



Sub-Granting Manual

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Within the framework of the: *“Engagement of Individual Consultant for designing sub-granting and project management manuals aimed at ensuring compliance with GCF fiduciary standards” Contract*

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Abbreviations

CC	Complaints Committee
CN	Concept Note
FP	Full Proposal
GCF	Green Climate Fund
MDB	Multilateral Development Bank
PCN	Project Concept Note
PEC	Proposal Evaluation Committee
PMT	Project Management Team
R2E2 Fund	Armenia Renewable Resources and Energy Efficiency Fund
RA	Republic of Armenia

PART I. - Basic Principles

1.1 Thematic Directions for Sub-Grants

These Guidelines are designed with the purpose to manage the sub-granting process by R2E2 Fund under the projects financed by climate funds, MDB and other international development partners and aimed at the achievement of the R2E2 Fund's operational objectives.

Thematic directions for the sub-granting should mandatory be compliant with the priorities identified through the following both documents:

- Bi-annual Policy Statements of the R2E2 Fund¹;
- Grant Agreement signed between R2E2 Fund and the donor;

Each sub-grant should contribute towards achievement of the specific qualitative and quantitative benchmarks outlined in bi-annual Policy Statements.

R2E2 should responsible for ensuring coordination amongst and between sub-grantees and other donor-funded interventions to avoid duplication of effort and maximize potential impact.

1.2 Eligibility Criteria

Sub-granting should be carried out through competitive Call for Proposals as described through these Guidelines. For each call, Guidelines for Grant Applicants should be designed and published that, inter alia, defines the following eligibility criteria:

- **Thematic coverage** – in accordance with the requirements stipulated in the section 1.1 above;
- **Location** – regions and municipalities of Armenia;
- **Eligibility of applicants** – non-for profit and for profit entities having in mind that:
 - ✓ CSOs should be primary beneficiaries;
 - ✓ State Non-Profit Organizations could be sub-grantees in well-justified cases;
 - ✓ Commercial entities could be sub-grantees in well-justified cases, however, should not aim at receiving the profit;
 - ✓ International organizations and donor agencies can't be sub-grantees;
- **Eligibility of activities** – specific types of activities that are eligible should mandatory be defined;
- **Eligibility of costs** – the list of ineligible costs should also be published. Indicative list is presented below:

¹ Ref – Project management manual of the R2E2 Fund, Part 1 “Project Management Guidelines”, Section 3 “Policy Framework for Projects”

- ✓ debts and debt service charges (interest);
 - ✓ provisions for losses or potential future liabilities;
 - ✓ costs declared by the sub-grant recipient and financed by another project;
 - ✓ purchases of land or buildings, except where necessary for the direct implementation of the Project;
 - ✓ credit to third parties;
 - ✓ salary costs of the personnel of national administrations.
- **Minimum and maximum budget;**
 - **Minimum and maximum duration;**
 - **Minimum and maximum mandatory co-financing requirement** – with the minimum threshold equivalent to 15%;

1.3 Transparency

The information about grants' availability and requirements (e.g. Guidelines for Grant Applicants) must be publicized widely and made available for consultancy to third parties using the most suitable means of communication and, as a minimum requirement, R2E2 Fund's and Government Procurement web-sites.

The transparency of the process should be ensured in compliance with the following 4 key principles²:

- **Principle 1 - Maximize access to information.** The R2E2 Fund reaffirms its commitment to transparency in all of its activities and therefore seeks to maximize access to any documents and information that it produces and to information in its possession that is not on the list of exceptions.
- **Principle 2 - Limited exceptions.** Any exceptions to disclosure will be predicated upon the possibility, narrowly and clearly defined, that the potential harm to interests, entities or parties arising from the disclosure of information would outweigh the benefits, that the R2E2 Fund is legally obligated to non-disclosure or has received information from third parties clearly marked as confidential. The R2E2 Fund may, in exceptional circumstances, decide not to disclose or delay dissemination of information that would normally be accessible if it determines that the harm that might occur by doing so will outweigh the benefits of access. The R2E2 Fund may also, in exceptional circumstances, make available to the public information ordinarily excluded from disclosure when it determines that the benefit would outweigh the potential harm, except where the R2E2 Fund is legally obligated to confidentiality.
- **Principle 3 - Simple and broad access to information.** The R2E2 Fund will employ all practical means to facilitate access to information, maximize access to such information, and use clear and cost-effective procedures and timelines for processing requests.

² As defined in the GCF ["Information Disclosure Policy"](#) (GCF Board Decision B.12/35, paragraph (a).)

- **Principle 4 - Explanations of decisions and right to review.** When denying access to information on request the R2E2 Fund will provide an explanation for its decision. Requesters who believe they have been denied access to information in unlawful manner will have the right to have such decision reviewed by the Board of Directors of R2E2 Fund.

1.4 Impartiality, Conflict of Interest and Confidentiality

The grant award process must be completely impartial. This means that the proposals must be evaluated by an evaluation committee using published criteria (i.e. the evaluation grid).

R2E2 Fund expressively condemns any distortive act done by its employees and other members of the evaluation committee due to conflict of interest and misconduct.

According to R2E2 Fund's Policies on Integrity Framework³ (includes Policy on Prohibited Practices, Staff Code of Conduct, Policy on Ethics and Conflicts of Interest), a conflict of interest is when the impartial and objective exercise of the functions of a voting member of the Proposal Evaluation Committee is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the applicant. If any member has a personal or economic relationship/interest related to any of the applicants (be it organization or any of its members) s/he shall declare such relationship and withdraw from the decision making process. Acts likely to be affected by a conflict of interest may, inter alia, take one of the following forms:

- Granting oneself or others unjustified direct or indirect advantages;
- Refusing to grant an applicant the rights or advantages to which that applicant is entitled;
- Committing undue or wrongful acts or failing to carry out acts that are mandatory.

Members of the PEC must sign the Annex I - Declaration of Impartiality and Confidentiality in which they declare to abide by these principles.

³ Operational Manual, Chapter V

PART II. - Sub-Granting Management Structures

2.1 Proposal Evaluation Committee

2.1.1 Composition and functions

The Proposal Evaluation Committee should be comprised from Chairperson, Secretary, and 3 Evaluators and is responsible for the following:

- The administrative check of the applications received against criteria defined in the section 4.3 of these Guidelines;
- The evaluation of the proposals, their scoring and ranking in accordance with the requirements described in the section 4.5 of these Guidelines.

Subject of the respective decision of the Chairman of Evaluation Committee, bidders can be invited to attend the opening session.

Summary of the opening session should be drafted and signed by all members of the PEC.

2.1.2 Chairperson

- a) It is appointed for each Call for Proposals by the Director of R2E2 Fund and should normally be the Head of Procurement Section;
- b) Ensures the Committee impartiality and transparency;
- c) Represents the PEC in case a clarification is requested by the Complaint Committee;
- d) Leads and is responsible for the decisions taken by the PEC;
- e) Coordinates the work during the opening session/administrative check and the whole evaluation process in accordance with procedures sets in these Guidelines;
- f) Calls for PEC meetings, sets the meeting agenda and time schedule, moderates among different evaluations with the objective to find consensus;
- g) Decides whether the evaluation process must be derogated or restarted. This decision must be well justified in writing and reasons must be included in the evaluation report.

2.1.3 Secretary

- a) Is appointed by the Director of R2E2 Fund from admin staff of the R2E2 Fund;
- b) Has non-voting rights;
- c) Is responsible for carrying out all administrative tasks connected with the evaluation procedure, including:
 - i. Circulating, collecting and archiving the “Declarations of impartiality and confidentiality” (Annex I to these Guidelines) signed by the evaluators;
 - ii. Drafting minutes of meetings;

- iii. Compiling the administrative eligibility report and the final evaluation report;
- iv. Compiling communication letters to applicants;
- v. Archiving documentation;

2.1.4 Evaluators

- a) Evaluators are appointed by the Director of R2E2 Fund from the programmatic staff of the R2E2 Fund;
- b) External assessors can also be appointed by Director of R2E2 Fund as Evaluators if particular technical competencies are required;
- c) Evaluators shall have the technical and administrative capacities to give an informed opinion on the proposals;
- d) Evaluators, both internal and external, must sign the “Declaration of impartiality and confidentiality” (Annex I. to these Guidelines) that will be kept in the archive and annexed to the Evaluation Final Report. Their name, should remain undisclosed to third parties;
- e) Evaluators must attend all meetings except, if not requested, the proposal opening session (i.e. those meetings in which the administrative check is done). Any absence must be recorded and explained in the evaluation report;
- f) All evaluators have equal voting rights;

2.2 Complaints Committee

2.2.1 Composition and Functions

Complaints Committee is comprised from the Director of R2E2 Fund and the head of Finance Section, who does not take part in the PEC and the PMT.

The CC will seek to ensure that all requests and complaints are treated seriously and constructively. It will also seek to ensure answers will be provided promptly with fairness and consistency, and with due regard to the R2E2 Fund’s Policies on Integrity Framework⁴ (includes Policy on Prohibited Practices, Staff Code of Conduct, Policy on Ethics and Conflicts of Interest).

The Complaints Committee:

- a) Is responsible for addressing request for clarifications and/or complaints after the launch of a Call for Proposal. The Compliance Committee can request the support of the chairperson and the members of the evaluation committee in order to produce an exhaustive and thoughtful reply.
- b) Has the power to re-admit an applicant that has lodge a complaint considered as justified.

All its communications shall be in writing and annexed to the Final Evaluation Report.

⁴ Operational Manual, Chapter V

Proposed in this section structure of the Complaints Committee is functional until the moment when R2E2 Fund introduce the function and recruits Compliance Officer. Once recruited, Compliance Officer will execute the function of the Complaints Committee.

2.3 Project Management Team

For the overall coordination of activities and reporting purposes of each Sub-granting Project/Programme, the Project Management Team shall be formally appointed by the Director of R2E2 Fund. The Project Management Team shall be composed of:

The Project Manager - responsible for the overall coordination of the Sub-Grant Project/Programme including:

- Strategic coordination of sub-grantees;
- Ensuring compliance with the Policies and Procedures of the Donor and R2E2 Fund;
- Supervising/authorizing the transfer of funds and authorize budget variations;
- Supervising monitoring plan and activities;
- Securing achievement of expected results and objectives;
- Conflict resolution;
- Reporting;

The Sub Grant Coordinator - responsible for the operational aspects of the Sub-Granting Project/Programme, including:

- Operational coordination of sub-grantees;
- Preparation of the Call for Proposal and the Applicants' Guidelines;
- Finalization of the award procedure/final negotiation with eligible applicants;
- Preparation of Implementation Agreements with sub-grantees;
- Supervising implementation of the monitoring function;
- Quality check on sub-grantees expenditures;
- Reporting

The Finance Officer – responsible for the overall supervision of the financial aspects of the Sub-Granting Project/Programme, including:

- Specific supervision and leading on sub-grant budget;
- Specific supervision and leading on sub-grantees accountancy;
- Checks on sub-grantees financial documentation;
- Preparation of all finance format and templates;
- Training and capacity building in finance aspects towards sub-grantees;

PART III. - Calls for Proposals

3.1 Overview

Each Call for Proposals should be aimed at achievement of R2E2 Fund's one operational objective, in accordance with the following documents:

- Bi-annual Policy Statements of the R2E2 Fund⁵;
- Grant Agreement signed between R2E2 Fund and the donor;

Each sub-grant should contribute towards achievement of the specific qualitative and quantitative benchmarks outlined in bi-annual Policy Statements.

3.2 Guidelines for Sub-Grant Applicants

In order to ensure the widest possible participation and the requisite of transparency, a specific Guidelines for Sub-Grant Applicants should be produced for each Call for Proposal on the basis of a standard format.

Guidelines for Sub-Grant Applicants should be published at the web-sites of the R2E2 Fund and State Procurement, as well as widely disseminated through the social media.

The Guidelines for Sub-Grant Applicants should mandatory contain:

- a) The exact total amount to be awarded in the form of sub-granting;
- b) Minimum and maximum amount that may be allocated to third parties per proposal;
- c) Objectives and results to be obtained by the sub-grantees;
- d) The definition of eligible applicants which may receive such financial support and the criteria to give it;
- e) A non-exhaustive list containing the types of activities which may be eligible for sub-granting;
- f) The definition of eligible and ineligible costs;
- g) Indications on how to apply;
- h) Indications on evaluation and selections of applications;
- i) An indicative time schedule of the awarding process.

⁵ Ref – Project management manual of the R2E2 Fund, Part 1 “Project Management Guidelines”, Section 3 “Policy Framework for Projects”

PART IV. - Grant Award Project Cycle

4.1 Step 1. – Announcement of the Call for Proposals and info session

R2E2 Fund shall ensure appropriate promotion and dissemination of information to all interested stakeholders. Information campaign, including Guidelines for Sub-Grant Applicants, shall include but not be limited to: publications in local and/or national newspapers and web publications.

The deadline for submission of proposals should not be less than 30 calendar days.

Information sessions should be organized during the first 10 days after announcement, including in the targeted regions, municipalities.

After info sessions, potential applicants can request clarifications (up to 10 days before the deadline). Minimum 8 days before the deadline R2E2 Fund shall publish consolidated compendium of all questions and official answers.

4.2 Step 2. – Submission of Proposals

Proposals must be submitted in accordance with the instructions given in the Guidelines for Sub-Grant Applicants. On receiving proposals R2E2 Fund will give them a protocol number.

If received by hand the receiver must provide a receipt (“Annex II. – Receipt Form”). The receptionist shall be instructed by the Secretary to the PEC on the proper way to fill the form (including assigning proper protocol numbering). The envelopes shall remain closed until the opening session.

4.3 Step 3. – Opening session and administrative check

The Secretary to the Evaluation Committee, under the supervision of the Chairperson and eventually with the support of other members of the Committee opens the numbered envelopes and proceeds with the administrative check.

This is based on the “Annex III – Administrative Check Form”, by which Evaluation Committee certifies that:

- a) The application complies with the **submission deadline** as detailed in the Applicants’ Guidelines. If the deadline has not been met, the application will automatically be rejected;
- b) The applicant satisfies the **administrative criteria** (Annex III - Part A). In case of missing documents, the Secretary reports to the Chairperson that will request the incumbent to complete the application within the next 5 working days. If the request is not or partially satisfied, the application will automatically be rejected;

- c) The application satisfies the **eligibility criteria** (Annex III - Part B). If any of the requested information is missing or is incorrect, the application may be rejected on the sole basis and application will not be evaluated further;

After the administrative check the Secretary will prepare a table as per “Annex IV – Administrative Check Summary Table”, for approval of the PEC as a whole and then prepare the communication letters to applicants to inform them about the outcome of the check.

The Chairperson can decide to derogate to the standard procedure. The motivation shall be clearly explained in the Final Evaluation Report.

4.4 Step 4. – Requests for clarifications/complaints

Applicants whose application was rejected at the stage of the administrative check, can request for clarifications or lodge a complaint within 5 working days after the notification of the decision to the CC in writing (specific e-mail address shall be written in the Applicants Guidelines).

The CC replies within five 5 working days and takes position (confirming or retracting) on the decision of the PEC. All requests for clarification/complaints shall be duly included in the evaluation final report.

4.5 Step 5. – Evaluation

The Chairperson fixes the first meeting of the PEC in which s/he:

- 1) must check that the Declarations of Confidentiality and Impartiality have been signed by each voting member and properly archived by the Secretary;
- 2) sets the indicative timetable for individual evaluations and plenary session/s;
- 3) shares the results of the administrative check and distributes the proposals to the evaluators

Voting members evaluate the proposals using the “Annex V. – Application Evaluation Form”.

4.5.1 Application Evaluation Form

The Application Evaluation Form is comprised of two separate parts: 1) information for identification of the Applicant, and 2) scoring criteria with the reference to the **Evaluation Grid** published in the Guidelines for Sub-Grant Applicants.

The evaluation grid sticks pragmatically to the paragraphs of the Project Application Form and the evaluator must assign a score from “1” to “5” on each topic on the sole basis of what is stated in the project proposal regardless of the reputation of the applicant and any other external, not requested, information.

The evaluation grid is divided into 4 following sections: 1) the operational capacity of the Applicant, 2) the relevance of the Project towards the objectives and priorities of the Call

for Proposals, 3) the quality of the Project proposal, and 4) the budget/cost effectiveness. Each section contains a box for comments and justifications.

The evaluation of a project proposal is performed in two interactions:

1. Initially evaluators evaluate individually each proposal and assign a personal score. The evaluators **must** use the comments/justification box in each section to explain the score they are assigning and/or to recommend budget or action reviews.
2. Next, the PEC, in plenary session and collectively reviews the individual evaluations and prepares a **consolidated Evaluation Form** assigning a final score. The arithmetical average of the individual evaluations is the general rule to apply. In case individual scoring differ considerably, under the coordination of the Chairperson, a debate shall bring consensus. As *extrema ratio*, the arithmetical average will still prevail. The consolidated evaluation form must synthesize the comments on the individual forms and include points eventually discussed in plenary session. The discussion shall be reflected in the Evaluation Final Report.

The definitive ranking is finally brought in a table in the Evaluation Final Report.

4.5.2 Final Evaluation Report

At the end of the process, in the last meeting, PEC finalizes the Final Evaluation Report as per “Annex VI. – Final Evaluation Report”. The Report is a summary of the whole evaluation process and, together with its annexes, provides a comprehensive and detailed description of the decision making process. In the **summarizing table** a single list of the projects evaluated shall be drafted in descending order starting with the highest score downwards according to the final score obtained through the evaluation grid. Applications are ranked and classified as following:

- **Recommended** - are those applications that received the higher score and that are suitable to be awarded the grant, taking into consideration the availability of funds. Although it is possible to recommend projects for a total amount superior to the budget availability and then reduce the financial requests of single proposals during negotiation phase, it is advisable to remain very close to the limit in excess.
- **In Reserve list** - are those applications that received a sufficient score and that would be suitable to be awarded a grant but for which there is no availability of funds. They will be taken into consideration in the event of other candidates in the recommended list renouncing the grant, or in case of further budget availability. The Reserve list is valid only for the Call for Proposal for which applicants have applied. Applications put on a reserve list cannot be taken into consideration for other Calls for Proposals.
- **Not Recommended** - are those applications that did not received the minimum score established in the Guidelines for Sub-Grant Applicants and that are considered of too poor quality to be awarded a grant.

The final evaluation report is signed by all members of the Committee and shared with Boar of Directors of R2E2 Fund for approval.

It should be noted that:

- a) PEC may reject a proposal if it has selected another which is of a similar nature but has been awarded a higher score (i.e. two or more proposals having similar objectives, and/or proposing similar activities with the same partners and/or in the same geographical area);
- b) PEC may decide not to allocate all the available funds if it finds that there are too few proposals of the quality required to receive a grant;
- c) Any attempt by a candidate or applicant to influence the process in any way (whether by making contact with members of the evaluation committee or otherwise) will result in the immediate exclusion of its proposal from further consideration;
- d) The Chairperson of the Evaluation Committee decides whether the evaluation process must be restarted or if derogations are needed. That decision must be communicated in writing and reasons must be included in the evaluation final report;
- e) Letters to successful and unsuccessful applicants must be sent within 10 working days of the award.

4.6 Step 6. – Requests for clarification/complaints

Applicants whose application was rejected can request for clarifications or lodge a complaint within 5 working days after the notification of the decision to the Complaint Committee in writing (specific e-mail address shall be written in the Guidelines for Sub-Grant Applicants). The CC replies within 5 working days and take position (confirming or retracting) on the decision of the PEC. All requests for clarification/complaints shall be duly included in the evaluation final report.

4.7 Step 7. – Final Negotiation

In this phase the successful applicants are summoned by the PMT to discuss of eventual request for minor modifications. Requests for adjustments/modifications can include only points highlighted during the evaluation in the appropriate comment/justification box. Even if modifications of the budget and/or the action (including the action plan) are requested, the core of the proposal shall not be altered. Modifications cannot lead in any case to an increase in the amount of the grant. It is in this phase that it is recommended to proceed with the pre-award assessment of the sub-grantees to assess together program/admin/financial capabilities and limits and identify needs for specific trainings and support.

4.8 Step 8. – Signature of the Sub-Granting Agreement

The relations between R2E2 Fund and the Sub-grantee are regulated by the Sub-Granting Agreement and its annexes. The agreement is prepared by the PMT, it is signed by the Director of R2E2 Fund and it takes effect on the date of the last signature.

4.9 Step 9. – Filing

All documentation related to the evaluation process must be archived in order under the direct responsibility of the secretary of the PEC and the supervision of the Chairperson.

The folder must include:

- 1) The call for proposal;
- 2) All applications received;
- 3) All communication between the PEC and CC with applicants;
- 4) The Final Evaluation Report with annexes;
- 5) Sub-granting agreement between R2E2 Fund and Sub-Grantee;

4.10 Step 10. – Publication

At the end of the process R2E2 Fund will publish on its webpage the list of the organizations that received the grant. The list shall include the name of the organization, the title of the project, location of implementation and a summary of the narrative objectives/expected results.

PART V. - Administering Grants' Post-awards

R2E2 Fund shall administer the Sub-grants through dedicated PMT (Section 2.3 of these Guidelines) that shall necessary delivering technical assistance to and mentorship of Sub-grantees, attend events and conduct site visits.

The PMT shall use standard Reporting Templates to capture pertinent and timely information about Sub-grantee activities and performance, PMT observations and findings, and recommendations for improvements or remedial actions, as necessary, to inform responsive and adaptive management decisions.

Award administration encompasses oversight and management of the Sub-grant from Sub-grant award signing to completion and close-out. The nature and extent of administration can range from reviewing and analyzing performance reports or performing site visits to more intensive involvement, depending on the level of risk associated with the Sub-grantee.

Immediately after the Sub-grant award is fully executed, PMT will conduct a Kick-off meeting to ensure Sub-grantees fully understand all terms and conditions of the Sub-grant Award, implementation plan and timetable (milestones and schedule of disbursement), as well as the roles and responsibilities of R2E2 Fund and Sub-grantee staff. Discussions will also include details of required reporting, deliverables, and other obligations, including R2E2 Fund's right to inspect the work in progress, Sub-Grantees' management systems, and performing audits during or after the period of performance.

PMT shall share all necessary and appropriate report templates with Sub-Grantees immediately post-award and/or as they are needed during the period of performance.

The PMT is responsible for overseeing all grant management details, including review of financial reports, regular correspondence, site visits and other monitoring tasks. It is also responsible for processing all grant modifications, suspensions and/or termination of grant activities.

5.1 In-Kind Grants Disbursements

In-kind Sub-grants disbursements relieve Sub-grantees of some of the administrative requirements of cash grants and help to protect the integrity of the procurement process. R2E2 Fund may provide in-kind assistance by procuring contributions and delivering them as needed. This option shall be used only in cases when Project foresees procurement of goods and/or services of high value and/or complex nature, where highly qualified procurement expertise is critical for providing the "best value for money". Such cases should be discussed with Sub-grantees prior to the sub-grant award and shall be properly justified/reflected in the Evaluation report (in the form of annexed side letter).

5.2 Use and Disposition of Program Income from Grants

Program Income is defined as income earned by the Sub-grantee that is directly generated by a supported Sub-grant activity or earned because of the Sub-grant Award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program Income may be earned both from Sub-grantee activities and from services provided by an individual performing a role in the Sub-grant activity. The period for earning program income is any income earned by a Sub-grantee during grant implementation, as reflected in the final financial report.

Examples of program income include:

- Fees for services performed and for the sales of services;
- Use or rental of real or personal property acquired with Sub-grant funds;
- Sale of commodities or items produced under the Sub-grant;
- Payments of principal and interest on loans made with Sub-grant funds; and
- Any donations that are solicited by the Sub-grantee during a Sub-grant activity.

The Sub-grantee shall inform PMT of any Program Income generated under the grant and agrees to R2E2 Fund's disposition of such program income that shall be applied and used in the following descending order:

1. Added to funds committed by R2E2 Fund and the Sub-grantee to the Project or Program, and used to further eligible Project or Program objectives;
2. Used to finance the Sub-grantee's contribution to the Project or Program; and
3. Deducted from the total Project or Program allowable cost in determining the net allowable costs on which the R2E2 Fund's share of costs is based.

If the terms and conditions of the Sub-grant Award do not specify how Program Income is to be used, then number 2 above shall apply automatically.

Grantees shall have no obligation to the R2E2 Fund regarding Program Income earned after the end of the Sub-grant period.

5.3 Publications and Media Releases

When publications are financed under a Sub-grant Award, the Sub-grantee shall provide R2E2 Fund with electronic copies of all published works developed under a Sub-grant Award with lists of other written work produced under the Sub-grant Award.

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) Sub-grant number; 4) Name of the donor and R2E2 Fund; 5) strategic objective; and 6) date of publication.

In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost, any profits, or royalties up to the amount of such cost shall be credited to the award unless the Sub-grant award has identified the profits or royalties as Program Income.

Except as otherwise provided in the terms and conditions of the Sub-grant Award, the author or the Sub-grantee is free to copyright any books, publications, or other copyrightable materials developed during or under the Sub-grant Award, but R2E2 Fund reserves a royalty-free non-exclusive and irrevocable right to reproduce, publish, or otherwise use and to authorize others to use the work for its purposes.

5.4 Monitoring, Reporting and Audits

R2E2 Fund shall develop a monitoring and evaluation plan to track Sub-grantee deliverables and overall performance.

The Sub-grantee shall maintain books, records, documents, and other evidence relating to their work. Accounting records that are supported by documentation will at a minimum show all costs incurred under the Sub-grant Award, receipt and use of goods and services acquired under the Sub-grant Award, costs from other sources, the overall progress of the work.

All Sub-grantees will be subject to regular and periodic monitoring visits and reporting requirements. All Sub-grantees must submit a final report on activities and finances.

PMT will closely monitor overruns in expenditure categories or budgeted line items. If major budget shifts are anticipated or observed, the Grantee must request a modification to the Sub-grant Award to ensure proper monitoring and to avoid overruns. Under certain circumstances, such as when a grant is over certain threshold established by the Donor, before Sub-grants are issued the Sub-grant Award may specify that the Sub-grantee is restricted from transferring funds among expenditure categories. Such a restriction would require the Sub-grantee to get prior approval from PMT before making budget shifts that expect to exceed 10% of the total budget.

All sub-grants above threshold defined by R2E2 Fund and agreed with the donor should be mandatory audited by reputable audit company (selected by R2E2 Fund in competitive manner) and the costs shall be included in the budget of the Sub-grant.

For large scale projects (determined as such and/or required by donors) external evaluation might also be performed by the company selected by the R2E2 Fund.

For both cases mentioned above, respective information on the requirements and anticipated budget implications shall be clearly articulated through Guidelines for Sub-grant Applicants to allow them properly budget such expenditures in their proposals.

5.5 Amendments and Extensions

Sub-grantees are required to request prior approvals for any deviations to the budget or activities. The Sub-grantee should contact the PMT to discuss necessary changes to the

award as soon as possible, at least one month before new or changed activities are to take place. The following deviations will be considered:

- Change of key personnel specified in the award;
- Addition of funding and/or revision of funding allocation among project objectives; and
- Change of duration of the project (not to exceed the one-year threshold).

Amendments to the Sub-grant Award must be made through formal written processes between R2E2 Fund and designated representative of the Sub-grantee.

Amendments to grant budgets and/or activities will largely be avoided by proper pre-Sub-grant Award program design, cost analysis and budget review. Nonetheless, unavoidable changes in circumstances may necessitate an amendment or extension. Period of performance changes or extensions are preferable to cost amendments whenever possible.

5.6 Grantee Responsibilities

Each Sub-grant Award shall include a clause that states:

The Recipient has full responsibility for executing the project or activity being supported by the Sub-grant and for complying with the award conditions. Although the Recipient is encouraged to ask for the opinion and support of R2E2 Fund about any problems that may arise, this suggestion does not diminish the responsibility of the Recipient. The Recipient must apply solid technical and administrative criteria. The Recipient agrees to notify R2E2 Fund about any significant problems associated with the administrative or financial aspects of the grant award.

5.7 Termination and Suspension

The Grant Award shall state that R2E2 Fund retain the right to unilaterally terminate a grant, in whole or in part, or suspend payments, should the Sub-grantee become insolvent during grant implementation or should the Sub-grantee not meet their responsibilities as set forth in the Sub-grant Award. A Termination Letter shall be sent to the Sub-grantee and placed in the Sub-grantee's file and will include the following:

- Reasons for the termination;
- Effective termination date; and
- Portion of grant activities and/or budget allocation to be terminated.

5.8 Records

The Sub-grantee shall maintain financial records, supporting documents, statistical records and all other records pertinent to the grant in accordance with standard accounting principles or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to the Sub-grant Award. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred under the sub-grant - receipt and use

of goods and services acquired, the costs of the program supplied from other sources, and the overall progress of the program.

Unless otherwise notified, Sub-grantee records which pertain to the Sub-grant Award shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by R2E2 Fund or representative of the donor.

5.9 Grant Files and Close-out

R2E2 Fund reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of Sub-grantees. The grant files will contain the essential documents to demonstrate that the Sub-grant was successfully completed and that funds were spent prudently with costs justified.

To prepare grant files for close-out, R2E2 Fund will maintain an on-going official grant Master File, which will include documents that must be preserved in case of audit. This file will be clearly organized and easy to understand. An auditor with very little prior knowledge of the R2E2 Fund or the Grant Award can quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for.

Sub-grant paperwork beyond a single copy of the items on these checklists can be disposed of after close-out.

R2E2 Fund is responsible for ensuring that the Grantee has completed all requirements for close-out and shall include information on grant close-out in monthly reports of grant activities.



Sub-Granting Manual

ANNEXES

Annex I. - Declaration of impartiality and confidentiality

I, the undersigned, hereby declare that I agree to participate in the evaluation of the proposals received in the framework of the Call for Proposal "... .." launched on/...../..... as a voting member of the Proposal Evaluation Committee.

By making this declaration, I declare that I am aware that a conflict of interests exists where the impartial and objective exercise of the functions of a Proposal Evaluation Committee is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a recipient.

Therefore:

- I hereby declare that, to my knowledge, I have no conflict of interest with the operators who have applied to participate for this grant award.
- I confirm that if I discover during the evaluation that such a conflict exists or might exist, I shall declare it immediately to the chairperson of the evaluation committee. In the case that such conflict is confirmed by the chairperson, I agree to cease from participating in the evaluation committee.
- I confirm that I have familiarized myself with the information available to date concerning this Call for Proposals, including the provisions of the Operational Manual for the Sub-Granting Manual relating to the evaluation process.
- I shall execute my responsibilities impartially and objectively. I further declare that, to the best of my knowledge, I am not in a situation that could cast doubt on my ability to evaluate the applications.
- I shall maintain the strictest confidentiality in respect of all information acquired as a result of my involvement in the evaluation process of the above-mentioned call, as well as any information relating specifically to the object of this call.
- I undertake neither to disclose such information to any person who is not already authorized to have access to such information, or to discuss it with any person in any public place or where others could overhear it. I furthermore undertake to use this information only in the context, and for the purposes of, the evaluation of this specific call.
- After the conclusion of the evaluation I undertake not to retain copies of any written information, as well as any templates or models used in the course of my duties. I undertake to maintain this duty of confidentiality after the conclusion of my term as a member of this evaluation committee
- I understand that any unauthorized disclosure by me will result in the termination of my role as a member of this evaluation committee and may also render me liable to legal action.

Name of PEC Member:

Signature:

Date:

Annex II. - Receipt Form



ACKNOWLEDGEMENT OF RECEIPT – HAND DELIVERY

Name and Address of the Applicant

Call for Proposals: *(reference number and title)*

Title of the Project: “.....”

Your application was received on “*date and hour*” and was assigned the following Reference Number “... ..”.

R2E2 Fund

Applicant

Name

Signature

Date and hour of receipt

Name

Signature

Date and hour of receipt

Annex III. - Administrative Check Form

Reference number of the Call for Proposals:	
Name of the Applicant:	
Reference number of the Applicant <i>(assigned by the PEC)</i>	
Title of the Project:	

N	Checkpoints	YES	NO
	The submission deadline has been met		
PART A. – Administrative			
	The correct grant application form has been used		
	The Logical Framework has been completed and enclosed		
	The Budget is presented in the format requested and stated in AMD		
	One original copy (signed) of Package is included		
	An electronic version of the proposal is enclosed <i>(for hand delivery cases)</i>		
	The Declaration of Honour has been filled and signed		
	Profile of the organization, signed by its legal representative, including all the past and present projects <i>(presented in the format contained in the Application Form)</i>		
PART B. – Eligibility			
	The proposal has been typed and is in English/Armenian <i>(as relevant)</i>		
	The amount requested is within the minimum and maximum allowed by the Call for Proposals		
	Mandatory co-financing requirements are met		
	The applicant is a legal person <i>(NGO or commercial entity, as relevant)</i>		
	The duration of the action is within the limits of the Call for Proposals		
	The action will be implemented in eligible regions/municipalities		

DECISION:		
A	The PEC has decided to evaluate the full application, which passed the administrative check	
B	The PEC has requested integration of missing documents	
C	The PEC has rejected the application	

Signature of the Secretary of PEC:

Signature of the Chairperson of PEC:

Annex IV. - Administrative Check Summary Table

Title of the Call for Proposals:	
Reference Number:	
Deadline for Submission:	
Min/Max amount allowed:	
Co-financing requirement:	
Duration allowed:	
Eligible regions:	
Legal entity type:	

N	Name of the Applicant	Reference Number	Request for additional documents	Documents received	Missing documents	Decision	Points of non-compliance (to be shared with Applicants)
1.							
2.							
3.							
...							
n							
		Name			Signature		
Chairperson							
Secretary							
Evaluator							
Evaluator							

Annex V. - Application evaluation form

Date:	
Completed by:	

I. Identification Data

Title of the Call for Proposals:	
Reference Number:	
Applicant Name:	
Applicant Reference Number:	
Title of the Project:	
Regions/municipalities targeted:	
Project Budget:	
Amount requested:	
Co-financing:	
Duration:	

II. Evaluation Grid

Scoring guidelines: 1= very poor; 2= poor; 3= adequate; 4= good; 5= very good

The evaluation grid sticks pragmatically to the paragraphs of the Project Application Form. The evaluator must assign a score on each topic on the sole basis of what is stated in the proposal regardless of the reputation of the applicant and any other external, not requested, information.

Each section contains a box for comments. These comments serve to explain the reasons behind the score assigned and to address the issues covered by that section. Comments **must** be made on each section. Extra space may be used for comments if required.

Please remember that only the points raised formally in the “Comments & Justification” field can be part of the negotiation with awarded applicant.

1. Operational capacity	Score	Total	Comments and Justification
1.1 Does the applicant have sufficient knowledge of the issues to be addressed?	1 – 5 * 2	/10	

1.2 Does the applicant have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the action?)	1 – 5 * 2	/10	
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If the total score for this section is less than 12 points, the application will be rejected.

2. Relevance	Score	Total	Comments and Justification
2.1 How relevant is the proposal to the particular needs and constraints of the country or region?	1 – 5 * 2	/10	
2.2 How relevant is the proposal to the objectives and priorities of the Call for Proposals?	1 – 5 * 2	/10	
2.3 How clearly defined and strategically chosen are the final beneficiaries and/or target groups? Have their needs been clearly defined and does the proposal address them appropriately?	1 – 5	/5	

3. Quality of the Project Proposal	Score	Total	Comments and Justification
3.1 Are the activities proposed appropriate, practical, and consistent with the expected results?	1 – 5 * 2	/10	
3.2 Are the project indicators SMART (specific, measurable, achievable, relevant, time-bound)?	1 – 5	/5	
3.3 Is the action plan clear and feasible?	1 – 5	/5	
3.4 Is the visibility of the Project clearly explained and appropriate?	1 – 5	/5	
3.5 What is the degree of sustainability of the expected results?	1 – 5	/5	

3.6 Is the implementation methodology clearly explained?	1 – 5	/5	
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4. Budget and the cost-effectiveness of the Project	Score	Total	Comments and Justification
4.1 Are the activities appropriately reflected in the budget?	1 – 5 * 2	/10	
4.2 Is the ratio between the inputs/resources and the expected results satisfactory?	1 – 5 * 2	/10	

5. Total Score and Recommendations	Score
1. Operational capacity	/20
2. Relevance of the Project	/25
3. Quality of the Project Proposal	/35
4. Budget and the cost-effectiveness of the Project	/20
TOTAL:	/100

Recommended	
Provisionally selected	
Not recommended	

Annex VI. - Final Evaluation Report



Title of the Call for Proposals:	
Reference Number:	

1. Timetable

	Date	Time	Purpose of the meeting	Attendance
Meeting 1				
Meeting 2				

Meeting n				

2. Administrative and Eligibility Check

The evaluation committee made a first administrative and eligibility check based on Annex III – Administrative check form. Total number of applications received was “N”. Out of them:

- a) “N” applications passed the check and were allowed the next phase of the evaluation;
- b) “N” applications were rejected automatically because they were submitted after the deadline;
- c) “N” applications were rejected automatically because they were missing one or more of the points stated in Annex III – Administrative check form Part B;
- d) “N” applications were missing one or more documents listed in Annex III – Administrative check form Part A.

Of these:

- i. “N” supplied requested documentation within the time limit and were therefore allowed the next phase of evaluation;
- ii. “N” did not supply requested documentation or supplied incomplete or insufficient documentation or supplied it past the time limit and were therefore rejected;

Detailed results are showed in Minutes of the Meeting (annexed to this document). Applicants were notified in writing.

2.1 Requests for Clarifications/Complaints

A total of “N” applicants requested for clarifications or lodged a complaint within the set deadline. The Complaints Committee has analyzed the request/complaint and took position on the decision of the PEC. Of these:

- i. The decisions of the PEC were confirmed for “N” applications and the applicants were finally not admitted to the next phase of the evaluation;
- ii. The decisions of the PEC were retracted for “N” applications and the applicants were admitted to the following phase of the evaluation;

Applicants concerned were notified in writing.

Finally, the total number of applications that were allowed the next phase of the evaluation is “N”.

3. Evaluation

The evaluation committee assessed “N” applications using the “Annex V - Application evaluation form” to give their personal scoring.

The evaluation committee then discussed them and the final result and ranking is displayed in the table below in a descending order starting with the project that has received the highest score. The minimum score allowed to be considered eligible for a grant was established to be “N”.

“Narrative of all relevant discussions that took place in the plenary sessions of the PEC”

The total budget available for this call for proposal is AMD “N”.

The first “N” project proposals have been recommended for grant award for a total budget request of AMD “N”.

The PEC reserves to negotiate the budget with the applicant in order to cut “N” approximately.

4. Summary Table

Title of the Call for Proposals:	
Reference Number:	

N	Name of Applicant	Title of the Project	Protocol N	Final Score	Grant amount requested (AMD)	Duration (months)	Thematic Area	Comments/ Justification

Number of Applications Recommended:

Total amount requested by the selected Applications (AMD):

Total amount available (AMD):

Total budget cut requested (%):

Signatures:

	Name	Signature
Chairperson		
Secretary		
Evaluator		
Evaluator		