



## **The Palestinian NGO IV Project**

### **Mentoring Grants**

### **Guidelines for Submission**

**July 2010**

## **Abbreviations and Acronyms**

AFD	Agence Française de Développement (the French Development Agency)
CB	Capacity Building
CBO	Community-Based Organization
GIA	Grant Implementation Agreement
KPI	Key Performance Indicators
M&E	Monitoring and Evaluation
MG	Mentoring Grants
MGM	Mentoring Grant Manager
MGP	Mentoring Grant Program
NDC	NGO Development Centre
NGO	Non Governmental Organization
PA	Palestinian Authority
PNGO I, II, III, IV	Palestinian NGO I, II, III, IV Projects
PO	Program Officer
PP	Project Plans
SG	Seed Grants
TAC	Technical Assessment Committee
WB	World Bank

## I. Introduction

The NGO Development Center (NDC) is a non-profit non-governmental organization established in response to the need of having a sustainable Palestinian mechanism for providing support to the NGOs sector. Through providing technical and financial support, NDC works on developing the capacities of Palestinian NGOs in providing quality services, especially to the poor and the marginalized, on enhancing their self-reliance, and on empowering them to be more sustainable. At the same time, NDC contributes towards the development of the NGOs sector as a whole by facilitating sharing and exchange of information and experience, by supporting research and policy development, and by strengthening NGOs relationships with development partners.

NDC works on three tracks: grant-making, sector development and capacity building. NDC's vision is focused on reaching an effective NGO sector contributing to building Palestinian civil society by empowering NGOs to provide quality services that are responsive to the priorities of the Palestinian society and helping the NGO sector to be more efficient and capable to influence the formulation of national policies and plans.

NDC will implement the Palestinian NGO IV Project (PNGO IV) which will continue to provide grants to NGOs and contribute towards the development of the NGO sector through improved governance and accountability practices.

The total project costs have been estimated at approximately US\$8.00 million, with financing of US\$2.00 million from the World Bank and Euro 5.00 million (equivalent to US\$6 million) by the Agence Française de Développement (AFD, the French Development Agency).

The project objective is: *“to provide social services to those who are poor, vulnerable or marginalized through NGOs and to strengthen the institutional capacity of these organizations.”*

Key indicators:

- (a) *Service Targeting*: Percentage of poor and vulnerable groups who have received improved social services;
- (b) *Governance*: Percentage of recipient NGOs implementing good governance, accountability and transparency standards as defined in the NGO Code of Conduct
- (c) *Sustainability*: Mobilization of new funding sources for financing social service delivery by NDC.

Project components:

- (a) NGO Grants for Social and Productive Services;
- (b) NGO Sector Development
- (c) Project Management, Monitoring and Evaluation.

## **II. NGO Grants for Social and Productive Services**

Through its NGO Grants for Social and Productive Services Delivery Program, NDC will be offering 4 types of grants to NGOs providing a range of social services in any sector. Programs targeting disadvantaged and vulnerable populations are preferred.

- 1. Empowerment Grants**
- 2. Mentoring Partnership Grants**
- 3. Innovation Grants**
- 4. Emergency Grants**

A call for proposals describing eligibility criteria and application process for each grant type will be launched by NDC. **Please note that NGOs may receive only 1 type of grant**, although in exceptional circumstances NGOs may be eligible for Emergency grants as well as one of the other 3 schemes with appropriate justification.

**NGOs may submit only one proposal for only one type of grants offered by NDC.**

Applicants must be Palestinian NGOs; officially registered, and with a demonstrated track record.

### III. Mentoring Grants Program

#### a) Definition and Objectives:

Mentoring Partnerships promote knowledge sharing and networking between leading professionalized NGOs and those that are community-based grassroots NGOs to deliver improved social services, especially to poor and marginalized populations. The mentor NGOs will support the partners in strengthening their capacity to improve the quality and effectiveness of their services. Partner NGOs will benefit from greater access to funds, but also from closer interaction over an extended period of time, with competent and experienced NGOs. In addition, the mentor NGO will also facilitate and coordinate collaboration and resource and information sharing among partner NGOs. This could include, for example, the use of collective bargaining power of partner NGOs in purchasing goods, sharing expertise (e.g., hiring an accountant or information technology specialist), etc.

Strong NGOs, who are referred to as Mentoring Grants Managers (MGMs) – will form between five to eight consortia and each will develop between five to ten service delivery projects with smaller NGOs and CBOs, which will be referred to as Partner NGOs/ CBOs. Partner NGOs/CBOs will benefit, not only in terms of achieving greater access to funds, but also from the opportunity to benefit from closer interaction, over an extended period of time, with competent and experienced NGOs. MGM proposals will be evaluated in great part on the quality of their capacity building plans and technical assistance support for Partner NGOs/CBOs

Activities under this sub-component will focus on the following thematic areas where NGOs have a comparative advantage in service delivery:

- (a) agricultural activities
- (b) youth development
- (c) disability (e.g., social and economic inclusion of people with disabilities);
- (d) early childhood development
- (e) adult learning
- (f) psychosocial/mental health services
- (g) social protection services
- (h) support for income generating activities

A few sub-projects may combine psychosocial activities with the regular activities of some of the grantees. The objective is to raise NGOs awareness on this specific theme, with a view to enable them eventually to strengthen their beneficiaries' resiliency and improve their psychosocial well-being. NDC will further investigate the possibility of implementing such projects. If needed, a consultant will be hired to assist the team in designing and setting up this initiative.

The MGM will provide capacity-building activities (but is not restricted to) the following:

- (a) participatory needs identification, planning and implementation to empower communities;
- (b) participatory M&E so that NGOs are responsive to the communities they serve;
- (c) enhancing the quality and effectiveness of their sub-sectoral intervention (such as drawing on national and international best practice, and dissemination of successful approaches);
- (d) organizational capacity building (financial management, procurement, administrative systems in place);
- (e) improved governance so partner NGOs are accountable to the communities they serve;
- (f) peer learning, mentoring and resource sharing (e.g., accountants, benefiting from collective bargaining power to purchase goods at lower cost etc.); and
- (g) identifying baseline indicators to eventually measure project impact.

**b) Key Performance Indicators**

Key performance indicators for the Mentoring Partnership Grants include:

- At least 50% of beneficiaries receiving support from beneficiary NGOs are from targeted vulnerable groups (youth, women headed households, elderly, children and people with special needs)
- At least 60% of beneficiaries are from targeted geographic areas
- At least 50% of partner NGOs implement improved financial and administrative procedures.
- 60% of beneficiaries rate the quality of services provided by recipient NGOs as high

## **IV. Eligibility Criteria**

General eligibility criteria for NGOs are:

- NGO applicant institution is a Palestinian, non-governmental, non-profit and non-partisan organization
- NGO is officially registered and evidence of legal registration is submitted
- NGO has demonstrated results working in poor and marginalized communities (proven track record)
- NGO's financial management and administrative systems are adequate to implement grant and oversee implementation of sub-projects by Partner NGOs

Activities that are not eligible for funding include:

- Purchase of assets such as land or buildings
- Construction of new infrastructure

- Interventions that are the domain of the public sector, for example provision of basic and secondary health services or formal education; unless service is not provided by the public sector in the targeted area.
- Interventions that may trigger any of the World Bank's safeguard policies with the exception of Environmental Assessment.
- Completed projects (retroactive costs)
- Endowments
- Collateral funds or down payments for loans
- Projects where 100% of the grant is to be allocated for running costs or salaries

Regarding basic/secondary health care and formal education sectors, which are under the responsibility of the PA, proposed projects will be approved on an exceptional basis and will require a justification on the inability of the PA to provide the service. In this respect, NGOs are required to provide a letter from the concerned line Ministry. NDC will verify the coordination done by the NGOs with the PA.

NGOs currently benefitting from NDC grants can apply only if 75% of their project activities are completed by the application submission date.

Eligibility criteria for both Mentor and Partner NGOs are as follows:

**Mentor NGOs Eligibility Criteria:**

- Minimum eight years proven experience (registration).
- Delivery of services that do not duplicate services provided by the PA or other service providers.
- Large NGO that operates at the national or district level
- NGO Mentor organization is an established service delivery provider with demonstrated experience in specific field of intervention
- NGO Mentor organizations have physical presence in vicinity of service delivery program, working at the district or community level
- NGO Mentor organization has capacity to manage logistics of outreach to partner NGOs
- Personnel capable of meeting requirements of proposed Mentoring Grant activity

**Partner NGOs Eligibility Criteria:**

- Minimum 2 years proven experience (registration)
- Local NGO that operates at the community or district level
- Personnel capable of meeting requirements of proposed Mentoring Grant activity
- Delivery of services that do not duplicate services provided by the PA or other service providers.

## Eligible Overhead

Mentoring grants may finance up to 8% percent of running costs (overheads generally) for Partners NGOs. This percentage shall be calculated on the basis of the budget allocated for each partner NGO.

Mentoring grants may finance up to 12% percent of running costs (overheads generally) for Mentor NGOs. This percentage will be calculated on the basis of the overall budget of the project.

## V. Targeting Strategy

Direct beneficiaries of the Mentoring Grant Program (MGP) will be the partnering NGOs, both large and small. Ultimate beneficiaries of the MGP will be poor, vulnerable and marginalized groups within the Palestinian society. The MGP will finance a mix of projects that, in their totality, address the needs of **i)** populations particularly under-served or marginalized due to their geographic location; **ii)** population groups particularly vulnerable due to social or physical limitations (e.g. women, youth, and the disabled).

MGMs should focus on **one district and one sub-sector** to reach a common objective of all sub-projects. Mentoring Grants that show clear inter-linkages among the sub-projects in an effort to enhance the collective impact of the sub-projects and therefore to achieve the overall Project's impact are highly preferable.

## VI. Level of Funding

Each consortium (comprising one lead partner and 5-10 partners) will implement projects with a ceiling of US\$500,000. The duration of each sub-grant funded service delivery project should not exceed two years, with an average value of US\$40,000. Forty percent of the grants will be for projects in Gaza, 20 percent for projects in East Jerusalem and the remaining 40 percent in the West Bank.

Pre-qualified MGM NGOs (see section VII – Application Process) will receive preparatory “Seed Grants” of US\$5,000 to finance the costs of preparing full project proposals.

## VII. Application Process

The application of Mentoring Grants is a two-stage process. The first stage will be the prequalification of MGMs. The second stage will be the submission of full project proposals through the use of “Seed Grants” for pre-qualified NGOs.

## **(1) Stage One: Mentoring Grant Managers (MGMs) Pre-Qualification**

### **a) Call for Prequalification Proposals:**

MGP's proposal packages, also available through the NDC website will include a Capability Statement (CS) – identifying the prospective lead-NGOs organizational strengths and experience, and; (2) a Concept Paper (CP) - which provides an outline of the sub-project targeting to be developed, the NGOs and CBOs to be considered as potential partners, the type of proposed project activities and Capacity Building (CB) activities to be undertaken. Both the CS and the CP need to be simple and straightforward.

#### **Capability Statement (CS)**

The CS builds on the eligibility criteria identified above, with emphasis on the mentor NGO's institutional and outreach capabilities. Each of the eligibility criteria has to be adequately addressed in the CS.

#### **Concept Paper (CP)**

The CP will describe the following:

1. Define the overall development of the program.
2. Specific objectives to achieve the overall program objectives;
3. Geographic areas/sectors/groups selected for intervention
4. Program outputs and impact targets;
5. Out-reach approach, the process by which the lead partner will identify, select and engage with local NGOs/CBOs;
6. Process for needs assessment, preparation of partnership plans and cost of pre-investment
7. Budget projection

### **b) Prequalification/ Seed Grants Proposals Submission**

Prequalification proposals are submitted to NDC by prospective MGMs before the specified deadline. The above mentioned capability statements and concept papers will be included in the submitted prequalification proposal application.

### **c) Pre-qualification Appraisal and Selection**

Pre-qualification applications are reviewed by NDC Program Officers (POs) to re-affirm eligibility, verify the information and documentation provided and evaluate the consistency of the project. This review may include a site visit, to examine financial systems, monitoring and reporting systems, and assess the NGO's capacity building and organizational capabilities. POs' assessment will also take into account the NGOs past track record with regard to the implementation of projects under PNGO I, PNGO II and PNGO III if applicable.

Applications are reviewed by the NDC Technical Assessment Committee (TAC) and recommendations are made to the NDC Board for final endorsement of the recommended list of pre-qualified Mentor NGOs.

## (2) Stage Two: Request for Full Project Proposals - Granting of Seed Grants

Upon the NDC Board's approval of the prequalification list, prospective MGMs are notified by NDC of the Board's decision, and will be formally requested to submit full project proposals. Pre-qualification does not imply any obligation on part of the NDC to provide prospective MGMs with an MG. Pre-qualified MGMs will be eligible to receive a seed grant for the amount of US\$ 5,000 to finance activities related to the preparation of their full proposal, such as conducting a needs assessment.

### a) Full Project Proposals

The full project proposal will focus on:

- The extent to which Sub-projects will be able to address poverty and marginality priority issues in accordance with the targeting guidelines provided by the NDC;
- Proposed steps to ensure the sustainability of Sub-project activities;
- Action plans for institutional and capacity-building support to partner NGOs/CBOs;
- Detailed implementation plan showing milestones and result areas for achievement;
- Detailed indicator plan showing targets for capacity building, service delivery and anticipated beneficiary impact at Sub-project level.
- The general profile of selected partner NGOs/CBOs;
- Details of the specific projects to be implemented by each partner-NGO/CBOs, their total cost with budget broken down, and capacity building plans for individual NGOs, when applicable.

MGMs will conduct a **needs assessment** to achieve the following:

- Facilitate a community-based needs assessment process, whereby community members themselves express and identify their problems, and try to find appropriate solutions. Participatory Rapid Appraisals (PRAs) may be utilized in these selected communities;
- Provide a platform and equitable opportunities for women to fully participate in the process;
- Strengthen the role of communities in endorsing and supporting NGO projects as a core strategy for ensuring long-term sustainability;
- Assist NGOs/CBOs in developing project ideas that can then be formulated into project proposals eligible for funding from the NDC and other donors, thus expanding the potential resources for NGOs.

Prospective MGMs are requested to submit their full proposals by a stated deadline and receive an NDC acknowledgment letter or certificate of receipt. All proposals are registered in the NDC central office. An appraisal process of submitted proposals will be conducted by NDC POs.

### b) The Appraisal and Approval Process of Full Project Proposals

The appraisal aims to:

- Evaluate the overall consistency and relevance of the proposed project

- Verify the information provided in the proposal about the prospective Lead-NGO and its partner-NGOs/CBOs
- Ascertain that the project is feasible;
- Determine that the NGO is sincere in carrying out the proposal and has the institutional capacity to do so;
- Evaluate the community role and participation in project design, operation, and sustainability with a view to community acceptance of the proposed project (POs will observe a sample of PRAs (if applicable) and community meetings when undertaken by prospective MGMs).

The appraisal is undertaken by POs who will verify the details of the proposal, the extent to which sub-projects address poverty and marginality priority issues in pre-selected areas, sub projects design, expected sub projects (and overall mentoring grant program) impact and outcomes, the quality of action plans for institutional support to partner NGOs/ CBOs and Mentor NGOs' competence and management capabilities.

NDC will screen each proposal regarding its identification of likely impacts and development of adequate mitigation measures in line with the World Bank's safeguard policies.

Following the appraisal by POs and review by the Grants Program Manager (GPM), recommendations are presented to the TAC for discussion and approval.

**c) TAC Assessment**

The final assessment of the proposals is undertaken by the NDC's Technical Assessment Committee (TAC) based on the appraisals undertaken by the POs. TAC recommendations are forwarded to the NDC Board for endorsement and decision making.

**d) NDC Board Endorsement**

The NDC Board reviews TAC's recommendations and makes a decision, with approval of the majority of Board members on acceptance or rejection of TAC's recommendations. The NDC Board has the responsibility for final review, selection and approval and ascertains that the appraisal process is free from ambiguity, bias and any other compromising factors.

Minutes of the meeting are recorded, and a list of projects with a brief profile and summary of the NDC Board approvals and recommendations is prepared by NDC management. The donors are provided with a copy of the NDC Board Meeting's file and a copy of the minutes of the meeting.

The external donor will be invited to participate in Board meetings as observer.

**e) Donor "No Objection"**

The donor will issue a 'no objection' to funding the projects or will request clarification on specific projects. The donor's letter provided within a maximum of two weeks for 'no

objection' to the list of approved projects and the budget specified against each sub-grant is the final approval.

## VIII. Approval and Award of Grants

### a) NGO Notification and Grant Award

After receiving the donor's 'no objection', NDC will provide written notification, to both approved and rejected applicants of the results of the proposal appraisal/ assessment process. Any conditionality of the approved proposal submissions will be presented to the NGO. Reasons for rejection of proposal submissions will also be provided to each rejected application.

NGOs with accepted proposals are requested to complete a number of tasks prior to signing the grants agreements.

### b) Grant Implementation Agreement (GIA)

#### 1. Pre-signing Tasks for Approved NGO Proposals:

Prior to the signing of the Mentoring Grants Agreement with prospective Mentor NGOs, NDC requests in writing for approved NGOs to complete the following tasks in preparation for signing the GIA:

- Open a separate bank account for management of project funds
- Prepare a more detailed Implementation Plan, up-dating and refining the initial Implementation Plan included in the proposal submission
- Finalize implementation plans for collection of baseline data
- Prepare and submit a Procurement Plan for NDC's approval

#### 2. NDC Assistance in Pre-Signing Preparations:

Upon receipt of NGO documents, NDC staff will assist MGMs to ensure that all requirements are in place prior to the signing of the GIA. MGM staff may receive, if needed basic training in procurement and project cycle management principles by NDC staff at this stage (further training will be provided immediately after signing GIAs for both mentor and partner NGOs staff assigned to the implementation of project/ sub projects).

#### 3. Grant Implementation Agreement Signature:

NDC staff will prepare Grant Implementation Agreements (GIAs) for approved grants. GIAs include legal terms of the financing agreement between NDC and grant recipient NGOs. Legal signatories, budget line items, schedule of payments and a preliminary work plan submitted by the grant recipient are also included in the GIA. The NDC Director will sign Mentoring Grants Agreements on behalf of the NDC while the grant recipient NGO will assign three officials to sign on their behalf.

Projects' implementation will commence immediately on signing the GIAs. Grant recipients will receive their first payment as per the terms of the GIAs' schedule of payments upon the fulfillment of specified requirements (procurement plan, .. etc).

## **IX. Timeframe for Grant Application and Approval Process**

<b>Stage One: Mentoring Grant Managers (MGMs) Pre-Qualification</b>	
	<b>Deadline</b>
Call for pre-qualification proposals	27/7/2010
Submission of capability statements and concept papers	26/8/2010
Pre-qualification appraisal and selection	14/10/2010

<b>Stage Two: Granting of Seed Grants – Submission of Full Project Proposals</b>	
	<b>Deadline</b>
NGO notification and Seed Grant award	18/10/2010
GIA signature for Seed Grants and call for full proposals	25/10/2010
Submission of full project proposals	25/11/2010
Appraisal, and approval of full project proposals by NDC and Donors	17/01/2011
NGO notification and Grant award	25/1/2011

## **X. Operational Program Requirements**

### **A. Sub-Project Audits**

The NDC will conduct external financial audit on each sub-project at completion. Sub-projects' audits will be financed directly by NDC. Final payments will only be paid out to Grant recipients after receiving a clear financial audit report.

### **B. Procurement Responsibilities, Policies and Procedures**

The NDC will be responsible for ensuring that procurement carried out by Mentoring Grants Recipients (MGRs) follows the procedures outlined in the PNGO IV Procurement Manual, a copy of which will be provided to MGRs. MGRs are responsible for procurement of goods, works, and consultant services under the supervision of the NDC. Procurement is governed by World Bank (WB) guidelines as published on the Bank's website (latest edition). MGMs will supervise Partner NGOs' procurement activities ensuring they follow specified World Bank guidelines.

**C. VAT costs** for acquired goods, works and/or services are not eligible to be financed from grants funds. MGRs will seek guidance from NDC on this matter. VAT payments by NGOs, if any, can be part of the NGO contribution towards the cost of the project.

#### D. Disbursement Arrangements

Payments will be made as tranches of funds disbursed against clear milestones of achievement set out in the MGs GIA. Payment will only be made upon receipt of a progress report, which provides full justification for the completion of the milestone.

NGOs (both MGMs and Partner NGOs/CBOs) will be required to open **Special Accounts** for the project. Each project will have its own separate bank account and there will be at least two signatories to each account. MGMs' special account will include two separate sub-accounts for management fees and sub-grants. The signatories should be legally liable and formally part of, and authorised by the NGO.

#### E. Results Based Monitoring

Project monitoring will be focused on measurable results/outcomes and will not simply be linked to the tracking of inputs and financial flows. **Outcome-based monitoring will be linked to achievements of results, against which disbursements will be made.** All sub-grant holders will be required to formulate milestones for implementation, which show when key results areas of a program of a sub-project are expected. MGRs will receive training on the application of outcome based monitoring and evaluation tools at the early stages of sub projects' activities commencement.

#### F. Evaluation

Evaluations will be required annually in the project cycle.

### XI. How to Apply, By When and Where

The NGO Development Centre has prepared a **proposal pack** to assist you in drafting your proposal including the following:

- These Guidelines
- A Mentoring Grants Pre-Qualification Application Form

The application form consists of two parts; **Part A:** Capability Statement for Mentor NGO (MGM) and **Part B:** Concept Paper.

All sections of the application form should be filled out completely to allow the NDC to fully appraise your proposal. If you feel that important information regarding your project needs to be added, please do so. Whenever needed, add extra sheets to the different sections of the proposal. Any missing information or sections will disqualify your proposal.

The proposal package can be picked up from NDC offices at the addresses listed below and may also be downloaded from our website: [www.ndc.ps](http://www.ndc.ps)

#### Submission Dates

The proposals should be submitted in hard and soft copies (CD) during office working hours of the NGO Development Centre: **8:00 am. To 4:00 pm.**

The deadline for submission is at 12:00 on 26 August 2010
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Offices are open Monday through Thursdays and Saturdays

<p><b>1. NDC Main Office</b>  Mojahed Building  Ramallah - Jerusalem Rd.  Al Ram  Tel.: 02 2347771 Fax: 02 2347776</p>	<p><b>2. NDC Gaza Office</b>  Al Haytham (3) Building  Near Palestine Hotel  Al Rashid St – Al Rimal- Gaza  Tel.: 08 2828999 Fax: 08 2849921</p>
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It is the responsibility of the NGO seeking funding to deliver its proposal to the designated office of the NDC, or ensure that the proposals are sent by mail to the addresses above. Please make sure that you have clearly labeled and sealed your envelope.

All applications must be delivered to the NDC prior to the time and date of closure specified above. **Proposals cannot be sent by fax.**

Upon receipt of the proposal(s), the NDC will issue Notification of Receipt, which will be handed to you immediately upon submission. For proposals sent by mail, these will be sent to your respective NGO within 14 days of receipt.

***If deadlines are missed, your application will not be considered.***