

**FOUNDATION FOR DEVELOPMENT OF DEMOCRATIC RIGHTS (DEMNET)  
INTERNAL REGULATION FOR MANAGING SUB-GRANTS**

**1. APPLICATION PHASE**

**1.1. Organise grant announcements**

- 1.1.1. DemNet shall organise press announcements in suitable information channels in order to provide as large publicity to the fund as possible. DemNet shall inform the Press Agency about the opening of the Fund.
- 1.1.2. DemNet shall publish the grant announcement in major grant reviews, both in printed and electronic versions. If found an effective way of reaching potential applicants, the publication of grant announcement may be advertised in regional or national newspapers.
- 1.1.3. In order to reach potential applicants at the grassroots level, DemNet shall contact regional NGOs. Call for proposals shall be published in their regionally distributed newsletters and through other regular information dissemination channels. If demanded, DemNet shall organise information session for regional NGOs about the Fund.
- 1.1.4. DemNet shall develop an official website for the Fund to host the entire grant application package for download and provide up-to-date information for applicants. The website shall be updated regularly and shall include comprehensive information about the Fund.
- 1.1.5. DemNet shall contact miscellaneous non-profit networks and various information channels to disseminate information about the Fund. DemNet shall contact other major web site owners in the NGO sector to place advertising banners onto their websites.
- 1.1.6. The call for proposal shall also be announced on the websites of the consortium partners. DemNet shall use its consortium partners' NGO databases to directly inform a large number of NGOs about the Fund via electronic mail.
- 1.1.7. DemNet shall – if requested – make the grant announcement available in Braille-writing.

**1.2. Publish grant application package**

- 1.2.1. DemNet shall make the application package be available for download on the Fund's website. The application package shall include application forms and detailed guidelines and instructions for applicants, including the selection criteria.
- 1.2.2. DemNet shall not ask for legal documents from applicants in the application phase. However, in case of contracting, the successful applicant must present the proof of registration and other relevant documents for contracting.
- 1.2.3. Before downloading the application components, visitors shall be asked for registering. Registered users shall directly receive all programme announcements and updates (such as FAQs) in electronic mail.
- 1.2.4. Per request, DemNet shall mail out the application package on CD/flash drive.

**1.3. Organise regional information days**

- 1.3.1. DemNet shall organise regional information days with the assistance of regional NGOs. Participants can ask questions of public or personal interest.
- 1.3.2. Information days may also be used to inform the local media about the Fund. It is expected that articles shall be put in county newspapers, and local TV and radio stations shall also be interested. The press shall be provided with an information package about the Fund, and statements shall be given to the media.
- 1.3.3. Information days shall be organized to be accessible for people with disabilities.

**1.4. Act as a contact point**

- 1.4.1. During the application phase, DemNet shall act as a contact point for NGOs and provide information about the objectives of the Fund, and to respond to various questions from applicants.
- 1.4.2. During the advisement period, DemNet shall operate in extended office hours to provide the most convenient availability for applicants.
- 1.4.3. Information and consultancy shall be primarily offered through telephone calls. Questions asked in writing shall be answered in writing within 3 days. Additionally, per request, DemNet shall be available for personal consultancy on an appointment basis.

**1.5. Prepare FAQ**

- 1.5.1. DemNet shall collect questions raised on regional forums and at help desk and prepare a list of Frequently Asked Questions. DemNet shall keep it updated and publish on its web site.

**1.6. Receive and register applications**

- 1.6.1. DemNet shall accept grant applications both in electronic format submitted in electronic mail as well as in hard copy.
- 1.6.2. DemNet shall register each received application recording the applications' registration number and the date and time of submission.
- 1.6.3. DemNet shall use its Grants Management Information System (GMIS) database to store all application data. The GMIS is a proven tool to simply record, access, analyse, and process all application data, including the provision of miscellaneous statistical information.

- 1.6.4. DemNet shall be prepared with sufficient technical and human resources to handle a large number of applications at submission deadline.
- 1.6.5. After the opening of proposals, DemNet shall prepare and send acknowledgement letters to applicants.

## **2. SELECTION PHASE**

### **2.1. Initial screening of applications for administrative compliance and eligibility**

- 2.1.1. DemNet shall check applications whether they meet administrative and eligibility criteria set in the call for proposals.
- 2.1.2. DemNet shall prepare and mail out rejection letters to applicants rejected due to administrative or eligibility requirements.
- 2.1.3. All applications which fulfil administrative and eligibility criteria shall be forwarded to technical assessment.

### **2.2. Organisation of selection committees**

- 2.2.1. DemNet shall formulate a selection committee, one for each thematic area. The selection committees shall make final decisions on the award of sub-grants to the end recipients.
- 2.2.2. Each selection committee shall consist of minimum 3 evaluators. DemNet shall chair the Evaluation Committees. The responsible project coordinator shall act as a secretariat on the selection committee meetings.
- 2.2.3. All evaluators shall assess eligible applications to measure their technical and financial quality.
- 2.2.4. Evaluators shall be sectoral experts who are selected based on their expertise and experience in the particular thematic area, as well as their knowledge of the sector and other grant programmes supporting similar activities.
- 2.2.5. Evaluators shall be independent from and non-bias towards applicants. Each selection committee shall have reserve members in case of any conflict of interest occurs.
- 2.2.6. Prior to evaluation, DemNet shall organise a workshop for evaluators to provide them with detailed information and guidelines concerning the Fund.
- 2.2.7. In advance of giving out applications for assessment, DemNet shall prepare a complete list of applicants and request assessors to declare if they have any involvement in any of the applications or are engaged with any of the applicants or partners. In case of any conflict of interest, DemNet shall arrange for instant replacement.
- 2.2.8. In order to ensure transparency, the work of selection committees may be observed by the Donor's representative or National Authorities.

### **2.3. Evaluation of applications**

- 2.3.1. Evaluation shall be made according to previously established selection criteria, which shall be shared in advance with applicants in the proposal guidelines.
- 2.3.2. The selection of proposals shall be based on the following criteria:
  - (1) How relevant is the proposal to the objectives and priority sectors of the Fund?
  - (2) How relevant is the proposal to the objectives of the thematic area?
  - (3) How clearly defined are the goals and targets of the proposal?
  - (4) How relevant is the proposal to the needs and constraints of the target group?
  - (5) To what extent are the target group or other stakeholders/constituencies involved in the project?
  - (6) To what extent does the project contain innovative elements?
  - (7) How coherent, achievable and appropriate are the proposed activities?
  - (8) To what extent is the proposal built upon real partnership and cooperation with other organizations/institutions?
  - (9) To what extent does the proposal contain objectively verifiable indicators for measuring project results/outcomes?
  - (10) To what extent is the budget clear and detailed? To what extent is the proposed expenditure necessary for the implementation of the project?
  - (11) To what extent does the proposal contribute to the strengthening and sustainability of the applicant and of the sector?
  - (12) Shall the capacities and experience of the applicant and its partners allow the successful implementation of the project both in technical and financial terms; and to achieve the expected results?
- 2.3.3. Using the selection criteria, evaluators shall score applications following a previously set and discussed scoring guidelines.
- 2.3.4. Evaluators shall be requested to support their scores with written comments to in order to make the evaluation process more transparent and more efficient. Comments shall serve as basis for DemNet to communicate funding decisions to applicants.
- 2.3.5. In normal case each evaluator shall assess each application. However, if the number of applications exceeds a certain level, DemNet shall randomly formulate sub-groups of evaluators within the selection committee. In this case, each application shall be assessed by at least three evaluators.

- 2.3.6. DemNet shall organize and facilitate the work of selection committees providing them with direct and instant access to all applications, evaluation documentation and the GMIS database. DemNet shall take minutes during the Committees' meetings and prepare the evaluation report after the meetings.
- 2.3.7. The selection committee shall make its decision in two steps. First it meets to discuss about individual applications and identify potential applications that are considered for funding. The selection committee may identify critical aspects and concerns in applications to be verified on-site before making final decision.
- 2.3.8. The selection committee makes its final decision on the recommendation of sub-grantees after consulting with programme coordinators conducting preliminary monitoring visits at potential applicants.

#### **2.4. Preliminary monitoring of applicants**

- 2.4.1. DemNet shall conduct on-site preliminary monitoring at selected applicants on behalf of the selection committee to verify the validity of conditions described in the proposal, and to check any other internal or external circumstance that may play a significant effect on the successful implementation of the proposed action.
- 2.4.2. Every case the evaluation committee shall provide pre-monitors with detailed instructions on the main focus of their observations.

### **3. CONTRACTING PHASE**

#### **3.1. Notification of applicants**

- 3.1.1. After the final selection of grantees, DemNet shall notify successful applicants. DemNet shall discuss with pre-selected applicants the planned activities and budget in detail to make them as concise as possible.
- 3.1.2. DemNet shall assist pre-selected applicants to eliminate all ineligible or poorly planned budget lines in order to reduce the chance of future amendment requests to a minimum.
- 3.1.3. DemNet shall prepare grants contracts for signature.
- 3.1.4. After all contracts signed, non-successful applicants shall be notified.
- 3.1.5. Both successful and non-successful applicants shall receive a detailed assessment of their applications, based on the comments of evaluators and the findings of preliminary monitoring. Assessments shall also be published on the project website.

#### **3.2. Holding regional information sessions for grantees**

- 3.2.1. After grants contract are being signed by all parties, DemNet shall publish the final list of sub-grantees on the programme's website including the name and address of organisation, project title, project location, project target groups, short description of activities, total budget, amount and proportion of the support of the Fund.
- 3.2.2. DemNet shall organise regional information sessions for sub-grantees in order to present the main requirements of the implementation, as well as financing conditions and reporting requirements. Regional information sessions shall be held within one month after signing grant contracts.
- 3.2.3. The regional information sessions may provide a good opportunity to establish linkages amongst sub-grantees and facilitate sharing of experiences and expertise. During the sessions each participating grantee may be asked to present its organization and supported project to the audience.

### **4. IMPLEMENTATION PHASE**

#### **4.1. Communication with grantees**

- 4.1.1. Throughout the implementation period, DemNet shall provide a contact point for sub-grantees and deal with all enquires relating to activities, amendment requests and any problems being experienced.
- 4.1.2. DemNet shall maintain a frequent communication with sub-grantees, offering technical help, expertise, professional advice, media-relations and networking opportunities to end-recipients.
- 4.1.3. DemNet shall set up an information page on the programme's website providing up-to-date information to sub-grantees and making all documents and support materials available in electronic format.

#### **4.2. Monitoring procedures**

- 4.2.1. DemNet shall conduct at least one interim monitoring visit at each sub-grantee. Interim monitoring shall take place in the first part or near halftime of the project implementation period.
- 4.2.2. Monitoring visits shall serve to assess progress in project implementation, to ensure good communication and interpersonal relationship with sub-grantees, and to provide sub-grantees with technical and professional advice. Monitoring visits shall provide feedback to both sub-grantees and the Operator whether projects are on the right track, if there are any discrepancies in technical or financial aspects of the projects.
- 4.2.3. After site-visit the monitor shall prepare a monitoring report summarizing its findings. Monitoring report shall be shared and co-signed by the sub-grantee.
- 4.2.4. During monitoring visits, monitors shall be prepared to provide grantees with information and advice on other available funding opportunities.
- 4.2.5. In case of emergency, DemNet shall undertake additional prompt site-visit at the grantee.
- 4.2.6. DemNet shall conduct on-site final monitoring at selected grantees. Final monitoring shall be a tool to assess and verify outcomes and results of projects, and to audit the proper use of the grant.

#### **4.3. Reporting procedures**

- 4.3.1. Sub-grantees shall be required to submit regular interim reports and a final report to the Operator.
- 4.3.2. At least one interim report shall be prepared in the mid-time of project implementation. The report is due 15 days after the last day of the reporting period.
- 4.3.3. If a project does not exceed 6 months in length, no interim report is required to be submitted.
- 4.3.4. Interim report shall contain a narrative and a financial part, both prepared in a given format. The narrative part is designed to give DemNet sufficient information on the status of project implementation, activities performed, and a precise assessment of the quantitative and success indicators.
- 4.3.5. The financial part of the interim report shall include a table of expenses indicating all expenses incurred and paid in the reporting period.
- 4.3.6. Final report shall be made at the end of project implementation. The report is due 30 days after the last day of the reporting period.
- 4.3.7. Similarly to interim report, the final report also contains a narrative and a financial part, both prepared in a given format. The narrative part is designed to give DemNet comprehensive and detailed information on project implementation, all activities performed, an evaluation of the achievement of objectives, a precise assessment of quantitative and success indicator, and a consideration of the sustainability of the project and of the project's impact.
- 4.3.8. The financial part of the final report shall include a table of expenses indicating all expenses paid in the reporting period.
- 4.3.9. DemNet shall notify sub-grantees four weeks prior to the deadline of interim and final reports about the upcoming reporting requirement.

#### **4.4. Auditing procedures**

- 4.4.1. Receipts of expenses remain with the sub-grantee and are subject to auditing. The sub-grantee must maintain a project accounting system, separate from other projects. The accounting system shall provide a clear statement of all income and expenses raised in the project.
- 4.4.2. DemNet may conduct on-site audit visit at sub-grantees to verify the proper use of funding. Sub-grantees shall be requested to make all receipts of expenses available for the auditor. Out of that, the auditor shall randomly select and check at least 10 percent of all receipts.
- 4.4.3. DemNet may conduct desk audit. In such case, the sub-grantee shall be requested to present proofs of particular expenses randomly selected by DemNet. This way 10 percent of all expenses shall be automatically audited at the grantee. In case of discrepancies found, or if found otherwise necessary, complete financial audit shall be carried out.

#### **4.5. Grant payments**

- 4.5.1. Grant payments are made on the basis of payment claims submitted by grantees.
- 4.5.2. Advance payments shall not exceed 80 percent of the total grant. For any project scheduled to last longer than one year, the maximum initial advance payment shall not exceed 50 percent of the total grant. The maximum advance payment to a grantee shall not exceed 10,000 EUR.
- 4.5.3. The first payment claim is prepared parallel to the grant contract and is submitted to cover maximum of 80% of grant planned for the first 12 months period, with regards to the criteria described above.
- 4.5.4. In case of projects longer than one year, a second interim payment claims shall be submitted along with the interim report, requesting the remaining advance payment for the second year.
- 4.5.5. The final payment claim shall be submitted along with the final report. It shall be paid in the form of reimbursement of incurred costs after the full acceptance of the final technical and financial report.