



Overseas Aid &
Development Commission

Guidance Notes for Charities applying for Grant Aid

***“Helping the world’s
poorest communities
through a hand up rather
than a handout”***

The Guidance Notes should be read in conjunction with the Overseas Aid & Development Commission's Grant Aid Policy

1. Introduction

The Overseas Aid & Development Commission (the Commission) is a non-statutory, non-governmental committee of the States of Guernsey to distribute grants and emergency and disaster relief overseas. The Commission's mandate is:

"To distribute funds voted by the States for aid and development overseas by making contributions to ongoing programmes and to emergency and disaster relief.

To develop programmes relating to the collection and distribution of funds involving the private sector.

To carry out the duties and powers above in accordance with policies set out by the Policy & Resources Committee.

To fulfil the responsibilities set out in Annex One to the mandates of committees of the States."

The objectives of the Commission are to manage and administer the budget approved by the States of Guernsey for overseas aid. The Commission's Chairman is a member of the States of Deliberation and the six Commissioners are appointed by the States of Deliberation.

2. Background

Guernsey has been contributing to overseas development projects through the award of Grant Aid to approved charities and agencies since 1980. The underlying approach adopted by the Commission, on behalf of the States of Guernsey, is,

"To support projects which will help to provide the basic needs of the world's least developed countries or to help the indigenous population to provide those needs."

Basic needs includes medical and health facilities, educational programmes and facilities, housing, water and sanitation provision and the means of sustaining a living, e.g. through agriculture, horticulture or through training in sustainable employment skills. The Commission supports projects which will generate a lasting and sustainable improvement in the living conditions for the communities receiving the aid. This ethos underpins the Commission's overriding object to offer a "hand up" to some of the world's least developed areas rather than a "hand out".

2. Eligible Charities

(a) Who may make an application for Grant Aid?

The Commission's general policy is to only consider applications from:

- Charities registered with one of the Charity Commissions in the British Isles
- Approved humanitarian agencies (e.g. UNICEF, UNHCR, etc.)

Any charity not registered in the British Isles is strongly advised to contact the Commission's Secretary prior to submitting an application for Grant Aid.

(e) What checks does the Commission make when verifying an applicant?

All charities must provide details of the Charity Commission with which it is registered. The status of all charities will be verified with the relevant Charity Commission to ensure full compliance with the regulation requirements and against the following criteria:

Purposes and direction – is there a document setting out the charity's defined purpose, areas of work and values that is publically available and easily accessible.

Fit for purpose – has the charity published appropriate policies and procedures to ensure it delivers its objectives efficiently.

Learning and improving – appropriate measures to review performance, including assessing value for money against its stated objectives.

Financially sound and prudent – has the charity adequate financial and other resources to deliver its purposes efficiently and effectively.

Accountable and transparent – are the charity's accounts and reports on its work readily accessible reports, to enable all interested parties to review its work and value for money.

(d) What happens if the Commission believes the charity may not have satisfied its compliance checks?

If the Commission has concerns that the charity may not have fully complied with the regulatory requirements, it will contact the applicant and the Charity Commission to request clarification of the current position.

Additional and more detailed compliance checks will be made in respect of those charities whose applications are selected by the Commission as projects they wish to support (see Section 9 for further details).

(e) Are there any charities or agencies from which the Commission will not accept applications?

In addition to charities or agencies not registered with one of the Charity Commissions in the British Isles, the Commission may reject an application where:

- The charity has failed to comply with the Commission's reporting and monitoring requirements in respect of previously approved Grant Aid awards (in such cases the Commission will have advised the charity of its decision following the breach)
- There is clear evidence to show that the charity has not complied with the requirements of its regulatory body
- The nature of the project falls outside the charity's stated objectives
- The application falls outside the Commission's general policy (e.g. the project is based in a country wholly or partly in Europe, the amount requested exceeds the £40,000 threshold, the project cannot be completed within one year, etc.).

In all cases, the Commission will notify the charity of its decision and reasons for the decision.

(f) Does the Commission distinguish between large and small charities?

The Commission does not make any particular distinction in respect of the size of the charity. The Commission will need to be satisfied the charity has the resources, expertise and experience to ensure that the project is delivered:

- In a timely manner
- In accordance with the project plan and budget
- Compliance with the Commission's policies and practices, particularly monitoring and reporting requirements.

(g) The Commission closely follows the best practice guidance set out in the FAFT Best Practices paper, *Combating the Abuse of Non-Profit Organisations (Recommendation 8)*¹. In particular, the Commission applies rigorous compliance checks before confirming any Grant Aid awards to ensure that charities it supports are not ones either being or at risk of being misused by terrorist organisations:

- (i) to pose as legitimate entities;
- (ii) to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; or
- (iii) to conceal or obscure the clandestine diversion of funds intended for legitimate purposes, but diverted for terrorist purposes.

¹ <http://www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf> page

3. The Application

The Commission's policy in regards who may apply for Grant Aid and how applicants are checked and verified is set out below.

(a) How should applications for Grant Aid be made?

All applications must be made using the Commission's online Grant Aid e-application form (www.gov.gg/overseasaid).

(b) When should Grant Aid applications be made?

For applications for Grant Aid funding in 2018, the application period will open on **Monday 5th June 2017** and close at **12 noon on Friday 28th July 2017**.

(c) Will the Commission accept late applications?

The Commission receives significantly more applications for Grant Aid than it has funds to support. Therefore, as a general policy, the Commission does not accept late applications.

(d) What information must be included in the summary of the project?

This is the charity's opportunity to "sell" its project. It is essential that the summary is clear and concise and sets out how, where and on what the Grant Aid would be spent. The following questions may assist the charity in structuring its application:

- (a) What will the funding from the Commission be spent on
- (b) If the project is part of a larger one, please clearly explain how the funding from Guernsey will contribute to the wider project
- (c) Who will benefit from the project
- (d) How will the project benefit the community in which it is located
- (e) When will the project commence.

Above all, your application should be clear, concise and objectives and anticipated outcomes be realistic and both measurable and deliverable. The Commission has noted that many charities fail to provide a clear and informative outline of their project proposal.

The following examples are taken from actual applications – the first is what the Commissioners considered a good synopsis and the second fails to tell the Commissioners anything about the proposed application:

Example 1

Our objective is to reduce poverty and food shortages for 12,000 farmers in [name districts], the most climate vulnerable area of [country]. We will train 100 agricultural micro-entrepreneurs to set up profitable businesses and provide agricultural support services to approximately 12,000 smallholder farmers, the majority of which will be women. Services will focus on fish farming and flood resilient hanging vegetable gardens. We will support farmers to improve their basic needs by raising incomes by at least 20% through increasing productivity and sales, and improving nutrition by increasing consumption of vegetables and fish. Our project is based on a proven market-led approach, benefits of which will be felt long after the project funding comes to an end.

Example 2

Straightforward, cost-effective interventions in remote villages can prevent common causes of needless disability. Disability and poverty are linked so this project would tackle a major cause of individual adversity and help three rural communities to prosper. Lack of basic medical care, malnutrition and limited knowledge about health keep people at risk of losing their sight or hearing; dying from common illnesses because of poor immunity; developing long-term injuries while giving birth; or babies being developmentally impaired in the womb. More than 5,000 people would benefit directly from urgently needed healthcare, training and knowledge to look after themselves long-term.

(j) Is there any other information that must be included in the application?

In addition to completing all the sections on the application form and attaching a clear budget showing how and on what the funding will be spent, some projects should also be attached. It is also helpful to the Commissioners if your application provides an indication of the size of any building, depth of wells, etc.

Where a project is part of a partnership arrangement with a third party, the application must confirm that all the necessary agreements and contracts are in place or will be in place ahead of the start of the project.

(k) Is there anything else that should be considered when making an application?

The Commissioners read and assess all the applications for Grant Aid received each year. It is therefore essential to ensure that your application clearly, concisely and accurately explains what your project aims to achieve and how it will be delivered.

It is important to remember that the Commissioner's know nothing about the particular project and may not have specialist know in the particular area of humanitarian work which your project focuses on. Be realistic when explaining the objectives and anticipated benefits the project will deliver. Similarly, when indicating the number of beneficiaries, please be realistic and, if the project is part of a larger programme of work, the number of direct and indirect beneficiaries should be expressed as a pro-rata percentage of the overall project.

(I) When will charities be told whether or not their application has been supported?

The Commission will consider all applications for funding in 2018 at a series of funding meetings to be held between October 2017 and the end of January 2018. Applications will be considered in strict date order based on the date on which applications are received.

Please note that the Commission only funds new projects. Therefore if work has commenced on a project and money spent before confirmation of the award of a grant, the Commission reserves the right to reduce the amount of the award accordingly.

4. The Location of the Project

The Commission's policy regarding how it determines whether a country is amongst the world's least developed countries is set out below.

(a) How does the Commission define "least developed"?

The Commission uses the UN Human Development Index to identify "least developed" countries.

(b) Does the Commission consider applications for any countries that are not classed as "least developed"?

Applications for projects in the BRIC countries (i.e. Federal Republic of Brazil, the Russian Federation, the Republic of India and the People's Republic of China, the CIVETS countries (i.e. Colombia, Vietnam, Egypt, Turkey and South Africa) and other countries outside the UN's least developed country classification will be afforded a lower priority.

Where the country is not classed as "least developed", the Commission will require the charity to clearly and concisely explain why the project merits support through overseas development aid. The Commission is mindful there are often significant disparities in the distribution of wealth and so does not have a list of countries from which it will or will not consider applications.

(c) Are there any countries the Commission will not consider applications from?

The Commission does not consider applications for projects in countries which are wholly or partly in Europe

(d) Does the Commission take account of a country's political situation, for example any political instability?

The Commission only considers a country's political situation where there are concerns that the project may not be able to proceed due to the political regime or government stability.

(e) Does the Commission accept applications for projects in countries which are subject of UN, EU or UK sanctions?

The Commission is very mindful that UN and other international sanctions are not applied lightly and only after careful scrutiny and debate within the UN, the EU, etc.

The Commission conscious that there may be what could be best described as “unintended consequences” following the imposition of sanctions and they are mostly likely to have the greatest impact on the daily lives of country’s poorest and most vulnerable groups and so result in a heightened need for humanitarian aid.

The Commission recognised that sanctions may be imposed, varied or removed between applying for a grant and the commencement of the project. The Commission does not automatically refuse applications where sanctions may be in force. However, it requires the charity to explain how such sanctions may impact on the need for and the delivery of the project when submitting their application. The application must show a clear understanding of the scope and impact of any sanctions and on the community which will benefit from the proposed project.

The Commission will always take advice from the States of Guernsey’s External Relations Group. The final decision whether or not to accept an application will always rest with the Commission; however the advice from the External Relations Group will be central to informing its decision.

6. The Project

The Commission’s Grant Aid policy focuses on projects which will deliver humanitarian aid to improve a community’s basic living needs and conditions.

(a) What type of projects will be funded?

In defining “basic needs”, the following types of projects are examples of the types of projects the Commission has supported:

Sustainable supply of clean water - these projects may include:

- Providing wells, water pumps and other sources of clean water
- Improving the quality and/or sustainability of existing water sources
- Reducing the likelihood of water-borne diseases or illness.

Basic sanitation facilities - these projects may include:

- Building latrine blocks
- Providing community facilities to reduce waterborne diseases
- Building facilities to dispose of sewage away from drinking water sources.

Agricultural, horticultural or fishing projects - these projects may include:

- Protecting the land from e.g. desertification, leaching, deforestation, etc.
- Providing a source of water for irrigation for agricultural and horticultural projects, etc.
- Training in agricultural techniques to reduce impact of droughts, flooding, etc.
- Enabling the community to reduce any dependency on food aid, etc.

Medical and health care facilities - these projects may include:

- Providing local access to basic health services
- Improving services targeting preventable diseases or HIV and AIDS infection, etc.
- Reducing the incidence of infant mortality and childhood deaths
- Establishing new or extending health service facilities, including clinics and hospitals.

Educational projects - these projects may include:

- Establishing or extending existing schools or other educational facilities
- Providing long-term training opportunities to reduce dependence on short-term aid.

Other types of projects - these projects may include:

- Improving disaster preparedness, particularly in areas at a high risk of natural disasters
- Rehabilitation basic infrastructure projects following conflict or natural disaster
- Mines clearance to return land to agricultural use, etc.
- Rotating loan funds, micro-credit unions, village savings scheme.

(b) Does the Commission favour any particular area of humanitarian work when considering Grant Aid applications?

The Commission considers all applications focused on improving basic needs on an equal basis.

(c) Are there any types of projects which the Commission will not fund?

The primary purpose of Grant Aid awards is to fund projects that make a sustainable improvement to the basic needs of very poor communities over a longer period without the reliance on year-on-year overseas aid funding. Therefore, the Commission does not provide Grant Aid to support the core funding for the charity's administration or its day-to-day operation, salaries of staff employed by the charity, including any of the charity's staff who may be working on the project either in the local area or within the charity's organisational basis, staff training or development or towards travel costs.

The Commission is mindful that many charities work with local partner agencies in the project country and that staff employed by the in-country partner often are key to the successful delivery of a project because of their local knowledge and understanding of cultural issues, etc. In such cases, salaries should only be included if the person would not otherwise be paid for any work directly linked to delivering the funded project.

The Commission may also reject an application where it believes that the project may result in conflict between e.g. neighbouring communities, etc. or would otherwise disadvantage other nearby or neighbouring communities.

(d) Does the Commission support the purchase of vehicles?

The Commission does not generally support projects which include the purchase of 4x4 or similar vehicles.

However, the Commission will consider applications which include the purchase of bicycles for use in reaching remote communities or where access to some form of personal transport will enable people to become more self-sufficient.

(e) Is there anything else about the project which needs to be covered?

In line with the Commission's overriding object to provide a "*hand up rather than a hand out*", all projects must provide a lasting benefit to the community. Therefore, when presenting the project the application must clearly demonstrate the project's long-term sustainability and how the project will improve the day-to-day lives of the community without the need for further overseas aid support.

(f) How many projects can a charity submit?

The Commission limits the number of applications a single charity may make in a particular funding year to **two** applications.

7. The Project Budget

All applications must include a detailed budget showing how, where, when and on what the funding sought from the Commission will be spent. **The budget must be submitted as an A4 Word or pdf document to ensure it can be easily read when printed.** Budgets that cannot be easily read in this format may be rejected and so have a significant negative impact on your application.

(a) What information must the budget contain?

The budget is central to the Commission's assessment of the viability and merit of the application and the budget requirements are set out below. It must be attached to the application. It must provide a detailed breakdown of how, where, when and on what the funding sought from the Commission will be spent. For example, if the project involves the building of a classroom, hospital ward, etc., the budget must provide a full breakdown of the building, construction and fitting out costs. Labour costs must be listed separately and indicate whether staff are being taken on for the project or are employees of the charity or any partner agency in the country. The costs of fitting out and equipping the building must also be detailed separately, e.g. how many desks, chairs, blackboards, etc. are needed and the unit costs.

Where a project involves the delivery of a service, any costs associated with the employment of the staff who will be delivering the service must be shown separately from general administrative costs.

Here again, the budget must distinguish between staff being taken on for the project and employees of the charity or any partner agency in the country. Similarly, transport, office and stationary supplies, telecommunications and other support costs must be set out clearly.

Finally, the budget must also show how much of the grant will be spent on monitoring and evaluating the project.

(b) Can the costs of reporting on the delivery of the project be included as part of the budget?

Yes. However, when assessing each application the Commission will look at how much of the funding requested will be spent on the administration and other logistical costs associated with the project, including monitoring delivery and preparing reports for the Commission, etc.

In all cases, travel and subsistence costs for any UK-based members of the charity to visit the project site will not be covered as part of any Grant Aid award.

(c) How are *direct* and *indirect* beneficiaries defined?

The Commission defines the *direct beneficiaries* as the people who will benefit from the project at first hand. For example, where a project involves the building of a school, the direct beneficiaries will be the pupils who would attend the school. Similarly, for a well or other source of clean water, the direct beneficiaries will be the number of people most likely to use the new water source.

The Commission defines *indirect beneficiaries* as those who will benefit from the project at second or third hand. For example, where a project involves the building of a school, the indirect beneficiaries will be the families of the pupils who would attend the school and more generally the community or communities that the school will serve.

Similarly, where a project involves the provision of a well or other source of clean water, the indirect beneficiaries will be the number of people using pre-existing water sources as the demand for that water source is reduced. The Commission recognises that the calculating the number of indirect beneficiaries is less clear cut and easy to assess than the number of direct beneficiaries. It expects the charity to be realistic when identifying both the direct and indirect beneficiaries.

Finally, where the application is part of a larger project the number of beneficiaries should relate either to the discrete part of the project or be provided on a pro-rata number based on the percentage contribution to the overall project you are asking the Commission to fund.

8. The Grant Aid Award

The Commission receives an annual budget from the States of Guernsey for distribution through Grant Aid awards but the annual requests for Grant Aid received by the Commission significantly outstrip the funds at its disposal.

The Commission will always use its best endeavours to ensure that the projects selected for funding will have a lasting and sustainable benefit to the community where it is to be located.

(a) Is there a threshold for Grand Aid awards?

The Commission will not make an annual Grant Aid award above £40,000 for an individual project. There is no lower threshold for awards.

(b) Does the Commission consider projects where part of the funding is being provided from other sources?

The Commission will consider projects where part of the funding is being provided for other sources. It recognises that in many cases, the charity making the application may have raised money from other sources, including donations to the charity itself.

The Commission's preferred percentage share of a project will vary according to the nature of the application but it should be sufficient for the Commissioners to feel that the contribution from Guernsey will make an important difference to the overall project and to ensure a sense of "ownership" of the wider project.

The Commission is mindful that some applications may be dependent on co-funding. Similarly, the Commission recognises that in some cases funding may "unlock" other funding. The terms of any shared or co-funding must be clearly explained when making the application, including the timescales for confirming any co-funding agreements.

Where an application is part of a wider project (e.g. the Commission may be being asked to meet the costs of a particular part of a large building or construction project or the costs for year 2 of a 5 year project) this should be clearly set out in the application. This requirement applies even where the funding is for discrete part of a wider project. The application must indicate the duration and size (i.e. the overall cost and number of direct and indirect beneficiaries) of the wider project and details of the co-funders and any funding yet to be secured.

(c) Over what period does the Commission make Grant Aid awards?

The Commission only funds annual projects, i.e. the project must be commenced and completed within the twelve months following the making of the award.

8. Evaluation of Applications

Each project is considered on its own merits and balanced against the various criteria. No weighting is applied to any of the individual criteria and there is no scoring system. In many cases, the Commission has no option other than to reject an application because it simply does not have the budget to support all the projects it may wish to.

When deciding which projects should be funded, the Commission reviews all applications and, where the application has satisfied the general procedure, the projects are assessed against the criteria set out below. The procedure is in four parts:

- (i) *Charity or agency* – including compliance with Charity Commission regulations, proportion of income spent on campaigning and governance; where previous awards have been made - compliance with the Commission’s own monitoring and reporting requirements.
- (ii) *Project location* – including position on UN Human Development Index, political stability, whether the country is subject of any UN or other international sanctions, etc.
- (iii) *Project objectives* – including how the project will benefit the community, community participation and “ownership”, number of direct and indirect beneficiaries, sustainability, without reliance on further overseas aid funding, reasonableness of the time frame for delivering the project, whether all logistical issues have been reasonably considered and planned for, whether the project has been well thought out, etc.
- (iv) *Project budget* – including assessing the proposed spending, the cost-effectiveness of the project, level of any administrative costs, including travel expenses and monitoring and evaluation costs, etc.

The Commission may take account of issues which may have wider public concern to Guernsey and any advice from the Policy Council’s External Relations Advisor regarding any sanctions regime which may be in place in the project country.

9. Notification of Decisions and Distribution of Grant Aid Awards

(a) In what order does the Commission consider applications?

The Commission considers applications in strict date order based on the date when the application was received. For 2018 Grant Aid applications, this means that the applications received towards the start of the application period will be notified in October 2017 but those received towards the end of the application period are unlikely to learn whether or not their application has been successful until late January 2018.

(b) Where a charity is unsuccessful, will the Commission provide reasons for not making a Grant Aid award?

The Commission will provide outline reasons to any charity on request. In many cases, the reason for refusing an application is simply because the Commission's budget is not able to support all applications that satisfy the general criteria and may merit funding. In these circumstances, the Commission will simply advise the charity as to the total number and value of applications received and the number and total value of awards made.

(c) What happens next where a Grant Aid award is approved?

The Commission's decisions to support a particular project will be made in principle but will be subject to the recipient charity satisfactorily completing detailed compliance checks to ensure that charities it supports are not ones either being or at risk of being misused by terrorist organisations:

- (iv) to pose as legitimate entities;
- (v) to exploit legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; or
- (vi) to conceal or obscure the clandestine diversion of funds intended for legitimate purposes, but diverted for terrorist purposes.

Prior to the release of the award, the charity will be required to:

- Complete a detailed charity registration form which will be used for detailed compliance checks to ensure that all funds received and transferred to overseas development aid is properly accounted for and that the charity has appropriate measures in place to mitigate the risk of its funds (from any source) being used unlawfully, including through the payments of bribes, for financing terrorism or for money laundering purposes.

The registration form requires the charity to evidence that it:

- a) is appropriately licensed or registered.
 - b) maintains information on their activities and those who own, control or direct their activities;
 - c) issues annual financial statements;
 - d) has controls in place to ensure that funds are fully accounted for and spent in a manner consistent with the charity's stated activities;
 - e) follows a "know your beneficiaries and associate charity" rule;
 - f) keeps appropriate records; and
 - g) is subject to monitoring by the appropriate authorities, including the application of effective, proportionate and dissuasive sanctions for violating these requirements.
- Sign an agreement with the Commission which sets out the amount of the award, the purpose for which the award is made and the reporting requirements.

The Grant Aid award will not be paid until the charity registration form has been completed and returned and thoroughly reviewed and verified by the Commission's Secretary and the signed agreement has been received. The grant will be paid in two equal instalment (see 9(e) below for further details).

(d) What happens if the exchange rate changes between the submission of the application and the award of Grant Aid?

The Commission is very mindful that exchanges rates do fluctuate and that in many of the least developed countries inflation rates are often very high. Similarly, the Commission recognises that several months may elapse between a charity submitting a Grant Aid application and it being approved and the money released by the Commission.

The Commission reserves the right to ask a charity to submit a revised budget if the exchange rate has changed significantly since the application was submitted. If a change means the costs of the project is less, the Commission may vary the amount of the award downwards to reflect the revised budget. The Commission is unable to make up any shortfall in funding which may occur.

(e) When will the funding be paid?

As a general rule, Grant Aid awards will generally be paid in two instalments. Prior to the release of the first instalment, the Commission will undertake a number of additional checks.

The first instalment will be released two to three weeks before the intended commencement date for the project, subject to the Commission being satisfied that the project can proceed as approved. Where the start date for the project is more than three months following submission of the completed charity registration form and Grant Aid agreement, the charity will be required to send an email to the Commission's Secretary (overseasaid@gov.gg) to confirm that the project can still proceed in the form and to the timescale previously approved by the Commission. The first instalment of the grant will not be paid until the email has been received.

The second instalment will be released following receipt of a satisfactory interim progress report.

After confirmation of an award, a charity may apply for a variation to the standard payment terms by emailing the Commission's Secretary setting out the request and the reasons for it. All such requests will be considered on their merits, but as a general rule, awards will not be made as a single payment unless there are exceptional circumstances for doing so.

(f) What happens if the project is being funded from more than one source?

Where only part of the funding for an approved project is being met by the Commission, the charity will be required to provide written evidence that the other source/s of funding is/are in place before its award is paid.

(g) How will the funding be paid?

Grant Aid awards are paid directly into the charity's bank account by BACS transfer.

(h) What happens if circumstances change between a proposal being submitted and its approval meaning that it is unable to proceed?

The Commission requires charities to inform it of any changes to the project as soon as possible. For example, if a charity is able to secure funding from an alternative source, it must advise the Commission without delay. Similarly, if the local circumstances change and mean that the project cannot go ahead as set out in the proposal the application must be withdrawn.

(i) What happens if circumstances change after a project has been approved meaning that it is unable to proceed?

The Commission recognises that the situation within a country may change between the submission of an application and the approval of funding. In some cases, this may mean that the project cannot proceed as originally planned. The Commission's general policy is not to approve alternative projects in such circumstances but will consider changes where these do not alter the overall objectives of the approved project. In all cases, any changes must be discussed with and approved by the Commission before any of the award is spent.

(j) Can an award be used against work undertaken between submitting an application for funding and notification of the outcome?

No. The Commission's policy is not to make any retrospective payments to reimburse costs already incurred by a charity. The reason for this policy is to comply with States of Guernsey accounting and auditing procedures.

(k) Can an award be transferred to an alternative project?

No. The Commission's policy is that an award can only be used in accordance with the approved application.

The reason for this is that the Commission is mindful that when assessing applications many good applications are turned down simply because the requests for funding are significantly greater than the funding available. Therefore, to allow a charity to transfer an award to an alternative project could be seen as unfair by charities whose applications were unsuccessful.

10. Monitoring and Evaluation of Grant Aid Awards

The monitoring and evaluation of Grant Aid awards is a fundamental aspect of the Commission's work. The Commission regards non-compliance with the reporting requirements seriously and will take it into consideration when considering future applications for funding.

THE REPORTING REQUIREMENTS ARE AN OBLIGATORY REQUIREMENT OF ALL GRANT AID AWARDS

(a) What reports are required by the Commission?

The Commission requires at least two reports to be submitted in relation to each Grant Aid award – an Interim Report and a Final Report. The Interim Reports will trigger the release of the second instalment, subject to the Commission being satisfied that the project is progressing in accordance with the approved application.

(b) When are the reports required?

The interim report must be submitted **within six months of the commencement date of the project** (i.e. the start date confirmed in the agreement).

The final report must be submitted **within two months of completion of the project or in any case no later than fourteen months after the payment of the first Grant Aid instalment**, whichever is the sooner.

(c) What must the interim report contain?

The interim report must provide an overview of the progress of the project and must include reference to the overall objectives of the project and the spending to date against the approved budget.

Where feasible, the interim report should also address how the delivery of the project is benefiting the community. The Commission requires the report to be concise, clear and comprehensive. It does not have to be particularly glossy. Two or three photographs showing the progress of the project will always assist the Commissioners in understanding how it is progressing.

(d) How must the interim report be submitted?

The interim report must be emailed to the Commission's Secretary (overseasaid@gov.gg). The email subject must state the charity's name, the Commission's funding reference number and the title of the project.

(e) What must the final report contain?

In addition to the above advice on the format of the interim report, the final report must provide an overview of the impact of and benefits from the project. This must reflect to the overall objectives of the project and the final costs against the approved budget. It must also address how the project has and will continue to benefit the community. This must include reference to both direct and indirect beneficiaries and if the number of beneficiaries is different from the approved application, the report must explain why the differences have arisen.

(f) How must the final report be submitted?

See item (d) above.

(g) What happens if the project has not been completed within the twelve month period?

As variously noted above, the Commission funds projects which can be delivered within twelve months of an award being made. However, the Commission recognises that delays outside the control of the charity may arise.

If a project is delayed, you must notify the Commission's Secretary as soon as the delay is known, including reasons for the delay and an indication of the likely duration and impact on the overall delivery of the project. The Secretary will brief the Commission. Each case will be assessed on its merits and the Commission's decision will reflect the facts of the particular case.

(h) What happens if the monitoring reports are not submitted as required?

As stated above, the reporting is a fundamental requirement for all Grant Aid awards. Therefore, non-compliance is viewed very seriously by the Commission. The Commission actively monitors compliance with the reporting requirements and it is an important criteria when considering future Grant Aid applications. It recognises that local circumstances may have an impact on the feasibility of reporting within the above general timescales and so understands that from time to time reports will be submitted outside the general timescales.

N.B. This is generally not a problem when the charity contacts the Commission's Secretary prior to the date on which the report is due to explain the reasons for the delay and agree a revised submission date.

Where a report is not submitted and no request for an extension has been received and approved, the Commission has a range of sanctions available to it, including:

- Approving a revised reporting deadline with the charity where it is satisfied that non-compliance was due to factors outside the reasonable control of the charity
- Issuing a warning notice to a charity, advising that a breach has occurred and may be taken into consideration when considering future applications over a specified period

- Requiring the charity to return some or all of the Grant Aid award
- Automatically rejecting future applications for Grant Aid for a specified period.

In all cases the charity will be given the reasons for the Commission's decision and have an opportunity for a review of the decision.

(i) Are there any other reporting requirements?

In addition to the above obligatory reporting requirements set out above, the Commission requires funded charities to notify it of any material changes in circumstances, without delay, which may impact on how the project is delivered. This is also a mandatory requirement and non-compliance may result in one or more of the above sanctions being imposed. Such reports must clearly outline,

- What steps the charity has taken to mitigate the change in circumstances
- How the charity proposes to overcome the change in circumstances
- What impact the change of circumstances will have on the costs of the project
- Where the change in circumstances impacts on the approved project budget a revised budget must be included with the report.

Further, the charity must not spend any further money until it has received confirmation from the Commission that the revised project has been approved.

The Commission reserves the right to require a charity:

- To return all or part of the Grant Aid award where it is satisfied that it would be appropriate and reasonable to do so
- To submit additional reports in particular circumstances.

(j) What happens if the project costs exceed the funding awarded?

The Commission is unable to make up any shortfall in funding which may occur. Where the overall costs have increased, the Commission requires the charity to meet any shortfall from its other income or through the support of another donor.

(k) What happens if the project costs less than the funding awarded?

If the project is achieved under budget the Commission requires all unspent balances to be returned to the Commission without delay and in any case no later than the date for submission of the final report. As a general rule, the Commission will not consider applications to divert unspent balances into alternative projects.

If the under spend is less than £2,000 or less than one per cent of the award (whichever is the lesser amount), the Commission may allow the charity to retain the unspent balance if it is satisfied that the money will be used for additional work directly related to the original project.

(I) What happens if something changes in-country and the project cannot proceed as approved?

In these circumstances, the Commission requires the charity to notify the Commission's Secretary without delay. Where a project cannot be completed the Commission will require the charity to return all unspent balances without further delay and may require it to repay the full grant.

11. Further Information

For further information please contact:

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