GRANT SCHEME RULES FOR SUPPORT TO CIVIL SOCIETY AND DEMOCRATISATION

Responsible unit: CIVIL SOCIETY DEPARTMENT, NORAD
Programme area: INTERNATIONAL AID 03
Chapter/s: 160.70

The scheme is announced on Norad's website, and funds are granted pursuant to applications. The criteria for applicant and application assessment are provided in these grant scheme rules.

The grant scheme rules cover the following former schemes: Grants for Norwegian NGO development work, Grants for International Organisations and Networks and Grants for Rights of minorities of faith and belief.

1 Objective and target groups of the scheme

The objective of the scheme is to achieve a stronger civil society in developing countries with the ability and capacity to promote democratisation, realise human rights and reduce poverty. The scheme will also directly contribute to the achievement of objectives in prioritised thematic areas.

The priorities within this scheme are set annually in the Storting's approval of the Ministry of Foreign Affairs' Proposition No. 1 to the Storting and in the Ministry of Foreign Affairs' letter of allocation to Norad. This is contingent on an annual grant in the national budget.

Civil society actors are the target group of the scheme. Civil society is seen as an arena that is separate from the family, state and market, where individuals voluntarily work together to promote interests and rights on their own and others' behalf. The target groups for the different areas in the scheme are specified in dedicated announcements.
2 Criteria for achievement of objectives

The unit in charge (Norad's Civil Society Department) will write a report on the scheme's achievement of objectives that can be used in the report section under the discussion on the relevant chapter in Proposition No. 1 to the Storting.

The overall reporting of results from projects and programmes under the scheme will show that Norwegian funding has an impact on the development of society, and will justify further Norwegian efforts in the area.

Norad will perform the overall reporting for the scheme, based on all of the grant recipients being required to submit reports on indicators that show:

1. The extent to which the project has strengthened civil society organisations.
2. The extent to which the project has had an impact on the target group (including fulfilment of rights and reduced poverty).

Grant recipients are not required to report on the overall goals of the scheme. Grant recipients must document the extent to which the project has had the intended effect for its target group. As far as possible, they should assess the probability that the measure has had an impact on society in areas covered by the general objective of the scheme. The relevance of each project to the objective of the scheme must always be documented.

Norad will also report on the status of civil society in selected developing countries. A stronger civil society is characterised by people having a greater ability to participate and influence matters, and thus having greater protection of their rights. Periodic reports from the UN Special Rapporteur on the rights to freedom of peaceful assembly and of association and similar reports will be used in this work, including selected information from indices like:

- Level of sustainability in civil society (CSO Sustainability Index – USAID)
- The ability to influence the management of public resources (Open Budget Survey)
- Level of media freedom (Reporters Without Borders Press Freedom Index)
- Level of compliance with fundamental human rights (World Justice Project)

The indices and data used will vary from year to year, depending on how up-to-date the data collection is in the relevant countries.

3 Allocation criteria

The purpose of the project and programme must comply with the objective of the scheme, see chapter 1. Agreements of up to four years will generally be entered into. Different agreement types:
Collaboration agreements (multi-year)
Collaboration agreements are grants to large and medium-sized organisations that implement extensive projects in several countries. A partner can only request a collaboration agreement following an invitation from Norad. Organisations that are invited to apply for a collaboration agreement are organisations that have several years of experience with project agreements and can document good results.

Project agreement
Organisations can apply for project agreements of between one and four years. One application can cover several projects.

When funds are made available through an agreement, the contractual partner must ensure that the funds are used as agreed. Norad has a zero tolerance policy on financial irregularities such as corruption, fraud, theft, embezzlement, improper use of funds, and cases where the contractual partner cannot/will not provide an acceptable account of the use of the funds. The zero tolerance policy applies to all people, organisations and governments that manage funds that Norad manages. The contractual partner must ensure that it prevents and identifies financial irregularities.

Anti-corruption, the gender perspective, the environment and vulnerability to climate change must be taken into consideration in all projects. This means that the grant recipient must identify any negative effects of the project and counteract them throughout the entire cycle of the project. The grantee must seek to integrate anti-corruption, gender, environmental and climate components or incorporate them as an additional component. Protection of human rights must also be included.

Grants under the scheme must comply with the criteria in the OECD/DAC directives for ODA funding. Projects and programmes that receive funding must be implemented in or target countries on the OECD/DAC list. Target groups in the Balkans that are covered by grant schemes handled by the Ministry of Foreign Affairs are not covered by the scheme.

Priority will be given to large programmes and projects.

Application processing
The application will be processed by Norad's Civil Society Department according to set criteria and procedures.

Who can apply:
Civil society actors such as networks, voluntary organisations, trade unions, independent media, religious societies and sports organisations can apply for funding
under the scheme. UN organisations, state organisations, commercial actors, consulting firms and individuals cannot apply.

Requirements for all applicants:

- The applicant must be an independent legal entity with its own articles of association and an executive board.
- The applicant's board must be administratively autonomous from the organisation's day-to-day operations in order to safeguard the independent control function of the board.
- The applicant must be financially sustainable, and not rely solely on public funding.
- The applicant must have the necessary specialist and administrative competence to implement the project/s.
- The applicant must have a strategy for its work in developing countries.
- The applicant must have an established collaboration with, or itself be, a civil society actor in the country in which the project is implemented.
- The applicant must deliver a performance framework that lists objectives, indicators, targets and baselines as part of the application. There must be a monitoring plan.
- The applicant must confirm that it has drawn up ethical guidelines for its activities. As a minimum, the ethical guidelines must comply with the criteria in the guide regarding ethical guidelines for Norad's grant recipients.
- The applicant must confirm that it has performed adequate security assessments for its workers in connection with foreign postings, and has implemented the necessary projects for areas such as training, own guidelines, insurance and equipment.
- The applicant must have adequate funds to cover at least 10 per cent of the expenses associated with the project unless an exception is specified in the announcement. The value of assets or work cannot be calculated as a share of this requirement.

Requirements for international non-governmental organisations:

- When the applicant is an international non-governmental organisation (INGO), there is a requirement that project implementation must take place in at least two countries.
- When the applicant is an international non-governmental organisation (INGO), it must have members (in the form of organisations, countries or board members) from at least two countries.

Who can be a local partner?
Local partners must be representative civil society actors. This means that they must represent target groups and actors driving change in the country in which the project will be implemented, and as such must be able to influence and participate in the development of society. Individuals cannot be partners. In some cases, local or central authorities can be partners when this results in capacity-building within their area of responsibility and when the applicant has specific competence that is sought after.

**Assessment criteria for processing applications**

For applicants who are looking for collaboration agreements, the assessment tool will specify the weighting of the different criteria. Information about the assessment tool can be found on norad.no.

Assessment of the applicant's competence and capacity:

- Knowledge about the country covered by the application for projects, including an analysis of policy, the human rights situation, culture and society, main challenges and needs.
- Relevant specialist competence and the capacity to achieve the objective of the project.
- A documented ability to achieve results in a cost-effective manner.
- Systems for performance and risk management.
- Financial management, including projects to prevent corruption.

Assessment of the quality and relevance of the project:

- Theory of change and an explanation of how the project/s will help solve the main challenges identified.
- The project's plans for results and risk management, including clear objectives, indicators with a baseline, and identification, analysis and handling of risk.
- The role of the applicant and the value it adds to the project.
- The project's relevance for the different purposes of the scheme and general composition of the scheme's portfolio.
- The level of cooperation between different grant recipients and facilitation of knock-on effects. Norad will prioritise applications where the Applicant document that they cooperate with others in order to achieve greater efficiency and better results.

More information about each assessment criterion for application processing is available on norad.no. Norad does not normally provide funding for pre-projects.
4 Information to applicants and potential grant recipients
General information about the scheme is published on regjeringen.no and norad.no. Norad's application form must be used. The form and guide, which includes requirements for budgets and goal management, are available on norad.no.

The scheme will be announced on norad.no, where criteria and application deadlines are also announced. The announcement must be designed in accordance with Norad's template for announcements.

Occasionally, all or parts of the scheme can be announced directly in contact with relevant groups of experts and/or relevant recipients who are well placed to contribute to achieving the objective of the scheme in a cost-effective manner. Examples of situations where direct announcements may be relevant are where there are substantial budgetary limitations or where an insufficient number of relevant applications have been received.

Norad publishes all agreements on norad.no unless there are special reasons not to do so.

5 Follow-up and control
Follow-up and control must be adapted to the risk and importance of each project. Thorough assessments of the project and partner must be conducted before entering into an agreement in order to provide a foundation for the agreed follow-up and control projects. Follow-up and control will be conducted in accordance with the Grant Management Manual (GMM), including the specifications found in the grant scheme rules and in the agreement templates. Templates and forms will comply with the GMM unless otherwise specified.

The desk officer can access current templates on the Ministry of Foreign Affairs' intranet under Fagområder/Grant management, and on Norad's intranet.

The procedures for different elements of the grant management must be followed. The desk officer can access the procedures on the Ministry of Foreign Affairs' intranet under Fagområder/Grant management/Routines, and on Norad's intranet.

5.1 Management regime
Grants covered by this scheme must be managed as project/programme funding (management regime I), as general grants (management regime II) or as limited funding (management regime III). The choice of management regime depends on the
type of project. See descriptions of the different management regimes on pages 14–15 of the GMM.

5.2 Assessment and decision-making
The following assessments will be made initially:

- That the project qualifies for funding under the scheme, i.e. the objective of the project is relevant to the objective and target groups of the scheme, in addition to the scheme's allocation criteria.

- The desk officer's impartiality or other matters related to impartiality or conflict of interest. (In writing if necessary, see pp. 22–23 of the GMM.)

- If the partner is a legal entity and can enter into a legally-binding agreement.

- The need for political support if clearance is necessary based on considerations of political sensitivity or the size of the grant.

Activity A01 "Receive application and assess the need for more information" in the GMM describes the procedure when applications are received.

Quality assurance/professional advice
Quality assurance in the form of procuring professional advice outside the unit that manages the funds is an important risk-reducing measure that can improve the foundation on which decisions are made and agreements are entered into, establish the need for control during the follow-up phase and increase the possibility of achieving results and measuring performance afterwards. If specialist advice is procured that is not followed, this must be documented during the decision-making phase, and the reason for the non-compliance must be based on a risk assessment.

Considerations of risk and materiality will determine whether the application should also be reviewed by other relevant departments at Norad and selected embassies. External environments can also help with the assessments.

Devise supporting documentation
In general, the templates for supporting documentation for the relevant management regime must be used. See activity A04 "Prepare decision documentation" in the GMM.

Cross-cutting issues as mentioned in chapter 4 above must always be included. If the assessment calls for a departure from these considerations, the reason for this must always be explained in the decision regarding the grant.
The letter granting funds must be accepted within eight weeks, after which it will no longer be valid.

*Rejection*
When an application is rejected, this information will be provided to the applicant in a form rejection letter.

*Appeals processing*
Decisions to approve or reject applications for grants are normally individual decisions pursuant to the Public Administration Act, and may be appealed to the Ministry of Foreign Affairs. Appeals are processed in accordance with chapter VI of the Public Administration Act. Appeals must be submitted in writing to Norad within three weeks from the date that notification of the decision is received by the applicant. If Norad upholds the rejection, the matter will be referred to the Ministry of Foreign Affairs. The Ministry will make the final decision, and will reply directly to the applicant if the matter is not returned to Norad for reassessment.

*Follow-up requirements*
Follow-up and control of projects and programmes under the scheme will depend on the applicable management regime, requirements in these grant scheme rules, and a consideration of materiality and risk for each project. The choice of follow-up and control measures will be based on supporting documentation and specified in the agreements. Activities A08–A17 in the GMM describe different follow-up activities.

During the agreement period, Norad will generally conduct at least one review of grant recipients with agreements of a duration of more than two years and with a total contractual value of NOK 10 million or more. Norad will determine the general direction of each review. This may be a midway review or a final review or both, depending on what is considered necessary when assessing follow-up of the project. See activity A16 "Conduct review" in the GMM. The content and scope of the reviews will be adapted to the risk and materiality of the project.

If the requirement of a review is departed from, the reason for this must be documented and be based on a risk assessment.

*5.3 Entry into the agreement*
In general, the Ministry of Foreign Affairs' agreement templates must be used. See activity A06 "Prepare and sign grant agreements" in the GMM.

The current agreement templates can be found on the Ministry's intranet under *Fagområder/Grant management/Agreement templates.*
Agreements of up to four years will generally be entered into. It will only occasionally be possible to apply for increases and major changes to current agreements. Changes and applications for extensions and increases must be submitted as separate supplementary applications upon written invitation by Norad.

Legal quality assurance performed by Norad's Legal Section is mandatory for all agreements worth in excess of NOK 15 million. Legal quality assurance is mandatory if non-approved templates are used and/or if considering departing from the fixed sections of the template. If a different template is used, the minimum requirements described on p. 122 of V06 of the GMM will be incorporated into the agreement.

If legal advice is procured, any deviations from this must be documented during the decision-making phase, and the reason for the non-compliance must be based on a risk assessment.

5.4 Follow-up
Follow-up and control will comply with the Ministry of Foreign Affairs' handbooks on grant management. Templates and forms will comply with the manuals unless otherwise specified.

In the GMM, activity A61 "Amend agreement" describes what to do if it becomes necessary to amend the agreement. This is also discussed in V06 of the GMM on p. 125.

Grant recipients must report their achievement of objectives annually, in addition to submitting a report on the achievement of objectives for the entire agreement period.
Grant recipients must submit annual budgets and audited accounts. When an annual grant exceeds NOK 300 000, the grant recipient must be audited by an externally-authorised auditor.

Norad's Civil Society Department will procure reports from projects under the scheme that make it possible to assess the effect of the project for the target group and to report on the achievement of objectives under the scheme in the annual budget proposition. Reports on the scheme's achievement of objectives must also assess the probability of Norad's funds having led to progress in areas of society that fall within the objective of the scheme.

Forms describing Norad's requirements in greater detail have been devised for every category of the reporting, see norad.no. The organisations can report using the format that best suits their own procedures as long as Norad's questions are answered.
5.5 Conclusion
Activities A18–A21 in the GMM describe the activities to be performed when concluding agreements.

5.6 Financial irregularities and handling breaches of contract
Justified suspicion of financial irregularities must be reported to Norad's whistleblowing team without undue delay and must be followed up in accordance with "Guidelines for Norad's Handling of Suspicions of Financial Irregularities" (valid from 26 January 2011).

6 Evaluation of the grant scheme
Selected projects or groups of projects under the scheme will be subject to independent review in line with standard practice at Norad.

In addition, all or parts of the scheme may be subject to assessment through independent evaluations initiated by Norad's Evaluation Department.

Completed evaluations must be entered in the evaluation portal (evalueringsportalen.no).