

WACIP

West African Cotton Improvement Program

Grants Procedures Manual

Submitted by:



An International Center for Soil Fertility and Agricultural Development

IFDC/Mali
Bamako, Mali

To the:

The United States Agency for International Development
(USAID)

USAID/West Africa
Accra, Ghana

January 10, 2008

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List of Acronyms

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| C-4 | The “cotton-four” countries of Benin, Burkina Faso, Chad and Mali |
| COP | Chief of Party |
| CC | Country Coordinators |
| CTO | Cognizant Technical Officer (USAID) |
| EA | Environmental Assessment |
| GC | Grants Committee |
| GM | Grants Manager |
| IFDC | An International Center for Soil Fertility and Agricultural Development |
| IEE | Initial Environmental Evaluation |
| IPM | Integrated Pest Management |
| NGO | Non-Governmental Organization |
| OMB | Office of Management and Budget of the US Government |
| PA | Program Administrator |
| PC | Procurement Committee |
| PM | Program Manager |
| USAID/WA | United States Agency for International Development West Africa Mission |
| WACIP | West African Cotton Improvement Program |

1 INTRODUCTION

In December 2006, The U.S. Agency for International Development West Africa Mission (USAID/WA) awarded a cooperative agreement to IFDC (an International Center for Soil Fertility and Agricultural Development) to implement the West African Cotton Improvement Program (WACIP). The goal of this three-year project (Dec 2006-November 2009) is to assist the “cotton-four” (C-4) countries of Benin, Burkina Faso, Chad and Mali to increase cotton yields and improve sales and income in the cotton sector. The project aims to accomplish the following:

- Increase productivity of cotton, the quality of cotton lint, and farmers’ income from cotton and other crops in the cotton rotation;
- Improve value addition by exploiting niche processing and marketing opportunities for cotton-based products; and
- Create momentum for longer term policy and institutional changes that will encourage investment and value-addition.

The WACIP implementation is lead by IFDC, in partnership with Abt Associates, Aid-to-Artisans, Auburn University, Michigan State University, and Tuskegee University. The project headquarters is in Bamako, Mali, and its activities take place in all four countries. For additional information on the WACIP program please refer to the WACIP project brochure describing the project.

Many WACIP activities will be undertaken through grants to stakeholders active along the cotton value chain in West and Central Africa. The grants will be designed to strengthen the capacities of national and regional partners to play a role in a reinvigorated, competitive cotton sector. Activities undertaken will be based on mutual interest in achieving WACIP objectives and targets.

1.1 Roles and Definitions

- 1.1.1 **Applicant:** An organization applying to WACIP for a grant.
- 1.1.2 **Recipient:** An organization awarded a grant by WACIP.
- 1.1.3 **Country Coordinators (CCs):** The CC is the WACIP representative in the C-4 country. For most grants (e.g., national), the CC serves as the WACIP point of contact for the grant recipient within the country of operation. The CC assists in the development of the WACIP work plan for the C-4 country where s/he is based, and in the identification and assessment of potential grant recipients. The CC drafts the initial *Activity Procurement Memo*, laying out the argument and evidence for WACIP’s choice for how to finance each activity under their purview, and submits that memo to the WACIP Procurement Committee. S/he provides the initial review of applicant concept notes and grant proposals, and submits appropriate forms to the Grants Manager (GM). Once grant applications are evaluated by the Grants Committee, the CC can work with the applicant to clarify the requested changes. Once the grant application is approved by the WACIP Chief of Party

(COP), the CC then drafts the grant agreement, ensuring that it meets the content and formatting requirements laid out in the grants application description provided by the Grants Manager. If and when the grant is approved, s/he provides ongoing support to grant recipients to ensure proper compliance with the terms of the grant agreement. In particular, the CC monitors implementation to make sure the grant recipient delivers on contracted outputs and results in a timely manner.

1.1.4 **Grants Manager (GM):** The GM is responsible for developing the general objectives and modalities of the grants program and ensuring the flow and administration of grants procedures according to this manual. The GM drafts guidelines, procedures, and forms for grants applications and is responsible for the training of the CCs as well as potential grant applicants in the modalities of WACIP grants application, monitoring, and reporting processes. The GM receives grant concept notes and applications from various sources, including CCs, public solicitation processes, and regional organizations. Through interactions with the WACIP teams and grant applicants, s/he develops these grant documents for review by the Grants Committee (GC), the WACIP Chief of Party and, as appropriate, IFDC and USAID. If and when a grant is awarded, the GM manages and monitors the grant, including assuring proper reviews of grant outputs and deliverables by appropriate WACIP staff. The GM also organizes reports on the status of grants in the pipeline, as well as ensuring that all necessary legal records pertaining to each grant are organized and made available to IFDC and, as requested, to USAID. It is recognized that, given the size and complexity of the WACIP grants program, these tasks may require additional support, in which case the GM is responsible for overseeing that they are executed in compliance with this manual.

1.1.5 **Procurement Committee (PC):** The PC will conduct a rigorous evaluation to determine the best way to procure each activity in the USAID-approved work plan. The options for procurement include: competitive and uncompetitive grants, work orders to external service providers, direct expenditure by WACIP US-based sub-grantees, or direct expenditure by WACIP country offices. The PC is chaired by the Program Administrator and will be composed of:

- The Program Manager (PM), once hired, will identify the key elements of the activity that can be carried out by different implementers, and describe the basic capacities required for carrying out those tasks. The GM or COP may substitute for the Program Manager until such a person is hired.
- The Activity Point Person, a WACIP staff member appointed by the COP at the time of work planning, drafts the *Activity Procurement Memo*, which recommends which type of contract should be used to finance the activity identified by the PM.
- The Project Administrator draws from the input provided by the Activity Point Person and Program Manager and his/her own knowledge of IFDC contracting modalities in order to recommend an activity procurement strategy to the COP for final approval.

1.1.6 **Grants Committee (GC):** Each grant application will be reviewed by the WACIP Grants Committee using a uniform set of criteria and procedures. The GC is chaired by the GM; the actual composition will vary depending on the topic and size of the application. For simple and small grants (typically less than \$25,000), the evaluation will be carried out by the GM, a representative of WACIP's finance and administrative team, and the Program Manager (or COP, in the absence of a Program Manager). For larger and more complex grants, the GC can be expanded to include :

- The GM (chair). The Chair will organize and manage the flow of information preceding, during and following the committee sessions and assemble the final grants recommendation for rapid submission to the COP. S/he is responsible for integrating the different types of evaluations given by the various members (technical, environmental, gender & vulnerability, financial, etc).
- WACIP technical staff not from the country of the grant applicant. The role of this person is to ensure that the activity proposed meets the highest standard of technical excellence possible, as well complying with environmental conditions laid out in the WACIP Initial Environmental Evaluation (IEE), Environmental Assessment (EA) and Bio-safety Review. This person (or persons) will be selected from the WACIP implementing team, including 1) the Program Manager, 2) Country Coordinators or Assistant Coordinators from other than the county of the activity, 3) staff from the US-based partners: Abt Associates Inc, Aid-to-Artisans, Auburn University, Michigan State University, and Tuskegee University, and 4) WACIP consultants or other external reviewers well enough versed in WACIP modalities to professionally review the proposal.
- The monitoring and evaluation specialist, who will assure coherence with WACIP's objectives, annual work plans, and targeted results indicators
- The gender specialist, who will be responsible for assuring that grant proposals address WACIP's crosscutting themes gender and disadvantaged persons.
- A specialist in finance and administration, who will ensure the budgets are realistic and comply with IFDC procedures, and that procedures for funds disbursement are acceptable.
- The WACIP Program Administrator, who will certify that all appropriate financial, administrative, contractual, and grant-making procedures have been respected.

The COP is not a formal member of the GC, but will be kept apprised of the grants under consideration, and consulted as needed in the course of the review.

Members of the GC review each grant application submitted by the GM. To minimize burden and maximize accuracy, not all members will be asked to review all parts of the grant application and instead, will focus on areas of their specific competence (e.g., financial staff focuses on grant budgets).

Based on that review, the committee proposes to the COP that the grant application be 1) rejected, 2) revised and re-evaluated, or 3) approved.

- 1.1.7 **Chief of Party (COP):** The WACIP COP is the legal representative of IFDC for the implementation of the WACIP project. In this capacity, the COP 1) submits the final proposed WACIP Grants Manual to USAID for approval, 2) approves or rejects concept notes received for unsolicited proposals, 3) approves the composition of the GC for each grant, 4) reviews each grant application proposed for approval or rejection by the GC and, if necessary, requests further consideration, 5) determines which GC-approved proposals should be submitted to USAID for final approval (i.e., the COP has a veto power), 6) when necessary given the size or topic and/or environmental implications of the grant, arranges for IFDC and USAID review and approval of the grant. The COP will represent WACIP in formal communications with the grantees and USAID concerning WACIP grants.
- 1.1.8 **Program Administrator (PA):** The WACIP PA is responsible for assuring that appropriate financial, administrative, and contractual systems are developed, implemented and monitored within the WACIP project. The PA will ensure and certify that the application of these procedures is respected at each stage of the grant-making process. S/he provides financial and contractual guidance in developing grant-making procedures, such as developing this manual as well as accompanying forms and training materials to implement the concepts herein. S/he 1) certifies the recommendation of the Procurement Committee as described in the *Activity Procurement Memo* and 2) as a member of the GC, takes responsibility for certifying the financial and contractual integrity of the grant agreement.
- 1.1.9 **USAID Cognizant Technical Officer (CTO):** According to the WACIP contract modification #1, USAID is responsible for approving the Grants Manual (this document) and individual grants. With the agreement of USAID, this provision is interpreted to mean that 1) grants of greater than \$100,000, and 2) other grants that involve pesticides or biotechnology/biosafety before the final approval of the USAID Environmental Assessment (for pesticides) or Biosafety Review (biotechnology/biosafety). This responsibility will be fulfilled by the USAID CTO for the WACIP project.
- 1.1.10 **Other Organizations:** Given the large size of the WACIP grants program, and the small size of many individual WACIP grants (due to the limited absorptive capacity of WACIP partners), WACIP may engage the specialized services of either private sector firms or local NGOs to assist with preparing grants dossiers, conducting initial reviews for WACIP analysis, assuring follow up, and training partners. In all cases, the work of outsiders will follow the procedures laid out in this manual and will be quality-controlled by the appropriate WACIP staff (usually the GM or Project Administrator).

2 PROGRAM POLICIES

Within the context of the overall project, the WACIP Grants Program focuses on strengthening the capacity and performance of organizations and institutions critical to the successful development of the cotton sector. Consistent with the overall WACIP project, the grants will fund interventions that are directly linked with the planned activities found in the WACIP annual work plan and the targeted indicators found in the WACIP monitoring and evaluation plan.

2.1 Eligible Organizations

2.1.1 All grantees must be legally recognized as active local, national or regional organizations within the C-4 countries with capacities in the WACIP intervention areas and the ability to accomplish the proposed activities. Under special circumstances, grants may be made to other organizations not based in these countries. WACIP will ensure that funds are made available to a wide range of collaborators and cotton sector partners in production, processing and transformation, transport, credit, policy, and grades and standards. The following types of organizations will be considered eligible for WACIP grants:

- Inter-professional associations operating in the cotton sector
- Regional bodies with relevance to the cotton sector
- Agricultural research institutions
- National cotton sector reform committees
- National regulatory organizations for bio-safety
- Universities and schools capable of supporting the development of the cotton chain
- Agricultural input dealer associations
- Producer and trade associations
- Associations representing cotton companies
- Associations representing cotton value-added industries (industrial and artisanal; lint and co-products)
- National and local NGOs capable of supporting the development of the cotton chain
- Private firms capable of supporting the development of the cotton chain.

Other types of organizations may be added to this list with the *ad hoc* agreement of the USAID CTO.

2.2 Eligible Activities

2.2.1 The general characteristics of WACIP grants activities are as follows:

- They should contribute to realizing the objectives, activities, and results described in the WACIP work plan.
- They should take place in one or more C-4 countries or be of a nature that they directly contribute to attaining the project objectives in C-4 countries.
- They should comply with the process and terms laid out in the USAID - approved WACIP Grants Manual. As such, grants are selected and evaluated subject to a stringent internal and external review process with clearly defined criteria.

2.2.2 The following are illustrative examples of the types of activities that will be considered for funding under the grants program:

- Technology transfer and participatory learning activities by and with farmers, ginners, input dealers, and other key players in the cotton value chain,
- Seminars, workshops, consultative committees and training programs,
- Developing partnerships and leveraging support with the private sector,
- Specific action-oriented diagnostics, studies, and assessments,
- Study tours, trade missions, and short term technical training,
- Communications (e.g., technical and promotional leaflets, education campaigns, newsletters, radio programs and broadcasts, web page design and support),
- Enhancing access to information (e.g., trade literature, trade statistics, subscriptions to professional literature, and market intelligence reports),
- Organizational and member service strengthening for producer, artisan and trade groups,
- Computers, software, laboratory and other technical equipment, and
- Other activities recommended by the GC and found appropriate by IFDC and USAID.

2.3 Ineligible Activities

2.3.1 Grant funds may not be used for:

- Payment of salaries, except for specific WACIP-related and WACIP-approved functions (see section 3.4.5);
- Ceremonies, parties, celebrations or ‘representation’ expenses, with the exception of receptions associated with WACIP events;
- Purchases of motor vehicles;
- Purchases of goods or services restricted or prohibited under AID regulations, including but not limited to the following: agriculture commodities, pharmaceuticals, pesticides, fertilizers, used equipment, weather modification equipment, luxury goods and gambling equipment;
- Purchases of goods or services restricted under USAID source/origin or other regulations; or from countries or suppliers as may be identified by the USAID consolidated list of debarred, suspended or ineligible contractors;
- Purchases or activities unnecessary to accomplish the grant purpose as determined by the grants manager.
- Unallowable costs such as previous obligations, bad debts, fines, penalties, and other costs as stipulated under USAID regulations.
- Financing of activities that are prohibited under US government regulations including, among others, any terrorist related activities, prostitution, and child labour.

2.4 Time and Funding Limitations for Grants

- 2.4.1 The time period for submission of grant applications will be announced for each call for proposals. Non-solicited concept notes can be submitted at any time.
- 2.4.2 No grant application will be considered for retroactive funding. Grantee expenditures which occur prior to the grant activity start date or after the grant activity completion date will be disallowed, except under the very specific case of unavoidable administrative delays in the finalization of a long-discussed grant, as certified by the COP.
- 2.4.3 The total maximum amount of a single grant may not exceed \$500,000. Exceptions may be proposed by the COP to USAID for approval.
- 2.4.4 A grantee may not be awarded more than \$500,000 during any single calendar year. Exceptions may be proposed by the COP to USAID for approval.
- 2.4.5 A grantee may receive more than one WACIP grant provided that 1) all completed grants were implemented successfully, 2) the total of outstanding grants does not exceed \$500,000 at any single time, 3) the GM judges that successful progress is being made in delivering the outputs in existing grants, and that accordingly, another grant will not threaten the grantees’ capacity to continue delivering results.
- 2.4.6 To comply with the US Office of Management and Budget (OMB) 133 related to formal audit requirements, IFDC will, when necessary, include ‘audit costs’ in the approved grant budget.
- 2.4.7 A grant is not officially completed until the Final *Grant Activity and Financial Reports* as well as other deliverables as described in the grant agreement have been submitted to, and accepted, by the GM.

2.5 Grant Financing

- 2.5.1 IFDC adheres to the USAID policy stating that assistance activities should be designed, and agreements negotiated, to incorporate the largest reasonable and possible financial participation of the recipient. The applicant applies for WACIP grant funds in order to supplement funding obtained externally from other donors (co-funding) or internally from their own resources (cost-sharing). Accordingly, grant recipients will be expected to contribute from their own resources or other non-grant resources not less than 10% of the total activity budget. This contribution may be met through cost-sharing, co-funding, or some combination of the two. The nature and amount of this contribution must be clearly defined in the grant application and accompanying budgets.
- 2.5.2 WACIP reserves the right to contact co-funding agencies to seek clarification concerning their participation in the related activities.
- 2.5.3 If an applicant is able and willing to contribute office space, equipment, staff-time, and/or other resources on behalf of his/her organization, a reasonable and fair value should be imputed to this contribution so that it can be properly recognised as a cost share.

3 GRANT AWARDING PROCEDURES

- 3.0.1 WACIP seeks the highest level of transparency, competition and rigor in allocating project resources.
- 3.0.2 WACIP separates the identification, selection and design of work plan activities from the execution of those activities. The WACIP team develops its annual work plan based on input from National Advisory Committees, cotton sector stakeholders, technical experts (including members of the WACIP implementing team), and USAID. Once the work plan is approved by USAID, the WACIP team, under the final authority of the COP, determines the best way to implement the activity, including making an evidence-based decision on how to finance the activity. WACIP staff prepare an *Activity Procurement Memo*, recommending which types of contracts should be used to finance the activity: grants (competitive, uncompetitive), work orders to external service providers, direct expenditure by WACIP US-based sub-grantees, or direct expenditure by WACIP country offices. (See staff roles in section 1.1.5). The choice depends on the fundamental nature of the activity as well as the capacity of the organization to responsibly manage the funds.
 - Grants are best suited to activities designed to accompany a cotton sector organization in accomplishing its formal mandate. Typically, this will be for activities that it has proposed or requested (perhaps through an unsolicited proposal, or included in its strategic plan), and for which is has the capacity to execute directly, itself, rather than bringing in outside service providers.
 - Direct funding (coded as Specific Program Activities Funds in the WACIP budget) is more appropriate for cases where:
 - The best providers of the services to carry out the activity are found outside the cotton sector organizations that WACIP is trying to

directly strengthen, or in the private sector, and thus unable to meet the co-financing terms involved in WACIP grant making; or

- The target beneficiary groups lack a legally recognized organization or the capacity to responsibly manage the funds, such as small producer or artisan groups. This can also be the case for complicated cross-border activities, where there is no logical partner to coordinate the activity. In such cases, WACIP staff coordinate the activity directly.

3.0.3 Once the decision has been made to procure an activity using the WACIP grant mechanism, the procurement committee must also determine whether the grant should be awarded using a competitive or non-competitive process. A competitive process will be used when the activity can be implemented by any one of numerous existing organizations whose skills and capacities are similar and not unique or proprietary. A non-competitive process will be used when the specific purpose of the grant is to strengthen the capacity of an organization that has a unique and acknowledged role in the cotton sector of a C-4 country or when the organization is the only one capable of implementing a particular activity in a particular country. Approximately three-quarters of WACIP grants are likely to be non-competitive because they are either a) unsolicited awards, b) exclusive or predominant capability awards, or c) small grant awards.

3.1 Competitive Awards

- 3.1.1 Grants applications may be solicited through an open solicitation (call for proposals) to support a variety of creative approaches to implement the activities in the annual work plan.
- 3.1.2 Grant competition announcements will be published in the main C-4 newspapers and sent to potential applicants identified by the Project. Detailed information (request for award and application instructions) will be available in the Project offices in each of the C-4 countries.
- 3.1.3 The criteria for evaluating competitive grants will be the same as those used for non-competitive grants.

3.2 Non-competitive Awards

- 3.2.1 It is envisioned that the majority of WACIP grant funds will be allocated through non-competitive mechanisms that are compliant with USAID guidelines governing grants and cooperative agreements to non-governmental organizations (USAID's Automated Directives System Chapter 303.3.6.5). This is for several reasons. First, given the high visibility of WACIP, many organizations are expected to submit unsolicited proposals. Second, most of the major organizations and institutions capable of partnering with WACIP are unique in their domains. In the C-4 countries many of the major regional and national cotton sector companies, research and extension service, input suppliers, ginners, and weavers, have been organized under state auspices and

protected from similar, competing entities. As a result, the existing major cotton institutions have developed exclusive responsibilities in their respective areas of intervention and demonstrate predominant capability that no other national or regional organization possesses. Third, given the absorptive capacity of many of these nascent organizations, many of the WACIP's grants will be small and going through competitive process for each would be cumbersome and not cost-effective.

3.2.2 Unsolicited Applications. WACIP may make a grant award based on an unsolicited application, without the benefit of competition, where the application has the following characteristics:

- Clearly presents a unique, innovative, or proprietary program; and
- Represents an appropriate use of USAID funds to support or stimulate a public purpose.

To qualify as an unsolicited application, the applicant must present the idea to WACIP solely on the applicant's initiative, without prior formal or informal solicitation from WACIP. The WACIP GM must ensure that the WACIP files document that no one from WACIP solicited the application by asking the WACIP staff member closest to the applicant (typically the Country Coordinator) to sign a form of that effect. The GM must also ensure that the grant committee indicates that the application is considered unique, innovative or proprietary. WACIP requires that applicants submit concept notes prior to formal proposals for unsolicited ideas so that WACIP has a chance to adjust internal schedules and budgets or, in the event that the idea is rejected outright from the start, manage partner expectations.

3.2.3 Exclusive or Predominant Capability Applications. WACIP may receive non-competitive applications when the potential recipient is considered to have exclusive or predominant capability based on the following criteria:

- Proprietary capability;
- Specialized facilities or technical expertise;
- An existing unique relationship with the cooperating country or beneficiaries; or
- Participation in a Global Development Alliance.

In the event that WACIP accepts to fund a grant uncompetitively based on the grantees "Exclusive or Predominant Capability", the *Activity Procurement Memo* must describe in sufficient detail the uniqueness of the proposed recipient and how it applies to the proposed activity. The justification must also describe what other options WACIP explored before accepting the application.

3.2.4 Small Grant Applications. WACIP may consider non-competitive applications for awards of less than \$100,000. Such awards may not be amended to increase the sum beyond \$100,000. The Activity Procurement

Memo must explain how the proposed award fits the exception. The WACIP GM may propose to bid out a small grant if there are many capable actors or if the objective is indeed to build a spirit of competition in the given domain.

3.3 Concept Note

- 3.3.1 WACIP seeks to streamline the grants process while maintaining transparency and managing partner expectations. Organizations wishing to propose an unsolicited grant must submit an initial concept note consistent with the terms laid out in the *WACIP Guide de demande de subvention – 2007* (or subsequent updates).
- 3.3.2 WACIP staff will not engage in discussion concerning the substance of the concept note. They can, however, contact the applicant to request further documentation if the dossier is incomplete.
- 3.3.3 In brief, the concept note should not to exceed two pages and should include a budget and technical narrative that outlines the i) Objectives/Basis/Strategy, ii) *Beneficiary Population and Geographic Range of the Program*, iii) Development Plan and Activity Description iv) Expected Impact v) Technical/Administrative Capabilities in Proposed Work Area - and vi) Environmental implications. Concept notes must also include a budget with brief cost breakdown that allows assessment of cost effectiveness and realism. Additionally, if the approach includes plans to award sub-grants, the applicant should identify the scope, mechanism and budgetary amounts.
- 3.3.4 Concept papers may be submitted in either French or English language.
- 3.3.5 Concept papers may be submitted to any WACIP office. The appropriate Country Coordinator(s) will fill in an appropriate form evaluating the technical merits, cost effectiveness, and cost realism of the proposed grant, and previous work and experience of the applicant. Country teams will send the evaluation form and concept paper to the GM and COP for permission to invited applicant to submit a full proposal in the format described in the section below.
- 3.3.6 An applicant will be invited to submit a full, non-competitive proposal to WACIP if the proposed activity is eligible for funding, the proposing organization is eligible to receive a grant, and the proposed activity corresponds to the Work Plan in terms of spirit, timing, scope, and the budgetary resources available.

3.4 Grant Applications

- 3.4.1 All grant applications, whether solicited competitively or non-competitively, or unsolicited, are based on the same proposal and review procedures.
- 3.4.2 WACIP grant applications include a technical proposal and a cost proposal submitted in either French or English language.
- 3.4.3 In general, technical proposals should address how the applicant intends to carry out the program and clearly describe the work to be undertaken and the responsibilities of all parties. This section should provide a complete overview of the program design and implementation, and be a stand-alone representation of the proposed program. The proposal should also provide a detailed description of how the progress and achievements of the program will be monitored, measured and assessed. The technical approach should also

demonstrate how the applicant intends to address WACIP's cross-cutting issues and environmental responsibilities. The proposals shall take into account the technical evaluation criteria as outlined in the Grants Manual, Section 3.6.2.

- 3.4.4 Technical Proposals for Awards should include:
- a. Cover, Table of Contents, and Acronyms;
 - b. Project Abstract not to exceed one page;
 - c. Statement of Problem: the specific problems the applicant seeks to address and how it is related to WACIP objectives, work plan and targets;
 - d. Overview of Proposed Activities;
 - e. Justification for Grant Funding: how the use of grant funds for the proposed activities contributes to overall effort to increase the welfare of cotton farmers;
 - f. Qualifications and Past Experience of the Organization: a description of the grant recipient organization's mandate, legal status, geographic coverage, membership, major activities (especially those of a related nature), and capacity to address the problem identified;
 - g. Technical Approach: a detailed description of the activities, roles and responsibilities in sufficient detail to thoroughly understand use of funds.
 - h. Expected Deliverables: reports and other outputs.
 - i. Anticipated Results based on WACIP Indicators;
 - j. Monitoring and Evaluation Plan; not to exceed two pages;
 - k. Time Schedule for implementation;
 - l. Collaborating Institutions: names of partners pooling resources and expertise for joint activities encouraged. (Attach any letter of agreement with collaborators; this will not be counted in page limit).
 - m. Attachments (annexes) should be lettered (e.g. Attachment A), and can include questionnaires, agendas, training curriculum, resumes of key personnel, and other supporting documents such as letters of support or documents on previous contracts or assistance awards.
- 3.4.5 Cost Proposals should include:
- a. Personnel costs only under the following conditions:
 - i. For grants where the grantee needs additional support to assure the proper administrative and financial management of the funds
 - ii. For grants involving complicated activities that require the organization to assign key technical personnel for extended periods to the jointly approved work plan. This could either be by adding short term staff or supporting a portion of the costs associated with assigning existing staff this function.
 - iii. For grants designed to provide services to WACIP or its partners. This is the case where WACIP – or a WACIP partner - puts out a solicitation for NGOs or private firms to conduct a study or a training session for the benefit of one of our partner organizations. However, most activities of this nature will be funded by other, non-grant mechanisms.
 - iv. For grants designed to co-fund an activity that falls within the usual mandate of an organization, and for which the organization has

already an employed a staff member, WACIP grant funds cannot contribute to staff salaries. In the case of collaborative activities, partners are expected to contribute staff salaries as part of their cost-share. Costs associated with bringing on consultants to handle parts of the task can be covered by grant funds.

- b. Supplies/Materials (expendable supplies for office or event operations);
- c. Travel (includes fuel and other expenses related to overland travel, airfare, per-diem and other miscellaneous travel related expenses);
- d. Equipment (as necessary to implement the activity in a cost-efficient manner);
- e. Events participation (total number of participants broken down by anticipated number of men and women. Total number of events including trainings, number of days of event, resource persons, hotel, per-diem, logistics, materials, translations, media coverage, materials and documentation);
- f. Indirect and other associated costs necessary for achieving the objective.
- g. Cost-share contribution of minimum 10% and how it is derived.
- h. Co-funding contribution describing any supplemental funding obtained externally from other donors.

3.5 Registration and Screening

- 3.5.1 All concept notes or grant applications received by WACIP staff will be immediately forwarded to the GM for registration.
- 3.5.2 Applicants will receive an acknowledgement of the application by the CC, from the country of the applicant with a copy of that notification to relevant WACIP staff (e.g., the one originally receiving the application) if appropriate.
- 3.5.3 The GM will screen to identify ineligible submissions, that is to say those that do not contribute to WACIP objectives, work plans and targets as described in the WACIP project documents. Based on this screening, S/he will propose to the COP whether the concept note should be eliminated for further consideration or accepted for further development into a full WACIP grant proposal. The COP will make the final determination of which concept notes to eliminate. The GM will maintain a list of the rejected applications and a reason for their rejection.
- 3.5.4 The GM will notify those applicants who are determined to be ineligible of that decision, with a copy of that notification to relevant WACIP staff (e.g., the one originally receiving the application) if appropriate.

3.6 Evaluation

- 3.6.1 All screened applications will be distributed by the GM among the members of the WACIP GC.
- 3.6.2 All screened applications will be evaluated for technical merit (75%), cost realism (25%). In addition, all applications must comply with WACIP's administrative procedures and USAID environmental regulations; if not, regardless of their other merits, they cannot be accepted.
- 3.6.3 The Technical Merit evaluation will comprise the following selection criteria (total number of points equals 75):
 - a. *Technical Approach* (25 points) – the degree to which the proposed activity offers an innovative approach that meets the overall objectives and

- indicators in the annual work plan including cross-cutting themes and proposed mechanisms for monitoring and evaluation with objectively measurable indicators.
- b. *Institutional Capability* (25 points) – The extent to which the applicant is capable of undertaking and accomplishing the proposed activities, based principally on reference checks on the background, qualifications, and skills of its key personnel and the past achievements and current capabilities of the applying organization.
 - c. *Impact on Target Group* (25 points) – The extent to which the proposed activity is likely to have meaningful, sustainable impact on the identified beneficiaries.
- 3.6.4 The Cost Realism Evaluation (worth 25 points) captures the extent to which the budgeting is clear and reasonable and reflects best use of organization and grant resources.
- 3.6.5 Threshold Conditions. All proposals must :
- a. Comply with WACIP financial and administrative procedures
 - b. Comply with WACIP’s Environmental Conditions, as laid out by USAID in the IEE, EA and Biosafety Review.
- 3.6.6 As part of the GC process, GC members will complete an evaluation grid based on the criteria above and provide general comments for each application outlining the main strengths and weaknesses of the proposal.
- 3.6.7 The GM will submit to the COP all member evaluations as well as a summary of the evaluation results and a recommendation to:
- Fund the proposal,
 - Not fund the proposal,
 - Fund the proposal partially, or
 - Fund the proposal pending revision.

3.7 Approval of Grant Awards

- 3.7.1 All grant proposals, once evaluated internally by the WACIP grants committee, will be submitted with supporting documentation to the COP for review. If the COP decides that the application merits funding based on revisions, s/he will send the applicant a letter spelling out those conditions, with a copy to the relevant CC.
- 3.7.2 Once the grant application is judged fundable by the COP, the GM will finalize the grants package by combining the approved application with the USAID-approved WACIP grants agreement template. While the binding language of the grant agreement is English, this grants agreement template is in French and English, and most of the remaining supporting technical and financial annexes will often be in the language used by the grantee, typically French. A summary page will be included at the beginning of each grant in English summarizing the key grant parameters as indicated in Section 3.7.4.
- 3.7.3 The COP will take one or several of the following steps.

- For grants less than \$25,000, the COP will directly notify the applicant of WACIP's acceptance to fund the grant and arrange for disbursement.
- For grants between \$25,000 and \$50,000, the COP will request permission to disburse from the Director of the Africa Division.
- For grants above \$50,000, the COP will clear the grant agreement with the IFDC President and CEO, or his/her delegate, and request permission to disburse from the Director of the Africa Division.
- For grants over \$100,000, the COP will follow the same procedures as those for grants between \$50,000 and \$100,000, and in addition will seek authorization from the USAID CTO.

3.7.4 According to the June 13, 2007 modification (01) of the WACIP agreement between USAID and IFDC, the "Substantial Involvement" clause gives USAID the authority to approve the Grants Manual (this document) and individual sub-grants. With the formal approval of this Grants Manual, USAID has agreed to limit its substantial involvement in grant-making to the following:

- Reviewing a quarterly list of grants proposed by WACIP that contains the following information for each grant:
 - Name of grantee
 - Value of grant, broken out by WACIP v. cost share v. co-funding.
 - Period of grant.
 - Description of activities.
 - The relevant environmental determination(s) for the grant according to the IEE, EA, or Biosafety Review, and where relevant, the actions to be taken to meet any conditions arising from those determinations.
 - Nature of procurement (competitive grant, uncompetitive-unsolicited grant, uncompetitive-small grant, uncompetitive-predominant capacity grant).
 - Justification of procurement method.
 - Indicators and targets.
- Providing approval for
 - Grants over \$100,000.
 - Grants involving activities not governed by USAID's environmental guidance for WACIP. The IEE lays out the environmental measures WACIP must take in each of the intervention areas, with the exception of activities related to pesticide use (in this case, integrated pest management or IPM) and genetically modified organisms. The conditions for WACIP activities in IPM will be covered in the USAID WACIP Environmental Assessment (EA). The conditions for WACIP activities related to genetically modified organisms will be covered in the USAID WACIP Biosafety Review. Both of these documents are expected to be completed in early calendar 2008. Until each document is finalized, USAID must provide formal approval to WACIP

grants of all sizes involving pesticides and/or biotechnology/biosafety.

- Receiving from the WACIP team notification of changes of greater than \$5,000 in the value of a grant from either the original projection or from the signed grant agreement.
- Receiving from the WACIP team of copies of all grant agreements, including signed signature pages, to the CTO.

4 GRANTS ADMINISTRATION

4.1 General

4.1.1 For grant management to be successful the grant recipient should understand and respect :

- The “Terms and Conditions” that control the grant.
- The importance of being cost effective and managing grant funds responsibly.
- The importance of formulating, in advance, a cohesive and balanced activity implementation plan; adhering to it; and requesting the grant manager’s approval for revisions to the implementation plan when necessary.
- How the grant activity will be evaluated in terms of effectiveness (i.e. implementation, outputs and achievement of objective) and the consequences resulting from this evaluation.
- How the grant activity will be evaluated in terms of financial responsibility (transparency and accountability) and the consequences resulting from this evaluation.

4.1.2 This information will be transmitted to grantees in both French translation of the grant agreement as well as in the French-language document *Guide de demande de subvention*, which the WACIP team has prepared to instruct potential grantees on how to apply for a WACIP grant. Where necessary, grantees will also received individualized training.

4.2 Project Assistance and Training

4.2.1 IFDC recognises that good basic grant concepts are often masked by the relative inexperience of applicants in preparing application documents.

4.2.2 For unsolicited applications, once WACIP has approved the Concept Note, WACIP staff may counsel applicants in a fair and objective manner on the preparation and revision of their applications. This support includes aspects such as proposal writing, budget preparation, and reporting.

4.2.3 For non-competitive, solicited awards, once the Activity Procurement Memo has been approved by the COP, WACIP staff may counsel applicants in a fair and objective manner on the preparation and revision of their applications.

This support to participating applicants includes aspects such as proposal writing, budget preparation, and reporting.

- 4.2.4 For competitive, solicited awards, WACIP will provide uniform guidance to all applicants related to the solicited terms of reference and grants applications procedures. This information will be published on WACIP's web page. WACIP staff will not engage in more specific discussion with individual applicants.

4.3 Terms and Conditions of the Grant Award

- 4.3.1 The Terms and Conditions that control the grant are stipulated in the Grant Agreement signed by IFDC and the grantee. The Terms and Conditions ensure that the grant implementation and WACIP management are in full compliance with USAID and other US Government policies and regulations.
- 4.3.2 The terms and conditions are non-negotiable and must be strictly adhered to by the Project and the grantee.
- 4.3.3 The terms and conditions will govern the resolution of any ambiguities, questions or disputes that may arise in the course of the grant activity implementation.

4.4 Budget

- 4.4.1 The budget expresses in financial terms the activities the applicant proposes to undertake.
- 4.4.2 WACIP requires a standardized budget format, that all assumptions be explicit, and that the budget clearly indicate the contribution of WACIP, the organization itself (cost-share), and, where relevant, from other donors to the activity (co-funding).
- 4.4.3 WACIP seeks to respect the grantee's norms for costing staff and consultant time and providing per diems (lodging, meals and other incidental expenses); however, if grantee norms lead to greater costs than the corresponding IFDC practice, the latter will be applied. In all cases, costs must be kept at or below USAID norms.

5 FINANCIAL MANAGEMENT & REPORTING

5.1 General

- 5.1.1 The PA will determine what steps, if any, are necessary to bring the grantee's financial and administrative systems into full compliance with USAID standards for funds control and accountability. Before disbursement of the first advance payment, the PA will check whether the grantee has adopted and/or implemented the systems and recommendations suggested by WACIP in order to exercise effective control over, and accountability for, funds, property and other assets.

- 5.1.2 The PA will ensure that each organization that applies for WACIP funding can demonstrate the capacity to manage the grant through 1) past performance handling similarly structured sources of funding and/or 2) qualified staff and credible financial and administrative systems. Such an assessment may be carried out by either WACIP staff or a contracted firm. If the organization does not have the capacity to manage a WACIP grant, the PA will recommend corrective actions to bring the grantee's financial and administrative systems into full compliance. Following the grant award, WACIP finance & administrative staff are expected to work closely with the grantee and provide training if necessary to assist the grantee in meeting or fulfilling its obligations under the grant award.
- 5.1.3 The grantee will keep records for three years after the conclusion of the funding. In addition, IFDC retains the right to inspect relevant WACIP grant records, accounts and receipts at any time or have them be inspected by a duly authorized representative.

5.2 Reporting Requirements

- 5.2.1 Grantees are required to submit regular performance reports (narrative and financial) for all long-term grants (those exceeding three months) as instructed by the Project. Other briefings or task reports may be requested on a case-by-case basis. Such reports should be accompanied by appropriate evidence of all direct costs incurred. Release of subsequent payments will be contingent on receipt and approval of grantee narrative and financial reports as well as any other deliverables as described in the grant agreement by the grants manager.
- 5.2.2 Additionally payment of the last disbursement equivalent to 10% of the approved grant budget is subject to 1) submission of final activity and financial reports 30 days after the end of the grant period or completion of the activity, whichever is earlier, as well as other deliverables as described in the grant agreement, and 2) receipt of an official request for funds made by the grant recipient to IFDC.
- 5.2.3 For grants less than three months in duration, the grantees are required to submit one activity and one financial reports in addition to all deliverables as prescribed in the grant agreement.

6 DISBURSEMENT PROCEDURES

6.1 General

- 6.1.1 For all grants disbursements, at least 10% of the grant's value will be withheld for payment pending the timely submission of the final narrative and financial reports.
- 6.1.2 For grants with implementation periods of less than 30 days, funds equivalent to up to 90% of the grant value may be disbursed at the beginning of the grant period.

6.1.3 For long-term grants the amount of initial payment will depend on the nature of the activity and the level of management capacity of the grant partner. Funds may be disbursed on a mutually agreed schedule, such as 50% at the initiation of the activity, 40% delivered upon the completion of a clearly defined benchmark, and the final 10% upon submission of the final activity and financial reports. Funds may also be allocated with respect to identified deliverables or benchmarks, or on a quarterly basis. In certain cases, funds may be provided upon submission of receipts for expenses incurred after the grant is signed.