

PARTNERSHIP FOR TRANSPARENCY FUND
SUPPORT TO CIVIL SOCIETY FOR ANTI-CORRUPTION
INITIATIVES

OPERATING GUIDELINES

PURPOSE

1.01 The purpose of these operating guidelines is to establish the terms and conditions on which the Project, “Support to Civil Society for Anti-Corruption Initiatives” (hereinafter referred to as the “Project”) shall be implemented by the Partnership for Transparency Fund (hereinafter referred to as “PTF”).

FINANCING

2.01 PTF has obtained funds amounting to US\$ 100,000 from the Asian Development Bank (hereinafter referred to as “ADB”) for the financing of the Project.

BASIC DEFINITIONS

3.01 For the purpose of these operational guidelines, the following definitions are adopted:

(a) <i>ADB:</i>	The Asian Development Bank
(b) <i>CSO:</i>	Civil Society Organization
(c) <i>Grantee:</i>	The recipient of an approved grant under the Project
(f) <i>Initiative:</i>	Set of approved activities carried out by a grantee
(i) <i>PTF:</i>	Partnership for Transparency Fund
(j) <i>Project:</i>	Support to Civil Society for Anti-Corruption Initiatives
(k) <i>Participating Countries:</i>	Pakistan, the Philippines and Mongolia

PROJECT

4.01 The overall objective of the Project is to contribute to increased effective anti-corruption initiatives involving CSOs in four Participating Countries, namely, Mongolia, Pakistan and the Philippines. The Project aims to increase CSOs’ capacity and knowledge in implementing initiatives to improve transparency, accountability, governance, and fight corruption.

4.02 The Project calls for providing funds as grants and technical advice to CSOs in the Participating Countries for the implementation of their specific anticorruption

initiatives consistent with the overall objective of the Project described in paragraph 4.01 above and using the procedures and criteria described in these Operating Guidelines.

A. Eligibility Requirements

4.03 The individual grants will be between US\$5,000 and US\$25,000 each. They will require institutional matching financing from CSOs, if a portion of local costs is to be borne by them. Institutional matching financing may be given in cash and/or in kind (e.g. administrative support, in terms of staff time, access to office technology etc.). All grants will have to be committed and disbursed within one year of approval by PTF;

4.04 A CSO applying for grants under the Project shall meet the following criteria: (i) It should be legally constituted and registered in the country, as required by local laws; (ii) Its by-laws should give it legal capacity to accept the funding to be provided under the Project; (iii) Its accounts should be audited annually by independent public auditors; (iv) It should be able to demonstrate its institutional capacity to implement the initiative; (iv) The initiative should be viable in terms of whether the initiative has clear-cut outcomes that can be achieved in a limited amount of time; (v) The initiative should help strengthen the voice and role of the CSO as a leader in the fight against corruption and for greater transparency in government operations; and (vi) CSO should have adequate resources to bear its share of the costs, if any, associated with the initiative.

4.05 The types of activities eligible to receive financing under the Project may include, but not limited to: (i) surveys of anti-corruption policies and practices; (ii) participation in drafting and/or reviewing and/or monitoring the implementation of anti-corruption and access to information laws; (iii) media campaigns and radio/TV projects to raise public awareness of corruption issues; (iv) Setting up and/or monitoring corruption-free public procurement systems or privatizations or auctions of public assets; (iv) tracking government spending; (v) promoting use of citizen charters; (vi) publishing legitimate government fees and charges; and (vi) others as may be defined from time to time by the PTF.

B. Restrictions

4.06 The resources under the Project shall not be granted for: (i) general and administrative expenditures of the Grantees, other than those specific to the approved initiative (ii) investment in physical infrastructure (construction, land property and durable equipment); (iii) political advocacy; and (iv) proposals where there is a real or perceived conflict of interest.

C. Selection Criteria

4.07 Only those initiatives will be entertained that meet the eligibility requirements described in Sections 4.03-4.06 of these guidelines. Since the resources available under the Project are limited selection of proposals will be based on their relative merit ranking. In doing this ranking, PTF will consider factors such as: (i) innovativeness and ability to

serve as a replicable model; (ii) existence of strategies to collaborate with public and/or private sector partners; and (iv) the quality of project design (well defined, realistic and measurable goals, objectives and activities), (v) evaluation plan (based on identified indicators for measuring results), and (vi) the dissemination strategy. The reputation and established performance of the CSO will also be an important consideration.

D. The Process

4.08 Proposals will be invited by PTF through a notice posted on its website. There will be a last date for submission of proposals. ADB and PTF, in their discretion, might use other vehicles for inviting proposals and might extend the last date for submission of proposals.

4.09 On receipt of applications, PTF will review them and may seek advice also from people knowledgeable about a particular relevant area. A representative of PTF may visit the CSO to discuss the proposal, if necessary.

4.10 The project proposal should include the following key information: (a) Background information explaining the mission, legal status, organization and management of the applying CSO; (b) A concise description of the proposed activity to be supported, its objectives and how these are to be achieved; (c) A detailed plan of action, including a timetable, and itemized budget, with adequate explanations and justifications. Where local or international experts are to be hired, proper terms of reference (TORs) must be prepared and the process of selection set out. All of this must be fully transparent and care taken to avoid conflicts of interest; and (d) A detailed statement on the proposed reports to be made to PTF and on how the accounts are to be maintained and audited. A template of application is attached as Annex I. It may be modified as the CSO feels appropriate to be able to present the proposal fully.

4.11 After PTF has completed its evaluation of the application, it will comply with its internal approval procedural requirements. On completion of this process, PTF will inform the CSO that the grant has been approved, and send it the draft grant agreement for comment and signature.

4.12 If the project is declined, PTF will communicate the decision and relevant comments to the proposing CSO.

E. Grant Agreement

4.13 PTF will sign a grant agreement with the CSO once a project has been approved. The grant agreement shall include, *inter alia*: (a) the name of the parties; (b) the objective and a brief description of the project; (c) the amount of the grant and the local counterpart resources, if any; (d) the terms and conditions for disbursement; (e) the implementation period; (f) the budget, specifying the expenditures chargeable to the grant; (g) conditions of suspension and cancellation of disbursements; (h) reporting requirements, and (i)

financial and audit requirements. The initiative proposal and subsequent revisions or clarifications (often in the form of E-mails) will be appended to the grant agreement.

F. Disbursements

4.14 The Project will make disbursements to each Grantee in accordance with the grant agreement, and following any other reasonable disbursement procedures that PTF may establish. PTF reserves the right to modify scheduled dates and payment amounts based on evolving cash requirements of the project and the Project. The disbursements shall be contingent on the Grantee's complying with the grant agreement, including adequate and timely submission of financial and projectmatic reports, to PTF's reasonable satisfaction.

4.15 To limit the wastage of funds on initiatives not being implemented satisfactorily, while at the same time not imposing excessive bureaucratic burdens on either the CSOs or itself, PTF would normally disburse in three tranches– the first upon signing of the grant agreement, the second when some benchmark has been reached as spelled out in the Grant Agreement, and the final 10 percent on receipt of a satisfactory project completion report detailing what has been achieved and evaluating the project's impact on reducing corruption. The size of the tranches will depend on the requirements of the project.

4.16 Any portion of the grant uncommitted or unexpended at the completion of the project or at the termination date of this Grant, shall be repaid to PTF within sixty (60) days, unless PTF shall, in writing, otherwise authorize. PTF will give consideration to written requests to use these funds for purposes consistent with the purpose of this grant, submitted within thirty (30) days from the completion of the project or the termination date of this grant.

4.17 If the Grantee dissolves or the project is cancelled for any reason, all assets, including grant funds, interest and property, held by the Grantee at the time of such dissolution or cancellation, attributable or identifiable as having been provided by PTF or purchased with grant funds, shall be returned to PTF in a manner and form to be prescribed by PTF and to the extent permissible under local law.

4.18 After entering into this Agreement, it is possible that circumstances will arise which will persuade PTF that this grant should not be disbursed. If that should happen, PTF acknowledges that the Grantee, nevertheless, would then be entitled to full reimbursement for reasonable expenses connected with the grant and already paid by the Grantee or for which it became legally responsible before notification of PTF's decision. Accordingly, PTF may, at any time, cancel the unpaid portion of this grant by notice to the Grantee. Within thirty (30) days of such notice, the Grantee shall furnish, in writing, a complete list of such expenses, and PTF thereupon shall pay to the Grantee an amount equal to the total of those expenses it determines to be reasonable expenses connected with the grant and adequately documented. Upon making such payment, PTF shall have no further obligation to the Grantee, its officers, agents or representatives, and the Grantee shall thereby release PTF, its officers, agents and representatives from any liability.

G Procurement

4.19 The initiative proposal will spell out the procedures to be used in the acquisition of goods and in the selection and contracting of individual experts. These would be expected to follow a good practice to ensure cost-effective procurement considering quality and efficiency and avoiding possibilities of conflict of interest situations.

H Reporting

4.29 Each Grantee will submit to PTF the narrative, financial, monitoring and evaluation, and final reports by the dates and following the instructions contained in its respective grant agreement. The Grantee will disseminate to the local public full information of the project and its implementation and achievements by circulating the project completion report to the media and interested third parties and by posting the report on its website.

I. Evaluations

4.30 Subsequent to project closing, PTF will undertake, wherever feasible at minimal cost (generally using experienced volunteers who are visiting the country for another reason), an ex-post assessment of the project implementation and results of the initiatives. The Grantees will facilitate this assessment.

J. Auditing

4.32 PTF will require that each Grantee conduct an annual external independent organizational financial statement audit, which should include the separate accounts of the project. These financial statements shall be audited by independent public accountants.

5. AMENDMENTS

5.01 These Operational Guidelines may be amended only with the prior agreement of the ADB.

**PARTNERSHIP FOR TRANSPARENCY FUND
SUPPORT TO CIVIL SOCIETY INITIATIVES FOR
GOVERNANCE**
Application for a Grant

Notes:

1. This application template may be modified as the CSO feels appropriate to be able to present the proposal fully.
2. Send application to: Khalid Siraj, PTF Adviser (ksiraj@cox.net).

I. Background Information

1. Country:

2. Name:

3. Address:

4. Email:

5. Website:

6. Tel:

7. Fax:

8. Three references (names, organization, contact email address):

9. Legal status: *(Describe briefly the legal status in the context of local laws and provide a copy of the registration/incorporation certificate. Also state in what way the applicant has the legal authority to receive the proposed grant from PTF)*

10. Management & organization: *(Describe your governance, management and organization structures. Attach a list of Trustees/Board Members with information on their background. Also provide information on the number of volunteer and paid workers in your organization)*

11. The mission and activities: *(Describe the mission of the applicant entity, the major activities and notable achievements)*

12. Funding: *(Describe your major sources of funding and if your accounts are audited annually by independent auditors)*

II. The Proposed Initiative

13. Description: *(Describe concisely the proposed initiative to be supported, its objectives and outputs, how these are to be achieved, some assessment of the expected impact on reducing corruption and clarity as to how the initiative is to be managed)*

14. Plan of Action: *(Describe strategy for implementation of the initiative with time-frame, major milestones and deliverables. State your institutional capacity to implement the proposed initiative)*

15. The Budget: *(Itemize cost items with explanation of basis of estimates and indicate financing plan and how firm are arrangements for funds needed over and above the proposed grant amount)*

16. Experts to be hired: *(If local or expatriate experts are to be hired, describe their main terms of reference, the selection process and their names and other particulars, if already identified)*

17. Reporting and audits: *(Outline proposed reports to be made to PTF and how the accounts are to be maintained and audited)*

III. Representation

18. Name and official position of person submitting application:

19. Date of application:

IV. Supporting Documents

20. Attach copies of the following documents:

- a. Certificate of incorporation/registration**
- b. Complete initiative proposal**
- c. Copy of latest audited accounts**
- d. Terms of reference of experts to be hired (if applicable)**
- e. Any other document considered relevant**