



## Scottish Government Malawi Development Programmes Funding Round 2018

### 1. General Eligibility Criteria

<b>Q 1</b>	Do I need to be a charity and registered with OSCR?
<b>A</b>	No, but you need to be a 'Legal Person'.
<b>Q 2</b>	What does Legal Person mean?
<b>A</b>	Being a Legal Person allows one or more natural persons to act as a single entity for legal purposes. This is satisfied by being incorporated, so a Company Limited by Guarantee, Scottish Charitable Incorporated Organisations (SCIOs) and Corporations satisfy this. Unincorporated organisations do not.
<b>Q 3</b>	Can a Trust apply?
<b>A</b>	Only if it is a Company Limited by Guarantee or a SCIO.
<b>Q 4</b>	Can a Community Interest Company (CIC) apply?
<b>A</b>	Yes, a CIC can apply as it is a Legal Person and all profits are re-invested for the benefit of the community.
<b>Q 5</b>	How do we become a SCIO?
<b>A</b>	You need to apply through OSCR but you should seek advice as to whether this is the correct step for your organisation to take.
<b>Q 6</b>	How long will it take to become a SCIO?
<b>A</b>	At present, around 90 days from the point of an application being submitted to OSCR.
<b>Q 7</b>	What if I am in the process of becoming incorporated?
<b>A</b>	You need to be incorporated by the closing date for concept note submission (26 <sup>th</sup> January 2018).
<b>Q 8</b>	I am a profit making company but I plan to work with an NGO on a project where I will not be taking any profit. Can I apply?
<b>A</b>	Yes. A private sector organisation must not profit from a development project. Typically private company applicants are not-for-profit, or use their not-for-profit arm.
<b>Q 9</b>	Can an overseas organisation apply to the programme?
<b>A</b>	No. The applicant must be a Scottish based organisation.

<b>Q 10</b>	What do you mean by 'applicants must have a presence in Scotland'?
<b>A</b>	Applicants should already be operating in and be in a position to manage the grant from Scotland, which includes occupying offices or premises in Scotland for this purpose.
<b>Q 11</b>	Do our accounts need to be audited?
<b>A</b>	They either need to be audited or independently examined.
<b>Q 12</b>	In which countries will you fund work?
<b>A.</b>	For this Funding Round we can only support work being carried out in Malawi.
<b>Q 14</b>	If I submit an application, when will I be told if I don't meet criteria and when can I re-apply?
<b>A</b>	If you do not meet criteria you will be notified within seven days of the closing date. You cannot re-apply until the next call for applications.
<b>Q 15</b>	If I am not successful, will you give any feedback to help with future applications?
<b>A</b>	Yes, you will be provided with feedback in writing, with the option to receive further information.

## **2. Concept note questions**

<b>Q 1</b>	Can we submit more than one concept note for consideration?
<b>A</b>	Yes, however, if you submit more than one concept note you must be planning to deliver all of the projects. We will not accept multiple concept notes with the expectation of Scottish Government picking the 'best one'.
<b>Q 2</b>	Will I have the opportunity to attach additional information to the concept note template?
<b>A</b>	No. The concept note is designed to be a concise document which gives a clear overview of the project without the need to refer to additional documents or weblinks (with the exception of your financial accounts).
<b>Q 3</b>	Why do I need to include my accounts?
<b>A</b>	Rather than ask you to complete lengthy governance and financial information as part of the concept note, we will use your accounts to carry out due diligence as part of the review/assessment of your planned project.
<b>Q 4</b>	Is a link to the financial report of the applicant organisation sufficient for eligibility regarding audited accounts?
<b>A</b>	Provided that the financial report on the organisation's website to which the link is given satisfies our stated criteria then this would be acceptable. I.e, the funding guidance states that an applicant must include a copy of their most recently audited accounts or independently signed statement of income and expenditure with their application.
<b>Q 5</b>	How will you decide on who you will ask to proceed to full application stage?
<b>A</b>	A number of factors will be taken into account during the process such as project focus, fit with the Scottish Government's International Development Strategy, evidence of need, fit with themes, costs, capacity to deliver, impact.
<b>Q6</b>	How will the Government of Malawi be involved in the selection process of the concept note and project proposals? Will this involve both district level staff as well as those at national level?
<b>A</b>	We will consult with the Governments of Malawi through their UK High Commission after the assessments
<b>Q7</b>	If applicants are invited to full proposal stage, can any changes be made to the proposal or budget between concept note and full proposal stage? If changes can be made, how much variance would be permitted between budget lines between stage 1 and stage 2?
<b>A</b>	The Scottish Government were clear in the call for funding that we welcome – and relevant weighting will be given in assessing concept notes where there is clear evidence of complementarity (which may include having linked up – or being amenable to being linked up) with any or all of the following: (a) other applicants to the Malawi Development Programme 2018-23; (b) SG funded work under the capacity strengthening or investment funding streams of the IDF; and/or (c) SG funded work under the Climate Justice Fund. This is to enable clusters of relevant SG funded work to work together to provide greatest impact relative to budget, in line with SG's International Development Strategy. Therefore, only organisations who subsequently opt to link up with another organisation(s) will be permitted to revisit their initial concept and significantly alter their proposals. In all other instances only minor adjustments can be made between the concept and full application stage providing a) the changes don't alter the overall project or budget and b) that the changes are highlighted to the Scottish Government.

### **3. Partnerships**

<b>Q 1</b>	What are the requirements for the status of the partner(s)?
<b>A</b>	Some examples of partners are NGOs, community agencies, universities, social enterprises and private companies. However, the partner must not profit from the project as any award made under the International Development Fund must be delivered on a not for profit basis.
<b>Q 2</b>	Will you fund work where the partner is a Government Agency?
<b>A</b>	Funding cannot go directly to another Government Agency, but it is acceptable for them to be involved in the work.
<b>Q 3</b>	Is there a way in which Malawian government funded institute can be involved in the project in view of the rule that the Scottish Government do not fund directly to other governments?
<b>A</b>	Yes, we encourage partnerships with different types of institutions in Malawi. However, how this should be done is a matter for the applicant to consider as part of the design of their project. Applicants should design their project so as to ensure that no Scottish Government funding is to be paid direct to the Governments of Malawi, any of its Departments or to any quasi-governmental bodies such as local authorities.
<b>Q 4</b>	Does it matter if the partner is not a local NGO but a Scottish NGO?
<b>A</b>	It is okay to have more than one partner and to include a Scottish NGO but we would expect there also to be a local organisation involved.
<b>Q 5</b>	Would it be acceptable if one of our partners was a Scottish organisation working overseas which had previously received other Scottish Government funding?
<b>A</b>	Yes, that should be fine, but there must also to be a local organisation involved.
<b>Q 6</b>	Would a University be acceptable as a partner?
<b>A</b>	Whilst it is acceptable for a University in Malawi to be listed as a partner, applicants should design their project so as to ensure that no Scottish Government funding is to be paid direct to the Governments of Malawi, any of its Departments or to any quasi-governmental bodies such as local authorities.
<b>Q 7</b>	Is there is a limit to the number of applications an in-country partner is involved in - either as the lead or as a partner within a consortium bid?
<b>A</b>	No, however applicants should consider carefully whether or not their proposed in-country partner has the capacity to meet all their obligations to both their current partners and the proposed project.
<b>Q 8</b>	Provided you have a lead Scottish and lead in-country partner can you submit a partnership bid which also includes an organisation without a Scottish or Malawian presence?
<b>A</b>	Yes, in fact we will give preference to organisations that actively pursue forming partnerships with other applicants to the Malawi Development Programmes which add value to the project proposal.
<b>Q 9</b>	Is there any restriction on the number of local partners we can work with?
<b>A</b>	No, any number of partners can be involved in the project. Remember to that you may also partner with other organisations/companies in Scotland

<b>Q10</b>	Would there be a requirement for exclusivity with partners? e.g. one project bid only from one partner organisation delivering the renewable energy component of a project.
<b>A</b>	That would come down to capacity of the organisation(s). You must be able to demonstrate that you could deliver all the project bids.
<b>Q11</b>	We understand that the Scottish Government welcomes proposals that incorporate wide collaboration. The applicant must be a Scottish organisation and must have a presence in Scotland. The applicant can work with a number of partners, some of which <u>must be</u> local partners in Malawi. The applicant can also work with other partners in Scotland. <b>Is the inclusion of a Scottish partner compulsory? Will weighting be given to proposals working with a wider range of partners, including Scottish partners, as well as local partners in Malawi?</b>
<b>A</b>	The inclusion of a Scottish partner in addition to the lead applicant is not compulsory, however relevant weighting will be given in assessing projects which demonstrate evidence of complementarity (which may include having linked up – or being amenable to being linked up) with any or all of the following: (a) other applicants to the Malawi Development Programme 2018-23; (b) SG funded work under the capacity strengthening or investment funding streams of the IDF; and/or (c) SG funded work under the Climate Justice Fund. This is to enable clusters of relevant SG funded work to work together to provide greatest impact relative to budget, in line with SG’s International Development Strategy.

#### 4. Project specific questions

<b>Q 1</b>	What is the definition of a project?
<b>A</b>	A project is a clearly described, time-limited piece of work with a specific outcomes and objectives, and a clear exit strategy to describe what happens at the end of the project.
<b>Q 2</b>	Will you fund a building project?
<b>A</b>	No. This programme is not for capital appeals, although small capital costs such as equipment can be included as part of a project.
<b>Q 3</b>	What percentage of capital costs can be included in a project grant application?
<b>A</b>	Capital costs must not exceed 20% of the project budget. The exception to this is <b>Stand-alone renewable energy projects which have been allocated a 50% capital budget limit.</b>
<b>Q 4</b>	We are adding pipework to an existing pump, bringing safe water to homes. Is this capital?
<b>A</b>	This work on its own would not fit criteria, but if it was part of a bigger project, such as an educational programme to improve hygiene, we may be able to consider it.
<b>Q 5</b>	What is the average grant over four and a half years?
<b>A</b>	Grants are for a maximum of £300,000 p.a. up to £1.350M over four and a half years. There is no minimum limit on the budget for which organisations can apply.
<b>Q 6</b>	Is it possible to have Scottish Government funding for the first 4.5 years of a project and have a co-funder fund a subsequent year?
<b>A</b>	We would ask applicants to develop 4.5 year projects so that the Scottish Government can understand the results of its support at the project close. However, funding by another organisation for a further year could be viewed as part of the projects sustainability.
<b>Q 7</b>	If an important part of the project requires 5 years of funding, for example to train a doctor, would you consider this application given that Scottish Government funding is only paid over 4.5 years?
<b>A</b>	Applicants should take these matters into consideration when designing their proposals and each application will be assessed on its individual merits.
<b>Q 8</b>	How will the funds be paid out over the period of the project?
<b>A</b>	Year one payments will be made in October 2018, provided the project is ready to start. Progress reports will be required every six months and payments for subsequent years will be released twice a year on approval of each mid and end of year report.
<b>Q 9</b>	Can an applicant apply to run another project if they have an existing Scottish Government-funded project still running?
<b>A</b>	Yes. You can apply if you are still running another Scottish Government funded project. However, applicants should consider whether or not they have the capacity to run multiple large projects.
<b>Q10</b>	We are keen to strengthen our presence in Scotland, and in the longer term want to establish a permanent base. As an interim measure, we are looking at an existing staff member spending a set number of days a month in Edinburgh and renting desk space. Would this meet the criteria of having a Scottish presence?
	Unfortunately, hot-desking in Scotland a couple of days a month, would not meet our criteria.
<b>Q11</b>	Our organisation covers the whole of the UK. We have an office in Scotland, but the central project management function is normally done from the England office. Some of the project team

	are likely to be based in Scotland but perhaps not the project lead. Please can you confirm whether this would be acceptable to the funder, and still enable us to be eligible to apply?
	Only organisations which have a permanent base in Scotland at the time of application, whose project staff are employed there and from where the project will be managed full time are eligible to apply. Any organisation who receives a grant under this funding round and is subsequently found not to meet this basic eligibility criteria will have their grant revoked and may be asked to return any money already paid.

## 5. Project costings

<b>Q 1</b>	How do we allow for inflation and fluctuating exchange rates?
<b>A</b>	It is up to each applicant organisation to carry out research and analysis on trends relating to currency fluctuations and rates of inflation in Malawi, ensuring that these are accounted for and included in their project design. We will endeavour to be flexible if there is any underspend resulting from lower than expected inflation or changes to exchange rates, but this will be looked at on a case-by-case basis.
<b>Q 2</b>	What level of travel and subsistence costs can we apply for?
<b>A</b>	There is not a set level but we expect you to keep these costs to a minimum, particularly international air travel. Costs should be shown split between international and in-country travel.
<b>Q 3</b>	Can per diem (daily allowance) payments be included in costings?
<b>A</b>	No. The Scottish Government will not fund per diem payments but we would consider reasonable expenses.
<b>Q 4</b>	Is there a limit to the amount of staff time that can be included in the application and is there any guidance on acceptable pay scales?
<b>A</b>	There is no limit but all staff costings must be clearly explained and justified. Rates of pay is something which should be considered by the applicant, taking advice from in-country partners into account. However, it should be noted that organisations should, as a minimum, ensure that staff are paid a living wage in the country concerned. Salaries should be competitive but where rates of pay are significantly higher than expected this should be justified. Please note that Scottish staff time is included within the 10% maximum limit set on Scottish administration costs.
<b>Q 5</b>	Does the Scottish Government have a target cost per beneficiary?
<b>A</b>	No. This depends on what the work entails and the location of the project.
<b>Q 6</b>	What should be done in the case of a project which requires capital items that would exceed the 20% maximum budget?
<b>A</b>	The Scottish Government's 20% maximum for capital items applies to all projects, however projects can cover the cost of capital items which exceed this limit with funding from other sources ie. where projects have match funding from other donors.
<b>Q 7</b>	Is there a minimum threshold for capital costs (i.e. mobile phones are very cheap and rapidly decline in value once in use)?
<b>A</b>	No.
<b>Q 8</b>	If a project will use tablet technology as an innovative source of teaching and learning materials should this expenditure be included under "direct project costs" or "capital costs"?
<b>A</b>	Items such as laptops and tablets are capital items and should therefore appear in the capital line of your budget.
<b>Q 9</b>	Are costs for hire of vehicles and maintenance costs for existing vehicles acceptable?
<b>A</b>	Yes.
<b>Q 10</b>	Why is the purchase of vehicles prohibited when it may be cheaper to buy a car and hire a driver for the project than to hire a car?

<b>A</b>	Finding a justifiable purpose for vehicles after projects have ended presents major challenges for the Scottish Government. For this reason we will not provide funding for the purchase of vehicles.
<b>Q 11</b>	If the cost of vehicles are met by co-funding or using our own unrestricted funds, are the Scottish Government happy for vehicles to be owned but not covered by Scottish Government funding?
<b>A</b>	Yes, the Scottish Government has no objections to vehicle ownership.
<b>Q 12</b>	Will the Scottish Government fund motorbikes which are used to reach our poor and marginalised clients who live in remote rural villages?
<b>A</b>	Although vehicles cannot be funded, the Scottish Government may fund bicycles and motorbikes in exceptional circumstances with full justification explaining how it will be maintained and its running costs covered, and clarifying what will happen to it at the end of the project.
<b>Q 13</b>	What detail of costs do you need? Do you want actual quotes?
<b>A</b>	We do not need copies of actual quotes. We do need to understand how the costs have been worked out and be able to see how this equates to the work described.
<b>Q 14</b>	Can we apply for in-country transportation costs?
<b>A</b>	Yes, this can be included .
<b>Q 15</b>	Will the Scottish Government fund loan capital that is disbursed to the clients of a microfinance institution?
<b>A</b>	Yes, microfinance projects that disburse loans will be considered.
<b>Q 16</b>	What is the view of matched funding? Can the project be bigger than £1.350m?
<b>A</b>	The Scottish Government encourages matched funding but expects to be the main funder in the project.
<b>Q 17</b>	Can the joint or match funding provided by the applicant be loan capital funds or interest income on the loans?
<b>A</b>	Joint or match funding cannot be loan capital funds or interest income on loans due to the risks associated with repaying such funding.
<b>Q 18</b>	We are fully committed to securing grants and donations as match funding for our proposed project but wondered if necessary whether social investment funds were eligible as match funds?
<b>A</b>	Joint or match funding cannot be from social investment funds due to the risks associated with repaying such funding.
<b>Q 19</b>	Will the Scottish Government fund relocation costs of existing staff teams and upgrades in existing roles?
<b>A</b>	Consideration will be given for reasonable relocation costs and upgrades in existing roles but all staff costs must be fully justified.
<b>Q 20</b>	Are applicants expected to split out equally co-financed items in the budget?
<b>A</b>	No. However, when other secured funding is restricted for a particular aspect of the budget, this should be indicated.
<b>Q 21</b>	Can costs include Scottish-based training of key personnel from the in-country partner that would provide them with the specialised skills necessary to lead part of the project in future years and disseminate these skills to others to maximise sustainability of the project?
<b>A</b>	The Scottish Government expects that as much of our funds are spent in Malawi as possible. Projects should consider carefully whether these types of expenditures are appropriate.

<b>Q 22</b>	Can we include monitoring, evaluation and learning costs and is there a budget level for such costs?
<b>A</b>	Yes you should include costs for monitoring, evaluation and learning as this is a high priority for the Scottish Government. Some of the costs for this may already be included in the salary costs of the Project Manager and Project Workers, and some may be additional separate costs. As with all costs, these should be proportionate, and the rationale clearly explained. However, we would recommend that organisations budget a minimum of 5% of the overall project cost to ensure effective MEL.
<b>Q 23</b>	As part of our monitoring and evaluation processes, we would like to include case studies to illustrate our work. Is this acceptable?
<b>A</b>	Yes. The Scottish Government finds case studies very useful and would encourage all projects to provide them. Where possible we would also encourage the inclusion of photographs which can be used to promote the projects in the media.
<b>Q24</b>	Previously there had been other staff costs which could allow for support from regional bases i.e. Kenya as well as from specialist advisors which are based in locations other than Scotland for example in a London office. Can this still be allocated, where should it be put within the budget?
<b>A</b>	Staff costs for support and specialist advisors based outwith Scotland and Malawi are permitted. This should be allocated within the budget at the full application stage.
<b>Q25</b>	Our experience is that not paying per diems can be a barrier for involving local partners. Can you confirm which alternative methods of remunerations are acceptable if we cannot offer per diems?
<b>A</b>	The Scottish Government will not pay per diems, however reasonable travel and subsistence costs can be claimed where a staff member is carrying out duties away from their normal working location, or out-with their normal contracted hours. Applicants should consider carefully how they ensure that only actual costs are paid (i.e. requiring fuel receipts).
<b>Q26</b>	Regarding monitoring, evaluation and learning from Scotland, we understand that the Scottish Government wants to keep travel costs to a minimum, especially international air travel. However, we would normally carry out two monitoring visits per year to our partners, particularly those involved in implementing large institutional grants. Would it be acceptable for travel costs to be included in the budget for two monitoring visits per year? Would the Scottish Government expect this to be funded/partially funded from other sources?
<b>A</b>	Where projects can justify the need to closely monitor a project reasonable travel expenses will be considered. Travel and subsistence should be kept to a minimum, however, particularly international air travel. For those invited to full application stage, applicants would be required to indicate the proposed number and cost of airfares for international travel, including who is flying, when, for what purpose and the planned duration of the visit. Any other international travel costs would also require to be made clear. The Scottish Government expectation would be that all travel, including international flights, would be economy class. Please note that if successful, you may be required to submit evidence of travel for any international flights as part of your reporting requirements.
<b>Q27</b>	Could you please confirm whether the recommended 5% for MEL includes the amount allocated to salary costs?
<b>A</b>	The overall budget for MEL should be a minimum of 5%, regardless of how the costs are broken down, however, it should be clear from your application what these costs are and what lines they have been included in.
<b>Q28</b>	Could the 20% capital costs be used towards building infrastructure?
<b>A</b>	No, we will not fund buildings or other fixed assets such as land.

<b>Q29</b>	What do you mean by a significant underspend under the 3-year break clause.
<b>A</b>	We don't have a percentage as this would be dependent on the context and the reasons for the underspend and would be considered on a case by case basis.
<b>Q30</b>	Regarding procurement, we wondered whether the Scottish Government provided any guidance or set any restrictions on how their funds are used for purchasing goods and services e.g. any restrictions on origin/nationality of goods or any countries we should not purchase from.
<b>A</b>	The European Union fundamental principles apply to all procurement activity of cross-border interest and regardless of value. This includes the principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition which should be adopted when running a tender exercise. Scottish Government expects that public contracts are awarded to companies who maintain high standards of business and professional conduct. Further information on procurement is available on the Scottish Government website. Link: <a href="http://www.gov.scot/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes">http://www.gov.scot/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes</a>

## **6. Guidance and Support**

<b>Q 1</b>	Is anyone available to answer questions and give guidance?
<b>A</b>	Yes. Corra Foundation is happy to answer any questions relating to the programme and should be contacted in the first instance. Scotland's International Development Alliance and the Scotland Malawi Partnership may also be able to help with guidance and advice.
<b>Q 2</b>	Do you accept draft applications for comment before submission of final full application?
<b>A</b>	No. Unfortunately, we do not have the resources to offer this level of support to all applicants.