities or adequate experience [at least 3 years] and organizational capacity to administer, implement, and evaluate the project;
 - Propose project activities that are manageable programmatically, financially and administratively;
 - Propose activities reflecting the need and demand of Business Membership Organizations (BMOs);
 - Focus on activities that can be sustained and maintained beyond and over the funding period;
 - Propose project activities with provisions for participation by BMOs;
 - Address gender and geographic representation equitably;
 - Use local resources and skills as much as possible;
 - Applicants must provide the last two years' annual reports;
 - Applicants must provide the last two years' external audit reports;

35. Potential applicants may not 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 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 the Community budget.
 - Applicants with unmet obligations on prior grants i.e. late/ incomplete reports may not apply.
 - Applicants are also excluded from participation in calls for proposals or the awards of grants if, at the time of the call for proposals, they are subject to conflict of interests:
 - Are guilty of misrepresentation in supplying the information required by the contracting authority 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 evaluation committee or the contracting authority during the evaluation process of current or previous calls for proposals.

EVALUATION AND SELECTION OF PROJECT PROPOSAL

36. Technical evaluation of proposals will be conducted by a cognizant IA technical officer (s) and/or consultant, grant request will undergo and may be based on peer reviews using the latest IA Evaluation Manual.
37. The Project Manager will finally review the budget in order to identify any item which may be unallowable under the cost principles, or which appears unreasonable or unnecessary.
38. All projects will be assessed according to the following criteria before approval:
- Administrative Compliance
 - Verification that the application is complete in accordance with the checklist and the proper (20%) administration and (80%) Program Budget Distribution is maintained.
 - Eligibility of the applicants, partners and actions
 - Verification that the applicant, the partners and the project are eligible according to the criteria set out under Eligibility requirement above.

THE EVALUATION COMMITTEE

39. Proposals are evaluated by an Evaluation Committee appointed by the Contracting Authority. The EC may have members drawn from major and responsible stakeholders such as **ECCSA, MOT, Academic Institutions, BMOs** (other than ECCSA) and **IA**. The Committee must possess the technical and administrative capacities necessary to give an informed opinion on the proposals. The composition of the committee will be made gender balanced and sensitive as well as the evaluation criteria's will be gender sensitive. They must have a reasonable command of the language in which the proposals are submitted. Substitutes to the members can be nominated on the same conditions as the titular's where justified by the size and/or the technical nature of the call for proposals. As the administration of the IGF grant will be IAs' responsibility and because each activity needs approval by IA administration, the participation of other observers must be authorized in advance by the Contracting Authority.
40. The Evaluation Committee members should attend all meetings, except the opening meeting. Any absence must be recorded and explained in the evaluation report. A member who withdraws from the Evaluation Committee for whatever reason must be replaced by his substitute or following the standard procedure for appointing members of the Evaluation Committee.
41. The Evaluation Committee should be formed early enough to ensure the availability of the designated members (and any observer nominated by the Initiative Africa, in the case of decentralized ex-ante control) during the period necessary to prepare and conduct the evaluation process.
42. All members of the Evaluation Committee and any observers must sign a Declaration of Impartiality and Confidentiality. Any Evaluation Committee member or observer who has a potential conflict of interest with any applicant must declare it and immediately withdraw from the Evaluation Committee. He/she will be excluded from participating further in any capacity in the evaluation meetings.
43. While the call for proposals procedure is under way, all contacts between the contracting authority and candidates must satisfy conditions ensuring transparency and equal treatment; they may not lead to amendment of the conditions of the grant contract or the terms of the original call. No information about the examination, clarification, evaluation or decisions about the contract award can be disclosed before the signature of the contract(s). Any attempt by an applicant to influence the process in any way (whether by initiating contact with members of the Evaluation Committee or otherwise) may result in the immediate exclusion of its proposal from further consideration.
44. In order to maintain the confidentiality of the proceedings, participation in the Evaluation Committee meetings is strictly limited to the members of the

Evaluation Committee designated by the IA and any authorized observers (including designated assessors in the case of call for proposals).

45. Apart from the copies given to any assessors(s) or experts in call for proposals, the proposals should not leave the room/building in which the committee meetings take place before the conclusion of the work of the Evaluation Committee. They should be kept in a safe place when not in use.

STAGES IN THE EVALUATION PROCESS

46. The evaluation process starts with the receipt of the concept notes/proposals by the Contracting Authority, and ends with the decision to award grants to the selected applicants. The procedure is set out below.
- **Receipt and registration of proposals** - On receiving proposals, the Contracting Authority must register them and provide a receipt for those delivered by hand. The envelopes must remain sealed and be kept in a safe place until they are opened.
 - **Opening session and administrative check;**
 - All proposals received should be opened in an opening session at which the registration details will be checked and completed
 - The registration of concept notes/proposals should contain the following information:
 - registration number of concept note/proposal
 - date of submission
 - the applicant's name and address.
 - For each proposal,
 - the original is kept safely in the archives of the Contracting Authority;
 - the copies are distributed to the evaluators and, where appropriate, to the assessors.
 - The proposals having met the deadline are then subject to an administrative check, which will assess whether they satisfy all the criteria mentioned in the checklist. Under no circumstances may assessors or members of the Evaluation Committee change this checklist.
 - Incomplete dossiers will be disqualified from the evaluation process. However, if some of the criteria are not satisfied, according to the option chosen in the call for proposals, the applicant is rejected or invited to submit a clarification within the deadline fixed by the Evaluation Committee. In the latter, the Evaluation Committee may use its discretion to decide whether or

not it should still be considered during the rest of the evaluation process, while ensuring the equal treatment of proposals and in accordance with the principle of proportionality. Whatever the Evaluation Committee decides, this must be fully recorded and justified in the Evaluation Report.

- The Contracting Authority must keep proposals not considered for further evaluation.
- The administrative check may be carried out by members of the Evaluation Committee or by assessors.
- Once the required approvals received, the Contracting Authority must send a standard letter to the applicants that includes a statement indicating the applicants whether or not their application was submitted within the deadline, informing them of the reference number they have been allocated, whether their application has satisfied all the criteria mentioned in part 1 of the checklist and whether their concept note has been recommended for further evaluation.

CANCELLING THE CALL FOR PROPOSALS PROCEDURE

47. The Contracting Authority may decide to cancel the call for proposals procedure 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 or there were no replies;
 - the economic or technical data of the program have been fundamentally altered;
 - exceptional circumstances or force majeure render the normal conduct of the planned actions impossible;
 - there have been irregularities in the procedure, in particular where these have prevented equal treatment
48. In the event of cancellation of a call for proposals, applicants must be notified of the cancellation by the Contracting Authority but will not be entitled to compensation.

EVALUATION OF THE QUALITY OF THE PROPOSAL AND FINANCIAL EVALUATION

49. An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in the Evaluation Grid shown below. The selection criteria are intended to help evaluate the applicants' financial and operational capacity to ensure that they:

- Have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out and, where appropriate, to participate in its funding;
- Have the professional competencies and qualifications required to successfully complete the proposed action. This also applies to any partners of the applicant.

FULL APPLICATION EVALUATION CRITERIA

50. All criteria specified in the Call for Proposals must be applied as they stand and cannot be changed in the course of the procedure. The criteria should be clear and non-discriminatory.
51. Applications will be assessed based on the quality of application (project design, innovation, relevance, feasibility, impact, and sustainability), log framework, and the budget.

QUALITY OF APPLICATIONS

52. The application should present a technically sound approach to addressing the strategic priorities and focus areas identified in the Call for Proposals in a realistic manner. The applicant's approach will also be evaluated in terms of appropriateness in the cultural context and environmental impact. IA will prioritize applications that propose innovate and creative approaches to addressing the strategic priorities and focus areas. The evaluation of the Quality of the Application includes the following sub-categories: (a) Quality of the Project Design, (b) Relevance, (c) Feasibility, (d) Impact and (e) Sustainability.

- **Quality of the project design**

The application will be evaluated on the proposed project design with specific reference to goals, objectives, model, scope, cost-benefit analysis, number of beneficiaries. The design should ensure that interventions are ethically sound, technically up-to-date, and relevant to priorities of the IGF to ensure financial sustainability of the chamber systems. The project setting and monitoring and evaluation systems may be also used to evaluate the quality of the project design. The assessment of the grant application will include:

- a. The project intervention clarity,
- b. Overall assessment of project targets including their fit to IGF targets,
- c. Innovation- the level of new ideas, methods and applications to new member services, enhanced service quality,

- d. The specific strategy in addressing the marginalized groups like women, and SMEs,
- e. The anticipated results and number of beneficiaries,
- f. Realistic results including
- g. Identification of risks and their mitigation strategies,
- h. Cost benefit analysis of the project combined with risk analysis and management capacity of the applicant,
- i. The level of matching fund allocated,
- j. Project M&E system,

- **Relevance**

The relevance of the grant application is linked to the question whether the grant application and the proposed interventions are consistent with the requirements of the business community needs and the project priorities. The application will be evaluated to determine whether the objectives of the proposed intervention adequately respond to the project's needs and priorities in the current environment. The grant application will be reviewed to determine:

- a. Relevance of proposed objectives to contribute demand driven services to members
- b. The proposal's alignment with the objectives of EMEA project (i.e., financial sustainability of the chamber systems, improving the institutional capacity of the chamber systems, promoting an enabling business environment, and/or building the capacity of the private sector to be internationally and locally competitive.
- c. The extent of including marginalized groups like women and SMEs

- **Feasibility**

- a. The application will be evaluated on its feasibility, meaning, the capability of the applicant to accomplish the targets set within the estimated budget and project period. Reviewers will determine feasibility by answering the following questions: Are the proposed methodologies workable?
- b. Are the formulated objectives and results achievable within the proposed project period?
- c. Are the proposed implementation budget and timeframe of activities realistic?

- **Anticipated Impact**

The grant application should clearly describe the envisaged impact of the proposed project on the ground. Anticipated impact relates to tangible and intangible effects (consequences) of the proposed grant project for the

BMOs/members in the long run. Assessing the impact of the proposed activities will include:

- a. The intended results of the project
- b. How the project will affect BMO members
- c. How the project will change beneficiaries' competitiveness and opportunities for the business community in general and, excluded groups (women and SMEs) in particular
- d. Will the proposed activities have influence beyond its intended results and beneficiaries, either directly or indirectly?
- e. The benefits of the project outweigh environmental concerns

- **Scalability and Sustainability**

The grant application will be evaluated on its degree of scalability and sustainability on the ground after the grant project is fully implemented. Sustainability relates to the continuation of benefits after the project period has been completed. It refers to the probability of continued long-term benefits to the chamber systems. Scalability relates to the project's ability to have an impact beyond the direct beneficiaries.

- **Log Frame**

A Log Frame is in essence a cause and effect matrix where inputs lead to outputs. It is a tool that should help the applicant and reviewers understand how the project's progress and results will be monitored and evaluated. The applicant is evaluated based on the relationship of outputs to specific objectives, which in turn will lead to the overall objective of the project. The Log Frame should identify the overall project objective, the specific objectives, that will contribute to the overall objective, inputs, and outputs. In general, objectively verifiable (measurable and/or tangible) indicators need to be stated as to measure achievement of project targets.

- **Budget**

The budget of the grant application will be assessed on **fairness and reasonableness** related to the proposed project's activities. The budget will be reviewed to ensure only allowable costs are included, the estimated amounts correspond with the anticipated activities and outcomes, and the budgeted amounts are reasonable and necessary for the implementation of the proposed activities. All costs should be clearly explained (brief description of each cost and how the amounts were determined) and justified (why they are necessary for project implementation) in separate budget notes. The project implementation period will be a maximum of two years.

SCORING

53. The evaluation criteria are divided into sections and subsections. Each subsection must be given a score between 1 to 5 in accordance with the following guidelines:
- 1 = Very Poor;
 - 2 = Poor;
 - 3 = Adequate;
 - 4 = Good;
 - 5 = Very Good.
54. The applications with the highest scores will be given priority when grants are awarded. If a total score lower than “adequate” (12 points) is obtained for section 1, the proposal will not be evaluated further. If a total score lower than “good” (20 points) is obtained for section 2, the proposal will not be evaluated further.

AWARD CRITERIA

55. The award criteria should enable the Contracting Authority to select proposals which it can be confident will comply with its objectives and priorities.
56. The award criteria allow the quality of the proposals submitted to be evaluated in relation to the objectives and priorities set, and grant to be awarded to projects which maximize the overall effectiveness of the call for proposals. They cover such aspects as the relevance of the project, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and Cost effectiveness.

AWARDING AND CONTRACTING

57. After the Contracting Authority has given its official approval to the final list of grants to be awarded, it notifies the successful applicants in writing that their applications have been selected.
58. It must also send the unsuccessful applicants a standard letter informing them that they have not been selected and specifying the reasons.
59. The letters to the successful applicants must be sent within 15 days of the award decision and letters to the unsuccessful applicants within a further 15 days of that.
60. Once the contracts have been signed, the Contracting Authority prepares a notice of award for each call for proposals and publishes it in the IA website within three months.

MODIFYING GRANT CONTRACTS

61. The 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. No modification to the contract may alter the award conditions prevailing at the time the contract was awarded.
62. The maximum amount of the grant may not be increased.
63. Following this logic, major changes, such as a fundamental alteration of the Guide for Applicants, cannot be made by means of an addendum or an administrative order.
64. A request for grant contract modifications should not automatically be accepted by the Contracting Authority. There must be justified reasons for modifying a contract. The Contracting Authority must examine the reasons given and reject requests which have little or no substantiation.
65. Grants contracts can only be modified within the execution period of the contract. The purpose of the addendum or administrative order must be closely connected with the nature of the project covered by the initial contract.
66. Requests for contract modifications must be made (by one contracting party to the other) well in advance to allow for the addendum to be signed by both parties before the expiry of the execution period of the contract.

CONCEPT NOTE/PROPOSAL EVALUATION GRID

No.	Evaluation Criteria	Rate	Rating	Remarks
BACKGROUND				
1	Is the problem statement clear and well defined?	10		
2	Is the project timely and address an identified gap in the field?	10		
3	Are the objectives reasonable and achievable?	15		
METHODOLOGY				
4	Is the description of the project design (strategy, beneficiaries, work plan, monitoring/evaluation, management arrangement) clear?	15		
5	Are the types of instruments or techniques planned for measurement detailed, with rationale for the instruments selected?	10		

6	Are potential outcomes reasonable?	10		
7	Is there a clear plan for dissemination at the regional or national level, including through conferences or publications?	5		
8	Is the timeline for completion feasible and likely to succeed?	5		
BUDGET				
9	Are the budget itemizations reasonable and appropriate?	20		
	Total	100		

CHOICE OF AWARD INSTRUMENT

67. A grant shall be used as the legal instrument to reflect a relationship between IA and a recipient whenever the principal purpose is the transfer of fund to the recipient to accomplish a public purpose of support. Grants are distinguished from cooperative agreements in that substantial involvement is not expected between IA and the recipient when carrying out the activity. The major types of grants and cooperative agreements are defined as follows:
- A project grants to accomplish agreed objectives in advancing the marginalized economic sector. A grant may be used to provide funding to an association to hold a conference where the benefits flow primarily to the association and its members, or a specific training to a certain constituency.
 - A cooperative agreement to accomplish agreed objectives in advancing in the private sector, with substantial involvement between IA and the recipient during performance of the contemplated activity. Characteristics inherent in a cooperative agreement include those that apply to a grant, plus substantial IA involvement in and contributions to the technical aspects of the effort are necessary for its accomplishment. This could involve an active IA role in collaborative relations, access to an IA site or equipment, or sharing IA facilities and personnel.

AWARD PROCEDURES

68. Award instruments are classified as follows:

- Annual grants are grants awarded for a short term (e.g., on an annual basis).
- Multiple year grants support projects that may span over 2 years. IA policy is to make maximum use of multiple year grants.
- IA may provide partial support for a project or conference where additional funding is being provided by other agencies.

FORMAT AND NUMBERING

69. A contract, containing only those provisions and special conditions necessary to protect the interests of the SIDA/IA.
70. Cover page formats shown in the Contract Agreement shall be used for all IA grant and cooperative agreement award documents.
71. Grants and cooperative agreements will be sequentially numbered. The Identification Numbering System to be used for all types of IA grants and cooperative agreements will be applied as follows:

IA/EMEA/MAN/20/001

- Organization name represented by "IA".
- Project name represented by "EMEA"
- Document Name represented by "MAN/ Manual"
- Year with the last two digits represented by "20"
- Sequential number represented by "001"

DISTRIBUTION

72. Copies of grants and supplements will be provided to:
 - Payment Officer (Original copy);
 - Program Manager;
73. In addition to receipt of grants and supplements, the Administrative Grant Officer will receive a copy of the approved budget.
74. The file will record the addresses for distribution

EVALUATION AND SELECTION OF UNSOLICITED PROPOSALS

75. Unsolicited proposals are for new and innovative ideas. IA recommends contact with IA technical personnel before submission of an unsolicited proposal to determine if preparation is warranted.
76. IA will evaluate unsolicited proposals the same way awarded as grants. Both the solicited and unsolicited proposals will be treated in the same manner in a way that they will be reviewed by the Evaluation Committee/Peer review.

77. All unsolicited proposals recommended for acceptance as grants shall be supported by a Justification for Acceptance of an Unsolicited Proposal (JAUP) prepared by the Program Manager. The JAUP shall be submitted for the approval of the PMU after review and concurrence at a level above the Program Manager.
78. If an unsolicited proposal will not be funded, IA will notify in writing the organization or person that submitted it. The method of notification is at the discretion of the Program Manger. Proposals will be returned only when requested.

ALLOWABLE COSTS UNDER SPECIFIED CONDITIONS/ LIMITATIONS FOR SELECTED ITEMS

79. The following costs are allowable. In the event of uncertainty please contact the IA Program Manager or his/ her representative.

- **Equipment**

Cost of purchases for new and replacement equipment with a useful life of more than one year and an acquisition cost of USD \$5,000 or more must be pre-approved by the appropriate grant-approving official(s). The approval is a separate written request describing how the equipment would support the grant project.

- **Travel**

Costs for foreign travel-related expenses are allowable, provided such expenses are for specific services benefiting the grant project. The issues regarding the reimbursements of the expenses incurred will be addressed as per IA travel Policy.

- **Training**

Costs of training personnel, for HR & D advancement purposes are allowable when the training supports the objectives of the grant project. Development costs of new training curricula and materials are allowable if they will not duplicate materials already developed for similar purposes by other NGOs working in similar areas. Costs are allowable to modify existing materials to meet particular local instructional needs.

- **Program Cost**

Costs are allowable for consultant services from universities, public agencies, non-government organizations and individuals, provided applicable procurement procedures are followed. Costs are allowable to support a

specific grant project with promotional activities, which offer incentives or encourage the general public to advance Quality Education for all practices. Promotional items and activities must directly relate to the project objectives. Costs of meetings and conferences, where the primary purpose is the dissemination of technical information, are allowable, including meals, transportation, rental of meeting facilities, and other incidental costs. Adequate records must be maintained to document that the primary purpose of the meeting was for dissemination of technical information.

- **Public Communications**

Costs are allowed for the purchase of program advertising space in the mass communication media, for all HR & D grant funds. This includes the purchase of television, radio time, cinema, internet, print media, and billboard space
Note: Television public service announcements created with the SIDA/IA funds must contain closed-captioning of the verbal content.

- **Facilities and Construction these include costs for:**

Costs for remodelling of any buildings or structures/ or for purchase of office furnishings and fixtures, the following are some examples of those items:

- Desk Credenza Storage Cabinet
- Chair Bookcase Portable Partition
- Table Filing Cabinet Picture, Wall Clock
- Shelving Floor Covering Draperies & Hardware
- Coat Rack Office Planter Fixed Lighting/ Lamp, Cost of land.

APPLICABLE COST

80. Capacity Building Cost – Under this heading the SIDA grant allows IA to allocate of the total budget for direct purchase of goods and services, to support the institutional and technical capacities of Contractee.
81. Technical Assistance - For Each Published Notice of IA provides a technical assistance workshop to potential grant applicants. The information provided at the covers aspects of factual contents of the theme narrative, including grant parameters, constraints, and elaboration of the Log matrix. General guidance on completing the budget forms is also provided.
82. To ensure that all publications representing SIDA and IA Program convey a consistent and accurate message the sub-Contractee will review GENERAL STATEMENT materials based upon the guidelines contained in this policy. Most publications should include an overview paragraph about the SIDA/ IA program. In some cases, the mission statement is appropriate. The following paragraph is appropriate for most publications:

- Neatness and quality of typography and photography are important. Low-quality computer typesetting and instant photographs generally are unacceptable.
- The purpose of the publication and audiences for whom it is intended should be clear.
- All publications are expected to use accurate, standardized information.
- The publication should leave readers with a positive impact and the impression that warm and friendly people stand ready to serve their needs.
- Printed material should be attractive and well designed. The copy should convey information accurately, concisely. Clearly and in a style that invites readership and avoids jargon.
- The publication should include instructions about how readers can obtain additional information.
- In publications with limited copy areas – e.g., pamphlet-type brochures, fliers, and posters - the following statement may be substituted: “This document has been produced with the financial assistance of the ‘Swedish International Development Agency and Initiative Africa’.”
- This line should appear in ALL Publications/ Stories that promote your projects events/programs.

UNALLOWABLE COSTS FOR SELECTED ITEMS

83. The following items are unallowable:

Vehicle

Costs for the purchase of motor vehicle

Training

Costs to pay for an individual's salary while pursuing training or to pay the salary of the individual's replacement - which is considered supplanting costs of training employees of government agencies

Program Administration

Alcoholic beverages for any consumption purposes, costs of entertainment including amusement and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

Other Unallowable costs

- Debts and debt service charges (interests)

- Provision for losses or potential future liabilities
- Items already financed from another agreement by SIDA or other financing agency
- Purchase of land or building
- Credit to a third party
- Costs associated with preparing proposals in response to the solicitation

PRE-AWARDS

84. Forms for applying grants
Special grant or sub-grant conditions for 'high-risk' Contractee. The formalities/procedures to consider a grantee low/high risk might be briefed or be decided based on their status of work. A sub-Contractee may be considered 'high risk' if IA determines. a sub-Contractee:
- Is not financially stable, or
 - Has a management system which does not meet the management standards set forth in this part, or
 - Has not conformed to terms and conditions of previous awards.
85. Special conditions or restrictions may include:
- Payment on a reimbursement basis;
 - Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
 - Requiring additional, more detailed financial reports;
 - Additional project monitoring;
 - Requiring the sub-Contractee to obtain technical or management assistance; or
 - Establishing additional prior approvals.
86. If and when IA decides to impose such conditions, it will notify the sub-Contractee as early as possible, in writing of:
- The nature of the special conditions/ restrictions;
 - The reason(s) for imposing them;
 - The method of requesting reconsideration of the conditions/ restrictions imposed.

POST AWARD REQUIREMENTS

87. The financial management systems of sub-Contractee must meet the following standards:

- **Financial Reporting:** Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant.
 - **Accounting Records:** Sub-Contractee must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to sub-grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
 - **Internal Control:** Effective control and accountability must be maintained for all grant and sub-grant cash, real and personal property, and other assets.
 - **Budget Control:** Actual expenditures or outlays must be compared with budgeted amounts for each sub-grant. Financial information must be related to performance or productivity data.
 - **Allowable Cost:** Applicable terms of sub-grant agreements will be followed in determining the reasonableness, allow ability, and allocability of costs.
 - **Source Documentation:** Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc.
88. IA may review the adequacy of the financial management system of any applicant for financial assistance as part of a pre-award review or at any time subsequent to award.

CHANGES

89. Sub-Contractee are permitted to re-budget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, certain types of post-award changes in budgets shall require the prior written approval of IA whenever any of the following changes is anticipated:
- Any revision which would result in the need for additional funding.
 - Unless waived by IA, cumulative transfers among separately budgeted lines which exceed or are expected to exceed ten percent of the current total approved budget.
 - Transfer of funds allotted for staff allowances (i.e. from. staff budget line to any other budget lines)

- Budget revision which would result in the need for additional funds
- Any revision of the scope or objectives of the project
- Need to extend the period of availability of funds.
- Changes in key persons in cases where specified in an application or a grant award

REQUISTING PRIOR APPROVAL

90. A request for prior approval of any budget revision will be in the same budget format the Contractee used in its application and shall be accompanied by a narrative justification for the proposed revision.
91. A request by a sub-Contractee for prior approval will be addressed in writing to IA. IA will promptly review such request and shall approve or disapprove the request in writing.

COPYRIGHTS

92. IA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for non-commercial purposes:
- The copyright in any work developed under a grant; and
 - Any rights of copyright to which a sub-Contractee purchases ownership with grant support.

REPORTS

MONITORING AND REPORTING PROGRAM PERFORMANCE

93. Contractee shall submit progress and terminal performance reports. However, performance reports will not be required more frequently than bi-annually. Bi-annual reports shall be due 60 days after the grant period, the terminal performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a Contractee, IA may extend the due date for any performance report.
94. Performance reports will contain, for each grant, brief information on the following:
- A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.
 - The reasons for slippage if established objectives were not met.

- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs
- Significant developments. Events may occur between the scheduled performances reporting dates which have significant impact upon the grant supported activity. In such cases, the Contractee must inform IA as soon as the following types of conditions become known:
 - Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
 - Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.
- IA may make site visits as warranted by program needs.
- IA may waive any performance report required by this part if not needed.

MONITORING AND EVALUATION SYSTEMS

95. IA shall maintain individual grantee files for recording implementation progress and details about each grantee's project. The EMEA Project Manager and his/her team shall monitor each project's progress to assess results obtained as a result of the interventions at the level of inputs, outputs, outcomes and impacts as stated in the project document.
96. IA conducts a periodic monitoring and evaluation of projects. Following the monitoring and inspection visit by IA, the grantee's project shall be classified as being in one of three states: (i) on track, (ii) off-track; or (iii) re-structured. The consequences and implications of these three states are as follows:

On track: all approved activities are taking place in line with the grant agreement and project proposal.

Off-Track: Either all or nearly all of the approved activities have not taken place on schedule and/or according to the terms of the grant agreement.

Restructured: Where the original grant agreement is found to be off-track but following consultation with the grantee, IA concludes that the project merits continued support, the evaluation team may recommend that a modified version of the project be considered. Such changes shall be made

to the original grant agreement approved by the Peer Review Team/EC and signed by both IA and the grantee.

MONITORING AND EVALUATION TEAM

97. The monitoring and evaluation team will be organized to support the project implementation progress. The team is responsible for performing the following tasks:
1. Create a framework and procedures for the monitoring and evaluation of grantee project activities.
 2. Define key project performance indicators (KPI) of grantee's projects as well as monitoring them throughout the duration of the projects
 3. Track progress of grantee projects in order to advise and recommend tools and strategies to increase project performances and results
 4. Review and analyse quarterly reports to identify the causes of potential bottlenecks in project implementation, compile the reports and submit to IA Project Manager on quarterly basis
 5. Conduct mid-term and final evaluation of grantee's project performance
 6. Narrate stories about successful projects for the purpose of knowledge management

REPORTING

98. The Grantee shall submit a semi-annual financial statement to IA in which the project costs are recorded.
99. The Grantee shall submit quarterly grant expenditure update report using reporting format and quarterly activity report using quarterly reporting format. The reports will be presented on a cumulative basis, covering the entire activity period and shall include:
- a. Major activities performed during the period
 - b. Actual delivered against Planned deliverables
 - c. Achieved outcomes compared to plan and progress towards achieving the long-term objective
 - d. The likelihood of achieving the set objectives of the project and risk factors in this respect

- e. Any proposed adjustment in the implementation of the project, including risk mitigation strategies
 - f. Monthly and Quarterly expenditures
100. The Grantee shall submit to IA a final narrative report in writing using reporting within three months after the end of the project. The final narrative report shall cover the entire activity period, be analytical in character, and include the following areas:
- a. Achieved outcomes compared to the intended outcomes
 - b. An assessment of factors that have affected the achievement of the project objectives
 - c. Lessons learned from the project on implementation, design and or other relevant aspects
 - d. An assessment of possible needs for adjustment in potential new phases of the project, including risk mitigation mechanisms
101. IA may adapt the reporting requirements and time based on the length, size and level of risk of the project.
102. IA may request additional information at any time. The requested information must be supplied within 15 days of the request. If the Grantee fails to supply the requested information, IA may terminate the grant agreement.
103. IA may use monitoring and reporting tools such as grant file checklist, Budget Monitoring and grant compliance checklist as may be required.

INSPECTION

104. The purpose of the inspection is to review the progress of the project and identify areas where assistance may be needed to achieve the project's goals. The content of the semi-annual or ad hoc inspection will be:
- 1. Ensure that the project is running according to the terms and conditions of the Sub-Grantee agreement.
 - 2. Ensure that the project milestones are performed as indicated in project action plan.
 - 3. Ensure that project funds are being used for the intended purpose and only on eligible cost components.

4. Review the level of efficiency of the Grantee in implementing the project.
5. Confirm that the Grantee is complying with the cost sharing agreement.
6. Assess the overall organizational capacity to run the project as per the agreement.
7. Review the organization's internal controls and risk mitigation mechanisms.
8. Assess the monitoring and evaluation effectiveness of the grantee.

FINANCIAL REPORTING

105. Sub-Contractee will use only the forms specified by IA in
- Submitting financial reports to IA, or
 - Requesting advances or reimbursements or report on the status of funds.
 - Each Contractee will report program outlays and program income on a cash or accrual basis.
 - IA may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the IA does not specify the frequency of the report, it will be submitted bi-annually. A final report will be required upon expiration or termination of grant support.
 - When reports are required on a quarterly or semi-annual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support period.

CLOSE OUT

106. IA will close out the award when it determines that all applicable administrative actions and all required work of the grant have been completed.
107. Within 90 days after the expiration or termination of the grant, the Contractee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the Contractor, IA may extend this time frame. These may include but are not limited to:
- Final Performance or Progress Report.
 - Financial Status Report.
 - Final Request for Payment.
 - IA will, within 90 days after receipt of reports, make upward or downward adjustments to the allowable costs.

- IA will make prompt payment to the Contractee for allowable reimbursable costs.
- The Contractee must immediately refund to IA any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other activities.

LETTER DISALLOWANCE AND ADJUSTMENTS

108. The closeout of a grant does not affect:
- IA's right to disallow costs and recover funds on the basis of a later audit or other review;
 - The Contractees's obligation to return any funds due as a result of later refunds, corrections, or other transactions;

COLLECTION OF AMOUNTS DUE

109. Any funds paid to a sub-Contractee in excess of the amount to which the Contractee is finally determined to be entitled under the terms of the award constitute a debt. If not paid within a reasonable period after demand, IA may reduce the debt by:
- Making an administrative offset against other requests for reimbursements,
 - Withholding advance payments otherwise due to the Contractee, or other action permitted by law.
110. Except where otherwise provided by statutes or regulations, IA will charge interest on an overdue debt in accordance with the prevailing National Bank rate.

OVERHEAD COST

111. A lump sum not exceeding 10% of the direct eligible costs of the Project may be claimed as indirect costs to cover the administrative overheads incurred by the Beneficiary for the Project.

PART II**PROJECT IMPLEMENTATION POLICY****PROGRAM MANAGEMENT****PROJECT PLANNING**

1. Planning is essential for the delivery of desired results. Before its inception, a typical IA Project Document already contains plans, although as it is impossible to foresee every aspect at this stage, plans are too general and they are of little use to those executing them – particularly when a project team has had no insight into background planning. Therefore, one of the most important exercises is to develop concrete plans to be used for their execution as well as, ultimately, for monitoring, control and assessment of results achieved.

ANNUAL WORK PLAN (AWP)

2. Each project document contains an Annual Work Plan (AWP) for each year of its implementation. These are prepared in accordance with a uniform IA format and on MS Project or Excel. Usually, AWP's that are attached to project documents are prepared by IA Program Manager and/ or Officers.

AWP REVISION

3. AWP's are revised quarterly and when a change occurs in project outputs/activities or budgets.

AWP ANNUAL DETAILED WORK PLANS (ADWP's)

4. Annual Detailed Work Plans (ADWP's) expand on AWP's; they cover more detail by listing sub activities and identifying annual targets at activity level. Unlike AWP's, they are operational documents, prepared by the Project Manager in close coordination with the respective Program Officer. They are mapped out just before the start of the planning year; Once agreed with the respective Program Officer, it is signed by the Project's National Coordinator (as appointed by a counterpart government or non-governmental party – National Implementing Agency) and the IA Resident Representative.

ADWP REVISION

5. ADWP's can be revised without quarterly program if:
 - project activities change;
 - donor funding alters (e.g. additional funds are given or funds are withdrawn);

6. budget revision is significant (i.e. expected expenditure is outside 10% of that planned).
7. In order to keep the changes in order, the ADWP must be on the server and cloud while every personnel with in the project get a notification of the changes. Each Change must be approved by the Project Manager, the Executive Director of IA and finally by the Donor before being finalized.

PROJECT REVISION

8. A project may be revised at any point in response to change, reflecting necessary adjustments in design and resource allocation. It also can be revised if it seems targets are unlikely to be met for justifiable reasons.
9. Project revision may be initiated by Program Officers or Project Managers in consultation with the CSO laws and stakeholders. Project revision is usually discussed at a multilateral meeting; in order to proceed, all parties must agree. Decisions are documented in a report and relevant changes are made to the project document and attachments (including AWP and ADWPs). If there is no change in a project except for the timeframe (e.g. extension), this can be formalized through a memorandum (Amharic, English). Likewise, a memorandum will be required if there is a change in the overall funding of the project with no other changes in the project (Amharic, English).

BUDGETING

PEACHTREE AND NON-PEACHTREE BUDGETS

10. AWP budget details are entered in Peachtree. The latter provides the necessary information on the budgetary status of projects. As it is often slow to respond and has practical limitations, project management may like to use a simple Excel based tracking system for income and expenditure. Formats may vary from project to project but should reflect Peachtree structures in terms of activities, numbering and budget lines, allowing comparisons to be made easily. Project managers may use any tool they deem appropriate.

BUDGET REVISION

11. To ensure sound financial management, budgets must be kept up to date. Budgets are revised, if there are changes in expected expenditures with no actual changes in outputs or activities. If outputs or activities need to be changed, this is referred to as project revision.
12. Budget revision (except for technical reasons) may be initiated by a Program Officer or Project Manager. Budget revision must be accompanied by valid justification - explaining why it is necessary. If a revision is initiated by a Project Manager, a form needs to be submitted to their Program Officer for approval. Action will then be undertaken by Program Assistants. Budgets may also be revised for technical reasons: correction of budget codes, elimination of minor discrepancies, etc. Program Assistants

may undertake such revision as long as they notify respective Project Managers and Program Officer.

SPECIAL BUDGET ITEMS AND THEIR CALCULATION

13. In order to recover its expenses, the IA HQ Office charges fees for various services. IA's Cost Recovery Policy provides a background for this. General Management Services (GMS) are levied at a percentage as per the negotiation on the grant agreement and based on 20/80 cost sharing on the CSOs law. While such agreements are managed by the HQ Office, project personnel need to be aware - in order to calculate revisions. It's important to know when GMS charges are being made, how much they are for and when they will appear in actual project budget expenditure. Project personnel are encouraged to seek advice from their respective Program Officers and Finance Department on this.

REPORTING

ANNUAL REPORTING

14. Since the reporting periods differ based on the donor's preference and project agreement:
- IA must highlight these dates on the ADWP.
 - IA service providers and partners must send in their reports 45-60 days before IA annual report deadline.
 - IA Program team and Finance team must submit the reports both financial and narrative reports 15 days before deadline.
15. All documents regarding annual reports must and need to be submitted to respective Program team and Executive director for review before submitting to donors for final approval.

PROJECT BRIEFS

16. Project briefs should be prepared during the first month of the project implementation and be updated on a quarterly basis by Project Managers or designated project personnel. Project briefs should include the following information:
- Project Background,
 - Objectives,
 - Activities
 - Expected Results,
 - Duration,
 - Location,
 - National Implementing Agency and
 - Main Partners,
 - Total Budget,

- Contact Details,
- Other information may also be added, if deemed necessary by project management.

PEACHTREE REPORTS

17. Peachtree generates reports for verification and monitoring. The most useful are:
- **Combined Delivery Reports (CDRs):** These are official expenditure reports, detailing all expenditure and encumbrances for all concerned (government, IA, donors and so on) over a given period. Once the financial year has closed, Finance department send end-of-year CDRs to Project Managers and Executive Director for verification.
 - **Project Budget Balance Reports:** These show each project's detailed financial situation, including pre- encumbrances (requisitions entered into the system), encumbrances (purchase orders) and actual expenses at activities level. It can also summarize data by project, fund and donor. Available resources are defined as budget less encumbrances (POs) and expenses.
 - **Expenditure Detail Reports:** These give a very detailed picture of expenditures by activity. They include vendors, vouchers (with description), purchase orders, accounting dates, Implementing Agents, funding, donors, accounts, analysis groups and types, invoices and payment information, payment currencies and the exchange rates.
 - **Purchase Orders Budgetary Activity Reports:** These can be used to look at open (not fully paid) and fully matched (fully paid) encumbrances charged against the project. If a Purchase Order is fully paid, then it should be closed by the HQ Office; if not, the report shows the original amount of the created PO, the amount already paid against this PO (liquidated amount), the vouchered amount (usually equal to the liquidated amount) and the remaining amount. Project Managers should regularly review this report to identify the status of POs and, where open POs exist, decide on relevant action.
 - **Payment Ledger Report:** These can be used to verify and look at the different receipts and payment orders out for a given project organized in each administration sub-budgets and project sub-budgets. All necessary receipt codes or copies must be filed accordingly for easier tracking and verification purpose.

FINANCIAL MANAGEMENT AND REPORTING

FINANCIAL ACCOUNTABILITY

18. The IA HQ can advance funds to designated institutions; the latter are responsible for ensuring spent funds fulfill agreed targets. Designated institutions must maintain records to ensure accurate and reliable reports. Advances received and disbursed must be tracked so that budget categories are not exceeded.
19. They must also maintain inventories of acquired property, containing information on all property and equipment purchased directly by the designated institution from funds advanced by IA.

ADVANCED FUNDS

20. Advances must be based on annual and quarterly work plans with a corresponding budget. They require planning and close consultation between the partners and service providers involved. IA provides funds in line with progress towards meeting targets.
21. A designated institution may request that IA distribute advances to other institutions - such as regional sub-recipients or service providers undertaking project activities in line with the work plan and budget. Fund distribution has to be approved by the IA HQ with line to the Agreement with each service provider or partner.
22. Advances are given on a quarterly basis and are forecast on quarterly or monthly expenditures, in accordance with the project work plan. Advances must not exceed the funds set out for the next quarter.
23. A designated institution may initially request an advance on the basis of the Project Cooperation Agreement (Amharic, English), an Agreement on Advances and an Appendix to Agreement on Advances with the amount of requested advance and the indication of budget lines, signed by IA and the designated institution.
24. Subsequent requests for advances are submitted to the IA HQ by the designated institution through the Financial Report, a Letter and the Appendix to Agreement on Advances mentioned above.
25. The Financial Report details two reasons for advances:
 - **Outstanding obligations:** costs are contracted for but as yet unpaid. Only obligations to be paid in the next period are eligible;
 - **Planned expenditures:** new input is to be procured and paid for during the next period.
26. Advances are usually made in the local currency. Requests for foreign currency must be previously approved by IA in accordance to a strict consideration to the request.
27. IA pays advances into the bank account or by check after of the designated institution after the institution provides with a legible receipt for the amount; this can be recorded on a special transit budget line until the Financial Report is submitted to IA by the designated institution.
28. At the end of every financial report, project or Project Cooperation Agreement, the designated institution returns any unused advances to the bank account of the IA before closing that period or agreement.

FINANCIAL REPORTS FOR ADVANCES

29. Each quarter, the designated institution prepares a Financial Report (mentioned above), recording expenditures from the current quarter against advances, calculating the remaining advance and requesting advances for the next quarter (based on the project budget). The designated institution submits the signed Financial Report, including the Appendix, to the IA HQ within 15 days of the end of the quarter.

30. Advances will be made to the designated institution by IA on receiving a signed and completed Financial Report containing all details of expenditures made against the previous quarter's advance. Before submitting the Financial Report, the project management must ensure that resources are available in the budget and that the requested advance does not exceed the funds reasonably required to cover costs for the next three months.
31. IA also reviews the financial report and verifies that resources are available and correspond to the work plan. It verifies the use of funds for the previous period and whether progress is being made towards the achievement of targets.
32. The designated institution should be contacted if a financial report has not been received within 15 days of the end of the reporting period, and after 2 warnings, the advance payment received by the institution and also the project will be terminated with the respective institution

PETTY CASH

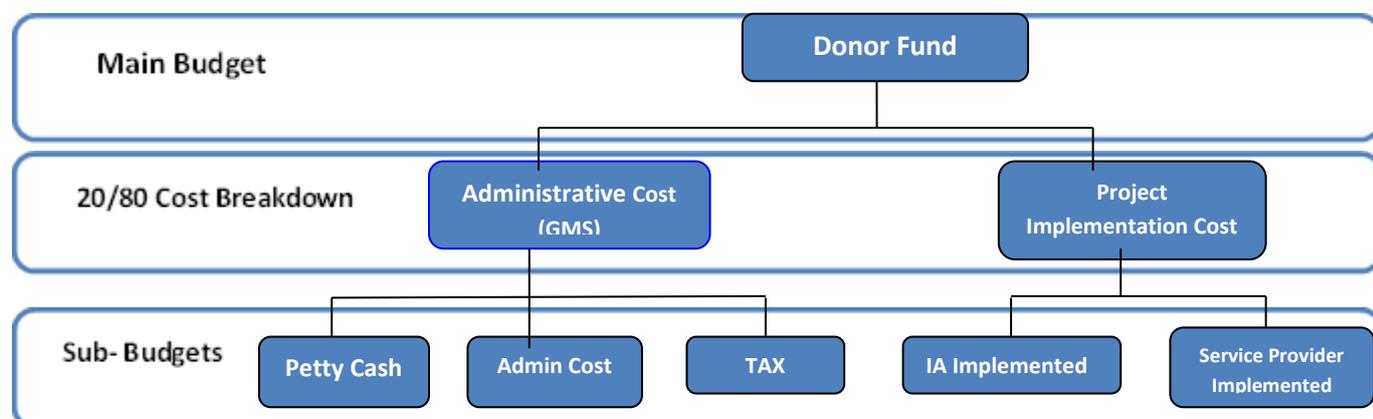
33. Where possible, payments should be made by check or bank transfer. If this is impractical, petty cash can be advanced for minor expenditures. However, advances, salaries, overtime and allowances must not be made from petty cash.
34. A check for petty cash can be drawn in Ethiopian Birr (ETB) for an amount not exceeding USD 200 in ETB equivalent. All cash payments from this source should be made in local currency up to the equivalent of USD 40 per individual payment. A clear payment ledger must be kept by the Finance Assistant or Petty Cash Custodian, nominated by the Executive Director, showing all petty cash transactions. All payments must be clearly recorded in sections in which the payment has been made for (Administrative or project sub-parts).
35. When submitting a request for replenishment, the Finance Assistant/ Petty Cash Custodian must submit the original petty cash ledger as supporting documentation alongside official receipts and invoices for each transaction. Replenishment is given in ETB. The amount needed must be indicated with the name of the Finance Assistant or Petty Cash Custodian (his/ her data should be presented). The budget account used for petty cash advances must be indicated.
36. Petty cash is advanced for a period of 15 days; a financial report should be submitted to the HQ at the end of 15 days. No further resources can be advanced until the petty cash book/ ledger is submitted with supporting documents for the previous advance. If a custodian doesn't submit their petty cash report in time, the Finance head has the right to deduct the advanced money from the Custodian's (whoever relevant) salary. The petty cash report should be provided to respective department for verification and signature. If someone is receiving petty cash for the first time, the Custodian should provide an internal memo, describing the rules and procedures.

CHART OF ACCOUNTS

37. The Chart of Accounts provides the foundation of the PEACHTREE financial system - for control, budgeting and reporting. It must be used correctly to ensure accurate financial, www.initiativeafrica.net

management and donor reporting. Project staff dealing with financial aspects of projects should have a good understanding of the chart-fields and their purpose.

The chart-field structure of the PEACHTREE Chart of Accounts is described in the following chart:



MONITORING

38. Project personnel need to monitor contract performance, ensuring that terms and condition of procurement are met. If a serious deviation from contractual terms occurs (such as delivery or quality), this should immediately be communicated in writing to the service provider which will turn into a termination of the contract if no change is seen by the revised deadline.

PAYMENT

39. In accordance with IA general procurement guidelines, payments are made on delivery. All Requests for Direct Payment (RDP) must be supported by an original Acceptance Receipt and Payment Request.
40. Program officers must screen all RDPs to ensure a signed payment requests and legal Acceptance receipts exists. RDPs for advance payment can be accepted where unavoidable. However, advance payments should be minimized; in such cases, Project Managers are responsible for the prompt submission of Acceptance Receipt and Payment request to Program Assistants on receipt of goods/ services.
41. Finance Unit staff have final control over Acceptance Receipt and Payment request. A monitoring table, containing a list of missing receipts and reports, can be found at Documents/ Finance/ Missing Documents. Any exceptions must be requested and reviewed on an individual basis.

ASSET MANAGEMENT

ASSET DESCRIPTION

42. Equipment refers to manufactured and semi-manufactured goods, raw materials and other supplies that are needed to meet IA project targets. They can be categorized as follows:
- **Non-expendable equipment** is valued at USD 50 or more and has a life of more than 1 year.
 - **Expendable equipment** is worth less than USD 50 and has a life of less than 1 year.

ASSET ACQUISITION AND TRANSFER

43. Equipment can be acquired by purchase, transfer or donation. That financed or provided by IA belongs to IA unless and until such time as ownership is transferred to the government or to an entity nominated by it. Ownership of equipment purchased with IA funds is usually transferred to the recipient nominated in the Project Document. Otherwise, transfer can be made upon a decision by the Multilateral Review Meeting.
44. If an agreement has been reached regarding transferal, an Exchange of Letters will be prepared for signature by IA and the designated entity to have copies distributed to stakeholders and office of government overseeing assets depending on the size and type of equipment.
45. Before equipment is transferred, depreciation (when equipment is not new) must be calculated on a case by case basis. The lifespan of common items is categorized as follows:
- Typical office items that run on electricity (computers, printers, scanners, copiers and fax machines) – 3 years
 - Large machinery (generators and air conditioners) – 20 years
 - Furniture – 10 years
 - Vehicles – 5 years or 100,000 kilometers, whichever comes first
46. Equipment may be temporarily transferred to a designated institution for project activities. Normally, designated institutions are nominated in the Project Document; however, they may be additionally identified during implementation, in line with work plans.
47. Temporary equipment transfer requires the following documents: An Agreement on Temporary Equipment Transfer and an Exchange of Letters signed and stamped by IA and the designated entity. For inventory purposes, all equipment provided by IA should be clearly and visibly marked “IA” and have a special inventory number -automatically generated by the IA Inventory guideline.
48. Equipment which has not been transferred from IA’s ownership will remain so until formally disposed of in one of the following ways:
- Transfer to entities identified in the Project Document or otherwise

- Transfer to another project - with confirmation from IA and National Implementing Agencies on the basis of an Internal Exchange of Letters.
49. Equipment may be temporarily kept under IA custody for no more than nine months - after which, a final decision should be made on its disposal or transfer.

ASSETS DISPOSAL

50. Assets procured under IA projects, may be disposed due to its destruction, obsolescence or normal wear and tear confirmed by technical documents from customer service centers:
51. For equipment valued less than USD 2,500 or equivalent to it in ETB, this can be done by using a Letter of Equipment Disposal duly certified by the respective Office Administration and approved by the Executive Director.
52. For equipment valued over USD 2,500 or equivalent to it in ETB, any disposal should be cleared by the board of directors. In such cases, a special request for asset disposal is prepared by the office administration and submitted to the IA Executive Director for approval. Once the case is cleared by CAP, the Project management will receive an appropriate communication (a copy of the original request duly signed by the UNDR Resident Representative). The equipment concerned then is moved to IA's custody to execute the decision of the CAP.

MANAGEMENT OF EQUIPMENT

53. The project is responsible for ensuring equipment and supplies procured with IA funds are used strictly for the purposes of the program or project, as described in the Project Document. Each project is responsible for maintaining complete and accurate records of all expendable and nonexpendable equipment.
54. Projects must ensure that equipment is kept in good working order. In case of damage, theft or loss, the project must provide IA with a report (including a police report) giving full details of the events leading to the damage and/or loss of the equipment. The report will be used for an insurance claim and/or for disciplinary action if necessary.

PROJECT CLOSURE

A- OPERATIONAL COMPLETION

55. A project is operationally complete when the final IA-financed inputs have been provided and all planned activities have been completed in accordance with the Project Document and AWP/ ADWPs. In order to operationally close a project, project managers must ensure that the following reports are submitted to the IA Program Unit.
56. Final **Project Review** is conducted in the final quarter before project closure; this includes a results assessment and progress made towards targets. The Executive Director, the Project Manager, and Program Officer are responsible for submitting this report in a timely manner using Progress Report as a template.

57. Lessons ***Learnt Report*** assesses the bottom-line results and progress. The Project Manager should log lessons in a specially designed form and submit a brief overview of any problems which arose within the project and how they were resolved. They can also list successful outcomes and give suggestions for future improvement. The respective Program Manager is responsible for ensuring the report is submitted in a timely manner.

B- FINANCIAL COMPLETION

58. A project is considered to be financially complete when all financial transactions have been reported. In order to financially close a project, Project Managers should ensure the following are done:
- **Payment advances:** if a project was financed through advances, a final Financial Report has to be submitted to the Program Manager. An unused balance against received advances must be returned to IA's project balance from service providers / Institutions.
 - **Petty cash:** if a project used petty cash advances, a final Petty Cash Report/ ledger has to be submitted to the Finance department head for verification. An unused balance against petty cash advance must be returned to IA's project balance.
 - **Transfer of Assets:** equipment purchased for the project is usually transferred to the ownership of recipient institutions nominated in the Project Document. Alternatively, equipment transfer can be agreed by a Multilateral Review Meeting.
 - **Donor Report:** if a project was financed by donors, a Final Donor Financial Report must be submitted to Program Assistants for certification. The unused cost sharing balance must be refunded to the donor by IA HQ Office.
 - **Project Documents/ Files:** documents, files and other materials kept on project premises must be transferred to the IA HQ from service providers and offices in accordance with the check list. A list of transferred documents, files and materials must be certified by the Project Manager and Program officer.
 - **Final CDR:** this report is generated by the IA HQ to ensure that all financial transactions are recorded against the project and incurred expenditures are in compliance with approved AWP/ADWPs. The final CDR must be signed by the Executive Director and submitted to the respective Donor.
59. The Executive Director, the Project Manager, and Programmed Officer are responsible for the timely preparation and submission of all reports. Finance Department will be overlooked by the program department to submit the financial report in time.
60. A project must be financially closed within one month of being operationally completed. The Project Manager should ensure personnel contracts are extended to cover this period, enabling completion to be finalized. A contingency reserve should be included in the project budget to cover such costs.

PROJECT AUDIT

INTERNAL AUDIT

61. Internal audits aim to examine the accuracy of financial data within a project over a certain period. Usually, it is undertaken by IA Finance Department staff at least once within a project's implementation period.
62. During an internal audit, the following will be checked:
 - cash advances;
 - equipment;
 - inventory records;
 - document archiving;
63. Project personnel should provide access to all documents and materials requested during the audit. Internal audit reports must be kept in files on the project. In assessing a Project Manager's performance, an assessor should refer to the conclusions of the internal audit, if available – since these helps determine the quality of management over the project.

EXTERNAL AUDIT

64. External audits aim to check that project resources advanced to organizations and entities are spent as agreed – to meet targets in the Project Document and Annual Work Plans. Project Managers should ensure that, if an external audit is necessary, costs are allocated for this in the project budget and will be covered by IA. Program Assistants can supply estimates.
65. An external auditor is designated by the proposal they submit according to the TOR IA releases. Executive Director is notified accordingly and they must take responsibility for ensuring necessary documents and materials are available with the finance team. Once an external audit is completed, a copy of the report will be sent to the program team, donor and relevant government office for necessary action, if any, and inclusion in the files of the project.

COMPLAINT ON GRANT PROCEDURE

APPLICATION

66. Any applicant aggrieved by the process, may file a protest with IA. Such letters should be addressed to the IA Head Office. Letters will be kept on file. It is the Executive Director and Program Manager to act on complaints. This process is governed by the IA

Procurement Manual. The Executive Director and Program Manager may suspend or terminate a contract pending investigation. Project personnel are notified accordingly.

67. **Grievance Hearing** - In order to be considered for proposal evaluation, Applicants may submit their grievance in writing to IA within 5 days after receiving letter of ineligibility. The written grievance should be sent to IA-EMEA manager. IA will have 10 working days from the receipt of the grievance to respond and resolve. If the applicant is not satisfied with the proposed solution the applicant has five days to file an appeal to Grievance handling committee in writing. The committee will investigate the application and send recommendations for final decision to the EC within 10 working days after receiving the grievance application. The decision of the EC will be final and binding.