**Appendix B1 - Grant Design Document**

**NOT TO EXCEED 20 PAGES (Excluded Annexes)**



Click here and type Grant Recipient

Click here and type project name

Grant Design Document

**Suggested Table of Contents**

|  |
| --- |
| ACRONYMS |
| I. BACKGROUND |
| II. RATIONALE: RELEVANCE AND LINKAGES |
| 1. Rationale for grant financing 2. Link to outputs of Grants Policy and corporate priorities |
| 1. Alignment to Priority Area and to IFAD 11 commitments (for Global/Regional grants only) 2. Contribution to country programme and planned or ongoing projects |
| III. THE PROPOSED PROJECT |
| 1. Country/Countries 2. Direct and Indirect Target Group |
| 1. Overall Goal and Objectives 2. Key Activities by Component |
| 1. Expected Outputs and Outcomes 2. Risks and measures of mitigation |
| IV. PROJECT IMPLEMENTATION ARRANGEMENTS |
| 1. Recipient, Rationale for recipient selection and recipient capacity |
| 1. Implementation procedures / project management 2. Implementing partners and implementation agreements |
| 1. Implementation Period and Indicative Workplan (including table showing timing of key activities) |
| V. M&E, SUPERVISION, KNOWLEDGE MANAGEMENT AND SCALING UP |
| 1. Monitoring, Evaluation and Reporting 2. Supervision Arrangements |
| 1. Knowledge Management and Learning 2. Scaling up and sustainability |
| VI. PROJECT COSTS AND FINANCING |
| 1. Project Costs by Component (Activity-based budget) |
| 1. Project Financing, including table showing proposed project costs by category of expenditure for IFAD and other financiers |
| VII. FINANCIAL GOVERNANCE |
| 1. Procurement Procedures for Goods, Services and Human Resources |
| 1. Financial Management System, including accounting specifications |
| 1. Audit Arrangements |
| ANNEXES |
| 1. Results-Based Logical Framework – max. 3 SMART outcome indicators (see attachment) |
| 1. Supporting Documentation to Grant Design Document (see attachment) |
| 1. Eligibility and Due Diligence Checklist (see attachment) |
| 1. Financial management questionnaire (see attachment) 2. KM Plan |

Appendix B1 - Annex 1

**Results-based logical framework**

|  | **Objectives-hierarchy** | **Objectively verifiable indicators** | **Means of verification** | **Assumptions** |
| --- | --- | --- | --- | --- |
| **Goal** | What is the goal to which the intervention will contribute? | What are the key indicators related to the goal? | What are the sources of information for measuring progress against these indicators? |  |
| **Objectives** | What are the overall objectives to which the action will contribute? List the specific objectives of the grant application. | What are the key indicators related to the objectives?  Which indicators clearly show that the objective of the action has been achieved? | What are the sources of information for measuring progress against these indicators? | Which factors and conditions outside the recipient’s responsibility might affect the achievement of the objectives? (external conditions)  Which risks should be taken into consideration? |
| **Outcomes**  **/Outputs** | What are the outcomes and outputs necessary to achieve the objectives? | What are the indicators to measure whether and to what extent the action achieves the expected results? | What are the sources of information for measuring progress against these indicators? | What external conditions must be met to obtain the expected results on schedule? |
| **Key Activities by component** | What are the key activities to be carried out in order to produce the expected results? (group the activities by component) | What are the indicators to measure the key activities undertaken? | What are the sources of information for measuring progress against these indicators? | Which pre-conditions must be met before the action starts? |

***Note:*** *Yellow highlighted text denotes instructions for the originators. Please delete the yellow text when inserting information in the cells.*

Appendix B1 - Annex 2

**Supporting documentation for grant design document**

1. *Legal documentation*, including evidence of legal status and capacity, registration and good standing, evidence of the authority of the person who will sign the agreement for the recipient. The recipient must demonstrate that it has been registered and that its registration is current (evidence of good standing no more than 90 days old), that it has the corporate capacity to enter into the Grant Agreement, accept the Grant and carry out the Project, and that the person signing the agreement has the necessary authorization. Different jurisdictions have different laws, so the actual documentation required may vary. As a rule, the recipient must be registered in an IFAD Member State. Legal documentation is not required for United Nations agencies or CGIAR institutions.

Yes  No  Not applicable

1. *Financial documentation*, including the name/address of independent auditors, institutional audited financial statements and audit reports. Audit reports must be signed and dated on Auditor’s letterhead. For recipients that have not previously received an IFAD grant, two years’ audited financial statements and audit reports will be required. Otherwise, one year is sufficient. Financial documentation is not required for UN agencies or CGIAR institutions. For those recipients that have not been required to prepare audit reports, or whose audit reports have been qualified, the financial management questionnaire must be submitted.

Yes  No  Not applicable

1. *Recipient’s procurement procedures*. If the recipient does not have its own procedures, a declaration that it will use IFAD’s Procurement Guidelines or other procedures acceptable to the Fund will suffice

Yes  No  Not applicable

1. *Procurement Plan.* The Procurement Plan, defined in paragraph 6.1(xiii) of the IFAD General Provisions, should be prepared where goods and services worth more than US$ 200,000 are to be procured under the project. The Grant Sponsor should review the Procurement Plan to ensure, among other things, that the grant is not used to purchase equipment or other durable goods if it would be economically appropriate to lease the equipment instead and that such goods or equipment are suitable and required for the effective implementation of the project.

Yes  No  Not applicable

1. Declaration by the recipient (email is acceptable) that it has read and accepted the Project Description and Project Budget. It is mandatory that the recipient has reviewed the Project Description and Project Budget before the Grant Package is submitted for Approval.

Yes  No  Not applicable

1. Declaration by the recipient (email is acceptable) that it has read and accepted IFAD’s Standard Grant Agreement. The model Grant Agreement is available on the QAG DESK site (<https://xdesk.ifad.org/sites/qag/corpgrantsec/SitePages/Home.aspx> ).

Yes  No  Not applicable

Appendix B1 - Annex 3

**Due diligence on grant recipients**

**Eligibility Checklist**

|  |
| --- |
| 1. **The recipient is:** (check the appropriate box)  The government of a developing member state of IFAD  A non-profit, non-governmental organization in an IFAD member state  An intergovernmental organization with more than one IFAD member state as a member.  Private sector entity  Other  (Governments and government agencies of developed Member States and non-Member States are not eligible. Non-profit, non-governmental organizations in non-Member States are eligible only if a specific waiver is granted by the President.) |
| 2.(A) **If the recipient has previously received grant(s) from IFAD, has it provided all necessary progress reports and audited financial reports/statements?**  Yes  No  n/a  If the answer is no, the recipient is not eligible.  2(B) **If the recipient has previously received grant(s) managed by your division, was its performance fully satisfactory?**  Yes  No  n/a  If the answer is no, please explain why the recipient should receive a new grant. |
| 3. **Can the recipient provide audited financial statements for the two previous years?**  Yes  No  If the answer is no, describe special circumstances that justify giving the grant to this recipient and provide supporting documentation. |
| 4. **Is IFAD the prime beneficiary of the grant?**  Yes  No |
| 5. **Will this grant support activities normally supported by other IFAD resources?**  Yes  No |
| 6. **Will this grant support activities that duplicate efforts being financed by other donors?**  Yes  No |
| If the answer to 4, 5 or 6 is yes, the grant does not comply with the IFAD Grant Policy. No waiver is possible. It is the responsibility of the grant sponsor to confirm the eligibility of the recipient and the conformity of the grant with all aspects of IFAD’s policies and procedures. If the grant sponsor requests a waiver of any policy or procedure which is subject to being waived, it must be set forth below. |
| 7. **Deviation from IFAD policies and procedures** List any aspects of the grant that do not comply with IFAD’s grant policy or procedures. |

**Declaration of Potential Conflicts of Interests**

Please answer the following questions relating to potential conflicts of interest by ticking the boxes in the left column of the table. If the answer to a question is "Yes," please provide additional information as requested below.

|  |  |
| --- | --- |
| Yes  No | [Prospective Recipient], [Prospective Recipient] staff involved in the proposed project[[1]](#footnote-1) and/or their immediate family members[[2]](#footnote-2), have a financial interest in the proposed project. [[3]](#footnote-3) |
| Yes  No | Has any [Prospective Recipient] staff involved in the proposed project and/or their immediate family members received assistance from an IFAD employee (i.e., IFAD consultants or staff members) which might lead to actual or perceived preferential treatment?[[4]](#footnote-4) |
| Yes  No | Do any of the [Prospective Recipient] staff involved in the proposed project have immediate family members working for or at IFAD (i.e., as a consultant or staff member)? [[5]](#footnote-5) |
| Yes  No | Has [Prospective Recipient] and/or [Prospective Recipient] staff involved in the proposed project, ever been sanctioned[[6]](#footnote-6) of fraud, corruption, collusion, coercion or a related wrongdoing?[[7]](#footnote-7),[[8]](#footnote-8),[[9]](#footnote-9) |
| Yes  No | Does the [Prospective Recipient], [Prospective Recipient] staff involved in the proposed project and/or their immediate family members, in any way not listed above, benefit,[[10]](#footnote-10) or appear to benefit, directly or indirectly, from an association with IFAD or with an enterprise or organization that, directly or indirectly, engages in business with IFAD?[[11]](#footnote-11) |

**The above-listed questions establish an on-going duty to disclose.** This means that [Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project are required to **promptly inform IFAD of any potential changes** to the answers and information provided above in the course of carrying out their duties under the Grant Agreement.

[Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project are also required to provide IFAD, at all times, with whatever information and documentation IFAD may require in order to monitor actual, potential or perceived conflicts of interest.

If in doubt as to whether or not an information may be relevant under the above-listed questions, [Prospective Recipient] and [Prospective Recipient] staff involved in the proposed project shall disclose this information to IFAD.

|  |  |  |
| --- | --- | --- |
| **Name/Title/Role** | **Organization** | **Description of potential conflicts of interest** |
|  |  |  |
|  |  |  |
|  |  |  |
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Appendix B1 – Annex 4

**Financial management questionnaire**

The Financial management questionnaire (FMQ) should be used only in the following circumstances:

* The recipient has not received funds from IFAD in the past or for a considerable length of time, and is not able to provide current audited financial statements acceptable to IFAD.[[12]](#footnote-12)
* The grant amount is significantly larger than the recipient normally manages.
* There is a need to reconfirm the recipient’s financial integrity, including its financial management capacity.

*The FMQ contains questions designed to review the systems adopted by the recipient related to: a) budgeting, b) accounting, c) internal control, d) funds flow, e) financial reporting, and f) auditing arrangements. Based on the answers provided by the recipient, the grant sponsor and the grants officer will be able to assess the best way forward, including disbursement conditions, disbursement amounts, frequency of supervision, etc*.

Project:

Self-assessment completed by:  Date:

IFAD review/assessment completed by:

Date:

*Note: If there is more than one implementing entity, a questionnaire should be completed for each one.*

| **Topic** | ***Yes*** | ***No*** | ***N/A*** | ***Review\**** | **Remarks/ comments** |
| --- | --- | --- | --- | --- | --- |
| ***1.Implementing entity*** |  |  |  |  |  |
| 1.1 What is the legal status/registration of the entity? |  |  |  |  |  |
| 1.2 Has the entity implemented in the past projects/programmes financed by i) international financial institutions (IFIs), ii) United Nations agencies or iii) donors that are members of the OECD? If yes, please provide name and year. |  |  |  |  |  |
| ***2. Funds flow*** |  |  |  |  |  |
| 2.1 In which bank will the grant account be opened? |  |  |  |  |  |
| ***3. Staffing*** |  |  |  |  |  |
| 3.1 What is the organizational structure of the accounting department? Attach an organization chart. |  |  |  |  |  |
| 3.2 Is the project finance and accounts function staffed adequately? |  |  |  |  |  |
| 3.3 Is the finance and accounts staff adequately qualified and experienced? |  |  |  |  |  |
| 3.4 Indicate key positions not contracted yet, and the estimated date of appointment. |  |  |  |  |  |
| 3.5 Does the project have written position descriptions that clearly define duties, responsibilities, reporting lines and limits of authority for all officers, managers and staff? |  |  |  |  |  |
| ***4. Accounting Policies and Procedures*** |  |  |  |  |  |
| 4.1 Does the entity have an accounting system that allows for the proper recording of project financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds? Will the project use the entity accounting system? |  |  |  |  |  |
| ***Segregation of Duties*** |  |  |  |  |  |
| 4.2 Are the following functional responsibilities performed by different units or persons: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction? |  |  |  |  |  |
| 4.3 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated? |  |  |  |  |  |
| 4.4 Are bank reconciliations prepared by staff other than those who make or approve payments? |  |  |  |  |  |
| ***Budgeting System*** |  |  |  |  |  |
| 4.5 Do the budgets lay down physical and financial targets? |  |  |  |  |  |
| 4.6 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget? |  |  |  |  |  |
| 4.7 Who is responsible for preparation and approval of budgets? |  |  |  |  |  |
| ***Payments*** |  |  |  |  |  |
| 4.8 Do invoice processing procedures provide for:   * Copies of purchase orders and receiving reports to be obtained directly from issuing departments? * Comparison of invoice quantities, prices, and terms, with those indicated on the purchase order and with records of goods actually received? * Comparison of invoice quantities with those indicated on the receiving reports? * Checking the accuracy of calculations? |  |  |  |  |  |
| 4.9 Are all invoices stamped *PAID*, dated, reviewed and approved, and clearly marked for account code assignment? |  |  |  |  |  |
| ***Policies and Procedures*** |  |  |  |  |  |
| 4.10 What is the basis of accounting (e.g., cash, accrual)? |  |  |  |  |  |
| 4.11 What accounting standards are followed? |  |  |  |  |  |
| 4.12 Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability? |  |  |  |  |  |
| ***Safeguard over Assets*** |  |  |  |  |  |
| 4.13 Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse? |  |  |  |  |  |
| 4.14 Are there periodic physical inventories of fixed assets and stocks? |  |  |  |  |  |
| 4.15 Are assets sufficiently covered by insurance policies? |  |  |  |  |  |
| ***Other*** |  |  |  |  |  |
| 4.16 Has the project advised employees, beneficiaries and other recipients to whom to report if they suspect fraud, waste or misuse of project resources or property? |  |  |  |  |  |
| ***5. Internal audit*** |  |  |  |  |  |
| 5.1 Is there an internal audit department in the entity? |  |  |  |  |  |
| 5.2 What are the qualifications and experience of audit department staff? |  |  |  |  |  |
| 5.3 To whom does the internal auditor report? |  |  |  |  |  |
| ***6. External audit*** |  |  |  |  |  |
| 6.1 Are the entity’s financial statements audited regularly by an independent auditor? Who is the auditor? |  |  |  |  |  |
| 6.2 Are there any delays in audit of the entity? When are the audit reports issued? |  |  |  |  |  |
| 6.3 Is the audit of the entity conducted according to the International Standards on Auditing? |  |  |  |  |  |
| 6.4 Have any major accountability issues been brought out in audit reports in the past three years? |  |  |  |  |  |
| 6.5 Is the project subject to any kind of audit by an independent governmental entity (e.g. the supreme audit institution) in addition to the external audit? |  |  |  |  |  |
| ***7. Reporting and monitoring*** |  |  |  |  |  |
| 7.1 Are financial statements prepared for the entity? If so, in accordance with which accounting standards? |  |  |  |  |  |
| 7.2 What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making? |  |  |  |  |  |
| 7.4 Are financial management reports used by management? |  |  |  |  |  |
| 7.5 Do the financial reports compare actual expenditures with budgeted and programmed allocations? |  |  |  |  |  |
| 7.6 Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means? |  |  |  |  |  |
| ***8.Information systems*** |  |  |  |  |  |
| 8.1 Is the financial management system computerized? |  |  |  |  |  |
| 8.2 Can the system produce the necessary project financial reports? |  |  |  |  |  |
| 8.3 Are staff adequately trained to maintain the system? |  |  |  |  |  |
| 8.4 Do the management organization and processing system provide safeguards of confidentiality, integrity and availability of the data? |  |  |  |  |  |

Appendix B1 - Annex 5

**Knowledge Management Plan (See Appendix B2.2)**

**APPENDIX B2. Grant Design Document: templates and guidance**

**B2.1 Summary Table Template**

|  |  |
| --- | --- |
| Grant title |  |
| Recipient / Recipient address |  |
| GRIPS ID | For IFAD to fill |
| IFAD grant originator | For IFAD to fill |
| Originating Division(s) | For IFAD to fill |
| Proposed IFAD grant US$ Co-financing US$  Total programme cost US$ |  |
| Duration |  |
| Grant goal, objectives and outcomes |  |
| Themes addressed (see GRIPS) | For IFAD to fill |
| Links to grant policy and DSWP, and to corporate priorities |  |
| Grant target groups and number of beneficiaries |  |
| Main components |  |
| Countries where activities will be implemented |  |
| Implementation arrangements (including links to other IFAD interventions) |  |
| Supervision and knowledge management |  |

**B2.2 Minimum requirements for Knowledge Management Plan**

At a minimum, a grant project’s KM plan should outline what action project staff and implementation partners will take to ensure they are able to generate, access and use knowledge and information. This can then be used to:

* Improve project performance;
* Support efforts to scale up or replicate successes; and
* Share lessons with wider audiences to achieve visibility, and for advocacy and influence.

KM activities cannot be implemented in isolation, otherwise they will have little usefulness and impact. Effective approaches to managing knowledge need to be mainstreamed in the project implementation approach - encompassing analysis and evidence from project M&E and other sources, adequate information management, and planned internal and external communication.

A basic **KM plan** should:

* Include links to project goal and objectives: how will this plan contribute to achieving project results and impact?
* Define strategic objective/s for project KM, which should be reviewed annually.
* Articulate the main areas of work – preferably linked to the dimensions of KM outlined above: improving project performance; and scaling up successes and sharing lessons.
* Outline activities, including budget and timeline. Activities and budget should be included in project AWPB. Define target audiences and dissemination plans for documentation, events and other knowledge products.
* Define clear roles and responsibilities: encourage recipients to include specific KM and communication responsibilities in ToRs of project staff.

Include indicators and monitoring methods, which are reflected in the project M&E system, in order to track results and impact of KM activities.

**B2.3 Project Costs by Component/Financiers**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Components** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Total IFAD Grant Amount** | **Co- Financing amounts** | | | **Total Co-financing Amount** | **Total Project Amount** |
| **Financier/partner (1)** | **Financier/partner (2) if applicable** | **Financier/partner (3) if applicable** |
| Component 1: ……. |  |  |  |  |  |  |  |  |  |  |
| Component 2: ……. |  |  |  |  |  |  |  |  |  |  |
| Component 3: ……. |  |  |  |  |  |  |  |  |  |  |
| Component 4: ……. |  |  |  |  |  |  |  |  |  |  |
| **Sub-totals** |  |  |  |  |  |  |  |  |  |  |
| Overheads |  |  |  |  |  |  |  |  |  |  |
| **Totals** |  |  |  |  |  |  |  |  |  |  |

**B2.4 Project Financing Plan for IFAD Grant with co-financing**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Allowed category of expenditure** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **IFAD Amount**  **(in USD)** | **Co-financing**  **Amount** |
| Salaries and Allowances |  |  |  |  |  |  |
| Operating costs[[13]](#footnote-13) |  |  |  |  |  |  |
| Consultancies |  |  |  |  |  |  |
| Travel and allowances (incl. hotels) |  |  |  |  |  |  |
| Equipment and Materials[[14]](#footnote-14) |  |  |  |  |  |  |
| Goods, Services and inputs[[15]](#footnote-15) |  |  |  |  |  |  |
| Workshops[[16]](#footnote-16) |  |  |  |  |  |  |
| Training |  |  |  |  |  |  |
| Management fees/overheads |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

1. The term “staff” includes board members, staff and consultants of the Prospective Recipient. [↑](#footnote-ref-1)
2. The term “immediate family member” refers to spouses/domestic partners, children and other relatives living in the same household as the person working for the Prospective Recipient. [↑](#footnote-ref-2)
3. If **Yes**, please provide name and title/role of the person having a financial interest and describe the type of financial interest involved. If the financial interest relates to a role held in an organization, please provide the name of the organization, the role held at the organization (e.g., employee, consultant, Board member) and the dates during which the role was held. If the financial interest relates to an ownership interest, please specify the nature and amount of the interest owned, the duration for which the interest has been held and any other relevant information. [↑](#footnote-ref-3)
4. If **Yes**, please provide the name and title/role of the person having received assistance; and the name, position and Division/Department of the IFAD employee having provided assistance. Please also specify the type/nature of assistance provided and the dates/occasions at which assistance was provided. This type of assistance includes, for example, potentially unfair support in competitive selection processes. [↑](#footnote-ref-4)
5. If **Yes**, please provide name and title/role of the person working for [Prospective Recipient]; and the name, position and Division/Department of the family member working for or at IFAD. Please also specify the nature of the familial relationship (e.g., spouse, domestic partner, parent, sibling, niece, nephew, father, mother, brother, sister-in-law). [↑](#footnote-ref-5)
6. The term “sanction” refers to both criminal punishment as well as administrative sanctions, including sanctions such as conditional non-debarment or letters of reprimand. [↑](#footnote-ref-6)
7. The term “related wrongdoing” includes obstructive practices, such as witness intimidation or evidence tampering, and other sanctionable practices, such as theft or embezzlement, as may be applicable. [↑](#footnote-ref-7)
8. The term “national or international entity” is to be understood broadly and includes national procurement agencies, offices of suspension and debarment, international organizations and international financial institutions. [↑](#footnote-ref-8)
9. If **Yes**, please provide the name and, if applicable, the title/role of the investigated subject, the name of the investigating authority, the time/duration of the investigation, the allegations involved, the type of sanction (e.g., debarment, conditional non-debarment, restitution, letter of reprimand), the basis for the sanction (e.g., bid-rigging, submission of false documents, kick-backs paid during the procurement process) and the date of issuance of the sanctioning decision. [↑](#footnote-ref-9)
10. The term “benefit” is to be understood broadly and includes the gaining of any type of advantage, financial or non-financial. A non-financial advantage may include receiving potentially helpful information or designing the project in a way that only a specific entity associated with the Recipient is capable of performing it. [↑](#footnote-ref-10)
11. If **Yes**, please provide name and the title/role of the person benefitting or appearing to benefit. Please also specify how the person benefits or appears to benefit. If the person benefits or appears to benefit from an association with an enterprise or organization engaging in business with IFAD, please further provide the name of the enterprise or organization and specify what type of engagement the enterprise or organization has with IFAD [↑](#footnote-ref-11)
12. An external assessment by an audit firm or an audit report will have to be provided prior to first disbursement. [↑](#footnote-ref-12)
13. Operating costs: includes rentals, utilities, cleaning, repairs and all that is used to ‘operate’ the project. Please define kinds of underlying expenditures foreseen in this category to be incl. in Schedule 2 of IFAD’s Grant Agreement [↑](#footnote-ref-13)
14. Equipment & Material could include: PCs, phones, machinery for the use of the project. [↑](#footnote-ref-14)
15. Could include seeds, fertilizers [↑](#footnote-ref-15)
16. Includes dinners, meeting room rentals and equipment exclusively for the workshop [↑](#footnote-ref-16)