

Grant Mechanism Procedures

December 2016



I hereby approve the SPREP Grant Mechanism Policy.

This policy will strengthen SPREP'S role as an Implementing Agency and/or Executing Agency in the region.

Kosi Latu
Director General



Date: 1st February 2017

This table tracks all revisions and updates to this policy from time to time. It attempts to capture the date of when the policy has been reviewed and updated together with the official designation and signature of the Director General or proxy for approval. A summary of the changes that are made to this policy should be provided in a separate form and attached as an "Addendum".

Policy Reviewed and Updated			
Date	Designation	Signature	Addendum Number

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Introduction

1. The following procedures apply to situations where SPREP is providing grants directly to recipients or working through a grant scheme managed by a third party organisation (grant manager).
2. Grants are generally made to diverse groups including civil society, the private sector, or government agencies. The legal context can vary significantly between formal, informal, and coalitions of entities. Regardless, the recipient is expected to have a proven track record, standards of governance and conduct necessary to effectively and efficiently manage proposed funds for the intended purposes.
3. It is important for SPREP to differentiate when to use a grant or procurement approach. Procurement covers contracts that SPREP concludes with economic operators to obtain a service or product in return for payment. The operators are often selected via calls for tender. In the case of a grant, SPREP will financially support an action of an external organization by means of a subsidy because the activities of that organization contribute to the SPREP's policy aims. The beneficiaries of grants are selected via calls for proposals.
4. Some Pacific islands have also experienced an increase in both the number of grant schemes and registered and non-registered organisations. This presents both opportunities and risks. On one hand, channelling through existing mechanisms can be especially useful to provide broad access to small islands dispersed over large geographical areas. On the other hand, fund managers need to share information to avoid unhealthy competition and fraud.
5. The scope of assessment of internal control, accounting, independent external audit, procurement, and other relevant operating policies and procedures depends on the local context and the scale of support. It is important to note that some due diligence assessment may have already been done by another organization and recent reviews may provide adequate justification to approve a beneficiary or scheme.

Box 1: Commonly Used Terminology

Applicant

Organisations that apply to receive grant funds but have not yet been approved.

Beneficiary/Recipients

Organisations that receive grant funds and are expected to deliver activities agreed in the grant contract often on behalf of others. Recipients include non-state actors such as Civil Society Organizations, special interest groups (women, differently abled, youth), or community groups. State actors can also be recipients such as ministries, government agencies, local government or statutory bodies and incorporated state owned enterprises.

Grant Manager

Organisation administering a grant fund. Can be SPREP or a SPREP partner operating as an executing entity and/or under a sub-delegation agreement. In this case a grant is given to the entity that in turn provides smaller grants through an existing or new scheme.

Development Effectiveness¹

- Ownership of development priorities by developing countries: Countries should define the development model that they want to implement.
- A focus on results: Having a sustainable impact should be the driving force behind investments and efforts in development policy making
- Partnerships for development: Development depends on the participation of all actors, and recognises the diversity and complementarity of their functions.
- Transparency and shared responsibility: Development co-operation must be transparent and accountable to all citizens

Legal and Regulatory Framework for Providing Grants

6. These guidelines aim to ensure SPREP and its partners meet minimum standards for grant management set by providers such as the European Union and the Green Climate Fund (GCF). They form part of the SPREP operations manual and project cycle, which frames the procedures, rules and criteria of SPREP's grant award system.
7. Principles are not absolute and a limited number of exceptions can be foreseen provided that such exceptions are clearly stated, reasonable, and justified.

Principles

8. The following principles for the basis of SPREP's grant mechanism should be practiced by SPREP staff and partner organizations.

Transparency

9. The operations of a grant fund should be managed in a manner to provide information about opportunities, decisions and results of projects to the general public and interested stakeholders. Calls for proposals and the award of grants shall be made public. Applicants should be provided feedback including justification for non-award, recommendations for improvement and invitation to extend a proposal with capacity building if relevant. Recipients of grant funds should be made publically accountable for the use of funds and outcomes of actions resulting.

Equal treatment

10. Selection of grant recipients should be based on the merit of proposals received, with assessments made against the fund specific criteria and contribution to development effectiveness. Grant procedures should be designed to empower action at local levels by local beneficiaries.
11. Pacific experience reinforces the value of adapting application processes to overcome cultural and geographic barriers. Use of locally relevant imagery to represent process and the objectives of grant funds is an example of communication suited to the visual and oral Pacific culture. Sensitivities to languages and partnering with representative national NGOs and local governments can help improve outreach and feedback, especially across distant small island communities. Where technical capacity is a barrier to access, this should be mitigated in the fund design stage. An example is a two-step application process starting with one to three page concepts. Pre-screened applicants are then provided a small design grant to enable professional assistance to develop a project proposal.
12. This is especially relevant in small-island developing states where isolated local communities may have limited resources to meet fiduciary, social, and environmental standards required by grant procedures.

Programming

13. Recipient organizations should have the necessary capacity to deliver programs that are both aligned with SPREP's strategic priorities and sensitive to gender, environment and social impacts. Grant applicants should therefore be able to demonstrate management of grant resources in an accountable, consistent, and transparent manner throughout the whole project funding cycle.

14. Furthermore, given that sustained effort is needed to achieve sustainable development goals, SPREP grant funds should foster long-term partnerships by supporting multi-year proposals from proven local organizations at regional, national, and local levels. Therefore both multi-year program grants and one off grants for smaller-scale initiatives with shorter time lines should be considered relevant by grant managers.
15. It is good practice to ensure that membership of any fund boards, selection committees or monitoring groups are gender balanced, broadly representative of targeted groups, and made up of representatives with essential skills and experience including:
- Proven understanding of the issues and work of non-state groups;
 - Familiarity with local, national, regional and international level priorities and issues;
 - Financial management;
 - Project management; and
 - Experience with geographic and/or thematic issues.

Eligibility Criteria

16. Grant criteria will be made explicit and publically available. As a general rule in order to be eligible for SPREP funding, costs actually incurred must meet the following:
- Be incurred during the duration of the action, with the exception of costs relating to final reports;
 - Be indicated in the estimated overall budget of the action attached to the grant agreement;
 - Be necessary for the implementation of the action which is the subject of the grant;
 - Be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary; and
 - Be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Eligible activities:

- Climate change;
- Biodiversity and Ecosystem Management;
- Waste Management and Pollution Control;
- Environmental Monitoring and Governance; and
- Other strategic priorities set by the SPREP Meeting.

Eligible organizations

- Groups and organizations include but are not restricted to the following:
- Government agencies and local government entities;

- Registered Civil Society Organization (CSO);
- Business, sports and faith based groups;
- Community associations; and
- Peak (umbrella) organizations acting on behalf of affiliated members.

Direct Eligible Costs

Participation of people with disabilities

17. Extra costs associated with the participation of people with disabilities. These costs include the use, for example, of special means of transport, personal assistants, or sign language interpreters.

Staff costs

18. The costs of staff (permanent or temporary staff employed by the beneficiary or the partners) assigned to the implementation of the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, are eligible. The salary costs should not exceed the average rates corresponding to the beneficiary's usual policy on remuneration. In addition, they should not be higher than the generally accepted market rates for the same kind of task.
19. The costs of personnel of national administrations may be considered as eligible to the extent that they relate to the cost of activities which are additional and which the relevant public authority would not carry out if the project concerned were not undertaken.
20. The determination of the workable days should be made respecting the standard working time either under national laws, collective agreements or under the organisations' normal accounting practice
21. When submitting the request for final payment, the beneficiary may have to provide pay slips and timesheets justifying the actual staff costs declared, as well as the basis for the calculation of daily rates and workable days.
22. Only persons who are directly employed by the promoter and/or the partners and who receive a salary are considered staff. All other persons, i.e. persons who receive a fee and/or submit an invoice for their services are considered external experts and are subject to the rules governing the award of contracts (see subcontracting below). The cost of any work to be performed by external experts must not be included in staff costs but under services.

Travel, accommodation and subsistence allowances

23. Travel, accommodation and subsistence costs for members of the staff shall be reported separately from persons participating in events organised. Travel costs must not exceed

the most reasonable rates available on the market. Accommodation and subsistence costs related to the participants in the action are eligible provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved periodically in the SPREP travel policy.

Equipment

24. Depreciation for purchase of equipment: the purchase cost of equipment (new or second- hand) is eligible provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the period of eligibility for SPREP funding covered by the grant agreement and the rate of actual use for the purposes of the action may be taken into account. A justification for the need of purchasing such equipment is to be annexed to the budget estimate.

Consumables and Supplies

25. The costs of consumables and supplies are eligible, provided that they are identifiable and exclusively used for the purpose of the project. They must be identifiable as such in the accounts of the beneficiary. Consumables and supplies are real costs necessary to produce the outputs and strictly related to the activities of the project.
26. General office supplies (pens, paper, folder, ink cartridges, electricity supply, telephone and postal services, internet connection time, computer software, etc.) are indirect costs (see below).
27. When filling out costs for consumables and supplies in the budget, costs should be calculated using the appropriate unit (lump sums are not allowed) and the direct link to the project implementation should also be presented.

Other direct costs

28. **Information dissemination and publications** costs can be taken into account provided that they are directly related to the action. Provide for each publication and/or other materials, a description, an estimate of the number of pages (and copies planned) the frequency and language of publication, an indication of the production costs per copy as well as an estimate of the distribution costs where appropriate.
29. **Translation** costs must include the following details: the number of languages, the number of pages to be translated and the rate applied per page. These rates may not exceed the most reasonable market rates.
30. **Interpretation:** The different components must be specified. In particular, the number of languages, the number of interpreters, the number of days and the daily rates must be specified. Interpreters should be hired locally and some donors limit eligible fees. For

their travel and subsistence expenses to be covered by the grant, it must be impossible to hire them locally and it must be explained why this is so.

31. **Evaluation:** If the action proposed requires some form of evaluation, monitoring and evaluation methods must be developed, as well as tools to assess, on an on-going basis, the progress of the action in relation to the objectives defined at the beginning and the results. The cost of such work will be regarded as eligible expenditure. Refer to SPREP's Monitoring and Evaluation Policy.
32. **Subcontracting and provision of services:** This covers the costs of subcontracting or provision of services by an external party in connection with the implementation of the action (consultancy fees, production of documents, studies, external evaluation etc.)
33. Applicants should have the operational capacity to complete the action to be supported. However, if the staff does not have the skills required, when justified and necessary, parts of the project may be subcontracted to another person or organisation. In this case, In this case, the beneficiary shall ensure that the relevant terms applicable to itself under the agreement are also applicable to the subcontractors. It must be clearly specified which tasks will be subcontracted and why this subcontracting is necessary. Beneficiary procurement must comply with the principles of SPREP's Procurement Policy.

Costs linked to events like conferences and seminars.

34. Specific costs relating to events organised as part of the implementation of the activities should be included under this heading. This should include travelling and subsistence allowances for participants. Detailed calculations for the relevant costs should be provided e.g. for renting a room (with or without coffee breaks) indicate number of participants and number of days/hours.

Eligible indirect costs

35. Indirect costs are general administrative costs – overhead costs incurred in connection with the eligible direct costs of the action. The percentage is determined in the estimated budget and will be indicated in the grant agreement. These can include maintenance, stationery, photocopying, mailing postage, telephone and fax costs, heating, electricity or other forms of energy, water, office furniture, insurance, and any other expenditure necessary for the successful completion of the project. Postage costs are considered as overhead costs and cannot be accepted under the headings "publications" or "administration."
36. If the accepted budget includes a provision for flat-rate funding in respect of indirect costs, such costs do not need to be supported by accounting documents.

Indirect costs are not eligible for an action where the beneficiary already receives an operating grant from SPREP budget during the period in question.

All costs both direct and indirect should be aligned with SPREP's cost recovery policy.

Costs Not Eligible for Grant Funding

- Costs of purchase of land and immovable property;
- Contributions in kind: these are contributions that are not invoiced, such as voluntary work, equipment or premises made available free of charge;
- Return on capital;
- Debt and debt service charges;
- Doubtful debts;
- Provisions for losses or potential future liabilities;
- Interest owed;
- Exchange losses;
- VAT, unless the beneficiary can show that he/she is unable to recover it according to the applicable national legislation. Note that VAT paid by public bodies is not an eligible cost.
- Excessive or reckless expenditure; and
- Costs declared by the beneficiary and covered by another action or work programme receiving a SPREP grant.

Non-cumulation

36. Each action may give rise to the award of only one grant; there can be no duplicate funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities (running costs).
37. Grants should not be provided in competition with existing national or international funds. SPREP should seek cooperative approaches including shared administration, pooled funds with existing grant managers where these meet SPREP guidelines and provide economies of scale.
38. It is clear that there is inherent difficulty in understanding the flows of funds to diverse groups. Therefore, even when joint mechanisms are not feasible, SPREP grant managers should facilitate cooperation between funds by seeking joint committee members, systematically sharing grant applications and publishing awardees online.

Non-retroactivity

39. Expenditures eligible for financing may not have been incurred before the grant application was lodged.

Co-financing

40. Grants may not finance the entire cost of the action to be subsidised. The applicant must contribute to the implementation of the action either by way of own resources or by financial contribution from third parties (in the form of public or private assistance obtained elsewhere).
41. Grant proposals should include total income identical to total expenditure. The income side of the budget must show:
- 1) The beneficiary's (or co-beneficiary's) contribution in cash: The direct monetary contributions from the applicant's own resources and/or the contribution from any other providers. This means an effective expenditure, i.e. a financial flow that can be traced in the written accounts. Placing a civil servant remunerated by a public administration, or an employee of a company or organisation, at the disposal of the project is treated as a cash contribution since this gives rise to an expense that can be identified in the accounts of these administrations or organisations. By way of another example, if a meeting room is made available paying the cost of rental, then this is treated as a cash contribution, which can be included in the direct eligible costs of the project and on the income side.
 - 2) Contributions from third parties
 - 3) The revenue generated by the action: any income expected to be generated by the
 - 4) Implementation of the action should be detailed (such as the yield from sales of publications or conference registration fees).
 - 5) The grant requested from SPREP.
42. The partial or total withholding by the applicant of any information that may have an impact on the final decision concerning the application will entail the automatic disqualification of the application or, if discovered at a later stage, will entitle SPREP to impose financial and administrative penalties.

No-profit Rule

43. The grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of total actual receipts over the total actual costs of the action. Any income of the action must be indicated in the estimated budget and the final financial statement. The amount of the grant will be reduced by the amount of any surplus.

Conflicts of Interest

44. Conflicts of interests of persons associated with an applicant, fund committee, or fund administration must be declared in writing (or noted in minutes) and assessed by independent persons. This applies to persons designing new funds, managing funds, selection committee members, and other persons involved in resource allocation. See SPREP conflict of interest policy.

Standard Procedures

The following minimum procedures have been divided into eight main steps (see Figure 1) and should apply to SPREP grant fund operations.

Step 1: Design Grant Fund

45. Steps 1-4 somewhat parallel SPREP's Project Cycle Stage 1: Project Concept. When issuing a grant, however, the procedures are slightly different – concepts will be received from potential recipients and reviewed by SPREP, instead of being developed by SPREP.
- Appoint lead project manager (from SPREP side)
 - The design stage should ensure adequate resources to review best practices in the targeted theme, community or sub-region. Mapping existing grant schemes can help to identify opportunities to share costs, cooperate with other funding partners and integrate best practices from experience.¹
 - Develop fund system: Where one or several other entities' fund system(s) is proposed to be used then these systems should substantively comply with this guidance or be adapted for the purposes of disbursing SPREP funds. An assessment can be adapted from the EU pillar assessment questionnaire and criteria² or KPMG pre-grant due diligence process and/or maybe contracted to an external auditor.

Step 2: Establish Fund Structures

- Establish criteria for project section and methodology for ranking proposals.
- Set in place a monitoring and evaluation plan. See guidance on monitoring and evaluation in operations manual.
- Appoint a grant selection/oversight committee and brief members of SPREP grant guidance and pre-grant due diligence checklist (Annex I).

¹ For example farmers grant contributions aligned with harvest. Use of established grant channels managed by umbrella organizations, e.g. national women groups, chamber of commerce, growers associations. Appointing common committee members or joint administrators to promote information flows.

² <http://ec.europa.eu/europeaid/node/44308>

4. Negotiate administration budget. Ensure maximum administrative contributions fixed by donors are respected. Note this may involve developing an executing entity arrangement with a partner organisation.
5. Agree total funding available and number of funding rounds. Set fund disbursement targets.

Step 3: Develop Terms of Reference and Relevant Templates for the Fund.

46. Standard forms are useful when managing multiple small grants. Common documentation developed includes terms of references and guidelines for applicants, committees, fund staff and supervisors, budget proposal, concept note, detailed project document, appraisal form, grant contract, progress and final reports. The choice of documents needed depends on fund nature, scale, and suitability of existing material.

Step 4: Call for Proposals

47. Plan funding process and schedule rounds to allow adequate time for promotion and responses to be developed by applicants.
48. Call for proposals using a minimum of three separate channels such as web pages, social media, radio, newspapers and networks. Consider tools to familiarise intending applicants with fund criteria and the application process.
49. Provide online access to all application forms, templates and information guides.

Step 5: Appraisal

1. Review applications and verify relevant supporting documentation is provided. For example, signed letters of commitment from the applicant organisation and/or other sources.
2. Complete pre-grant due diligence checklist on each applicant to assess applicants' capability to manage projects (Annex I).
3. Prepare a summary of proposals received, pre-grant due diligence and provide access to copies to all selection committee members with adequate time to review.
4. Hold selection meeting (can be virtual meeting). Discuss each proposal. Review organisational capacity to deliver project and alignment with fund objectives. Rank projects and allocate
5. Document committee decisions including dissenting views, majority decision, justification and response to applicant in minutes.
6. Obtain final approval from SPREP authorising officer. Refer to Project cycle, stage 3 project approval.

Step 6: Grant Award

50. Provide written feedback to all applicants detailing reasons for decision and recommendations.
51. Prepare contracts and obtain legal clearance. This may take form of a contract pre-approved by the organisations lawyer or case by case review. Establish payment milestones. Negotiate final agreement with recipient.
52. Successful applicants should sign two original copies (one for SPREP/one for recipient) of the Agreement which will outline details of the project to be funded; agreed outcomes to be achieved, identify responsibilities, contact/liaison person; the time frame for implementation of the project, branding and promotion requirements, monitoring, financial management, and reporting requirements.
53. In this agreement recipients should undertake the following:
 - To be responsible for maintaining a full record of all monies received and all expenditure and will be accountable for the appropriate use of the funds in accordance with the terms of each agreement.
 - Submit at least a final report on completion along with a final financial statement of all actual expenditure and actual revenue.
 - To provide access to any detailed information requested to verify the organisation's accounting documents, if they deem this appropriate.
 - To maintain documentation justifying items of expenditure must be retained by the applicant's organisation for five years following final payment by the SPREP.
 - To make available on request all necessary documents or information as will allow an evaluation.
 - To authorises publishing the following information in any form and medium:
 - The beneficiary's name and the address;
 - The subject of the grant; and
 - The amount awarded and the rate of funding of the costs of the action.
 - To return any unused money.

Step 7: Monitoring and Reporting

54. The Lead Project Manager (LPM) will perform day-to-day monitoring of recipients. This should involve networking with relevant groups in country to foster a flow of information, contact with recipients and review of beneficiary reports including:
- Mid-term progress report (including financial summary of expenditure to date, invoices and expenses against budget outputs)
 - Final completion report
 - Itemized financial summary must be submitted at the progress and completion stage showing expenditure against budget outputs and invoices
55. The SPREP Project Review and Monitoring Group (PRMG) or its delegate should perform at least six monthly reviews of the grant portfolio and require the LPM to produce a summary report of progress, issues and recommended action.
56. Monthly supervision over budget and expenses should be mainstreamed with budget reviews of the managing division with significant issues reported to the Senior Management Team by the Director.

Step 8: Fund Performance Evaluation

57. Internal evaluation of grant fund systems will be integrated into ongoing internal control processes overseen the internal auditor.
58. External evaluation of fund performance should be undertaken where scale or risk merit resources required. See SPREP's monitoring and evaluation policy for evaluation guidelines.

Figure 1: Grant Mechanism Procedure Steps

Complaint Process

59. Applicants and other interested parties can make complaints to SPREP investigative bodies through SPREP's Whistle-blower Policy and Fraud Prevention Manual. This process should be described in grant guidelines issued to applicants and published online.

60. Unsuccessful applications should be allowed to reapply at a later date.

Grant Payments

61. Funds will be paid only into organisational bank accounts that require at least two signatures, or will be paid directly to suppliers. No funds are to be paid into an individual's account.

62. Grant payments to recipients should be structured in a manner to facilitate project delivery, minimize administration and provide fund managers with reasonable leverage over recipients for progress on agreed results. Adapt milestones to the applicant's context linking payment to reporting against progress and financial expenditure.

63. On satisfying milestone requirements, the fund manager will approve payment requests following the SPREP payment process outlined in the operations manual.

64. Should the final report be deemed to be inadequate or of low quality, the SPREP reserves the right to request additional information within 60 days of reception of the final report, and, if necessary, to suspend the final payment until the requested information is provided.

Annex I: Pre-Grant Due Diligence

What is the purpose of pre-grant due diligence?

Pre-grant due diligence is an important part of effective and responsible grant making. Robust due diligence procedures aim to ensure long term value for money from grant expenditure by identifying potential weaknesses and risks and considering opportunities to enhance capacity before grants begin, when changes become much more difficult. They reduce the risk of funding being diverted from agreed development objectives, which inevitably reduces the desired impact. They also aim to reduce misunderstanding and establish an environment of accountability and transparency between provider and recipient.

Pre-grant due diligence is a process used to assess the appropriateness of potential recipients of a grant. Increasingly, donors are incorporating pre-grant due diligence into their grant making processes to mitigate risks (KPMG, 2012).³

How to use this checklist

This checklist can be modified to suit context of the assessment and should be used to progressively accumulate evidence necessary to form an opinion. Effort should be commensurate with the risk determined by track record with SPREP, grant size and grant purpose. If sufficient evidence is found from a desk review of existing assessments then further research may not be necessary.

Where a grant making system of an organisation is being assessed for conformity with SPREP guidelines then a more significant due diligence process is required. Refer to SPREP project cycle for executing activities. Nevertheless, many of the following themes will be relevant.

Existing assessments

The state of an applicant's organisation can be assessed by desk review using a number of standard reviews in practice, this is especially relevant in the case of governments and large organizations. The following is a non-exhaustive list.

- Public expenditure and financial accountability assessment ([PEFA](#)) and plans
- Harmonised Approach to Cash Transfers ([HACT](#)) assessment, UNDP
- [EU Pillar assessment](#)⁴.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214019/Pre-grant-due-diligence-guidance.pdf

⁴ http://ec.europa.eu/europeaid/funding/about-funding-and-procedures/audit-and-control/pillar-assessments_en

Procedure

Use the checklist to assess extent of compliance with SPREP grant making guide for each relevant theme for each organisation under review. Determine suitability as a grant recipient. Provide the checklist and recommendation to appropriate decision-makers identified in the SPREP project cycle for final decision.

Organisation	Y/N	Comments
Elected governance structure?		
Financial statements demonstrate applicant is a 'going concern' ⁵ ?		
Does the grant recipient/manager have environmental and social standards that satisfy SPREP standards? If not, how will this be managed?		
Evidence of any action taken in response to identification of poor performance on existing activities?		
Is there a high use of contractors for grant components proposed?		
Publically available organisational reviews and annual reports?		
Internal control		
Does the Entity have controls and procedures in place which ensure reliable reporting – both internal and external in line with applicable requirements and standards?		
Does the Entity monitor internal controls regularly and effectively?		

⁵ Means that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

Externally audited financial statements available for the last three years?		
Accounting systems		
Does the Entity use an adequate accounting system and does it have clear and written accounting policies?		
Does the Entity have a budget system and procedures which result in transparent and reliable budgets for its operations and activities?		
Does the Entity have accounting and budgeting procedures which allow adequate and timely reporting on the use of project funds?		
Independent external audit		
Unqualified audit opinion?		
Grants		
Does the Entity have a clear legal and regulatory framework for receiving grants?		
Has managed grants of similar scale?		
Does the Entity apply appropriate rules and procedures for providing grants?		
Procurement		

Does the Entity apply appropriate rules and procedures for procurement?		
Does the Entity apply suitable complaints procedure?		
Financial instruments		
Does the entity have bank accounts requiring 2 signatories per payment?		
Is there foreign currency risk management capacity?		
Sub-delegation		
Is the entity accredited with other multi-lateral funds or a recipient of budget support?		
Do other agencies already sub-delegating recommend this entity?		
Overall positive assessment?		