



CORRA
FOUNDATION



Scottish Government
Riaghaltas na h-Alba
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Guidance Notes for Completing the Full Application

**Scottish Government
Malawi Development Programme
Funding Round 2018**

INTRODUCTION

The following guidance should provide applicants with an understanding of what makes a successful application and what makes a project more likely to be successful under the international development fund. These guidance notes are not meant to be exhaustive and there are many resources available to support applicants in developing a successful project, including the supporting annexes in this guidance note and information on the Corra Foundation's website.

Corra Foundation, the Scottish Government's Independent Assessor, will be managing receipt of all applications for this funding round to a dedicated email: International@corra.scot

If you need help with completing your application, or if you have any questions about the application process there is a 'Questions & Answers' section published on the Corra Foundation's website which will be updated as any new questions arise.

Applicants can submit questions to International@corra.scot

All questions will be responded to by email as well as included in the Q&A section of the website. However, before submitting a question, please first read this guidance to check if this already answers your question.

SCOTTISH GOVERNMENT INTERNATIONAL DEVELOPMENT STRATEGY

International development is a key part of Scotland's global contribution within the international community. It encompasses Scottish Government's core values, historical and contemporary, of fairness and equality. It is about Scotland acting as a good global citizen.

The Scottish Government has a distinctive development contribution to make, through focusing Scotland's expertise, being innovative and employing a unique partnership approach, for global good.

The Vision in the Strategy is to contribute to sustainable development and the fight against poverty, injustice and inequality internationally.

The key theme of global citizenship is reflected throughout the Strategy. To be a good global citizen and an outward looking nation is why the Scottish Government has an international development programme. It explains why the Scottish Government fosters and encourages global citizenship within Scotland, including through its support for Scottish civil society, to engage in, and build domestic support and understanding of, international development.

Partnership and collaboration will continue to be the foundation for the Scottish Government's future development work as it builds upon existing bilateral partnerships with Malawi, Zambia, Rwanda and Pakistan, working across borders to address the shared challenges the world faces, in pursuit of the Global Goals. Malawi will form the Scottish Government's sub-Saharan African project base, and there will be a strong emphasis on education through scholarships in Pakistan.

More information on the Scottish Government's International Development Strategy may be found here: [Scottish Government's International Development Strategy](#).

Applicants must demonstrate how their proposed project will align with the aims of the Strategy. See Background Information and Criteria in that regard.

THEMATIC FOCUS

All projects must demonstrate how activities will contribute to the achievement of the Sustainable Development Goals (Global Goals) and adhere to the principles of aid effectiveness, as set out in the Paris Declaration¹ and Busan outcomes document². The Scottish Government recognises that the Global Goals are indivisible and cross-cutting in nature; however, it wishes to align Scotland's national expertise in support of the priorities of its partner countries.

Proposed projects for Malawi must fit within the priority themes of the 2005 Cooperation Agreement between the two Governments, namely: health, civil society and governance, education and sustainable economic development. For Malawi, and the Government of Malawi also welcomes renewable energy projects and/or projects within the four strands which have a renewable energy component.

For this 2018-23 funding round, following discussions with the Government of Malawi, the Scottish Government seeks projects which would deliver to one or more elements of the following list, as provided by the Government of Malawi:

Health Strand

- Human resources for health system strengthening
- Universal coverage of essential health services
- Addressing conventional and traditional determinants of health in Malawi
- Quality Assurance and Quality Improvement of Essential Health Services

Civil Society and Governance Strand

- Capacity building for the new Parliament i.e. Committee work etc.
- Institutional capacity building for the Malawi Prison Service (including Young Offender services)
- Support towards the fight against Corruption
- Support organisations advocating for good governance and human rights
- Support organisations advocating for gender equality
- Support for free Paralegal services

Education Strand General

- Teacher training (including Special Needs, especially teacher training for working with students with Learning Difficulties)
- Internal efficiency of the Primarily school structure
- Decentralisation of education management
- School infrastructure (new classrooms, teachers houses and latrines)
- Provision of teaching and learning materials
- Inclusive education
- Curriculum strengthening at all levels
- Bursaries to support vulnerable students (particularly Secondary school)
- Up scaling of school feeding programme (particularly Primary school)
- Upgrading of Community Day Secondary Schools
- Introduction of more double shift schools

Higher Education

- Access to Higher education

¹ <https://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

² <https://www.oecd.org/dac/effectiveness/Busan%20partnership.pdf>

- Training of Higher education staff
- Curriculum strengthening in Technical, Entrepreneurial and Vocational Education and Training (“TEVET”) institutions
- Cost recovery mechanisms and finance mobilisation in public universities
- Public Private Partnerships
- Support for capacity to strengthen procurement, financial management, planning, budgeting and monitoring and evaluation systems.

Sustainable Economic Development

- Agricultural Development & Value Addition (Including irrigation elements as part of projects)
- Tourism
- Energy (Renewable Energy) (see below)
- Environment & Natural Resources Management
- Finance and Investment Promotion

Renewable energy

- Former UN Secretary General Ban Ki-moon said “Energy is the golden thread that connects economic growth, social equity, and a healthy environment”. There are close links between energy supply and practically all aspects of sustainable development.
- In keeping with the commitment to the UN’s Sustainable Energy for All initiative the Scottish Government welcomes concept notes for projects in this funding round that include support for renewable energy access. Stand-alone renewable energy projects in Malawi will again be funded (with a 50% capital budget limit), or can form part of a concept note with one or more of the priority themes listed above: illustrative examples are solar energy for a community health clinic project, small business or school (noting 20% capital budget limit, see Assessment Criteria).
- The Government of Malawi is particularly keen to see support for renewable energy via alternative sources of power from Solar (eg, wind, microhydro, biomass).

FUNDING FOR MALAWI PROGRAMME 2018-2023

Applications are only invited from organisations in Scotland which are successful at the Concept Note stage of the process. The closing date for submission of concept notes is 26 January 2017. Organisations that are successful at the concept notes stages will be notified during W/C 26th March 2018 and invited to proceed to full application.

Invitation to proceed to full application	W/C 26 th March 2018
Application deadline.	To be received by 12:00pm on 11th May 2018
Notification of award of funding	July 2018
Project start date	From 1 st October 2018

BUDGET

Timescales

All financial budgets within the application form should be submitted according to the Scottish Government's financial years (1 April to 31 March). The maximum period of funding that can be applied for is 1 October 2018 to 31 March 2023 (i.e. across four and a half financial years, 54 months). Projects should not begin before 1 October 2018. You should ensure you allow sufficient time for programmes to be implemented and to enable sustainability of the proposed work to be considered. For any grant exceeding 36 month duration there will be a review of the project by the Scottish Government at the half-way point. A break-clause in the Grant Offer letter will reserve, to the Scottish Government, the right to terminate the project at the 36 month point if the project is significantly underperforming (e.g. large underspend and/or failure to achieve substantial progress on outcomes).

Budget available

From 1 April 2017 the IDF increased to £10m p.a., for this funding round there will be a maximum of **£2,500,000** p.a available (£1,250,000 in 2018-19 as projects will start in October 2018³).

Project budgets will be a maximum of £300k p.a. (note: 2018-2019 limit is £150k as funding will only cover the final six months of the financial year, the budget should be modelled accordingly). There is no minimum limit on the budget for which organisations can apply.

Please also be aware that the allocation for 2019-20, 2020-21, 2021-2022 and 2022-23 is indicative at this stage and subject to future Spending Reviews.

All funding made available is subject to Scottish Government regulations regarding management of public finances.

³ Overall the Scottish Government will continue to invest far in excess of the committed £3M pa in Malawi, when taking into account investment via: other initiatives (including core funding for MaSP) under the development assistance funding stream of the IDF; the capacity strengthening funding stream of the IDF; the investment funding stream of the IDF; the Small Grants Programme under the IDF; and the Scottish Government's Climate Justice Fund.

SUBMISSION OF YOUR APPLICATION

Applications must be received electronically **no later than 12.00 pm on 11th May 2018**. **Only those documents (not the whole application) which are not available electronically need to be sent in hard copy and must be received by 12.00 pm on 18th May 2018**. You will receive an automatic acknowledgement that your application has been received. If you do not receive an acknowledgement after sending your application, please call **0131 444 4020**.

Without the receipt of all material including supporting documents on time your application will be ineligible.

The e-mail address for submission is applications@corra.scot with the organisation name in the subject name and if more than one email is being sent indicate how many will form the complete application. If the organisation is submitting more than one application please make this clear in the subject line as well.

The postal address is:

Malawi Development Programme Funding Round 2018
CORRA FOUNDATION
Riverside House
502 Gorgie Road
Edinburgh
EH11 3AF

When your application is received, it will be logged and given an **application reference number**, to enable us to track it in our system. This reference number will be unique to your project and will be used during the applications period to confirm receipt of your application and if we need to contact you.

PLEASE ENSURE YOU HAVE ALL THE ADDITIONAL DOCUMENTS ATTACHED. APPLICATIONS THAT DO NOT SUBMIT ALL THE CORRESPONDING EVIDENCE REQUIRED WILL BE DEEMED INELIGIBLE FOR FUNDING.

FOR AN APPLICATION TO BE ELIGIBLE WE MUST RECEIVE BOTH AN ELECTRONIC APPLICATION FORM (ALL THREE ELEMENTS) AND ANY ADDITIONAL SUPPORTING DOCUMENTS THAT ARE NOT AVAILABILITY ELECTRONICALLY IN HARD COPY IN THE MANNER AND TO THE TIMES INDICATED ABOVE.

AN APPLICATION CONSISTS OF THREE ELEMENTS:

- 1) **WORD APPLICATION FORM**
- 2) **LOGICAL FRAMEWORK IN EXCEL FORMAT PROVIDED**
- 3) **BUDGET IN EXCEL FORMAT PROVIDED**

SUPPLEMENTARY EVIDENCE REQUIRED

As well as the completed application form, you are required to submit the following:

a) Letters of support

A letter of support is required from **all intended partner organisations** to confirm their support and involvement in the intended project. The letter of support should be on headed paper and, preferably signed by the head of the partner organisation. This letter can be scanned (preferred) or the original sent to CORRA FOUNDATION.

A strong letter of support will provide the reviewer with evidence of the partnership and how the concept for the project came about. For example, a good letter will generally:

- Confirm commitment to the proposed project;
- Outline their agreed roles and responsibilities within the project
- Explain clearly the value, relevance and possible benefits of the work to the host country;
- Give the nature and equivalent value of any in-kind contribution, and/or declare the value of a cash contribution, and period of support;
- Describe the added value of Scottish involvement and partnership and/ or how the partner envisages growing/ developing as a result.

b) A copy of your Equal Opportunities/ Diversity Policy. An electronic link is acceptable.

c) Scotland-based Project Manager's CV (not longer than 2 A4 pages)

d) Malawi-based Project Manger's CV for lead partner in-country (not longer than 2 A4 pages)

e) A copy of your organisation's constitution. An electronic link is acceptable.

f) Any formal agreement documents (e.g. MOU, partnership agreement, formal contract or other contract) that is in place between your organisation and your partner organisation.

HOW WE CHOOSE SUCCESSFUL APPLICATIONS

Further to your successful concept note assessment the independent assessor will undertake an assessment against a framework developed in consultation with the Scottish Government to provide an independent written assessment of each eligible application to the Scottish Government's International Development Team to make recommendations to Ministers for funding decisions. Assessment criteria are set out in these Guidance Notes. Applications must attain a minimum standard across all criteria in order to be considered and projects that attain high standards across core criteria will be more likely to be recommended for funding.

Again, the fit of each proposal with the overall programme and its alignment with the Strategy will be taken into consideration, mindful of the Scottish Government's desire to fund an overall coherent programme for maximum impact in line with the Strategy.

ESSENTIAL ELIGIBILITY CRITERIA

1. Legal Person

Applicant organisations must **constitute a “legal person”**, meaning it is legally constituted and can enter into a contract in its own right. For example, in respect of the organisations that typically apply to the Scottish Government International Development Fund, examples of legal personality would be as follows:

- NGO applicants: may be a Scottish Charitable Incorporated Organisation (**SCIO**), a new legal form for registered Scottish charities, or a registered company. Typically, many NGO applicants, where a registered company (whether a limited company or a company limited by guarantee) will also have separate charitable status as a registered charity;
- Statutory bodies: such as local authorities, universities and NHS boards. Typically, many of these applicants will also have registered as a charity;
- Private companies: will be registered companies. Private company applicants must deliver the project on a not for profit basis, or use their not-for-profit arm. Evidence of this may be requested.

Please note that unincorporated organisations, even where a registered charity, are not eligible to apply. In that event, the Scottish Government recommends that consideration is given to becoming a SCIO or registered company to apply in future; NIDOS can support organisations in this process.

2. Presence in Scotland

Applicants must be able to evidence in their application a presence in Scotland, including that they occupy premises in Scotland from where the grant will be managed. For the purposes of this fund ‘a presence in Scotland’ means in addition to occupying premises in Scotland from where the grant will be managed that the applicant must comply with one of the following:

- (a) be a Scottish Charitable Incorporated Organisation (“SCIO”); or
- (b) be a Company registered (under the Companies Act 2006) with their Head Office in Scotland; or
- (c) be a charity registered in Scotland (under the Charities and Trustee Investment (Scotland) Act 2005);

Applications submitted by a partnership must include a lead organisation based within Scotland. **There must be a named Project Manager in Scotland** who can discuss progress of the project with the Scottish Government, as and when required. It will be the Scottish based applicant organisation who will enter into the grant contract with the Scottish Government and have overall responsibility for delivery of the project, including management of the budget. Communication with the Scottish Government (as well as your partner(s) in Malawi) is therefore vital to successful project management, and ensuring you adhere to your grant conditions.

3. Budgetary Constraints

- The **maximum total funding a project can be awarded is set at £1,350,000** - this cost is expected to be spread over a period of up to four and a half financial years (2018-19, 2019-20, 2020-2021, 2021-2022 and 2022-23). Budgets will be a maximum of £300k p.a. (note: 2018-2019 limit is £150k as funding will only cover the final six months of the financial year).
- To allow a sufficient lead-in period, you should not plan for your project to start before 1 October 2018.
- You should also take full account of agricultural seasons and other constraints when considering the planning of activities to ensure that staff, resources etc. are in place for any time-sensitive essential operations.
- Your attention is drawn to the earlier Background Information and Criteria, that: the Scottish Government will not fund predominantly capital infrastructure projects or capital spend which is primarily to create a fixed asset - it is reminded that the maximum that may be spent on capital costs is 20% of the overall project budget (other than standalone renewable energy projects where the maximum is set at 50%); and that the Scottish Government will not fund vehicles or provide funding for per diems.

Please also be aware that the allocation for 2019-20, 2020-21, 2021-2022 and 2022-23 is indicative at this stage and subject to future Spending Reviews.

All funding made available is subject to Scottish Government regulations regarding management of public finances.

4. Authorisation

Your application should be signed by an individual in your organisation suitably authorised to sign contracts on its behalf. Should your application be successful, you will be bound by Scottish Government Terms and Conditions. An example of the Terms and Conditions are attached at Annex 4 and should be read in full.

5. Funding to the Government of Malawi

The Scottish Government is clear that it gives no funding direct to the Government in Malawi, or any other government; Scottish Government grant funding is only available to non-governmental and civil society organisations in Malawi. And whereas a Department of the Government of Malawi, such as the Education department, may be a partner in an application for funding, applicants should note that under no circumstances should any funding received from the International Development Fund be transferred to either the Government of Malawi, one of its Departments or any quasi-government of Malawi bodies such as Local Authorities. This must be taken into account by applicants in establishing their partnership with an in-country partner, for applying to the Scottish Government.

ASSESSMENT CRITERIA

Applications that meet the eligibility criteria outlined in the previous section will be assessed using a number of core areas as well as broader practices. These are laid out below.

Criteria for Assessment

Project need

- The support provided by Scotland is expected to reflect the development priorities identified by the Governments of Malawi and to complement the work of the UK Government and other international development programmes.
- The applicant must show evidence of demand for their proposed project, involvement of partners and range of users and beneficiaries in establishing priorities – explanation of how excluded groups have been involved in establishing project aims and plans.
- The applicant must show how their proposed project intends to address the priorities of this funding round as set out under Thematic Focus above, as set by the Government of Malawi; and evidence of fit with local priorities.
- The applicant must show how their proposed project is taking a rights-based approach to development. This includes demonstrating that the project addresses the specific needs of its intended beneficiaries, taking into consideration the specific needs of vulnerable or marginalised groups (i.e. women and girls, people with disabilities).
- The applicant must show that their proposed project aligns with the Scottish Government's International Development Strategy (including the importance of collaborative working, complementarity with other the Scottish Government work and/or other proposals under the funding round, to ensure maximum impact in relation to budget) and how the activities will contribute to the achievement of the Sustainable Development Goals 2016 in Malawi.
- The applicant must demonstrate their knowledge and understanding of the need in the host country, taking account of the Paris Declaration on Aid effectiveness and the Busan Partnership for Effective Development Cooperation outcomes document.

Project Design

- The application should provide a clear and coherent approach to delivery that is addressed in the project specific questions, the logframe and the budget. Project design needs to be realistic within the timeframe and budget proposed and the application must include clear activities, roles and responsibilities.
- The application should make clear how the project will work with other local agencies (e.g. in-country NGOs, local authorities, local businesses etc.) and will build on existing skills and experience in delivering the project and ensuring sustainability in the longer term.
- Applications should reflect quality of approach to the international development, including the alleviation of poverty, and its likelihood of success. (See guidance in **Annex 1 'Best Practice Development Approaches'**). They must also include an assessment of risks and potential problems and how these would be mitigated against.

- Applications should ensure that financial provision is made to comply with the required duty of care to any employees (paid or volunteer) (see Annex 2 'Duty of Care').

Financial viability

- The proposal must demonstrate an efficient use of funds to achieve the proposed aim(s). Attention to the issue of capital funding and its justification for use as part of the management of the project and/or implementation will be important. A coherent budget – using the template provided – is essential and each budget must include a completed notes tab.
- Applicants must provide rationale for administration costs, and evidence that these are being kept to a small proportion of the overall costs (office costs in Scotland which should clearly relate to the management of the project, should not exceed 10% of the overall project budget. This 10% includes Scottish Staff salaries). Please note that the Scottish Government will not fund overheads in Scotland.
- The organisation's capacity to manage the project and level of funding applied for will form part of the assessment. This will include level of application turnover vs annual project value, previous grant management experience and information within audited accounts.

Quality and Capability of partnerships

- The applicant must provide evidence of a strong relationship with their partners in-country, giving examples of track record in terms of previous delivery, as well as demonstrating a good understanding of their partners experience in Malawi. Established and new partnerships should show evidence of local partners' involvement in the design of the project as well as setting its aims and objectives and proposed delivery.
- The applicant must demonstrate the capacity and capability of their organisation and the partners with whom they are proposing to work can manage and deliver a sustainable development project.

Monitoring and Evaluation

- The applicant must provide evidence of their commitment and capacity to conduct thorough and rigorous monitoring and evaluation and effective project and programme management.

Sustainability

- The applicant must demonstrate a depth of understanding of what sustainability looks like for the proposed project, highlighting through the application how sustainable outcomes are integrated into the project design. This could include plans for transition of activities, a time bound 'exit' from the project (even if this goes beyond this funding cycle), plans for capacity building and training, plans for sourcing alternative funding in future.
- True development projects are expected to create impact and legacy, in that they aim to develop capacity, skills etc. to a level where the input of aid is no longer necessary. Detailed explanations of how the project is sustainable and how sustainability will be

achieved will demonstrate how the project will reach this sustainable end point, even if these plans go beyond this immediate funding cycle.

For the long-term operations and maintenance of Scottish Government funded capital items this will be an important area. Plans for capital items, including maintenance, replacement and handover should be detailed in the application, as well as how readily these items can be sourced in country. Where 'hand-over' to appropriate agencies is planned, the exit strategy would need to have in place clear processes and criteria for this hand-over.

Other areas to note

- The Scottish Government reserves the right to take into consideration timeliness and quality of reporting on previously funded projects from the International Development Fund (either the main Fund or the Small Grants Programme) and its separate Climate Justice Fund when considering whether to offer grant awards, and any additional conditions of grant that it might include.
- **Applicants must also demonstrate how their proposed project will align with the aims of the Strategy. See Background Information and Criteria in that regard, however, key points include inter alia:**
 - “Our international development work will be focused on where we can make a **real difference and most impact in relation to our budget.**”
 - “A key tenet of our Strategy is to **harness existing Scottish and in-country expertise in key areas that could benefit global development**, to offer the best of our skills and knowledge where it is of tangible use to our partners. And that this expertise may be found across a range of sectors in Scotland: registered charities; our academic sector; our public bodies and health service; and in the private sector, including social enterprises;”
 - “We also want to **harness and encourage the best of local expertise and skills in our partner countries**. We will not restrict under our Strategy the thematic areas of development activity in our partner countries, in recognition that the Global Goals are indivisible and cross-cutting in nature. Our development work will therefore look at **how best to align our national expertise in support of the agreed priorities of our partner countries;**”
 - “We recognise that achieving success depends on collaborative working and collective action”.

GRANT CONDITIONS

If your application is successful, you will receive a letter of intention to fund the whole project, and confirmation of each year's indicative funding, subject to the completion of satisfactory mid and end of year reports. This will be in the form of a Scottish Government standard form conditional grant letter. **A failure to comply with the requirements of this letter, including the completion of project reports and financial statements on time may jeopardize your award.** You will receive a fresh conditional grant offer letter each year of your project, confirming the amount of grant for that year; this will take account of any project changes, underspends etc. that have arisen during the previous year affecting the project and its budget.

Funding for each year will also be subject to the annual enactment of the Budget (Scotland) Bill by the Scottish Parliament, continued adherence to the Scottish Government's grant terms and conditions and any decisions taken as part of the Ministerial Spending Reviews.

You should be aware that the successful applicant organisation will enter into a contract with the Scottish Government for the grant. That grant is conditional, based on a set of Terms and Conditions, which must be adhered to. An example of the schedule of Terms and Conditions can be found in **Annex 4**.

You should **ensure that you read the style Terms and Conditions before starting an application and satisfy yourself that your organisation will accept these conditions in return for receiving a grant for the project proposal applied for – these are standard Scottish Government Terms and Conditions and the Scottish Government will not negotiate with potential grant holders on an individual basis after a conditional offer of grant is made.**

The Scottish Government retains the right to amend the conditions at any time.

Conditions include the following:

- We will ask you to return any amount of the grant not used for the approved purpose.
- You will be expected to provide 6 monthly reports according to guidelines issued by the Scottish Government. Biannual payments will be released once these are approved (please note below, that Scottish Government will now be proactively publishing those reports).
- We will only pay for what you actually spend. We may ask you to return any funds not spent by 31 March in the relevant financial year.
- Unspent funding in any one year may not automatically be carried over to the subsequent year unless PRIOR permission has been obtained from the Scottish Government and revised budgets approved.
- The grant is not to be used for party political advocacy or activity.
- The Scottish Government must be acknowledged in any publicity about the work assisted by our grant and informed about any such publicity.

NOTE: By accepting the Terms and Conditions in Annex 4 and any subsequent requirements from the Scottish Government you are committing yourself to:

- Reporting on time and in the agreed format identified by the Scottish Government. This will include narrative reports using the agreed format, reporting on and updating (where

applicable) the logical framework as well as full financial reporting. This will include formal reporting at the 6 month stage on the project baseline.

- Prepare full financial reports based on the proposal and any agreed changes including those associated with actions taken as a result of a) underspend b) currency fluctuations and c) changes based on learning during implementation.
- Adhere to requirements for notification of project underspend and requests for carry-over (considered on a case-by-case basis) and subsequent re-budgeting.

Note that the grant conditions include specific conditions and timescales regarding reporting on actual or forecasted underspends, whether due to project changes or currency fluctuations.

The Scottish Government also reserves the right to subject claims to random source expenditure checks; and that it may also instruct an independent audit of the project during its lifetime.

FREEDOM OF INFORMATION

The Freedom of Information (Scotland) Act 2002 (FOISA) was introduced to give people access to information held by Scottish public authorities. The act states that any person who requests information from a Scottish public authority which holds it, is entitled to be given that information by the authority. This right is subject to certain conditions and exemptions, which are set out in the act

In accordance with the FOISA, the Scottish Government may be required to make any application for grant available for public scrutiny. In submitting a grant application, please let us know if there are any elements which would prejudice substantially your commercial or other interests if they were made public. Please note there may nevertheless be a public interest in publishing the material submitted, in which case we have no option but to release the information. Please be aware, however, that the Scottish Government is not obliged to inform applicants before releasing information.

PROACTIVE PUBLICATION OF REPORTS

The Scottish Government will now be proactively publishing the following reports on its website:

- mid-year project reports for IDF funded initiatives;
- end year project reports for IDF funded initiatives; and
- end of project report for IDF funded initiatives.

GUIDE TO COMPLETING THE LOGFRAME

In the Excel Logical Framework template you are expected to define the project's impact, outcome, outputs, activities as well as indicators that enable progress to be measured from the baseline (i.e. the state at the start of the project) through to the proposed target (i.e. the state at the end of the project).

Please complete both the Logframe tab and the Activities tab within the workbook.

Please note that the Logical Framework is a project monitoring tool and will form part of the reporting template each year. If changes are made to the Logical Framework during implementation based on learning or changing circumstances, then these changes would need to be agreed with the Scottish Government and formally documented in the logframe workbook.

WITHIN THE LOGICAL FRAMEWORK DATA SHOULD BE GENDER DISSAGREGATED AT ALL LEVELS AS A *MINIMUM STANDARD*

N.B Further guidance regarding the logframe can be found in Annex 3.

PROJECT TITLE

The project title given in the logframe should be the same as for Question 11 in your application.

IMPACT

Project impact reflects the higher level situation **that your project will contribute towards achieving**. The project alone will not solve this problem completely but it will have impact on it and it is this impact that can be assessed. The impact should relate to the development priorities of Malawi and be consistent with the aims and objectives of the Scottish Government Malawi Development Programme. Please also consider the Global Goals (when designing your project and show clearly how the project relates to these. It is important not to overstate what a single project will achieve, keep it clear and simple and focus on the main components. Applicants should be aware of other efforts being made to achieve the impact, so that they can make sure that development efforts complement, rather than duplicate, one another.

For example, a project looking to build capacity and appropriate governance systems to maintain low-cost technologies to provide rural communities with clean water, in order to reduce the burden on women and children in collecting water. This would facilitate achievement of a national goal to have 85% of the country within 1 km of a clean water supply.

Monitoring at Impact Level

Indicators: Indicators of 'impact' should state what will be measured e.g. current numbers of households who are more than 1 km from a clean water supply. Unless it is already being done, monitoring must be included to record activity in locations where the project has worked and also in those where it has not, as a control. National level statistics / data can be used for impact indicators. One impact indicator is sufficient for this project – however, a maximum of two can be provided if needed. Gender disaggregation should be considered where possible.

Baseline: Projects should, where possible, provide baseline data at impact level i.e. data on current levels of time/distance from government standard level ideally linked to the District / region in which the work is taking place.

Milestones: It may not be possible to obtain monitoring data for impact level change within the timeframe of the project. However if data will be made available during the project lifetime, please state the proposed milestone (e.g. March 2018). At the beginning of the project reasonable estimates for 'planned' targets should be entered into the logframe, enabling progress to be tracked.

Data Source: Please state the proposed sources of data for identifying the baseline and progress at milestones and target date. At impact level this might include reference to specific reports and statistics issued by national authorities or other development agencies. It is likely that data sources here will be government or other agencies data and not be collected by the project itself.

OUTCOME

The project outcome should identify what will change and who will benefit as a result of the project (and as a result of the **outputs**). The achievement of the outcomes will see the achievement of the project's objective and the contribution to the wider impact.

Monitoring at Outcome Level

Indicators: Indicators of 'outcome' should state what will be measured e.g. accessibility to clean water by households (including by women and other disadvantaged groups). This indicator must be verifiable. Usually there would be two outcome indicators only. The project should be measuring these indicators as part of the M&E framework.

Baseline: Projects should provide baseline data at outcome level. If baseline data is not available then the project should indicate how they will develop a baseline within the first 6 months of the project, ahead of activities beginning. This will be an important activity during the first 6 months of the project and should be budgeted for accordingly. The same approach to setting the baseline will enable verification of the achievements of the project at the end of the project life.

Milestones: Milestones should be set to coincide with the Scottish Government's reporting periods (i.e. March and September), They are intended to help you track progress, and therefore you should consider the specific trajectory of your project, taking into account all relevant factors, including the sequencing of activities and the release of data from the source of monitoring information. At the beginning of the project reasonable estimates for 'planned' targets should be entered into the logframe, enabling progress to be tracked. These milestones should be linked to project reporting cycles and enable reporting each year on the progress of the project to date.

Data Source: Please state the proposed sources of data for identifying the baseline and progress at milestones and target date. At outcome level this might include surveys and measurements carried out by the project.

For example, District Level Management plan agreed by all stakeholders to facilitate livelihood development within a climate resilient management framework.

OUTPUTS

Outputs can be defined as direct, measurable results of activities **undertaken**. Achievement of the outputs should provide the conditions necessary to achieve the outcome (and contribute to the impact). Whilst the template allows for 6 outputs, it is considered that 3-4 outputs would be sufficient for projects of this size.

For example the outcome mentioned above could include the following outputs:

- 1. Status report prepared which includes assessment from pilot sites of current governance arrangements including engagement with female headed households and other disadvantaged groups;*
- 2. Water resource map prepared and governance arrangement clarified.*

Monitoring at Output Level

Indicators: Indicators of 'output' should state what will be measured. This indicator must be verifiable. 2-3 indicators should be provided per output. Gender disaggregation is essential and, where exclusion is a significant issue, data on other disadvantaged groups, should be included where possible.

Baseline: Projects should provide baseline data at output level. Data for site specific baselines which enable verification of changes as a result of the project are likely to be set by the project itself, even if initially wider generic data is used e.g. District level data sets.

Milestones: They are intended to help you track progress, and therefore you should consider the specific trajectory of your project, taking into account all relevant factors, including the sequencing of activities. At the beginning of the project reasonable estimates for 'planned' targets should be entered into the logframe, enabling progress to be tracked. The milestones should be linked to the project reporting cycle and will be completed as part of the annual reports.

Data Source: Please state the proposed sources of data for identifying the baseline and progress at milestones and target date. At output level this might include reports of training events and minutes of meetings with community members.

ACTIVITIES

In order to achieve your objective it is expected that the project will deliver a number of related activities. Successful accomplishment of these activities will provide the outputs and therefore the outcomes of the project. It is advised that activities are carefully thought through with a view to fully understanding how the project will deliver its proposed outputs and outcomes. This will also be important in developing a project budget (section G), and in providing a coherent project summary.

For example the project could have three activities. These might be stated as:

- 1. To support the establishment of a Water Management Committee to help to carry out water assessments;*
- 2. To carry out appropriate technology assessments in the community and in the local environment;*
- 3. To develop and deliver bespoke training courses to members of Water Management Committees.*

ASSUMPTIONS/RISKS

Assumptions are the conditions beyond project control that are necessary for the project to achieve its objective. You are expected to provide a risk assessment for the project, detailing the risk of these assumptions changing. Those assumptions that are critical to project success, but have a high likelihood of change, need to be carefully considered and it may be worth redesigning the project to mitigate the risk. These risks may include issues such as currency fluctuations, unexpected weather conditions and security concerns. The logframe risks / assumptions should also correlate with the risks identified within Section E of your application.

For example, in project work including awareness raising work, one assumption would be that there is a willingness of the District authorities to engage with remote and disadvantaged communities. This can be mitigated by clear work with the authorities and mechanisms to facilitate access and understanding of the conditions in these areas.

You should provide a detailed risk assessment for the project in the table provided with details of how the risks will be managed and monitored to ensure the likelihood of the risk remains low (in mitigating actions column). Please detail in the recovery plan column how you would deal with any problems that are more likely to occur (i.e. where the likelihood of the risk is medium/high).

A Note on Indicators

Indicators measure the success of the project in terms of achieving its outcomes. Indicators are like a gauge – they define the thing that is being measured e.g. a speedometer. A speedometer just shows the speed not what you should be doing at any given time. The indicator enables a consistent measurement gauge over the duration of the project from the baseline through to the end target. Indicators should be both qualitative and quantitative but they must also be easily measured and recorded; wherever possible existing national or established systems should be used, at least as the basis of the system.

In the logical framework, you will be asked to specify the data/information source which you will use to gather the information you need for your indicator (e.g. health statistics, community surveys, trainee feedback forms, interview forms, cost records per trainee, etc.). This enables you to be clear early on whether or not data is available from other sources e.g. District Government offices or whether the project will need to collect data. If the latter, this has implications for your M&E budget as you will need to ensure you have the people and processes in place to undertake this work. When considering indicators and targets please ensure they are SMART i.e.

Specific
Measurable
Achievable
Realistic
Timely

For example, the project manager may want to monitor the number of Community Based Organisation members receiving training and the number dropping out of the scheme. It would also be useful to know why people dropped out. They would also want to know that people trained were applying the knowledge and skills they received.

Indicator: Number of trained members of community water user groups able to manage routine water source operations and maintenance.

Baseline: Zero

Target: 120 people trained with 100 people remaining in post (this allows for people to move away, die, or be voted out of office) of which at least 40% will be women.

Data source: Reports from training and follow up quarterly reports from Community Organiser indicating changes in personnel and reasons for this.

Gender, Logical Framework indicators and project monitoring

It is important to ensure logframe indicators are disaggregated by, or are sensitive to gender:

- Gender disaggregation will measure males and females separately, for example: primary enrolment rate (boys and girls); number of members of water management committees who have received training (by male/female).
- Gender sensitive indicators should include a specific gender element, for example, the number of women teachers working in remote areas; the number of new training places open to women; the poverty rate in female-headed households, etc).
- Provide clarity around who the beneficiaries are in a direct manner i.e. trained as well as indirect e.g. number of female headed households in a village who are caring for orphans. This data should link closely to disaggregated base line data collected.

GUIDE TO COMPLETING THE BUDGET SPREADSHEET

A project may submit an application to be considered for the maximum set funding award of £1.35M. There is no minimum limit on the budget for which organisations can apply: however, we draw your attention to this Guidance, that you should consider whether your organisation, and the nature of your proposed project, is better suited to applying to the Scottish Government Small Grants Programme, rather than this main Malawi Development Programme.

The Scottish Government will pay only for what you actually spend. The Scottish Government may ask you to return any funds not spent by 31 March in the relevant financial year.

Financial Years

Please complete the project budget for up to 4.5 Scottish Government financial years (1 April – 31 March). The Scottish Government will only be able to guarantee the amount available on a yearly basis and you should budget each year according to what you require to support the activities for that year. You should be aware that it may not be possible for funds to be transferred to the next financial year if you are not able to spend all the funds in any one financial year, so you should take time to budget carefully.

Staff Costs

Staff costs will be documented on the spreadsheet in two separate elements. The first is for the inputs from staff based in Scotland and the second is for the staff who are based in Malawi.

For all staff costs please place each staff member individually on a separate line in the Excel spreadsheet with name, job title and role. Please indicate below how many days in a FULL year they will be devoting to this project. The employment of any new staff must be clearly stated and consideration given to financial sustainability in the exit strategy. Staff costs in Scotland will form part of the maximum Scotland-based running costs limit of 10% of the total budget – note too that this is the maximum limit, not a recommended or fixed sum. Applicants will be expected to fully justify all Scotland based costs.

Travel

Please complete in the excel budget spreadsheet the number and cost of airfares for international travel. Justification and explanation of all international travel should be justified in section F of the application form. Any other international travel costs should also be made clear.

Inward visits (i.e. individuals travelling from Malawi to Scotland) do not always represent the most efficient use of resources. The delivery of activities in developing countries is often a more effective way of improving capacity. There must, therefore, be an especially strong rationale for each proposed inward visit.

Travel and substance should be kept to a minimum, particularly international air travel. The Scottish Government expectation would be that all travel, including international flights, would be economy class. Please note that you may be required to submit evidence of travel for any international flights as part of your reporting requirements as well as report on outputs and actions from each visit.

Project-related travel costs in-country in Malawi should include airfares (if appropriate for any in-country travel), costs by car, motorbike or other modes of transport. Please note that you

may be required to submit boarding passes of any flights as part of your reporting requirements. Section F on the application form provides an opportunity for you to explain your rationale for your in-country travel budget.

Capital costs

Some capital elements will be considered if they are an essential and proportionate part of a wider programme and the Scottish Government recognises that in delivering effective training there will be occasions where vital equipment is required to enable the training to take place - however, evidence will be required that equipment cannot be sourced locally or in the region.

Scotland's Independent Budget Review Panel has defined capital expenditure as representing the flow of new investment into the asset base that supports the delivery of public services and private sector economic growth. This includes the development of public sector infrastructure such as new construction and significant upgrades of existing assets (roads, schools and hospitals, etc), acquisition of land and buildings.

Capital expenditure is distinct from current (or resource/revenue) expenditure as it creates "...assets that can be used repeatedly to produce goods and services and generally have an economic life of more than one year." With investment made on the understanding that it will return a stream of benefits over many years, or generations, to come.

Each proposed item of capital spend over £250 should be listed in the Excel spreadsheet and the rationale for these requirements laid out within Section F in the application form along with additional information regarding plans for maintenance of capital items as well as how they will be replaced by the project. The capital expenditure has been split into two elements. The first relates to capital items that support project management whilst the second relates to project implementation. In the former one might see items such as computers, a GPS to locate water sites whilst in the second one would see items that have been put in place to provide long term service e.g. boreholes, public toilets, renewable energy systems. It would not be the purchase of high value equipment or the construction of new buildings. You should give as much information as possible of intended capital spend as any capital spend that is additional to that specified in your application will require written permission from the Scottish Government in advance. The narrative here should pay attention to the Scottish Government requirements regarding the disposal of assets which is detailed in the attached model grant conditions provided at Annex 4.

Please note that the Scottish Government will not fund the purchase of vehicles. The Scottish Government may fund bicycles and motorbikes in exceptional circumstances. If you are including bike costs as part of your application you must set out the need and justification for this within section F, explaining how the bike will be maintained and its running costs covered (including consideration of rising fuel costs for motorcycles), and clarifying what will happen to the bike at the end of the project.

It is reminded that the maximum that may be spent on capital costs is 20% of the overall project budget (other than standalone renewable energy projects where the maximum is set at 50%).

External sources of funding

The Scottish Government is keen to maximise external sources of funding to developing countries. If your programme is likely to lever in any other sources of funding or private donations, and if you have secured any commitment to matched funding in addition to funds from the Scottish Government, please give details in Section F.

If the funds you are requesting are not sufficient to deliver the whole project, you should demonstrate how your matched funding will be allocated within the project using the 'other' category on the spreadsheet template provided. It is important to be able to identify which aspects of the work will benefit from Scottish Government funding and which from other funding.

You may also have offers of support for the project that are not quantifiable in financial terms e.g. office space that you do not need to pay for; the offer of volunteer support; free/discounted accommodation or flights that are not quantifiable. Section F of the application allows you to explain any non-financial support which would help the project, and would also demonstrate support and commitment from sources unable to provide financial contributions.

Co-finance

There are two possible types of co-finance i.e. monetary and in-kind. In the Excel spreadsheet please indicate the total elements of monetary co-finance – which should give the total co-finance NOT from individual sources. Section G in the application form allows a description of the scope and scale of both monetary and in-kind co-finance. For the latter element it will be critical that there is a clear process to show that contributions were obtained as they can be a critical indicator around longer term sustainability of the work post Scottish Government funding.

Key Points on use of the Excel Spreadsheet

- **The Excel file should be submitted electronically and named to match your application form.**
- **The Excel file has been designed to automatically, through a series of links, to take data from the individual sheets to provide a summary table.**
- **The information that is requested in the Excel spreadsheet covers the following areas:**

Please Note: The spreadsheet has **nine tabs** and has been set up to automatically link the sub-totals (yellow areas) with areas for completion in grey. If the main tabs are completed properly then the information will be brought forward to the main summary sheet. However, **it is your responsibility to check that this is happening.**

The main advice on completing the spreadsheet is as follows (and repeated on a tab within the Excel workbook:

Budget Notes	
1	This work book enables the project budget to be put together through a series of linked tabs. Each tab has been designed to enable you to present your budget and for the summary sheet (Tab 3) to be generated directly (no double entering).
2	Tab 2: Please use this tab to include notes on each line of your budget. This should be a brief explanation of the costs and justification for capital costs, international travel etc. Please be aware that applicant notes are compulsory.
3	Tabs 4 & 6: Staff Costs & Travel and Subsistence - show all calculations in shaded cells and enter resulting totals in cells coloured grey.
4	Tabs 5,6,7,8 & 9: Only enter data in the cells coloured grey.
5	This budget will be used, if the grant is awarded as part of the annual reporting process.
6	The budget proposed should be accurate and represent a clear expenditure profile in line with your ability to delivery within the 4.5 years. Consideration should be given to the need to recruit staff in Project Year 1 which may delay the start. Similarly planning in relation to seasons / agricultural cycles and implications for budgets should be considered.
7	The Scottish Government has clear rules (see guidance) around underspend and 'virement' between budget lines. Whilst adjustments to budgets in the future are possible they will only be within the agreed boundaries as indicated in the terms and conditions. All adjustments must be agreed with The Scottish Government in due time.
8	NOTE that capital items have been split into two categories. The first relates to the 'running of the project' and the second to 'implementation activities' i.e. those that would deliver on the outputs themselves. Please refer to the guidance notes for details of what is deemed by the Scottish Government to be capital.
9	NOTE re numbers of outputs: This budget has been set up for 4 outputs plus 2 additional outputs if required. Please think carefully if this number of outputs is realistic.
10	NOTE re row heading under outputs: In the template we have provided some possible row headings but these can and should be changed to suit your specific activities to achieve the output.

For future management and reporting, if your application is successful, this budget will provide the foundations for your project and will be used for future monitoring purposes. Changes to the budget, including any possible 'carry-over' of funds from one year to another are not

automatic and would need to be agreed with the Scottish Government in advance of implementation.

Critical Information for Budgets

Running Costs

In Scotland the Scottish Government will fund staff costs and office costs that are directly attributable to the project, these must not constitute more than 10% of the total budget. The Scottish Government will not fund overheads in Scotland.

In Malawi the Scottish Government will fund staff costs, overheads and office costs. The Scottish Government does not stipulate a percentage or amount for these, however, they must not constitute a significant percentage of the funding proposal and the rationale for all administration costs must be clearly stated.

Overheads (e.g. rent, rates, heating, cleaning, water, electricity)

Office Costs (e.g. postage, telephone, stationary, printing, photocopying, publicity materials.)

- On the Excel spreadsheet please break down the running costs into overheads, office costs and other cost.

Subsistence

It may be necessary for you to pay or reimburse your country partners' or participants' costs for their work to deliver this project in Malawi. These costs will be contained within your statement of delivery costs in-country. **You should note, however, that the Scottish Government will not support attendance allowances or per diems and will not expect these payments to form part of the financial budget for your project.**

Direct Project Costs for implementation

In this element of the spreadsheet you should identify core activities that the project will undertake, e.g. training, workshops, community engagement, policy process development etc and give an indicative budget line for the work that will be done in this area under each output. The spreadsheet has been drawn up for 6 outputs linked to the logical framework.

Unexpected budget underspend/overspend

It is the responsibility of the grant holder (the Scottish applicant) to manage the project budget responsibly and to best practice grant management standards. It is highlighted that the overall budget responsibility for the grant rests with the Scottish body.

Underspends caused by reasons other than currency fluctuation

Grant holders must inform their Scottish Government project grant manager as soon as they become aware of any projected or actual underspend. The grant holder must provide a full explanation of why the underspend occurred as well as provide their proposal as to how the underspend will be addressed.

In particular:

- grant holders must formally notify the Scottish Government by 31 January each year of any forecast underspend for that financial year; and seek written approval to any

reprofiling of the project and any proposed carry forward where any profile amendments are necessary beyond the current financial year; the Scottish Government would encourage earlier notification however, as soon as grant holders become aware that there is an issue;

- any project level underspend will be scrutinised by the Scottish Government, with funds clawed back where necessary or the profile payments amended within the current financial year only;
- a re-budgeting for the project would be expected at this time;
- if the profile amendments materially impact on the total award for this or future years then the Scottish Government may issue a revised formal grant offer letter.

It is highlighted that grant holders cannot assume that any underspend can automatically be utilised by them, whether on additional work related to the Project or otherwise. Each and any proposal to redirect and utilise the underspend must be notified to the Scottish Government who will decide, based on the merits of the case, whether the underspent funds can be used by the Project, or if it should be repaid to the Scottish Government for re-allocation to other International Development priorities.

Unexpected budget underspend caused by currency fluctuations

Grant holders must monitor currency fluctuations and inform their Scottish Government project manager as soon as they become aware of any gains or losses caused by this. The Scottish Government will look for transparency in relation to the effect of currency fluctuations on project budgets; in particular, currency gains should be separated out from any other underspends caused by other non-related issues.

It is similarly highlighted that grant holders may not utilise and redirect any currency gains, whether on additional work related to the Project or otherwise.

In particular:

- any such gains must as a matter be formally notified to the Scottish Government by 31 January, as part of the general requirement above to report any forecast underspend for that financial year, and otherwise notified earlier as soon as realised, as part of good grant management practice earlier;
- the Scottish Government may agree to grant holders carrying over into subsequent years any such currency gains, in readiness to mitigate any subsequent losses that may occur during the term of the project due to further currency fluctuations; the aim will be to ensure that the project is ultimately delivered;
- if, in the final year of the Project there is still an underspend due to accumulated currency fluctuations then the grant holder may provide suggestions to the Scottish Government on how the underspend could be used to enhance the Project. Each request will be considered by the Scottish Government on a case by case basis, who will decide, based on the merits of the case, whether the underspent funds can be used by the Project, or if it should be repaid to the Scottish Government for re-allocation to other International Development priorities.

Overspends

For purposes of assessing good grant management, forecast overspends must be similarly notified to the Scottish Government, as above, by 31 January each year or sooner when realised.

ANNEX 1: BEST PRACTICE DEVELOPMENT APPROACHES

Below are examples of recognised best practice in development.

Partnership working

- Projects that respond to local needs, with local ownership of the development, create a 'respond to' attitude, rather than creating a 'done to' dependency culture.
- Partnership projects that are carefully planned before their implementation gain maximum benefit. Projects that show the most successful outcomes incorporate careful planning and preparation in both countries.
- Identifying ways to cascade learning/training can assist project sustainability beyond the funding period, as short-term grant funding presents challenges for sustainability. By cascading skills, knowledge and expertise through projects and initiatives, locally gained professional knowledge and expertise can be used to continue the development role without the support of external expertise and financial support.
- Partnership projects should promote equity and equality. It is important that applicants respect that practitioners in country are likely to have much greater knowledge and expertise about the issues that impact on individuals and communities, particularly at a local-level, than Scotland-based practitioners.
- Partnerships should provide mutuality of benefits for participants. The partnership projects provide this mutuality of benefit through opportunities for cross-country exchanges of professional knowledge, expertise and skills.

Delivery and Harmonisation

The Scottish Government encourages its project leaders to consider best practice in delivery and expenditure of development funding.

The Paris Declaration on Aid Effectiveness⁴ aims to set out a range of measures that will allow aid to be more effective, with less duplication of effort and much more focus on government programmes in developing countries:

- The Paris Declaration sets out a list of partnership commitments (and indicators of progress) to which donors and partner (recipient) countries will adhere. It commits donors to align their support to partner countries' programmes (including Poverty Reduction Strategies), as well as committing partner countries to strengthen their own capacity (including financial management).
- The Paris Declaration also commits donors to 'harmonisation', i.e. donors should work together to reduce duplication of effort. This could involve joint working, using common mechanisms for planning, funding, reporting, etc and might even lead to particular donors taking a lead in areas where they have particular expertise. The Scottish Government expects these principles to be considered in the design of all project plans.

A copy of the Paris Declaration can be found online at:

<http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

⁴ <http://www.oecd.org/dac/effectiveness/>

Development Impact

Projects are expected to have a development impact and be able to demonstrate this. When developing a project idea it is useful to ensure that the higher target of development impact is considered. The aims of the Scottish Government include contributing to the achievement of the Sustainable Development Goals.

(<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>)

Sustainability

Projects delivered are expected to reach a sustainable end point or demonstrate how the project will continue once Scottish Government funding ends . The exit strategy must state how financial sustainability will be addressed.

ANNEX 2: DUTY OF CARE

The Scottish Government highlights that all projects, funded from the public purse, have a duty of care to any employees (paid or volunteer), which means that they should take all steps which are reasonably possible to ensure their health, safety and wellbeing.

The Scottish Government requires all organisations receiving public funding to abide by relevant Scottish and Malawian national law, and any international health and safety and employment law, as well as any common law duty of care. The Scottish Government also requires that every project must have appropriate insurance cover to meet their responsibilities with regard to personal injury and negligence claims that may be brought either by their employees or anyone making a claim against the project.

The Grantee shall indemnify the Scottish Ministers against all actions, proceedings, claims and demands made by reason of any failure by the Grantee in this regard, and a condition to that effect will be included and form part of the offer of grant.

ANNEX 3: PROJECT PLANNING SUPPLEMENTARY SUPPORT

Here we provide some further guidance around definitions used and how the logical framework structure facilitates a process of thinking through the results chain from inputs, activities – including process development – through to outputs, the outcome, and, hence, over time, to the impact.

General

We would encourage applicants to keep their project structure as simple as possible – for instance focusing on 3 – 4 outputs. This will help us to assess the likelihood of project success and assist you to manage and monitor the project and to facilitate focused delivery. This structure follows the logic of ‘IF.....AND.....THEN’. Meaning IF you achieve your **activities** AND your **assumptions** hold true THEN your **outputs will be achieved**. The ability to complete the outputs is then, if your assumptions hold, likely to lead to the achievement of the project outcome and hence over time contribute to the impact.

NOTE: Please read the guidance below for the approach to the logical framework being proposed by the Scottish Government. This will ensure you are clear about the expectations for this particular grant which may vary from previous logical frameworks or project results frameworks you have been involved in.⁵

The Logframe and the Logical Framework Approach

The preparation of the logical framework (logframe) would be a key element of the project preparation process, and be used routinely in project management to enable clear monitoring and ultimately evaluation of the project. It is usual to prepare the logframe as an intimate element of the project preparation process with development partners so that there is clear ‘ownership’ of the document within the project management team, and, where appropriate, stakeholders including community groups. The logframe (and the associated design process) can be useful for bringing together in one place a statement of all key aspects of the project in a systematic, concise and coherent way; and providing a framework for monitoring and evaluation where planned and actual results can be compared.

The Results Chain

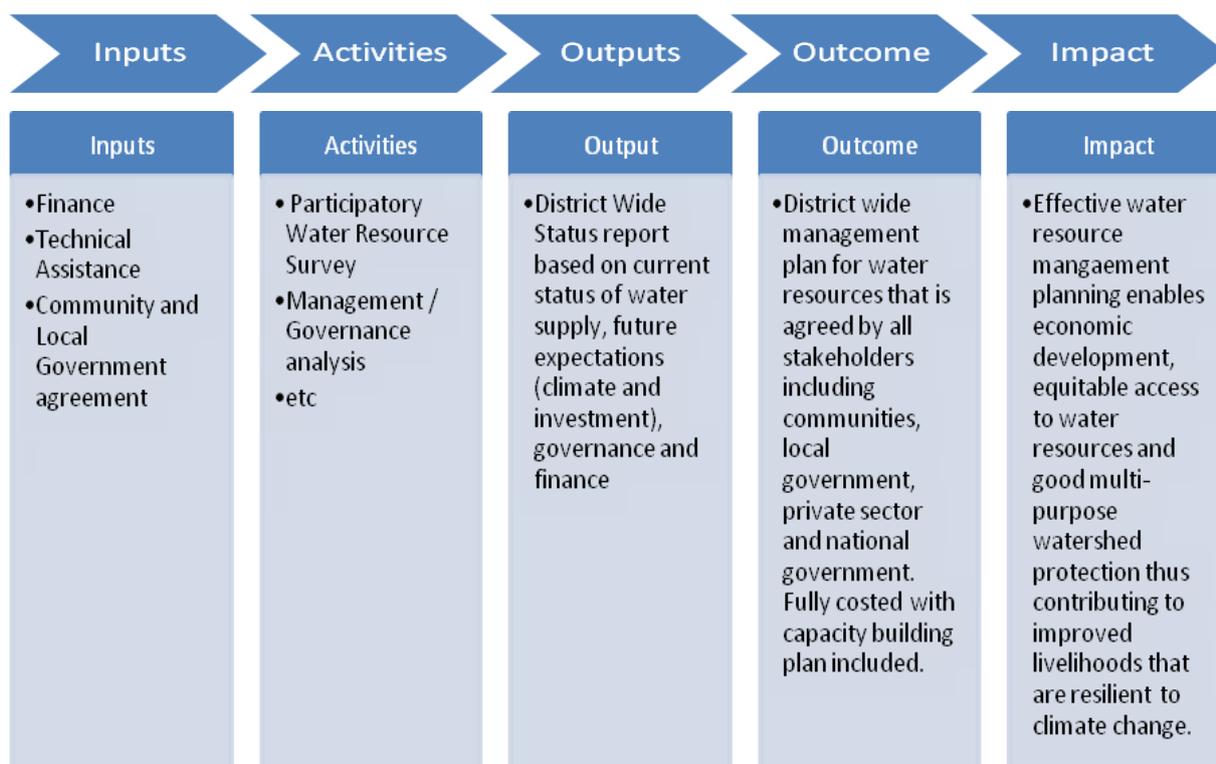
The logframe is an expression of the “Results Chain” – the results you expect the project to achieve and an indication of the timeframe, over which you will achieve them.

The Results Chain must be based on evidence about what has worked in the past, so this is a real opportunity to take account of all the lessons learned, evaluation and research evidence available that underpins the design of the project. This evidence has been presented throughout Section D and when combined with clarity on the needs assessment (Question 37) should enable you to identify realistic targets i.e. how much change does evidence suggest might be achieved over the project period? This can be combined with the knowledge within the partnership but does help to curtail ‘over-promising’ in what may be complex and difficult conditions of project implementation. The focus should be on setting realistic and achievable targets throughout the results chain. A possible example of a results chain is given below where the focus is on developing water resources management at the District level.

⁵ We acknowledge that this section is adapted from the logical framework guidance prepared by the UK Department for International Development. ‘How to note: Guidance on using the revised Logical Framework’, Value for Money Department, FCPD, DFID (January 2011)

<http://www.dfid.gov.uk/Documents/publications1/how-to-guid-rev-log-fwk.pdf>. Note also that NIDOS and BOND also produce material around the effective completion of Logical Frameworks.

Figure 1: An example of a possible simple results chain.



To measure the effectiveness of the changes that the project is looking to put in place it will be critical that there is a clear baseline – in the case above this could be that there is a highly fragmented system in place with limited information around the number of boreholes and governance arrangement for operations and maintenance. The final Outcome would then be looking at a clear management plan which contains an agreed set of elements including costings and capacity development for delivery. This allows achievements to be followed through on a step by step way (i.e. the milestones) for both quantity i.e. the plan, and the quality i.e. the engagement of stakeholders and the contents. Providing clear evidence of what has worked and learning from what has not always worked as planned can enable a greater understanding of the challenges of water resource management to be gained by policy makers, implementing agencies and to enable funding sources from government and other sources to be well targeted on the basis of need as well as economic returns.

Project Monitoring and Evaluation

Your project needs to consider seriously its approach to monitoring and evaluation – both internal and external, for accountability purposes and for internal learning. Internationally accepted project performance criteria with regard to monitoring and evaluating your project have been developed e.g. through the OECD-DAC.⁶ Your approach to monitoring and evaluation should also enable you to meet the monitoring and evaluation requirements of the Scottish Government.

Relevance – alignment to country (or sector-specific) priorities/needs.

⁶ See http://www.oecd.org/document/22/0,2340,en_2649_34435_2086550_1_1_1_1,00.html

Efficiency – the measure of how economically the resources/inputs (funds, expertise, time, etc) are expected to be converted into tangible results.

Effectiveness – the extent to which the development intervention’s objectives are expected to be achieved, taking account of their relative importance and by checking the alignment between project activities and outcomes.

Impact – both positive and negative impact, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Sustainability – the probability of continued long-term benefits once the funding award has completed and the resilience of the project to ensure continued benefits over time.

ANNEX 4: AN EXAMPLE OF THE LIKELY TERMS AND CONDITIONS

Please read these carefully. While these are an illustrative example of the Terms and Conditions that will apply to successful applicants you should be certain that your organisation can comply fully with these Terms and Conditions before submitting an application.

OFFER OF GRANT

1. Definitions and Interpretation

- 1.1 In these Conditions, the words and expressions set out in **SCHEDULE 4** shall have the meanings ascribed to them in that Schedule.
- 1.2 In these Conditions unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.
- 1.3 The headings in these Conditions are for convenience only and shall not be read as forming part of the Conditions or taken into account in their interpretation.
- 1.4 Except as otherwise provided in these Conditions, any reference to a clause, paragraph, sub-paragraph or schedule shall be a reference to a clause, paragraph, subparagraph or schedule of these Conditions. The schedules are intended to be contractual in nature. They form part of the Agreement and should be construed accordingly.
- 1.5 This Agreement shall not be varied except by an instrument in writing signed by both parties.

2. Purposes of the Grant

- 2.1 The Grant is made to enable the Grantee to carry out the Project/Programme.
- 2.2 The Grant shall only be used for the purposes of the Project/Programme and for no other purpose whatsoever.
- 2.3 No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.
- 2.4 The main objectives/expected outcomes of the Grant are:
 - In delivering the [project] consider steps that might promote fair working practices, including payment of the Living Wage as this relates to the Grantee's areas of responsibility.
 - In delivering the [project] consider steps that might further promote and protect the rights of children and young people, consistent with the requirements of the United Nations Convention on the Rights of the Child (UNCRC) as this relates to the Grantee's areas of responsibility.
- 2.5 The targets/milestones against which progress in achieving objectives/expected outcomes shall be monitored are:

- As fully described in your application for extension funding, and accompanying documentation, dated **XX**.
- We can demonstrate that our policies, practices and procedures are consistent with promoting fair working practices including payment of the Living Wage.
- We can demonstrate that our policies, practices and procedures are consistent with the requirements of the UNCRC.

2.6 The eligible costs for which the Grant can be claimed are:

- As fully described in your application for extension funding, and accompanying documentation, dated **XX**.

2.7 The eligible costs exclude:

- Any Value Added Tax (VAT) reclaimable by the Grantee

3. Payment of Grant

3.1 The Grant shall be paid by the Scottish Ministers to the Grantee in accordance with the terms of **SCHEDULE 1** attached.

3.2 The Grantee shall within 6 months of receiving the final instalment of the grant submit to the Scottish Ministers a statement of compliance with the Conditions of the Grant using the form of words provided in **SCHEDULE 3**. The statement shall be signed by the Grantee's

3.3 In the event that the amount of the Grant paid by the Scottish Ministers to the Grantee at any point in time is found to exceed the amount of the expenses reasonably and properly incurred by the Grantee in connection with the Project/Programme, the Grantee shall repay to the Scottish Ministers the amount of such excess within 14 days of receiving a written demand for it from or on behalf of the Scottish Ministers.

3.4 The Scottish Ministers shall not be bound to pay to the Grantee, and the Grantee shall have no claim against the Scottish Ministers in respect of, any instalment of the Grant which has not been claimed by the Grantee by 31 March of the applicable financial year as set out in **SCHEDULE 1**, unless otherwise agreed in writing by the Scottish Ministers.

4. Inspection and Information

4.1 The Grantee shall keep the Scottish Ministers fully informed of the progress of the Project in the form of a **mid-year report and end of year report** (in compliance with Clause 4.3 and 4.4). Details shall include actual expenditure to date compared with profiled expenditure and any change to estimated expenditure for the financial year and/or the Programme as a whole, the reasons for any such changes and progress in achieving objectives/outcomes.

4.2 Revisions to targets/milestones against which progress in achieving objectives/outcomes are monitored shall be subject to the written agreement of the Scottish Ministers.

4.3 The Grantee shall, within 6 months of completion of the Project, submit a report to the Scottish Ministers summarising the outcomes and performance of the Project. Such a report shall include such statistical and other information relating to the impact of the Project as shall be required by the Scottish Ministers.

- 4.4 The Grantee shall also provide any other information that the Scottish Ministers may reasonably require to satisfy themselves that the Project/Programme is consistent with the Agreement. The Grantee shall provide the Scottish Ministers with prompt access to any information they reasonably require to ensure compliance with these Conditions.
- 4.5 The Grantee shall keep and maintain for a period of: 5 after the expenditure occurs, adequate and proper records and books of account recording all receipts and expenditure of monies paid to it by the Scottish Ministers by way of the Grant. The Grantee shall afford the Scottish Ministers, their representatives, the Auditor General for Scotland, his/her representatives and such other persons as the Scottish Ministers may reasonably specify from time to time, such access to those records and books of account as may be required by them at any reasonable time in response to a written request for such access from the person seeking it. The Grantee shall provide such reasonable assistance and explanation as the person carrying out the inspection may from time to time require.
- 4.6 In the event of the Grantee becoming aware of or suspecting any irregular or fraudulent activity that may have any impact on the Project/Programme or on the use of the Grant, or any part of it, the Grantee shall immediately notify the Scottish Ministers of such activity and provide such other information as the Scottish Ministers may reasonably require in relation to the impact on the Project and the use of the Grant.
- 4.7 The grantee shall immediately inform the Scottish Ministers of any change in its constitution for example, but not limited to, a change in status from one type of body corporate to another.

5. Confidentiality and Data Protection

- 5.1 The Grantee will respect the confidentiality of any commercially sensitive information that they have access to as a result of the Project/Programme.
- 5.2 Notwithstanding the above, the Grantee may disclose any information as required by law or judicial order. All information submitted to the Scottish Ministers may need to be disclosed and/or published by the Scottish Ministers. Without prejudice to the foregoing generality, the Scottish Ministers may disclose information in compliance with the Freedom of Information (Scotland) Act 2002, any other law, or, as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure. Further, the Scottish Ministers may also disclose all information submitted to them to the Scottish or United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in Scotland, in right of the Scottish Administration or the United Kingdom, and their servants or agents. When disclosing such information to either the Scottish Parliament or the United Kingdom Parliament it is recognised and agreed by both parties that the Scottish Ministers shall if they see fit disclose such information but are unable to impose any restriction upon the information that it provides to Members of the Scottish Parliament, or Members of the United Kingdom Parliament; such disclosure shall not be treated as a breach of this agreement.
- 5.3 The Grantee shall ensure that all requirements of the Data Protection Act 1998 are fulfilled in relation to the Project/Programme.
- 5.4 To comply with section 31(3) of the Public Services Reform (Scotland) Act 2010, the Scottish Ministers publish an annual statement of all payments over £25,000. In addition, in line with openness and transparency, the Scottish Government publishes a monthly report of all payments over £25,000. The Grantee should note that where a payment is made in excess of £25,000 there will be disclosure (in the form of the name of the payee, the date of the

payment, the subject matter and the amount of grant) in the both the monthly report and the annual Public Services Reform (Scotland) Act 2010 statement.

6. Disposal of Assets

The Grantee shall not, without prior written consent of the Scottish Ministers, dispose of any asset funded, in part or in whole, with Grant funds during the lifetime of the asset. During that period the Scottish Ministers shall be entitled to the proceeds of the disposal – or the relevant proportion of the proceeds based on the percentage of grant funding used in connection with the acquisition or improvement of the asset against the whole proceeds. The Scottish Ministers shall also be entitled to the relevant proportion of any proceeds resulting from any provision included as a condition of sale. Recovery by the Scottish Ministers shall not be required where the value of the asset is less than £1000.

7. Publicity

The Grantee shall where reasonably practicable acknowledge in all publicity material relating to the Project/Programme the contribution of the Scottish Ministers to its costs. The Scottish Ministers may require to approve the form of such acknowledgement prior to its first publication.

8. Intellectual Property Rights

- 8.1 All Intellectual Property Rights are hereby assigned to and shall vest in the Crown or its assignees.
- 8.2 The Grantee shall ensure that nothing contained in any materials produced or submitted to the Scottish Ministers by the Grantee or anyone acting on its behalf nor the reproduction of such materials, shall constitute an infringement of any third party copyright or intellectual property right and shall indemnify the Scottish Ministers against all actions, proceedings, claims and demands made by reason of any such infringement.

9. Default and Recovery etc. of Grant

- 9.1 The Scottish Ministers may re-assess, vary, make a deduction from, withhold, or require immediate repayment of the Grant or any part of it in the event that:
 - 9.1.1 The Grantee commits a Default;
 - 9.1.2 The Scottish Ministers consider that any change or departure from the purposes for which the Grant was awarded warrants an alteration in the amount of the Grant;
 - 9.1.3 The Grantee fails to carry out the Project/Programme;
 - 9.1.4 In the Scottish Ministers' opinion, the progress on the Project/Programme is not satisfactory; or
 - 9.1.5 In the Scottish Ministers' opinion, the future of the Project/Programme is in jeopardy.
- 9.2 If, in the Scottish Ministers' opinion, the Grant or any part of it is state aid and they consider that they are required to recover such sum in order to ensure compliance with their obligations under EU law Scottish Ministers may require immediate repayment of the Grant or any part of it together with interest at such rate and on such basis as may be determined from time to time by the Commission of the European Union.

- 9.3 The Scottish Ministers may withhold the payment of the Grant if at any time within the duration of the Agreement:
- 9.3.1 The Grantee passes a resolution that it be wound up, or a court makes an order that the Grantee be wound up, in either case otherwise than for the purposes of reconstruction or amalgamation, or circumstances arise which would enable a court to make such an order or the Grantee is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
 - 9.3.2 Where the Grantee is an individual, if a petition is presented for the Grantee's bankruptcy or the sequestration of his estate or a criminal bankruptcy order is made against the Grantee; or the Grantee makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignation for the benefit of creditors, or if an administrator or trustee is appointed to manage his affairs; or
 - 9.3.3 A receiver, manager, administrator or administrative receiver is appointed to the Grantee, or over all or any part of the Grantee's property, or circumstances arise which would entitle a court or a creditor to appoint such a receiver, manager, administrator or administrative receiver.
- 9.4 In the event that the Grantee becomes bound to pay any sum to the Scottish Ministers in terms of clause 9.1, the Grantee shall pay the Scottish Ministers the appropriate sum within 14 days of a written demand for it being given by or on behalf of the Scottish Ministers to the Grantee. In the event that the Grantee fails to pay the sum within the 14 day period, the Scottish Ministers shall be entitled to interest on the sum at the rate of 2 per cent per annum above the Bank of England base lending rate prevailing at the time of the written demand, from the date of the written demand until payment in full of both the sum and interest.
- 9.5 Notwithstanding the provisions of this clause 9, in the event that the Grantee is in breach of any of the Conditions, the Scottish Ministers may, provided that the breach is capable of a remedy, postpone the exercise of their rights to recover any sum from the Grantee in terms of clause 9 for such period as they see fit, and may give written notice to the Grantee requiring it to remedy the breach within such period as may be specified in the notice. In the event of the Grantee failing to remedy the breach within the period specified, the Grantee shall be bound to pay the sum to the Scottish Ministers in accordance with the foregoing provisions.
- 9.6 Any failure, omission or delay by the Scottish Ministers in exercising any right or remedy to which they are entitled by virtue of clauses 9.1 to 9.3 shall not be construed as a waiver of such right or remedy.

10. Assignation

The Grantee shall not be entitled to assign, sub-contract or otherwise transfer its rights or obligations under the Agreement without the prior written consent of the Scottish Ministers.

11. Termination

The Agreement may be terminated by the Scottish Ministers giving not less than 3 months' notice in writing from the date of the notice being sent.

12. Corrupt Gifts and Payments of Commission

The Grantee shall ensure that its employees shall not breach the terms of the Bribery Act 2010 in relation to this or any other grant. The Grantee shall ensure that adequate controls are in place to prevent bribery.

13. Continuation of Conditions

13.1 These Conditions, except for Condition 6, shall continue to apply for a period of 5 years after the end of the financial year in which the final instalment of the Grant was paid.

13.2 Condition 6 shall continue to apply until the end of the period referred to in that Condition.

14. Compliance with the Law

The Grantee shall ensure that in relation to the Project/Programme, they and anyone acting on their behalf shall comply with the relevant law, for the time being in force in Scotland.

15. Governing Law

This contract is governed by the Law of Scotland and the parties hereby prorogate to the exclusive jurisdiction of the Scottish Courts

If you wish to accept the offer of this Grant on the whole terms and conditions as set out in the letter and annexed Schedules, you should sign and date both copies of the Grant Acceptance below and return one copy of the offer of Grant and Schedules to me at «enter official address». You should retain the second copy of the offer of Grant and Schedules for your own records.

DEFINITIONS

“**Agreement**” means the agreement constituted by the Scottish Ministers’ invitation to apply for a grant, the Grantee’s Application, these Conditions and the Grantee’s acceptance of these Conditions;

“**Conditions**” means these grant conditions;

“**Default**” means:

- a) Any breach of the obligations of either party under this Agreement (including, but not limited to, any breach of any undertaking or warranty given under or in terms of this Agreement);
- b) Any failure to perform or the negligent performance of any obligation under this Agreement;
- c) Any breach of any legislation; or
- d) Any negligence or negligent or fraudulent miss-statement or misappropriation of Grant, or any other default,

In all cases by either party, its employees, agents or representatives;

“**Financial Year**” means a period from 1 April in one year until 31 March in the next;

“**Grant**” means the grant offered by the Scottish Ministers to the Grantee as specified in the Award Letter, as varied from time to time in accordance with these Conditions;

“Grantee” means the person, organisation or body to which the Grant will be payable as specified in these Conditions. Where two or more persons, organisations or bodies are the Grantee, references to the “Grantee” are to those persons, organisations or bodies collectively and their obligations under the Agreement are undertaken jointly and severally;

“Intellectual Property Rights” means all copyright, patent, trademark, design right, database right and any other right in the nature of intellectual property whether or not registered, in any materials or works in whatever form (including but not limited to any materials stored in or made available by means of an information technology system and the computer software relating thereto) which are created, produced or generated as part of the Project/Programme by or on behalf of the Grantee.

“Project/Programme” means the purpose for which the Grant has been awarded as described in the Offer of Grant;

“Payment” means each of the payments specified in Schedule 1 hereto.