



Trust for Democratic Education and Accountability

**USAID/Pakistan
Citizens' Voice Project**

Contract number AID-391-C-11-00001

Sub Awards Manual

August 2016

TABLE OF CONTENTS

SECTION 1. BACKGROUND	1
1.1 Introduction.....	1
1.2 Purpose of the Subawards Manual.....	2
1.3 Important Definitions.....	2
SECTION 2. ROLES AND RESPONSIBILITIES	7
2.1 Individual responsibilities:	7
2.2 Organizational Responsibilities of TDEA [Under Contract with USAID clause C.4, as amended].....	7
2.3 USAID Responsibilities [Under Contract with TDEA, clause C.4, as amended]	9
2.4 Grants Management Committee (GMC).....	9
2.5 Assessment Team	10
SECTION 3. CONFLICT-OF-INTEREST STATEMENT	12
SECTION 4. SUBAWARD PURPOSE AND TYPES.....	13
4.1 Subaward Purpose	13
4.2 Types of Subawards.....	13
SECTION 5. ELIGIBILITY FOR SUBAWARDS	16
5.1 Organizations Eligible for Subawards.....	16
5.2 Organizations Ineligible for Subawards.....	17
SECTION 6. OVERVIEW OF SUBAWARD PROCESS.....	18
6.1 Periodic General Programming Statements requesting Concept Papers (CPs) – [Two-step process: CPs followed by specific requests for applications].....	18
6.2 Specific Requests for Applications [One Step process]	18
6.3 Invitation to “Required Organizations”	19
SECTION 7. DEVELOPING A LIST OF “REQUIRED” ORGANIZATIONS.....	20
7.1 Steps Involved in Developing a List of “Required” Organizations	20
7.2 Identifying all Possible Organizations.....	20
7.3 When to Develop and Update the List of “Required” Organizations	20
7.4 Memorandum of Understanding	21
SECTION 8. IDENTIFICATION OF THEMATIC AREAS.....	22
SECTION 9. SOLICITATION	23
9.1 Preparation of Solicitation Documents.....	23
9.2 Announcement of Solicitation.....	23
9.3 Cancellation of Solicitation(s).....	24
9.4 Amendments in RFAs	24
SECTION 10. TWO-STEP SOLICITATION PROCESS.....	25
10.1 Preparation of the General Programming Statements	25
10.2 Contents of PS/PD.....	25
10.3 Advertisement of General Programming Statement	26
10.4 Receipt and Processing of CPs.....	26

10.5	Review and Approval of CPs	26
10.6	Informing the Applicant	27
10.7	Issuance of Concept Specific Requests for Applications.....	27
SECTION 11. ONE-STEP SOLICITATION PROCESS – [SPECIFIC RFAS].....		28
11.1	Preparation of RFA	28
11.2	Advertisement for RFA	28
11.3	Required Documents for Submission by Applicants	29
11.4	Optional Orientation of Applicants.....	29
11.5	Responding to Queries from Applicants.....	30
11.6	Receipt of Applications	30
SECTION 12. SELECTION OF SHORT-LISTED APPLICANTS		31
12.1	Review of Applications against Basic Qualifying Criteria	31
12.2	Review of Applicants’ Technical Applications	32
12.3	Recommendation of Short-listed Applicants by the GMC.....	34
SECTION 13. SELECTION OF POTENTIAL SUBAWARDEES FROM SHORT-LISTED APPLICANTS		35
13.1	Criteria for Evaluating Financial Applications.....	35
13.2	Inform Applicants of Status of Applications	36
SECTION 14. CONDUCTING ORGANIZATIONAL RISK ASSESSMENT OF POTENTIAL SUBAWARDEES		37
14.1	Types of Assessment.....	37
14.2	Steps to be performed for execution of pre award reviews and assessments – Operational/ financial.....	39
14.3	Steps to be performed for execution of pre award reviews and assessments- Program Area.....	42
14.4	Purpose of Assessment	43
14.5	Areas Covered in Organizational Risk Assessment	44
14.6	Discussions with Potential Subawardees	45
14.7	Reporting the Results of Organizational Risk Assessment	45
14.8	Review of Organizational Risk Assessment done by Assessment Team	45
SECTION 15. PROPOSITIONS AND ITERATIONS.....		47
15.1	Final approval of subawards by USAID.....	47
15.2	Inform all Potential Subawardees of Selection Results	47
SECTION 16. ENTERING INTO SUBAWARD AGREEMENT WITH SELECTED SUBAWARDEE		49
16.1	Drafting of Subaward Agreement	49
16.2	Finalizing the Subaward Agreement	51
SECTION 17. SUBAWARD MANAGEMENT		52
17.1	Post award Orientation.....	52
17.2	Subaward Period.....	52
17.3	Payments to Subawardees	52
17.4	Advances.....	53
17.5	Monitoring of Subawardees’ Activities and Milestones or Results Achieved.....	54
17.6	Amendments/ Modifications to subawards	54
17.7	Termination and Suspension of Subawards.....	56
17.8	Records to be maintained.....	61
17.9	Dispute Resolution and Complaints.....	61
SECTION 18. SUBAWARD CLOSE OUT		62

SECTION 19. EXCEPTIONS TO COMPETITION REQUIREMENTS	63
ANNEX 1 – APPROVAL OF SUBAWARDS MANUAL AND EFFECTIVE DATE	66
ANNEX 2 – TERMS OF REFERENCE OF GRANTS MANAGEMENT COMMITTEE	68
ANNEX 3 – MEMORANDUM OF UNDERSTANDING TEMPLATE	69
ANNEX 4 – REQUEST FOR APPLICATION AND OTHER SOLICITATION DOCUMENTS TEMPLATES.....	70
ANNEX 5 – SUBAWARD APPLICATION FORM TEMPLATE	71
ANNEX 6 – EVALUATION AGAINST BASIC CRITERIA TEMPLATE.....	72
ANNEX 7 – TECHNICAL APPLICATION EVALUATION TEMPLATE	73
ANNEX 8 – FINANCIAL APPLICATION EVALUATION TEMPLATE.....	74
ANNEX 9, 10 AND 11 – PREAWARD ASSESSMENT: TOOLKIT FOR PRE-AWARD ASSESSMENTS.....	75
ANNEX 12 – ENGAGEMENT LETTER TEMPLATE FOR PREAWARD ASSESSMENT	78
ANNEX 13 – FEEDBACK LETTER TEMPLATE AFTER PREAWARD ASSESSMENT.....	79
ANNEX 14 – ORGANIZATIONAL RISK ASSESSMENT TOOLS	80
ANNEX 15 – SUBAWARDEE CAPACITY DEVELOPMENT ACTION PLAN TEMPLATE ...	81
ANNEX 16 – NEGOTIATION MEMORANDUM TEMPLATE	82
ANNEX 17 – SUBAWARD AGREEMENT TEMPLATE.....	83
ANNEX 18 – SUBAWARDEE FINANCIAL REPORT REVIEW LETTER TEMPLATE.....	84
ANNEX 19 – ON-SITE FINANCIAL MONITORING CHECKLIST TEMPLATE.....	85
ANNEX 20 – PROGRAMMATIC MONITORING (IN FIELD) CHECKLIST TEMPLATE....	86
ANNEX 21 – SUBAWARD AMENDMENT REVIEW AND APPROVAL FORM	87
ANNEX 22 – SUBAWARD ACTIVITY COMPLETION CERTIFICATE.....	88
ANNEX 23 – SUBAWARD ACTIVITY COMPLETION REPORT TEMPLATE (INTERNAL).....	89
ANNEX 24 – SUBAWARD CLOSE OUT CHECKLIST	90
ANNEX 25 – SUBAWARD PROCESS FLOWCHART	91
ANNEX 26 – DISCLOSURE FORMS FOR CONFLICT OF INTEREST.....	92
ANNEX 27 – INITIAL COMMUNICATIONS WITH SHORTLISTED APPLICANTS.....	93
ANNEX 28 – SPECIMEN CHECKLIST FOR TECHNICAL REVIEW OF GRANT APPLICATIONS.....	94
ANNEX 29 – SPECIMEN GRANT APPLICATION APPROVAL MEMO FOR USAID.....	95
ANNEX 30 – SPECIMEN AGENDA FOR POST AWARD ORIENTATION	96
ANNEX 31 QUALITY ASSURANCE CHECKLIST FOR 3RD PARTY CONDUCTED PRE AND POST AWARD ASSESSMENTS.....	97
ANNEX 32 – QUALITY CONTROL CHECKLIST OF THIRD PARTY FILES	98
ANNEX 33 – PROFIT UNDER USAID ASSISTANCE INSTRUMENTS – (ADDITIONAL HELP DOCUMENT FOR ADS 303)	99
ANNEX 34 – AWARDED FIXED OBLIGATION GRANTS TO NON-GOVERNMENTAL ORGANIZATIONS - (ADDITIONAL HELP DOCUMENT FOR ADS 303)	100

ANNEX 35 – JUSTIFICATION TO RESTRICT ELIGIBILITY TEMPLATE - (MANDATORY REFERENCE FOR ADS CHAPTER 303)	101
ANNEX 36 –SUBAWARD MONITORING CHECKLISTS.....	102
ANNEX 37 – SUSPENSION, TERMINATION AND FORCED CLOSURE TEMPLATES AND LETTERS	103
ANNEX 38 –MILESTONES VERIFICATION AND PAYMENT CHECKLIST	104

Section 1. Background

1.1 Introduction

The overall goal of the Citizens' Voice Program (hence "CVP" or "the program") is "**improved engagement between citizens and government on priority program-supported initiatives to advance good governance objectives**". The program has three main components or program objective areas:

1. Policy advocacy and government oversight (strengthened voice);
2. Organizational development and targeted training (enhanced capacity); and,
3. Public-private connections, or linkages, between and among state and non-state entities (improved accountability).

Geographically, the program will operate on a nationwide basis, security permitting, at the federal, provincial and district/local level in tandem with targeted U.S. Government (USG) program priority areas.

Subject to availability of funds, USAID will provide up to the local currency equivalent of \$45 million USD in total funding to be allocated over a seven -year period. This funding includes core DG civil society money as well as cross-cutting civil society support funds drawn from other USAID Assistance Objective areas.

The bulk of resources will be used to support public-private initiatives and joint efforts to improve government accountability (Objective 3). It is expected that under "policy advocacy and government oversight" (Objective 1), the sub awards will target at supporting key citizen-identified issues related to Pakistan's political, economic and social development. Additional attention will be given to addressing key themes relevant to broader USG policy priorities (e.g., economic governance, security, etc.) and USAID project support (e.g., Energy, Economic Growth, Education, Public Health, etc.) in Pakistan.

CVP will make sub awards to support the role of public media, as partners to civic advocacy groups pursuing advocacy campaigns or conducting government program oversight. Such support is aimed at fostering collaborative partnerships between media and citizens' groups to advance mutually defined "good governance" objectives.

There are two major functions anticipated under this contract.

The first function, Grants Management, will involve implementing, in a prioritized fashion, advocacy and government oversight (Objective 1) and public-private partnership (Objective 3) activities. Targeted activities will be supported via local sub awards on the basis of responses to requests for applications (RFAs) that the contractor (TDEA) will issue as per approval of USAID. Up to 500 awards are anticipated over the life of the program.

The second function, Organizational Development, will focus on implementing organizational assessment and targeted capacity-building (Objective 2) activities to civil society organizations. This role is envisioned as an overarching technical assistance and training service supply mechanism, that will support civil society organizations emphasizing small rural organizations that are engaged in advocacy and government oversight (Objective 1) and public-private partnership (Objective 3) activities.

At the inception of the project, Trust for Democratic Education and Accountability (TDEA), joined hands with The Asia Foundation (TAF) and Grant Thornton Anjum Asim Shahid Rahman

Chartered Accountants (GT-AASR) to implement the project, with TDEA being the lead and TAF and GT-AASR as subcontractors for different areas of technical interventions. Currently all components of the project are being implemented by TDEA. Geographically, the program is operating at the federal and provincial level in tandem with targeted U.S. Government (USG) and Office of Stabilization and Governance (OSG) program priority areas.

1.2 Purpose of the Subawards Manual

This Manual provides a comprehensive discussion of the approach the Project will implement in carrying out the “grants under contract” program. This Manual describes the internal procedures, processes, criteria, and other requirements that the Project will follow in soliciting applications for subawards, training prospective applicants and actual subawardees, disbursing advances (if advances are authorized) and payments, tracking subaward statistics, and closing out subawards. In addition, it includes descriptions of the interaction between the primary actors in the program – USAID, the Project, subaward applicants and subawardees. This Manual applies to Objective 1 (Strengthened Voice) and Objective 3 (Improved Accountability) subawards.

Upon approval by USAID, this Manual will be submitted to TDEA-Board of Trustees for assent. The Manual duly approved by the Board will form the framework for the Project staff to follow for subaward management. Please refer to [Annex 1](#) for approval documentation of this Manual and effective date.

The policies and procedures contained in this Manual are subject to change upon the direction from or approval by USAID/Pakistan. TDEA may check for updates of ADS303 from the internet on a quarterly basis and updates may be incorporated by reference to this manual. Separate revisions to the manual will not be required for any updated to ADS303. Any questions regarding the policies and procedures should be directed to the Chief of Party. The Senior Manager Grants should be vigilant of issues or events (e.g., changes in policies and procedures issued by the TDEA Board of Trustees, implications of directives from government of Pakistan, required changes by USAID/Pakistan, changes in subaward approach) that will require changes to this Manual. Any subsequent significant changes will again be presented to the USAID/ Pakistan and TDEA-Board of Trustees for approvals.

Annexes to this manual mostly represent the tools used to perform the steps outlined hereunder. These are dynamic and living documents, which will continue to evolve, based on experiences in the field during implementation and any changes will be subject to CEO’s approval. In exceptional circumstances, any stages in sub award management process as laid down in this manual could be skipped to use a shorter and more effective quick approach. This would only be done upon recommendation of GMC to COP, concurrence of CEO/TDEA and approval of USAID.

Changes in the sub awards manual emanating from changes in USAID rules and regulations applicable to the contract will be made through CEO’s approval.

1.3 Important Definitions

Agent - An Agent is the individual authorized to sign subaward agreements for his or her respective organization. The Agent signing on behalf of a subawardee shall be hereinafter referred to as “Subawardee Agent”. The Agent signing on behalf of TDEA or the Project shall be hereinafter referred to as “Agent”.

Available approaches for subawarding

The project will position itself by investing time and resources in the planning of sub-awards. Priority areas will need to be defined for technical as well as geographical coverage. Clear program summary/ program description and technical evaluation criteria would need to be

defined. Funds would be earmarked and communicated to applicants to keep the solicitations within reasonable thresholds. The Grants Management Committee will plan the awards process and set timelines. This is dependent on the provision of thematic areas and budget levels by USAID.

A solicitation program will then be opened which could take up the following shapes. The below mentioned approaches could be used with variation in design for any type of subawards the project intends to make. Selection of mechanism will be governed by program specificity, timing and magnitude of intervention:

1. *General Program Statements*: The project may announce general program support interests and funding ceilings planned for subawarding in the beginning of the quarter/ year including technical and geographical areas with calendar of solicitation activities. Actual awards could be of any size and type, not necessarily small in amount.
2. *Specific Requests for Applications*: Each quarter the project will announce a number of specific Requests for Applications in thematic areas as well as geographical areas like federal level, provincial level or local level. These could be of any amount and type from the set of subaward sizes defined in this manual. The frequency of solicitation depends on the approval of USAID.

Subawards may be awarded depending upon the identification and localization of technical needs. In case of subawards, cost share would be offered by the organizations in form of physical and institutional infrastructure. Subawards may also be awarded to commercial/ educational institutions to support human capital development. Commercial organizations will, however, be required to forego the profit element (Annex 33) in order to be eligible for subaward.

Chief of Party (hereinafter referred to as "COP") is the person who is overall incharge of the Project. As per the contract between USAID and TDEA, the COP is the public face and voice of the Project and in that capacity provides overall technical and administrative leadership and area-specific expertise. The COP serves as the primary liaison with USAID/Pakistan on contract management and technical matters and is primarily responsible for adjusting programs and operations in response to USAID/Pakistan's contractual or technical directions, provided by the Mission's Contracting Officer and the Contracting Officer's Representative (COR). The COP shall also ensure that technical assistance and expertise provided under the contract is timely, responsive, and of the highest quality.

Citizens' Voice Project (hereinafter referred to as "the Project" or "CVP") – The Project is a USD 45 Million Contract by USAID for "improved engagement between citizens and government on priority program-supported initiatives to advance good governance objectives". Subawards as stipulated in the contract, as amended to community-based organizations, non-governmental organizations, professional and business associations, research institutes and think-tanks and public institutions will be made under the three components of the project i.e. 1) Strengthened Voice 2) Enhanced Capacity and 3) Increased Public-Private partnerships. Geographically, the program will operate at the federal and provincial level in tandem with targeted U.S. Government (USG) and Stabilization and Governance (S&G) office program priority areas.

Competition - It is TDEA's policy to provide for full and open competition through use of the competitive procedure(s) contained in this Manual that are best suited to the circumstances of the project action and consistent with the need to fulfill its obligations to donors/ clients efficiently. Full and open Competition means that any type of organization or business will be permitted to compete for the planned subaward (subject to the source, origin, nationality, defined eligibility criteria and other restrictions of the solicitation). Besides that, Limited Competition may also be used with USAID approval. This includes any other authorized

method which would mean less than full & open competition. This will be marked for any subaward action that will be solicited using less than full and open competition. Please also refer to the Required Organizations as explained in [Section 7](#) which could be prequalified for a full and open competition, a limited competition or sole source award due to being strategically well placed and most advantageous choice as recommended through the approval process and approved by USAID COR.

Compliance Check - This is a critical step of due diligence for screening applicants, using the following resources, against the various U.S. Government, UN and Pakistan Government lists such as debarred and suspended parties, suspected terrorists etc. Screenshots need to be kept on files.

Compliance check of the existing sub awardees should be carried out after every six months.

1. Verification that the subawardee and key personnel are not on the UN's 1267 Committee List on Al-Qaida and the Taliban and Associated Individuals and Entities: https://www.un.org/sc/suborg/en/sanctions/1267/aa_sanctions_list or <http://www.un.org/sc/committees/1267/AQList.htm>
2. Verification that the subawardee and key personnel are not on the State Department's *Terrorist Exclusion List*: <http://www.state.gov/j/ct/rls/other/des/123086.htm>
3. Verification that the subawardee and key personnel are not on the Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons available at <http://sdnsearch.ofac.treas.gov/>
4. Verification that the subawardee and key personnel are not on the list of parties excluded from Federal Procurement and Non-Procurement Program. Please see link at: <http://epls.gov>.

Note: [The above system has been migrated to System for Award Management. The link is <https://www.sam.gov/portal/public/SAM/>]

5. Verification that the subawardee is not on the list of Foreign Terrorist Organizations being maintained by US Department of state available at: <http://www.state.gov/j/ct/rls/other/des/123085.htm>

Besides the above, there will be specific vetting based on the guidelines of USAID Pakistan Mission Order 200.4 for prevention of risk of terrorism financing. This specific vetting will be documented as a part of desk review to assess not only individuals but also the geographical area in which the project will be operating to exercise due diligence that sub award resources are not misused.

Fixed Amount Subaward (hereinafter referred to as "FAA") – This will be the preferred mechanism for awards under the project. Based on the definition of a FAA in USAID ADS 303, awarded to a non U.S. organization and that allows "for very specific program elements without a requirement for Federal monitoring of actual costs subsequently incurred". It is intended for use to support specific projects where there is a certainty about the cost, and in which the accomplishment of the purpose or milestone in the subaward is readily discernible, such as conferences and supplies, monitoring, oversight and engagement of and with public and elected institutions. FAA is more fully described in Section 4.2. Its primary definition and other characteristics are drawn from ADS 303 and any amendments thereto may become automatically applicable.

Memorandum of Understanding (hereinafter referred to as "MOU") – An MOU is established between two parties to document the understanding. It could be between TDEA and another organization for starting up some intervention on a less formal level. In both cases, the MOU is a non-binding agreement, in which the tone of the agreement encourages both parties to honor the conditions without having to invoke legal recourse in case one party does not abide by the conditions in the MOU. The MOU does not involve funding commitment but is suitable to encourage public-private partnerships with the potential of leading to a funding arrangement most likely with a public institution.

Milestones - Milestones are the key programmatic and financial targets that must be met to qualify for reimbursement of funds under FAA.

Payment Mechanisms – These are the ways using which subawardees will be paid for their services. *Advance-reimbursement* mechanism means that payments will be made before the services are received and the advance will be adjusted against the financial and technical reports provided by the subawardee for reasonable, allocable and allowable expenses. A subsequent advance will also be provided based on the funding needs of next period and obligated amount of subaward. *Cost-reimbursement* mechanism implies that the subawardee spends the money on subaward activities using its own resources and then TDEA reimburses it for reasonable, allocable and allowable costs.

Potential Subawardee – This is an applicant whose application was evaluated with a score of at least 60 points and for which an organizational assessment is to be done prior to the final selection of subawardee for a subaward. The applicants scoring less than 60 marks are also considered as potential subawardees if the USAID approved RFA permits such relaxation or USAID reduces the pass marks in a particular thematic area.

Required Organization – It is an organization which is "*strategically well-placed*" for performing in the interest of TDEA, USAID and project objectives or it is technically and strategically important/ most advantageous in the given circumstances, to work with that organization, for achievement of project objectives. It should be qualified to respond to Request for Concept Papers or Request for Grant Application, as applicable after meeting all the basic qualifying criteria and obtaining a medium to low risk level rating in the organizational assessment. A list of such organizations will be developed by the project and its approval process is detailed further in [Section 7](#).

Short-listed Applicant – This is an applicant that met all the basic qualifying criteria described in [Section 12.1](#) and whose technical application was evaluated with a score of at least 60 points or a lesser score as approved by USAID in RFA or the passing score as determined by USAID.

Simplified Subawards (hereinafter referred to as "SSA") – Similar to FAA, it is intended to finance discrete results-oriented activities that are measured with verifiable indicators and to strengthen the capabilities and program activities of eligible organizations. The subaward agreement will include all USAID regulations required to be complied with by the subawardee. This subaward mechanism could be used for subaward upto \$150,000. Using this type of subaward will also provide opportunities of technical as well as financial capacity development of the subawardee. SSA is more fully described in [Section 4.2](#). Its primary definition and other characteristics are drawn from ADS 303 and any amendments thereto may become automatically applicable.

Standard Sub Award - Any award which is neither SSA nor FAA shall be classified as Standard Sub Award (STSA). These are to be used for Subawards over the Simplified

Acquisition Threshold of US\$150,000. The preferred mechanism of payments will be advances, depending on the risk assessment of the organization.

Subaward Agreement - It is the legal agreement that governs the purpose, permissible use and allocation of funds awarded to any subawardee under the Project. It also defines the role and responsibilities of the subawardee with respect to such subaward.

Subaward Applicant (hereinafter referred to as the "Applicant") - The Applicant is an eligible organization (passes eligibility criteria) that applies for subaward funding in accordance with this Manual.

Subawardee - An organization that has been awarded a Project subaward.

Tiers of subawards - These are as defined in the contract between TDEA and USAID, as amended. The project has three tiers of sub-grant awards: 1) under the local currency under \$50,000; 2) the local currency equivalent of \$50,001 to the local currency equivalent of \$100,000; and 3) over the local currency equivalent of \$100,001 to the local currency equivalent of \$250,000. Tier 1 awards are expected to be most frequent, and the approval process for such awards will be streamlined and kept as simple as possible. Tier 2 sub-grant awards will be less common and will entail a greater degree of scrutiny and implementation oversight. Tier 3 sub-grant will be approved by USAID in exceptional circumstances to organizations with demonstrated capacity.

Trust for Democratic Education and Accountability (hereinafter referred to as "TDEA") - TDEA is a Pakistan-based Trust that has been working since 2008 to strengthen all forms of democratic accountabilities in the country. It has entered into a contract with USAID as the primary contractor and implementer of the Project.

United States Agency for International Development (hereinafter referred to as "USAID" or "USAID/Pakistan") - The Mission of the United States Agency for International Development in Pakistan is the agency that funds the Project and is the agency that approves the form and substance of this Manual.

USAID Contracting Officer's Representative (hereinafter referred to as "COR") - The COR is USAID/Pakistan's technical manager for the Project.

Section 2. Roles and Responsibilities

2.1 Individual responsibilities:

The following individuals or groups are involved in the subaward process:

1. Chief of Party (COP)
2. Director Organizational Development and Capacity Building
3. Director Programs
4. Director Finance, Grants and Compliance
5. Senior Manager Grants
6. Manager Partnerships
7. Monitoring and Evaluation Manager
8. Program Development and Research Manager
9. Grants Management Committee (GMC)
10. Assessment Team
11. Authorized Check Signatories and other individuals determined by those charged with governance.
12. Compliance unit
13. TDEA Secretariat/ Office of the Chief Executive Officer TDEA (CEO/TDEA)

Each individual or group is responsible and/or accountable for certain tasks; some are consulted, informed and/or oversee that certain points in the subaward process are implemented as planned and in a proper manner.

These roles are as follows:

1. Responsible - The individual or group who performs certain action or task. The action or task performed can be a point of control, e.g., directive, preventive.
2. Accountable - The individual or group who is answerable for the outcome of the actions or tasks performed. In most cases, the one responsible for certain action or task is also accountable for such action or task.
3. Consulted - The individual or group who is sought for advice, technical guidance, and recommendations.
4. Informed - The person or group who needs to know what actions were performed and outcomes of such actions.
5. Oversight - The person or group who checks whether the necessary actions have been performed properly. The oversight function is a control point.

2.2 Organizational Responsibilities of TDEA [Under Contract with USAID clause C.4, as amended]

In view of the range of potential subawardees and the broad range of activities to be supported under the project, TDEA will:

1. Employ a menu of sub-grant award strategies and options such as quick impact sub awards, service delivery sub awards, advocacy sub awards, research sub awards and targeted sustainability sub awards; and
2. Provide, as needed, organizational development training and technical assistance to subaward awardees. This shall be described and approved in each annual workplan.

TDEA will execute periodic solicitations drawing upon current thematic interests, geographical foci and policy "hot topics". USAID will be involved in planning and approving each solicitation through the Project Steering Committee to ensure that the thematic content of each solicitation is in line with USG program priorities and project needs.

TDEA will perform the following activities through its various departments:

1. receiving, logging and prioritizing applications (based upon the likelihood of achieving results);
2. vetting potential sub-grant awardees;
3. ensuring that proper administrative and financial controls are in place to administer funds and ensuring compliance with applicable regulations;
4. coordinating a review and approval process with USAID's representative of this program; and
5. Monitoring performance and reporting upon the results of activity implementation.

As a matter of developing resources, TDEA shall:

1. Receive and establish application files for all subaward requests that have been received in response to solicitations. TDEA will review and score all complete applications received from qualified applicants, make a funding recommendation, and submit summary assessment documentation to USAID's COR. TDEA will correspond directly with unqualified applicants or those submitting incomplete applications to inform them that their applications are not receiving further funding consideration;
2. Prepare and submit the standard database file for all funded subaward applications to the USAID COR, and regularly verify the accuracy of the database entries;
3. Undertake field visits to assess the organizational capacity of potential subawardees to perform the activities being proposed, and to assess their ability to control and account for any financial support that may be provided in accordance with USAID regulations. TDEA will also assess the viability and appropriateness of each project application, employing standardized procedures that will include talking with principal stakeholders, including local government institutions and organizations, and potentially with other donors active in the area;
4. Provide technical assistance to subawardees in developing financial and program management systems that will ensure subaward funds are being properly accounted for;
5. Provide quarterly reporting of results of subawards, including progress of initiatives, achievements, problems encountered, proposed solutions and budget status to USAID's COR (as detailed in [Section F](#) Reports and Deliverables of TDEA's contract with USAID);
6. Upon approval, execute awards using funding provided under the program. Post-award, TDEA will be responsible for on-going subaward management and oversight, ensuring to the extent possible successful project completion and financial accounting. Subaward management will include project close out and submission of final performance and accounting reports;
7. Security permitting, work with the awardees and USAID's representative to organize appropriate signing ceremonies and other public relations material to adequately publicize the subaward program and the U.S. support being provided; and
8. Assume responsibility for establishing coordination linkages with other subaward-making organizations and donors to vet potential subawardees, avoid duplicate financing, and inform other potential donors of subawards being made under the program.

TDEA is further expected to propose and implement strategies for facilitating scale-up and sustainability of initiatives supported under the program. Such strategies can include: building on and strengthening existing local networks and institutions that benefit the populations served or building on and strengthening projects originally funded under the program. The approach and methods proposed to achieve the results must be appropriate, practical and cost-effective.

U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is TDEA's legal responsibility to ensure compliance with these Executive Orders and laws. Prior to issuance of sub-grant awards TDEA shall provide USAID's Contracting Officer certification that the prospective awardee organization does not support terrorism.

2.3 USAID Responsibilities [Under Contract with TDEA, clause C.4, as amended]

1. Rights vested in USAID in this Subawards Manual will be exercised by COR unless otherwise mentioned.
2. USAID's COR will, represent and communicate USG interests, and collaborate with the Contractor in the direction of the program, while exercising oversight and involvement in implementation planning, activity monitoring, and performance evaluation. USAID's COR will interface with the Contractor, on issues pertaining to USG-identified priorities as well as thematic redirection or reorientation arising from project inter-relationships and/or changing socio-political environment.
3. USAID's COR will review all application summaries and the funding recommendations received from the Contractor, and make a final determination to make improvement in the grant application or to proceed with an award, or to deny an award to the applicant. All unsuccessful applicants that have been denied an award by USAID will be notified in writing by the Contractor as per process delineated in this manual.
4. Senior Manager Grants will notify all unsuccessful applicants that have been denied an award via emails through the GMIS.
5. COR will provide the list with reasons of denial to COP for the project's application files. In the interest of time due to large volume of applications, these reasons could only be provided if there is a protest or request by TDEA or the applicant.

2.4 Grants Management Committee (GMC)

The Grants Management Committee (GMC) reports to the Chief of Party and comprises of such members as nominated by COP.

The GMC composition is determined in a manner that allows the Project the highest degree of openness and transparency and ability to recommend the most appropriate subawardees. The detailed terms of reference of GMC are detailed in Annex 2.

The COP shall constitute a Technical Review Panel consisting of the program experts for first sifting of the applications and technical reviews. This will be done through the respective directors. First sifting may be carried out manually or electronically with the MIS department. All the staff members who will be tasked with the technical review and evaluation of the applications must be given an orientation about the program and thematic areas as well as what is expected out of the concept papers/ grant applications as applicable. This is imperative to reduce the reviewer's bias as well as yields common understanding among the evaluation

team. It is equally important that the members from the technical team which will be responsible for capacity building are involved at the application review stage to obtain their technical buy in and for developing their understanding of the organizational development and capacity building requirements.

The PD&R department will provide a list of Technical Review Panel members for each thematic area along with their terms of reference to the COP who will review and approve the recommendation of PD&R department. COP may also make changes to the composition of the technical review panel/committee members based on their qualifications, experience and in the interest of time. Please refer to [Annex 28](#) for a document containing recommendations from PD&R unit and TORs of the Technical Review Committee.

The GMC reviews and recommends the following to the COP:

1. Program Summary/ Program Description
2. Request for Applications and its advertisement
3. Selection of short-listed applicants and approach towards their responsibility determination
4. Selection of potential subawardees
5. Review of pre-award assessment results
6. Review of post award results and matters as required by COP.

Detailed financial review of cost applications and pre-award assessment will only be carried out for technically competent and short listed applications. After the results of responsibility determination are available and are discussed in the GMC, the COP will take a decision on the recommendations of the GMC and will forward his decision to the CEO/TDEA for ratification and approval. The recommendation related to payment methodology i.e., advance or reimbursement as proposed by the assessment team is also included in GMC recommendations.

2.5 Assessment Team

The Assessment Team is comprised of the Grants/ Finance/ Compliance Officer and relevant Technical Experts, and where required, Internal Auditor from the Internal Audit Unit of TDEA. Under the project design, TDEA has outsourced the assessments to other subcontractors and might also do some of the assessments itself.

The Assessment Team is responsible for the following:

1. Conducting an organizational assessment of potential subawardees
2. Gathering supporting documents to support the evaluation of each area and criterion covered in the organizational assessment
3. Managing the assessment process with the potential subawardees; this includes sending the engagement letter to potential subawardees as per defined monetary thresholds, conducting entrance meeting to discuss the purpose of the assessment, conducting exit meeting to discuss the results of the assessment, and finalizing the report
4. Summarizing the results of assessment for review and approval of GMC.

Technical aspects of the risk assessment are covered by the technical experts of the concerned program or Monitoring and Evaluation team of TDEA which may or may not accompany the operational risk assessment team. The technical experts of the concerned program or Monitoring and Evaluation team will produce its report based on the site survey, references from donors, local government and beneficiary communities about the work of the applicants. Depending on the type of assessment and given the availability of time, the Monitoring and Evaluation team may also hold meetings with the applicant staff, study their products and gather technical information necessary to frame a technical assessment of the applicant. Results from both the technical and operational assessments would theoretically corroborate

and would provide valuable information to the GMC about avenues for capacity building for the applicants. It also complements the operational risk assessment to give a complete picture to the management for decision making.

Section 3. Conflict-of-Interest Statement

All individuals stated in [Section 2](#) must declare any conflict of interest, such as financial or personal interests in organizations that will participate in the competition for subaward. A conflict of interest presents a risk that the individual's objectivity is impaired while performing their roles in the subaward process.

A Conflict-of-Interest Statement is signed by all individuals stated in [Section 2](#) and updated periodically, e.g., every six months. Such statement should indicate the names of all organizations in Pakistan the individual has personal and/or financial interests in. A specimen format to be used for declaration is available as Annex 26.

An individual with conflict of interest must not participate in tasks such as recommending and selecting subawardees for subaward.

Section 4. Subaward Purpose and Types

4.1 Subaward Purpose

TDEA and USAID/Pakistan's Stabilization and Governance (S&G) program seek to support the evolution of democratic governance in Pakistan by embedding principles of citizens' voice and public accountability in government planning and program implementation. Recognizing, however, that state-based, "supply side", support interventions are unlikely to yield the measure of good governance needed to support and sustain Pakistan's fledgling democracy, TDEA and USAID seek to implement a civil society strengthening activity that cross-cuts, in a complementary fashion, each of the supply-side support activities mentioned above. The proposed civil society support program will provide an important modality to integrate, strategically, the delivery of assistance to support citizens and non-state entities engaging with government actors in a variety of public decision-making contexts.

4.2 Types of Subawards

There are two types of subawards available from the Project. These differ from each other by their type of purpose, size, duration, payment method, and other aspects. Choice of subaward instrument will depend on factors like program design, results of pre-award responsibility determination and capacity of the applicant organization including the cash flow requirements. The types of subawards that may be awarded under the Project include:

- Fixed Amount Award (FAA)
- Simplified Subawards (SSA)
- Standard Sub Award (STSA)

4.2.1 Fixed Amount Award (FAA)

This is awarded to support a program with very specific elements. It allows performance without monitoring the actual costs incurred by the subawardee. It has the following specifications:

- Maximum subaward period: The maximum period of such type of subaward should be as per ADS 303. In case of incremental funding/ implementation for similar activities for subsequent years, the grant duration may be increased by way of modification/ amendment instead of issuing new subaward. However the total grant duration should not exceed the maximum period mentioned in the ADS. Any such situations will be documented and reviewed by GMC followed by COP approval. All subawards must close ideally, two months before the end of the project.
- Maximum subaward amount: The maximum subaward amount should be Pakistani Rupee equivalent of the limit mentioned in ADS 303/ 2CFR 200.88 as amended. (Currently US\$150,000 for three years).
- Allowable purpose: Intended to finance projects where there is a reasonable certainty about the costs and where the results and implementation of milestones are readily discernible, for example organizing a conference, or conducting a training seminar. FAAs support projects where there is limited risk that the specific subaward activity will change.
- Other specifications:
 - A FAA subaward schedule of disbursements must be associated with one or more very specific program milestones where there is a certainty about the cost of achieving each benchmark and where accomplishment of each milestone by the subawardee is readily

discernible in fact and in time. The schedule of disbursements reflects both the timing and the amount of subawardee payments for the accomplishment of each milestone, and it is therefore essential that the GMC be satisfied that there is sufficient cost basis to negotiate the schedule of disbursements.

- Allowable costs: No specific costs are assigned to FAAs as cost principles do not apply to these awards. FAAs are awarded to achieve specific milestones. There is no requirement for monitoring of types and magnitudes of the actual costs of achieving the milestones, except in those instances where advances have been provided to support specific cost elements.
- Approval required: Approval by USAID/Pakistan, which is dependent upon the following factors:
 - The ability to easily identify and quantify programmatic accomplishments or results in establishing subaward milestones;
 - Limited risk that there will be changes to the program; and
 - Adequate cost (historical or unit pricing) information is available to determine and negotiate a fair and reasonable subaward. Local organizations should budget costs as direct charges.
- Required certifications from subawardee: Refer to [Section 16.1](#) for a list of certifications
- Payment type: Payment made to subawardee after presentation and verification of accomplishment of milestones.
- Additional help document for Awarding FAAs: Refer to Annex 34.

As mentioned at the end of this section, advance can also be provided to FAA recipients depending on risk rating/assessment and practical needs of program at any time during the award.

4.2.2 Simplified Subaward (SSA)

This is the type covering small, medium and large sized subawards and can, where appropriate, be used for all tiers of subawards. It has the following specifications:

- Maximum subaward period: One year or more but less than three years – These grants must close before the end of the project. All subawards must close ideally, two months before the end of the project.
- Maximum subaward amount: Pak Rupees equivalent to US\$ 150,000 (simplified acquisition threshold, as amended).
- Allowable purpose: Similar to FAA, it is intended to finance discrete results-oriented activities that are measured with verifiable indicators and strengthen the capabilities and program activities of eligible organizations.
- Other specifications:
 - Flow-down of all USAID regulations that should be complied with by the subawardee
 - Monitoring of compliance with the subaward agreement
- Allowable costs: Costs that are allowable, reasonable and allocable following the criteria set forth in the 2 CFR 200 and 700. Advance payments are authorized.
- Approval required: Approval by USAID/Pakistan
- Required certification/s from subawardee: Refer to [Section 16.1](#) for a list of certifications.
- Payment type: Advance payments are authorized being default mode. Cost reimbursement approach might be followed depending upon recommendations of the pre-award assessment if level of risk is higher. GMC will finalize the recommendation for payment type in such cases. Reimbursement of allowable expenses supported by bona fide receipts from subawardee or advance payment supported by analysis of cash flow requirement related to planned activities.

Advances can be paid out under both mechanisms. For FAA advances may be provided for discrete, verifiable, cost elements bearing in mind the need to provide enough liquidity to the subawardee to implement the program. Refer to [Clause 5](#) of "Fixed Amount Award (FAA) Entity Eligibility Checklist" for requirements for authorizing advances under FAA.

4.2.3 Standard Sub Award (STSA)

Any award which is neither SSA nor FAA shall be classified as Standard Sub Award (STSA). These will be rarely used due to grant size beyond Simplified Acquisition Threshold of US\$150,000 as amended. The preferred mechanism of payments will be advances, depending on the risk assessment of the organization. Standard Provisions for Non US NGOs and standard certifications under section 16.1 will apply along with the cost principles. STSA will be awarded for maximum period allowed under the ADS 303 and will be subject to approval of USAID/ Pakistan.

Section 5. Eligibility for Subawards

5.1 Organizations Eligible for Subawards

Applicants that are eligible to receive subawards from the Project include national, regional, and/or local civil society organizations working individually or in partnerships for joint implementation. Sub awards shall be awarded only to Pakistani entities. A brief description of potential subawardees is given below. Subawards to locally registered non-Pakistani entities may be approved under exceptional circumstances by USAID. The amount of such subawards shall not exceed \$250,000. Subawards of higher value may be approved under exceptional circumstances by USAID.

Cost share from the subawardees is encouraged and will be determined on case to case basis.

Potential subawardees could include non-governmental organizations (NGOs), community-based organizations (CBOs), policy think tanks, academic research and training institutes, professional/business organizations (PSOs), labor organizations as well as civil society/media partnerships. Because the Project will be working to foster productive connections, Government of Pakistan (GOP) entities (Federal, Provincial or lower) working on the "supply side" of the equation are also viewed as potential subawardees.

For the purposes of this document, "civil society" is defined as any non-state, non-government, network, or organization entity whose primary purpose is to contribute to the promotion of principles and practices of good governance and to improve the lives of the people they represent. These are multi-faceted and multi-layered groups organized around community, functional and sector concerns; they do not include political parties for the purposes of this document. Civil society groups critical to sustaining Pakistan's transition to civilian, democratic governance have been identified as human rights groups, conflict management groups, civic or political education groups, anti-corruption groups, constitutional reform groups, organized labor groups, women's organizations, youth groups, student organizations, business and professional associations, and religious groups, among others.

TDEA's priority is to work with organizations that possess the following general criteria:

- 1 Registered as not-for profit organization under the appropriate governmental body; organizations working for-profit are eligible if they waive their profit element.
- 2 Have basic financial management systems
- 3 Currently active in the community with existing programs
- 4 Commitment and flexibility to work in partnership with TDEA
- 5 Commitment to TDEA working principles
- 6 Credibility and proven relevant experience

The eligibility criteria provided in this Manual are indicative and will be approved for each funding cycle by USAID which would be considered final.

Subject to GMC recommendation and COP's approval, and risk management practices of TDEA, no organization will be simultaneously or concurrently awarded more than 3 sub awards under the project. However, if the concerned organization has completed one of the three sub awards, it will be eligible to apply for a sub award again. Modifications in scope of existing sub awards, incremental funding or a cost/no cost extension are excluded from the ambit of this restriction. Additional sub awards will be in special cases, for more than 3 concurrent awards, subject to USAID approval for such exceptions.

5.2 Organizations Ineligible for Subawards

Individuals and political organizations are not eligible for subawards under the Project. State or governmental institutions and foreign-owned organizations are eligible only with prior written approval of USAID. General ineligibility criteria are:

1. Public international organization;
2. Entity directly affiliated with TDEA or any of its Directors, Officers or employees – eligible with prior approval of USAID;
3. In the various lists of Pakistan Government, U.S. Government, as screened through different GOP, USG and UN resources maintained for prohibited organizations or individuals (subawardee and key personnel);
4. Organizations whose previous awards were terminated by TDEA or USAID on performance grounds; and
5. Subawardee and its key personnel were convicted by a court of competent jurisdiction in Pakistan or fine of more than Rs.50, 000 or imprisonment or both. The objective is to avoid inclusion of organizations or individuals with proven track record of fraud and lack of fiduciary behavior.

All applicants will have to disclose whether they are organizations led or managed by political personalities. They will also need to certify that the benefits from subawards will not be used by them for claiming votes for a particular political party or individual. The ineligibility criteria provided in this Manual are indicative and will be approved for each funding cycle by USAID which would be considered final.

A disclosure statement for political affiliation as well as familial relationships within the organizational structure is required as a part of pre-award certifications. The requirements of "subaward reporting and executive compensation" are also included in these certifications. Please refer to Annex 5 for sample documents.

Section 6. Overview of Subaward Process

This section describes the steps in the project subaward process, from the solicitation to when the subaward agreement is signed. The project selects organizations for award by utilizing a competitive, open and transparent process by using one or more of the following approaches. Any changes/ bypass in procedural steps or approaches delineated in this Manual are allowed upon recommendation of the GMC, approval of COP and USAID.

The subaward process is shown in a flowchart form in [Annex 25](#). However for Quick Impact or Time Sensitive sub awards, the steps outlined in this manual could be converged or skipped with recommendations from GMC followed by approval of COP CEO and COR.

6.1 Periodic General Programming Statements requesting Concept Papers (CPs) – [Two-step process: CPs followed by specific requests for applications]

1. USAID shall provide direction for solicitations;
2. CEO gives the directions for solicitations pursuant to USAID approval;
3. Nation-wide call for Concept Papers from potential subawardees covering the target geographical areas identified by USAID;
4. Virtual Q&A sessions and posting of FAQs on project website;
5. Receipt of concept papers and their logging;
6. Sifting, review and short-listing of applications;
7. GMC review, COP approval;
8. CEO vetting and final approval by USAID for selection of the CP and applicant (Note: This approval is deemed to be granted subject to satisfactory grant application);
9. Issuance of "concept specific" request for application to the qualified/ selected organizations;
10. Optional orientation to potential applicants on grant application development;
11. Q&A sessions in which comments are provided to applicants whose concept paper has been approved;
12. Receipt of grant applications and their logging;
13. Evaluation (Technical and Cost) of the applications submitted;
14. GMC review and recommendation;
15. Instructions for rapid and detailed pre-award assessments as applicable by COP;
16. Participatory organizational assessments/desk surveys;
17. Assessment (scoring) of participatory organizational assessments/surveys;
18. CEO vetting of Subawardee followed by USAID approval;
19. Negotiation with selected Subawardee;
20. Subaward agreement; and
21. Periodic reporting of Subawards status to USAID.

6.2 Specific Requests for Applications [One Step process]

1. USAID shall provide direction;
2. CEO gives the directions for solicitations pursuant to USAID approval;
3. Targeted call for grant applications from potential organizations covering the priority geographical areas identified by USAID;
4. Optional pre-application clarification meeting;
5. Virtual Q&A sessions and posting of FAQs on project website;
6. Receipt of grant applications and their logging;
7. Sifting, evaluation (technical) of the applications submitted;
8. Short-listing of potential subawardees based on applications;

9. GMC review, COP approval;
10. Instructions for rapid and detailed pre-award assessments as applicable;
11. Participatory organizational assessments (rapid assessment/ detailed pre-award assessments as applicable);
12. Assessment (scoring) of participatory organizational assessments/surveys;
13. Review of cost applications will be carried out for shortlisted applicants only.
14. CEO vetting followed by USAID approval and final selection of the Subawardee
15. Negotiation with selected Subawardee;
16. Subaward agreement; and
17. Periodic reporting of Subawards status to USAID.

6.3 Invitation to “Required Organizations”

1. Identification of “required organizations” in the targeted districts that have capacity to conduct activities aimed to contribute towards project objectives:
 - a. A review of organization registered in the target geographical area is conducted by TDEA or its affiliate organizations in that area.
 - b. Local government and donors working in the district may be contacted to ensure that NGO's are not missed that work in activity areas intended for support under the subawards program
 - c. Other required organizations may be leading organizations in development sector, expert organizations for a particular objective, otherwise deemed most advantageous by TDEA and USAID, state or parastatal entities eligible for receiving subawards under the project including but not limited to public sector universities and training institutions.
2. Interview on the phone or in the field will be conducted with representatives of the organizations that meet the criteria specified above to ensure that they have the specific technical capacity and are interested in a TDEA/ USAID subaward.
3. A matrix of all identified subawardees crossed with the criteria will be developed;
4. A short list would be developed of potentially qualified subaward awardees;
5. Issuance of Request for Application (RFA) to the qualified organizations;
6. Optional pre-application orientation to potential subawardees;
7. Receipt of grant applications and their logging;
8. Evaluation (technical and cost) of the applications submitted;
9. Short-listing of potential subawardees based on applications, or sole sourcing as applicable;
10. GMC review, COP approval, desk review of approved applications below local currency equivalent of US\$25,000;
11. CEO vetting followed by USAID approval and final selection of the Subawardee (Note: This approval is deemed to be granted subject to satisfactory results of rapid assessment/ detailed pre-award assessment as applicable and negotiation of sub award);
12. Instructions for rapid and detailed pre-award assessments as applicable;
13. Participatory organizational assessments (rapid assessment/ detailed pre-award assessments as applicable);
14. Assessment (scoring) of participatory organizational assessments/surveys;
15. Negotiation with selected Subawardee and other relevant stakeholders/partners for best and final offer;
16. Subaward agreement; and
17. Periodic reporting of Subawards status to USAID.

The steps in this process, after issuance of RFA, are similar to para 6.2 above with slight modifications.

Section 7. Developing a List of “Required” Organizations

A list of “required” organizations (similar to the concept of “required” or “preferred” vendors) may be developed to facilitate a more efficient subawarding process. This could be used for sole sourcing of applications to government institutions which have no competition with private sector or to private institutions where they are the only logical choice for subawarding and the same is documented for record. This could also be used to target the state and parastatal entities which require organizational development and capacity building support. An organization could also be included as “required” by the CEO by documenting the reasons. The template for Justification to Restrict Eligibility (JRE) is attached as Annex 35 and the justification will be subject to USAID approval either individually or as a blanket approval for all required organizations being sole sourced for an award.

7.1 Steps Involved in Developing a List of “Required” Organizations

The following are the steps involved in developing a list of “required” organizations:

1. Identifying all possible organizations that are eligible to receive subawards
2. Screening them against the basic qualifying criteria (see [Section 12.1](#))
3. Conducting organizational assessment of short-listed organizations (see [Section 14](#))
4. Selecting “required” organizations (see [Section 15](#))
5. Entering into a Memorandum of Understanding (MOU) with “required” organizations, if required by USAID or if deemed strategically important by TDEA (see [Section 7.4](#))
6. Periodic updating of the list of “required” organizations

7.2 Identifying all Possible Organizations

TDEA identifies all possible organizations by obtaining a list of registered organizations from the members, local government agency or ministry and through contacts with and referrals from other NGOs and the donor community including USAID. Another way of reaching out to such organizations is to announce a call for Concept Papers in the newspaper and/or on the Project website (see [Section 9.2](#)). The objective is to demonstrate and document the source of a require organization and at the same time how it came to the knowledge of project staff.

Any announcement for such purposes should explain that the main purpose of such announcement is to identify organizations that met certain criteria and are willing to participate actively in competing for subawards that will be sought from time to time during the Project period; indicate the deadline date for submission of applications; and provide contact points at Project for any questions about the announcement.

The identified organizations are then invited to apply for funding by requesting them to submit a Subaward Application form ([Annex 5](#)) and the documents that support meeting the basic qualifying criteria.

7.3 When to Develop and Update the List of “Required” Organizations

List of required organizations may be developed on need basis if required by USAID.

Once the list of “required” organizations is established, these organizations may then respond to solicitation of Request for Applications. The GMC may then proceed to evaluating the

applications. The organizations do not have to be screened against all the basic qualifying criteria and organizational assessments do not have to be conducted; elimination of these two steps reduces the subawarding process by at least a week.

While a considerable amount of time is invested upfront in developing the list, it replaces having to screen the organizations against basic qualifying criteria and to conduct organizational assessment every time there is a need for subaward.

7.4 Memorandum of Understanding

A Memorandum of Understanding (MOU) is established between TDEA and the "required" organization if required. The MOU is a non-binding agreement, in which the tone of the agreement encourages both parties to honor the conditions without having to invoke legal recourse in case one party did not abide by the conditions in the MOU.

The MOU does not involve funding commitment. In the case of a "required" organization, the MOU will state that the "required" organization will actively participate in competing for subawards within a certain timeframe and may be approached as a "sole-sourced" provider of service subject to meeting any of the exceptions to competition requirements in [Section 19](#); provide cost share when selected for a subaward; and submit all required certifications (e.g., certification on terrorist financing).

See [Annex 3](#) for the MOU template.

Section 8. Identification of thematic areas

The Thematic areas for the program to issue subaward solicitations will be provided by USAID. These will represent core issues related to democracy and governance initiatives of USAID and also to support other interventions of USAID in the areas of education, health, economic growth etc. TDEA may also suggest thematic priorities and inputs from TDEA CEO will be included in the process of identification.

Section 9. Solicitation

9.1 Preparation of Solicitation Documents

CEO gives the directions for solicitations pursuant to USAID approval. The solicitation documents will be prepared based on the thematic areas and funding levels. TDEA can take any of the solicitation approaches defined in [Section 6](#) above. In cases where the intent is to invite the ideas from the interested parties' in general thematic areas, a two-step solicitation process will be used to solicit applications with concept papers from eligible applicants followed by grant applications from shortlisted applicants in the given thematic areas. Please refer to [Section 6.1](#) for the list of steps involved. Similarly, where the program description is specific and USAID decides that TDEA should directly go for grant applications; a one-step process can be used to issue RFAs. Please refer to [Section 6.2](#) for a list of steps involved in this process.

Every solicitation document is approved by USAID. The information provided in this Manual with respect to the contents of solicitation documentation is indicative while the final set of all solicitation documents remain subject to USAID approval. Any subsequent modifications in the solicitation documents will not require revision to this Manual.

The time limits and criteria provided in this manual are indicative. Final time limits and criteria will be defined in the approved RFA/GPS. USAID may also require any changes in the ceiling of awards, time frame and type of awards and once an approved solicitation is made, the terms as per solicitation will take precedence over the requirements of this manual.

9.2 Announcement of Solicitation

The selection of organizations for subaward is done through **a competitive, open and transparent** process consisting of the following approaches:

1. Advertisement of General Programming Statements requesting for CPs – These could be required where the project is looking for innovative approaches from the applicants and aims to address a variety of non-specific issues related to its core components.
2. Advertisement of RFA under one step process.

The objective is to maximize the communication of solicitation so that all interested applicants are aware of the solicitation. While advertising in newspapers is one way of wide spreading the information, other avenues like emailing to list of organizations maintained by TDEA secretariat, placing links on project and USAID website and all possible means of reaching grass-root level and reasonably communicative/ visible must be explored and utilized.

It is TDEA's policy to provide for full and open competition through use of the competitive procedure(s) contained in this Manual that are best suited to the circumstances of the project action and consistent with the need to fulfill its obligations to donors/ clients efficiently. Full and open Competition means that any type of organization or business will be permitted to compete for the planned subaward (subject to the source, origin, nationality and other restrictions of the solicitation). Besides that, Limited Competition may also be used with USAID approval. This includes any other authorized method which would mean less than full & open competition. This will be marked for any subaward action that will be solicited using less than full and open competition.

For two step approach, the solicitation for CPs is advertised in the local newspapers and/or on the Project website while the resulting request for full applications is only directed to applicants whose concept papers have been approved. For the one step approach, the

solicitation is advertised in local newspapers and/or on the Project website. In both situations, the complete solicitation document does not need to be advertised but a link to the project website for complete details must be provided in the advertisement.

The Senior Manager Grants coordinates with Procurement and/or Communications Unit/s for the advertisement and/or posting of Solicitation on the Project website. It is important to note that cost of advertising in newspapers or other media is different depending upon circulation. Sometimes, there are USAID internal directives for circulation and TDEA's voluntary compliance builds goodwill with the client.

TDEA may arrange for virtual or in-person Q&A sessions with applicants and may also publish the FAQs on the project website so that applicants responding to RFAs are better informed about the specific nature of the solicitation.

There are cases when full and open or even limited competition may not be possible. See [Section 19](#) for exceptions to competition requirements.

9.3 Cancellation of Solicitation(s)

The cancellation of an RFA costs both parties i.e., TDEA and applicants in terms of time, effort, and money. TDEA should cancel RFAs only when cancellation is mandatory, logical, defensible, unavoidable and beyond its control. For example:

1. When there is no longer a program or project, when USAID is no longer supporting the program or project or it is directed by the USAID to cancel the RFA.
2. When amendments to the RFA would be of such magnitude that a new RFA is desirable.

If TDEA cancels an RFA, it will return any applications it has received unopened and will issue a notice of cancellation, either posted electronically as a general notice or sent to all prospective applicants, or both. TDEA must purge any electronic applications for a cancelled RFA from primary and backup data storage systems.

The notice of cancellation must:

1. Identify the RFA number and provide the title or the subject matter,
2. Briefly explain the reason why TDEA cancelled the invitation, and
3. Assure prospective applicants that they will be given an opportunity to apply for any subsequent or future RFA for the program, if appropriate.

The Senior Manager Grants must document the:

1. Circumstances and rationale for the cancellation;
2. Applications received, returned, and purged; and
3. Cancellation notice and RFA issuance dates.

9.4 Amendments in RFAs

Any amendment in RFA or other solicitation documents will be approved by USAID/COR and will be advertised on project website preferably. Means of advertisement used for the original solicitation may be used for amendments too. The RFA document might also provide for avenues of advertisement for amendments.

Section 10. Two-Step Solicitation Process

10.1 Preparation of the General Programming Statements

Based on the approved thematic areas and funding allocation, a quarterly or annual programming statement is prepared to solicit concept papers from the interested parties for the two-step process. The annual or quarterly programming statement includes the following:

1. Title of the program.
2. Instructions for Application Format.
3. Selection Criteria.
4. Program Summary/ Program Description Requirements
5. Application Submission Criteria for Full Applications
6. Annexes

The instructions for application format include title of the program, eligibility criteria, and preparation and submission guidelines for concept paper applications, financial allocation, award information, technical instructions for Concept Papers and any other issues to be brought to the attention of applicants. Please refer to [Annex 4](#) for a template of a quarterly programming statement (general periodic programming statement).

Every solicitation document is approved by USAID. The information provided in this Manual with respect to the contents of solicitation documentation is indicative while the final set of all solicitation documents remain subject to USAID approval. Any subsequent modifications in the solicitation documents will not require revision to this Manual.

10.2 Contents of PS/PD

The applicant organizations will provide the PS/PD a part of their application. The PS/PD summarizes the intended outcome of the intervention and based on the limitations of the parameters of the project, will require the information outlined below. Since the project anticipates innovative ideas from the applicants and aims to address the issues related to its core components, maximum space will be provided to the applicants for expressing their ideas and interventions. The PS/PD should include at least the following requirements to be met by the applicant organizations:

1. Purpose of the subaward
2. Thematic areas involved
3. Proposed program activity;
4. Problem statement and its analysis with the innovative ideas to address the issues;
5. Target beneficiaries including gender mix;
6. Overall project goals and objectives;
7. Measurable project objectives;
8. Duration of the activity;
9. Monitoring, evaluation and reporting systems; and
10. Estimated cost.

For the one-step process, most PS/PD will be developed by USAID's core technical teams. Funding parameters for each solicitation will be provided by USAID based on annual budget plans.

10.3 Advertisement of General Programming Statement

This solicitation is then advertised as detailed in [Section 9.2](#). Most solicitations will remain open for fourteen business days from the date of the announcement, after which applicants can no longer submit their CPs. The Senior Manager Grants and M&E Manager ensure that any applications received after the deadline shall not be processed or reviewed.

10.4 Receipt and Processing of CPs

Receipt and processing of CPs involves the following steps:

1. TDEA's application process is web-enabled, email enabled as well as hard copy receipt based. Although the intent is to shift towards information technology enabled processing, paper-based applications may be accepted in start-up.
2. Every solicitation of applications (Periodic General Programming Statements or direct RFAs) will detail the process of submission which will be deemed final for that cycle.
3. Acknowledgement of receipt of application to the applicant organization by the TDEA MIS Department in the same manner as application is submitted i.e., web-based, email notification or hard copy acknowledgement. Contents of the application are not checked at this stage.
4. For initial sifting, a desk review of the concept papers will be carried out by the M&E department to establish eligibility of the applicant organization, and any ineligible or incomplete applications will be rejected out of initial sifting.
5. If a CP lacks certain critical information as mentioned above, it will not be processed further and TDEA will inform the applicant accordingly.

10.5 Review and Approval of CPs

After the closing date of applications provided in the solicitation, complete CPs will be reviewed by the designated review panel. A preliminary technical review will take place and summary of the application along with findings/recommendations will be forwarded to GMC.

All CP applications will be reviewed against a set of technical criteria. The relative importance of each criterion is indicated by the number of points assigned; a total of 100 points is possible:

Technical Evaluation Criteria	Weight
a. Technical Quality and Innovation, including clear objectives and goals	50
b. Institutional Capability and Past Performance	10
c. Project Management Capability	10
d. Cost Realism/Cost-Effectiveness of budget	15
e. Demonstrated sustainability of the project	15
<i>Total points/ weight</i>	<i>100</i>

The above criteria and weight/points are indicative while the Periodic General Programming Statement approved by USAID will include a final set of requirements. If there are any changes to the criteria subsequently, a revision to this Manual will not be required.

GMC will review the findings/ recommendations of the review and recommend successful applications for approval to COP. COP can disagree with the recommendations of GMC but will have to record the decision in writing.

COP will then forward the short list to CEO for vetting. From there, the ranked shortlist goes to USAID for final approval.

10.6 Informing the Applicant

1. At all review levels like GMC, COP, CEO and USAID, the Concept Papers can also be sent back to the program team for gathering more information for decision-making. Also, the review level may suggest slight improvements (add, update, delete) in the concept paper for revision before approval. Since the program is conceived and owned by the subawardee, no significant changes would be proposed by TDEA/USAID requiring revision and resubmission of CPs. It is also important to note that if there is too much back and forth, a short list will never be materialized.
2. Decision for approval or non-award rests with USAID and will be communicated to the applicant by TDEA.

10.7 Issuance of Concept Specific Requests for Applications

Based on the approved CP, a concept specific request for a full application will be sent to applicants. Applicants will be provided application requirements as well as the evaluation criteria upon which their full applications and detailed budgets will be evaluated.

Section 11. One-Step Solicitation Process – [Specific RFAs]

For the purposes of this Manual, the process from this point onwards is converged and applies to both one step and two-step processes. The difference is that in one step process, PS/PD is provided by USAID.

In a one-step process, RFAs are prepared and advertised when USAID requires TDEA to go directly for issuing RFAs based on pre-approved PS/PD developed by USAID for discrete and mature interventions in selected thematic areas and funding allocation according to the objectives of Citizens' Voice Program. COR will provide the approved PS/PD to the COP who will forward it to the Senior Manager Grants and other technical leads.

Please refer to [Annex 4](#) for the templates of RFA and other solicitation documents.

11.1 Preparation of RFA

After receiving the approved PS/PD, the Senior Manager Grants drafts an RFA, under the supervision of the Director of Finance and Grants Administration and in consultation with the relevant experts (e.g., Technical Managers/ Directors, etc.). The RFA should have at least the following items:

1. Background information on the Project
2. PS/PD approved by USAID
3. Deadline for submission of applications
4. Funding limitations and conditions
5. Basic qualifying criteria
6. Technical application guidelines
7. Financial application guidelines
8. Cost share guidelines
9. Documents required to support meeting each criterion (basic qualifying criteria, technical and financial applications)
10. Application evaluation criteria

The first template for RFA will be approved by USAID. This template will then be fixed for future use of the project and only PS/PD as well as submission timelines will change.

11.2 Advertisement for RFA

An RFA from potential organizations is advertised using different channels including the local newspapers, the Project and USAID website, email list maintained by TDEA secretariat and other public options to maximize the outreach as defined in [Section 9.2](#).

The standard contents of an advertisement are:

1. Client and TDEA Project logo as per approved marking policy;
2. Title of project/ program;
3. Brief introduction to the project;
4. Purpose of solicitation;
5. Type of funding e.g., subawards and funding allocation;
6. Geographical area where project is working;
7. Donor acknowledgement and program tenure;

8. Eligibility criteria of subawardees clearly defined;
9. Last date for obtaining complete RFA package;
10. Address from where the above documents can be obtained;
11. Last date and time of submission of applications;
12. Contact points at the Project for any questions about the advertisement;
13. Safety caveats like: Late applications will not be entertained. TDEA reserves the right to reject one or all applications with or without giving any reasons. Applicant shall bear any and all costs associated with preparation of and filing the application; TDEA will not be responsible to reimburse any costs whatsoever related to the application process. TDEA will select the most advantageous application and may or may not fund all applications due to budgetary restrictions etc.

Depending on the degree of the PS/PD's complexity, an orientation of applicants may be held. In such a case, the advertisement should also include the date and time of the orientation.

The advertisement is open for fourteen business days or number of days approved by USAID/COR, from the date of the announcement, after which applicants can no longer submit their grant applications in the online system. The Senior Manager Grants and M&E Manager ensure that any applications received after the deadline should not go through the qualification process (in case of paper application).

11.3 Required Documents for Submission by Applicants

Applicants will be required to submit their applications in two parts:

1. Technical application
2. Financial application

In addition to the applications, applicants will be required to complete the Subaward Application form ([Annex 5](#)) and may submit the following documents to support meeting the basic qualifying criteria and other documents for evaluating the technical and financial applications, as listed in the RFA:

1. Copy of certificate of registration, charter, by-laws or founding agreement
2. Evidence to support applicant's banking experience.
3. Copy of the audited annual financial statements in the last two years, if available for TDEA's desk review.
4. Latest organization chart for the whole organization that shows the position title and name of the person related to the position title. This will not be required for sub awards less than local currency equivalent of \$25,000
5. Resumes of key personnel
6. Past performance reports from donor agencies/ clients

The requirements related to documentation provided in the Manual are indicative while the RFA approved by USAID will include a final set of requirements for each cycle of funding.

11.4 Optional Orientation of Applicants

If necessary and as required by COP, the concerned technical team along with Senior Manager Grants conducts an orientation of applicants on the date as indicated in the advertisement of RFA, physically or virtually. The applicants are oriented on the following:

1. About the Project
2. PS/PD
3. Application requirements
4. Deadline for submission of application and applications

5. Outline of contents of the applications
6. Technical application guidelines
7. Financial application guidelines
8. Guidelines on costing of milestones or results
9. Cost share guidelines
10. Certifications required
11. Short-listing process
12. Application evaluation criteria
13. Organizational assessment

The Technical team documents the list of applicants that attended the orientation.

11.5 Responding to Queries from Applicants

In the interest of communication flow, to avoid conflict of interest and to maintain integrity of the process, an email address will be created for applicants to submit their queries on that address and the ownership of that address will lie with the Senior Manager Grants. Creation of a separate email address will restrict direct access of the technical team with the applicants and will avoid any potential conflict of interest. The Senior Manager Grants will ensure that all received queries are circulated at the end of each business day to the review panel including GMC members with assigned responsibility to get an answer from the technical or finance team. The names of organizations or persons asking questions will not be revealed to the project team. Such answers will then be sent back using the same email address and will also be posted in the FAQ section of the project website. It is therefore important to advise all the applicants to continue visiting the website for updates about the solicitation.

Queries from applicants within fourteen business days from the date when applications (or ten business days, in the case of call for CPs) were requested must be responded to in a timely manner by the relevant experts i.e., technical, financial, M&E or Communications as applicable. Questions from applicants and answers provided to applicants must be documented and shared, as appropriate, with all applicants. While questions and answers are shared with applicants, the contents of applications must not be shared among applicants.

11.6 Receipt of Applications

Each application received is logged by the MIS staff in a register or subaward applications database, taking note of, at least, the date of receipt, name of applicant, and documents submitted by the applicant. The MIS staff submits applications to the Senior Manager Grants after the closing date of applications who then requests a GMC meeting.

The MIS Staff, through electronic or hard copy notifications, informs each applicant of the receipt of its application in writing.

Section 12. Selection of Short-listed Applicants

Whether a call for CP or RFA has been made; applicants must go through a review and short-listing process.

12.1 Review of Applications against Basic Qualifying Criteria

Documentation to support verification of basic qualifying criteria will be made mandatory for uploading on the online GMIS through RFA document. TRC/Screening teams will review the applications uploaded on GMIS against basic qualifying criteria. Subsequently, assessment teams and Grants unit will also perform this review as per their standard procedures. GMC may conduct a review of process carried out by TRC and assessment teams.

Basic qualifying criteria and the documentary evidence as stated in the table below:

Criteria	Documentary Evidence Required
Must be a legally constituted, registered professional association, training institute, NGO or CBO in Pakistan.	Copy of certificate of registration and charter, bye-laws or founding agreement
Must not be a public international organization	Copy of charter
Must not be an entity directly affiliated with TDEA or any of its Directors, Officers or employees	Declaration in the application form or through online system
Must not be in the various lists of GOP, U.S. Government, as screened through different GOP, USG and UN resources (subawardee and key personnel).	Available reports from GOP, USG and UN resources supporting documents to clear false positives (done internally and copies of screen shots maintained)
Have basic financial management systems	<ol style="list-style-type: none"> 1. Information verifying banking experience, ideally for the last twelve months 2. Results of the audited financial statements in the last two years, if available; results should ideally indicate a reasonable amount of net equity 3. Current organization structure
The organization should either be an organization not-for-profit or an organization for-profit such as a private firm or an association, provided it works on a non-profit basis with regard to a TDEA subaward	4. Certification to waive / forgo any profits in the subaward
Must demonstrate currently active, successful program or activity implementation;	5. Profile and references
NGOs or groups of individuals that have proven track record of working for TDEA's program related activities and/or working with other donor funded projects.	6. Profile and references

Any applicant that did not meet all the criteria stated above is reported to the GMC and COP for determination related to disqualification and might not continue to the next qualifying round.

The review against the basic qualifying criteria should start as applications are received and should end before recommendations are made to CEO and USAID.

In performing its duties hereunder, TDEA shall scrupulously avoid any conflicts of interest. Should any conflict of interest arise, TDEA shall immediately notify the USAID Contracting Officer as to the conflict and TDEA's proposed solution for avoiding the conflict, and the TDEA shall follow the instructions of the Contracting Officer.

The criteria provided in the Manual are indicative while the RFA approved by USAID will include a final set of requirements for each cycle of funding.

12.2 Review of Applicants' Technical Applications

This focuses on the content and quality of the application. Specific selection criteria depend on the objectives and outcomes of each program, additional conditions imposed on TDEA by the USAID, and local laws. In general, TDEA review will be based on the following:

1. Anticipated results
2. Implementation plan
3. Organizational capacity and experience
4. Creativity and community involvement
5. Beneficiaries
6. Cost breakdown
7. Feasibility of program activities/approaches and results
8. Sustainability of proposed interventions

The above selection criteria may vary and can include other criteria important to a specific program. The final evaluation criteria will be provided by USAID which will make part of the solicitation documents.

The technical applications that pass the basic qualifying criteria are reviewed by the Technical review panel/ technical experts. Based on the above list, each application should be reviewed against the required PS/PD for the subaward and scored in the following manner, with a total possible score of 100 points.

Technical Evaluation Criteria	Weight
a. Technical Approach	55
b. Management Plan	15
c. Institutional Capacity	15
d. Past Performance	15
Total possible technical evaluation points	100

The above criteria and points are indicative while the RFA approved by USAID will include a final set of requirements. If there are any changes to the criteria subsequently, a revision to this Manual will not be required.

An applicant must score a minimum of 60 points to be short-listed. However, USAID may decrease the passing score with reasons documented in writing. These would ideally be situations where, after eliminating reviewer's bias, a stronger need of capacity development is

identified and USAID is of the view that the applicants should not be deprived of the assistance due to formal/ structured nature of the decision making process.

USAID reserves the right to decrease the qualifying marks for either a particular thematic area which after evaluation by TRC and GMC, remains at less than anticipated level of awarding or for the cycle as a whole. This right could be exercised by the COR in form of a documented direction. After GMC's recommendations of shortlisted applicants to COP, the COP will inform CEO including USAID about the status of announced vs., recommended applications and any short falls in the targeted number of awards. COP will recommend decrease in qualifying marks for a thematic area or the cycle as a whole depending upon the status. USAID/ COR can then lower the qualifying marks and document this direction in form of a memo to COP. Additional applications which become qualified as a result of revision to the qualifying marks will be reviewed by GMC, COP, CEO and approved by USAID. TDEA will however evaluate the risk of awarding to such entities and a partial award or award with targeted interventions only could be made. GMC and COP may also recommend organizations with documented justification as special cases which would not have qualified on an overall basis but present a strong and appealing idea for consideration by USAID. If such applications are approved, the marks of these applications would form the approved ceiling in respective thematic areas. TDEA may also split the total award into an initial FAA to support development of systems followed by an SSA or STSA for the remaining life of the approved intervention depending upon the progress made by grantee and its capacity building in the tenure of FAA. If there is no significant progress, TDEA can drop the grantee and terminate the FAA as well as not extend the subsequent SSA or STSA.

The evaluation results must be documented using the template in [Annex 7](#), file "Technical Application Evaluation Sheet". Such documentation must show all applicants reviewed against each criterion, as stated above, and the short-listed applicants; and must be supported by all documents submitted by the applicants.

The technical team should complete within one day or lesser the evaluation of one technical application. The Director for M&ER will review the marking before it is formally closed for further edits in the Grants Management Information System. S/he will review and equate the markings by all the reviewers and inquire about significant variations in markings to evaluate review patterns or reviewer's bias. The Director can guide and lead the process however; s/he will not influence the technical reviewers to change their scores. After the equalization exercise is concluded, the technical review marking will be closed for editing by the MIS department. This can also be done by assigning a date to the system by MIS department (based on GMC's approved plan for reviews) after which the system is closed. Please refer to the [Annex 28](#) for a specimen of the review checklist used for technical review.

The technical team submits the documented results of review against basic qualifying criteria and evaluation of technical applications and all relevant supporting documents to the GMC for review and recommendation of short-listed applicants. GMC reviews and recommends to the COP that shortlisted applicants be tested further through a pre-award responsibility determination exercise along with the recommendation of type of such assessment. After the assessment, results are submitted to COP for approval through GMC and final short list is then presented to CEO by the COP for approval.

In a situation where an applicant organization has a strong institutional capacity and past performance (i.e. if it obtains a minimum of 65% marks in these areas), but fails to obtain the qualifying marks due to weak quality of technical proposal and management plan, the project management may provide input and guidance to the applicant organization to get their application revised and then recommend it for the award. Such a course will, however, be adopted only when the required number of applicant organizations have not obtained the qualifying marks or when there is a strong need for specific intervention in a certain area for which the selected organization has the demonstrable capacity.

Similarly, in a situation where an applicant organization has obtained a minimum of 65% marks in the technical proposal and management plan, but has failed to achieve the qualifying marks due to weak institutional capacity and past background, the project management may negotiate with the applicant organization a capacity action plan and other appropriate conditions and, subject to its satisfaction, may recommend the same for the award. This course will be adopted only when the required number of applicant organizations has not obtained the qualifying marks or when there is a strong need for specific intervention in a certain area for which it is important to build capacities of non-governmental organizations.

12.3 Recommendation of Short-listed Applicants by the GMC

The GMC review process takes place in two stages. Initially when the sifted applications are provided for review and recommendation and finally when the results of pre-award responsibility determination results are available.

The GMC reviews the evaluation (review against basic qualifying criteria and evaluation of technical applications) conducted by the panel experts and the relevant documents supporting the evaluation. After the needed iterations of clarifications, the GMC makes appropriate changes to the evaluation, if needed, and recommends the selection of short-listed applicants to panel members for further action. The approval is documented in a memo and communicated back to the panel members. If no changes are required, a recommendation is made to the COP for his approval of the initial short list/ sifted list for pre-award responsibility determination along with the type of assessment to be used (desk review, rapid assessment, detailed survey etc.).

As a granting agency, it is not TDEA's mandate to dictate its terms to the applicant organizations. This is an assistance program and grantee reserves right to the ownership of the program. During the review process however, there could be questions and clarification required for certain propositions laid down in the contents grant application. These include but are not limited to: questions related to technical approach, unclear or missing linkages, lesser information for decision making, gaps in the proposed implementation model, questions related to geographical and political risks, missing or unclear risk analysis etc., besides these, there could be questions in implementation plan, M&E plan, staffing, past performance and other areas of technical applications. The GMC can review and advise about collection of the missing information and clarification from the applicants who have passed the technical review and may also review applications which did not pass the technical review. Possible means of such iterations with the applicants could be through email, phone, meetings, presentations etc. It is however important that all applicants be advised that the project is in the process of shortlisting and communications from TDEA do not entitle the applicants for a sub award. Please refer to [Annex 27](#) for an initial communication/ letter to applicant grantees informing them about the shortlisting process and what they are required to do.

The Assessment Team carries out the responsibility determination. After the pre-award responsibility determination exercise is completed, its results are again brought to the GMC. After deliberation on these results, the GMC once again recommends COP for approval of final short list and taking the matter up to CEO.

The recommendation and approval process may be completed within five business days from receipt of evaluation results from the panel of technical experts. The documented results of review against basic qualifying criteria and evaluation of technical applications and all relevant documents are forwarded to the Senior Manager Grants and M&E Manager.

Section 13. Selection of Potential Subawardees from Short-listed Applicants

The COP’s approval based on GMC’s recommendation triggers the detailed evaluation of financial applications of the short-listed applicants. Financial applications of only technically vetted applicants, approved by COP are evaluated. The financial applications of short-listed applicants are reviewed by the Grants Management team in order to select the potential subawardees.

13.1 Criteria for Evaluating Financial Applications

Each financial application should be evaluated based on the criteria stated below, with a total possible score of 100 points.

Criteria	Maximum Points (100 total)
Cost assigned to each activity or result is realistic and reasonably prudent compared to acceptable benchmarks or market rates. <small>Note 1</small>	60
Costs are appropriately broken down by cost category to facilitate understanding of assumptions behind the costs.	40
Total Possible Points	100

Note 1 - For training costs, recurrent costs per trainee should be at a sustainable level and benchmarked at an appropriate rate.

The above criteria and possible points are indicative while the RFA approved by USAID will include a final set of requirements for each funding cycle. The short-listed applicant must score a minimum of 60 points to be considered as a potential subawardee. There can be instances where there are no points for cost application and 100% weightage is given to technical application.

Budget review checklist for review of cost proposals will not be used where application is to be assessed on technical merit. Also, budgets will be reviewed based on the criteria provided in the RFA where marks for cost are assigned and cost evaluation is to be carried out.

The evaluation results must be documented using the template in [Annex 8](#), file “Financial Application Evaluation Sheet”. Such documentation must show all applicants reviewed against each criterion, as stated above, and the potential subawardees; and must be supported by all documents submitted by the applicants.

[Explanation: Please also refer to [Annex 8A](#) for evaluation checklists related to cost applications in the event USAID decides not to allocate any marking to the cost applications].

The Grants Management team should complete within one day or lesser the evaluation of one financial application.

The Grants Management team submits the documented evaluation of all financial applications and relevant supporting documents to the COP for review and approval of potential subawardees. The approval by COP will be documented in a memo.

The approval process should ideally be completed within three days from receipt of evaluation results from the GMC.

The documented evaluation of all financial applications and relevant supporting documents are forwarded to the Senior Manager Grants.

13.2 Inform Applicants of Status of Applications

Potential subawardees and those that were not selected during the first and second qualifying rounds are informed in writing by the Senior Manager Grants upon instruction of COP primarily through change of status in the online Grants Management Information System (GMIS). The extent of any additional information will vary depending on the number of rejections and availability of time. TDEA may also publish the list of successful applicants on the project website stating that organizations excluded from this list were unsuccessful. In cases where organizations demonstrated substantial value in their concept papers or grant applications, but have not been short-listed, they may be given feedback for improvement and encouraged to apply for next grant cycle under the same theme if repeated or a different theme if instructed by COP. TDEA may also include applications which are marginally below the qualifying marks for targeted interventions.

TDEA may make efforts to guide the applicants who score substantially below 60 marks by way of putting demo applications with marks as a general guideline or publish dos and don'ts for applicants to follow in order to score better marks. When there is large volume of applications, innovative methods may be applied to provide generic feedback as individual feedback would not be possible. Pre-application orientations about how to gain better marks, FAQs on project website and help text in application forms can also serve this purpose. This section applies to both one step and two step processes.

Section 14. Conducting Organizational Risk Assessment of Potential Subawardees

14.1 Types of Assessment

TDEA performs the risk assessment of potential subawardees by way of performing a pre-award responsibility determination exercise. It has categorized the assessments according to the nature and size of subawards as follows:

S.No	Type of Assessment	Applicability
1	Desk Review	For small and very straightforward type of subawards. These include performance based training and advocacy activities for less than one year duration. The estimated value of award could be up to \$25,000
2	Rapid Assessment	For relatively medium sized type of performance based subawards and with very specific interventions when the applicant has demonstrated ability of carrying out the intervention successfully in the past. The estimated value of award could be over \$25,001 and up to \$150,000. Estimated completion would also be within one year.
3	Detailed Pre Award Assessment	These are formal detailed assessments and would be used for relatively larger and complex/ cross cutting interventions where estimated value of award would be over \$150,001 and the duration could be up to or over one year.

Risk assessment of subawardees must be completed prior to entering into subaward agreement with subawardees. These also provide several opportunities of capacity building to TDEA and as a result strengthen the applicant organizations for future funding and sustainability.

Subject to approval of GMC and COP, TDEA may use the reports of existing pre-award assessments or other USAID projects (referred to as external reports) for award of grants. Such reports will be reviewed by Grants team and GMC and any updates from the date of the report will be factored in for developing recommendations, a capacity action plan, prior approvals, any other pre and post award conditions and specific deliverables or reports. Risk management remains the responsibility of TDEA and hence all steps must be carefully taken including the assessment of quality of external report being and its scope.

A brief of the processes including indicative nature, timing and extent is as follows:

1. Desk Reviews will be carried out for subawards having value under US\$25,000. This mode of assessment will be executed through a documentation based approach. Assessment tools used for desk reviews include (1) enquiries, and (2) analytical testing.

A desk review will be initiated from sizing up the organization based upon the documentation provided at solicitation stage which shall be used to structure the desk review template accordingly.

Based upon the scope and steps defined in para (d) given below, the purpose of the assessment is to obtain limited assurance on the effectiveness of the organization at an

institutional level through documentation review and its ability to utilize the subaward for the required purpose.

A senior associate and a supervisor will be involved in carrying out a desk review, whereas Manager and Assistant Manager will be involved in qualitative review, drafting of report and overall management.

Each desk review will require one day. No travelling will be involved in this mode of assessment. Please refer to [Annex 9](#) for a template of Desk Review

- 2. Rapid Assessments** will be carried out for subawards having value US\$25,001-150,000. This mode of assessment will be executed through documentation and system based approach. Assessment tools used for rapid assessment include (1) inquiries, (2) analytical testing, and (3) walk through testing.

A rapid assessment will be initiated from sizing up the organization based upon the documentation provided at solicitation stage which shall be used to structure the rapid assessment template accordingly.

Based upon the scope and steps defined in para (d) given below, the purpose of the assessment is to obtain limited assurance on the effectiveness of the organization at an institutional level through documentation and systems review and its ability to utilize the subaward for required purpose.

A senior associate and a supervisor will be involved in carrying out a rapid assessment, whereas Manager and Assistant Manager will be involved in qualitative review, drafting of report and overall management.

Three days will be required for executing a rapid assessment. Travelling will be involved in this mode of assessment. Please refer to [Annex 10](#) for a template of Rapid Assessment

- 3. Detailed assessments** will be carried out for subawards having value US\$150,001 and above. This mode of assessment will be executed through documentation, system and transaction based approach. Assessment tools used for detailed reviews include (1) enquiries, (2) analytical testing, (3) walk through and (4) substantive testing.

A detailed assessment will be initiated from sizing up the organization based upon the documentation provided at solicitation stage which shall be used to structure the pre award assessment template accordingly.

Based upon the scope and steps defined in para (d) given below, the purpose of the assessment is to obtain limited assurance on the effectiveness of the organization at an institutional level through documentation review, systems review and transaction testing and its ability to utilize the subaward for set purposes.

A senior associate and a supervisor will be involved in carrying out a detailed assessment, whereas Manager and Assistant Manager will be involved in qualitative review, drafting of report and overall management.

Five days will be required for executing a detailed assessment. Travelling will be involved in this mode of assessment. In case of larger subawards e.g., having value above US\$ 400,000 a time span of up to ten days may be required given the increased extent of testing. Please refer to [Annex 11](#) for a template of Detailed Assessment.

14.2 Steps to be performed for execution of pre award reviews and assessments – Operational/ financial

Type/Category of Pre Award Review and Assessment	Desk Reviews	Rapid Assessments	Detailed Assessments	Indicators
Subaward Value	US\$ 0-25,000	US\$ 25,001 – 150,000	US\$ 150,001 and above	Following indicators would serve as touchstones to conduct review and assessments
<p>Framework For the Implementation/Execution of Assessments, and M&E</p> <p>A. List of Documents Required at the time of solicitation would include the following:</p> <ol style="list-style-type: none"> 1. Registration documents including Charter or Constitution or Memorandum and Articles of Association and Objectives for which the organization was established 2. Audited Financial statements for the past 2-3 years 3. Profile and experience of the organization in doing similar projects. Where applicable organization to provide reference certificates from previous donors/ clients 4. Organizational Chart 5. CVs of the proposed team for the implementation of the project 6. Details about other partners and donors may be required 7. Financial and technical applications of the proposed intervention 				

B. Areas vis a vis Indicators to Accomplish Assessments				
The following indicators will be used in the pre-assessment stage against which suitability of subawardees shall be assessed to determine whether a subaward shall be made to them or not. These indicators with minor variances shall be applicable across the three tiers of subawards to be awarded by TDEA.				
Areas	Desk Reviews	Rapid Assessments	Detailed Assessments	Indicators
Documentation				
a. Review of registration documentation with trusts, societies, authorities, and regulatory bodies.	✓	✓	✓	<ol style="list-style-type: none"> 1. Registration certificate, 2. Registered with SECP under section 42, 3. Societies Registration Act, 1861, 4. Any other registration legislation/ authority.
b. Review of financial statements and accounts – if any	✓	✓	✓	<ol style="list-style-type: none"> 1. Bank statement, 2. Annual accounts statement, 3. Donor report, 4. Audit reports, 5. Periodic financial reports
c. Review of legal documentation of the organization such as charter, M&A of association, set up Deed etc.,	✓	✓	✓	<ol style="list-style-type: none"> 1. Charter of the organization, 2. Memorandum and Articles of association, 3. Set up deed etc.
2. Relevance of the Organization to the Project				
a. Meeting with Key Management		✓	✓	<ol style="list-style-type: none"> 1. Head of the institution, 2. Chairman of the Governing body/Board, 3. Executive Director, CEO etc.,
b. Review of institutional/ organizational structure	✓	✓	✓	<ol style="list-style-type: none"> 1. Organogram, 2. Management and Administrative Structure.
c. Review of ownership and governance structure and its effectiveness	✓	✓	✓	<ol style="list-style-type: none"> 1. Is it a public body or privately owned organization? 2. Is the governing body elected by the general members or few selected members? 3. TORs for the elections of the governing body, SOPS, internal and external auditing

Sub Awards Manual

				reports.
3. Systems Review of the Organization				
a. Review of organization's systems – policies and procedures, SOPs etc.		✓	✓	1. Procurement systems and controls, 2. HR management, 3. Financial Management etc.
b. Documenting of procedures in practice		✓	✓	1. Manuals, 2. SOPs, 3. Internal audit, 4. M&E and corrective measures.

c. Identification of gaps		✓	✓	1. Annual assessments, 2. Monitoring and evaluation of operations and project, 3. Identification of gaps, 4. Any corrective measures suggested and adopted by the organization.
---------------------------	--	---	---	--

4. Transaction Review

a. Verification of internal control and internal checks including segregation of duties			✓	1. Internal controls, 2. Internal audit manuals, 3. SOPs etc.
b. Sample based transaction testing of major functions of the organization			✓	1. Financial management and accounting, 2. Procurement, 3. HR and internal audit etc.

5. Risk Analysis: identification and verification of the key weaknesses therein based on the assessment	✓	✓	✓	1. Weak M&E mechanisms, 2. Weak or no reporting, 3. Absence of audit SOPs and reports, 4. No record of internal/external audit, 5. No or weak documentation, 6. Not following procurement and HR best practices, 7. In case of previous subawards, have laid down procedures of donor(s) been followed or not? 8. Is the organization ever engaged or associated with any terrorist activity or organization? 9. Weak or adverse references, 10. Application of Source, origin and nationality regulations as per USG and USAID Regulations.
--	---	---	---	---

6. Absorptive Capacity Analysis: Verifying the capacity of organization's capability to take on and perform the tasks associated with the subaward			✓	1. Institutional capacity, 2. Availability of hard and soft infrastructure, 3. Experience in similar activities and projects, 4. Institutional harmony- is activities in accord with stated organizational objectives or not? 5. Trained and skilled staff availability, 6. Is capacity building initiatives, undertaken and staff training encouraged or not?
---	--	--	---	---

7. Recommendations: Identifying enabling conditions which facilitate the subawardee to achieve the goals of the subaward	✓	✓	✓	1. Recommendations which address gaps identified during review and assessment, to enable the subawardee for successful execution of
---	---	---	---	---

Sub Awards Manual

				subawards
8. Report: A consolidated report will be prepared based upon the findings of the review and assessment	✓	✓	✓	An assessment report would be generated at the completion of the assessment for each applicant
C. Framework For the Identification of Indicators and Tools For Review and Assessment Following three major standard are used to identify the tools and indicators for assessments				
1. Documentation This involves reviewing key documentation in order to validate authenticity of an organization.	✓	✓	✓	<ol style="list-style-type: none"> Office and other associated infrastructure, Telephone No., Email address, website etc.
2. System based This involves reviewing the systems in practice, their effectiveness, and gaps therein.		✓	✓	<ol style="list-style-type: none"> Reviewing the SOPS, Internal controls and Systems, Absence of compliance with best practices identified of management, program implementation, auditing, office maintenance and bookkeeping, Gaps.
3. Transaction based This involves verification of the effectiveness of the internal controls through review of transactions.			✓	<ol style="list-style-type: none"> Reviewing the SOPS to ensure compliance of the subawardee with identified and laid down internal procedures, Internal controls,
D. Tools/Methods For Review And Assessment				
1. Inquiries	✓	✓	✓	<ol style="list-style-type: none"> Telephonic, Personal, Walk through, Visiting the office, Meeting the relevant persons.
2. Analytical Testing	✓	✓	✓	<ol style="list-style-type: none"> Reviewing the documents submitted at the time of solicitation Manual SOPS Internal and external controls Subawards and other relevant manuals for HR, Financial and Procurement Management Registration deed Memorandum of articles etc.
3. Walk through testing		✓	✓	<ol style="list-style-type: none"> By looking at the on ground situation/condition, Any discrepancies between the on-paper and on-ground situation/conditions of the organization, Meeting the relevant persons and officials of the organization,

Sub Awards Manual

4. Substantive Testing			✓	<ol style="list-style-type: none"> This tool would employ all the above mentioned tools for analysis and assessments, This would involve the transaction based testing for the assessment.
E. No. of Working Days				
1. Staff				
• Execution staff per assessment	2	2	2	
• Management Staff per assessment	2	2	2	
F. Total Working Days For Each Category Of Assessment	1	3	5	

The rapid assessment and detailed Preaward risk assessment is done, mostly through site visit, by the [Assessment Team](#). Prior to the assessment, the [Assessment Team](#) sends an engagement letter to inform the potential subawardees of the assessment to be done and prepares for the assessment by reviewing the applications and evaluation results of potential subawardees. A pre-requisite for conducting the assessment is the orientation of applicants, through an email which includes explanation of the assessment process (see [Section 14.2](#)).

14.3 Steps to be performed for execution of pre award reviews and assessments-Program Area

Activities	Desk Reviews	Rapid Assessments	Detailed Assessments
Sub awards Value	US\$ 0-25,000	US\$ 25,001 – 150,000	US\$ 150,001 and above
A. FRAMEWORK FOR EXECUTION			
1. Review of documentation received during solicitation stage			
a. Review of mission statement and organization’s goal/s. (if any)	✓	✓	✓
b. Review of progress report and achievements in accordance with organizational mission and goal.	✓	✓	✓
c. Review of the work undertaken for the Citizens’ voice project (campaigns, demonstration lobbying etc. /advocacy strategy. (if any)		✓	✓
d. Review of the work undertaken for public accountability initiatives and monitoring of public services (health Education, Policing etc.) (if any)	✓	✓	✓
e. Review of the CV’s of organizational head and 2 key staff members to judge their experience and ability for the advocacy based work.	✓	✓	✓
f. Review of the publications, annual reports and other material relent to the application. (if any)	✓	✓	✓
g. Review of the organization’s strategic plan			✓
2. Understanding of the Organization			
a. Meeting with Key Management for verifying and clarifying the queries coming out from the desk review		✓	✓
b. Meeting/ interview with a staff		✓	✓

Sub Awards Manual

member to judge the capacity of the organization and training needs			
c. Review of the staff training program (capacity building) if any		✓	✓
d. Verifying the capacity of the organization in making alliances and networks to achieve advocacy targets. (If applicable)			✓
e. Judge the organizational capacity to deal with and use media to achieve the public outreach and advocacy targets. If applicable.		✓	✓
3. System Review			
a. Review of organization's governance system, decision making processes, board and executive council role. (Organizational chart)		✓	✓
4. Risk Analysis: Reporting the key weaknesses therein based on the program side assessment	✓	✓	✓
5. Recommendations: Defining the conditions for capacity building to enable the grantee to achieve the goals of the funding	✓	✓	✓
6. Report: A consolidated pre award assessment report based upon the findings of the above mentioned steps.	✓	✓	✓
B. APPROACH			
1. Documentation based: Involves reviewing the key reports/ documentation in order to validate the capacity of an organization.	✓	✓	✓
2. Interviews: Involves interviews of the organizational head and key staff to judge the strength and finds the gaps in implementing the application.		✓	✓
C. TOOLS OF ASSESSMENT			
1. Interview questioners		✓	✓
2. Training need assessment questioners		✓	✓
3. Review of the reports and material provided with application form	✓	✓	✓

The [Assessment Team](#) gathers relevant supporting documents to support the evaluation of each area and criterion covered in the organizational assessment.

The [Assessment Team](#) must also recommend the mode of payment for the subaward activity, i.e., advance or reimbursement.

14.4 Purpose of Assessment

The risk assessment is done to determine the risk level of a potential subawardee. The level of risk impacts the decision to subaward or not and determines which type of subawardee monitoring will be performed for a subaward type.

The assessment categorizes risk levels into three risk rankings as a result of the assessment and size of the subaward, as follows:

Level of risk	Definition of levels
High	High risk has been allocated to the areas where documented system and compensating controls do not exist and our review highlights certain

Level of risk	Definition of levels
	material weaknesses. Or the documented system is in existence, however material weaknesses were observed.
Moderate	Moderate Risk Rating was assigned to the areas where documented system does or does not exist and during the transaction testing levels certain significant but not material weaknesses were observed, however the existence of compensating controls reduce the likelihood of such risks.
Low	Low Risk Rating was assigned to the functions where documented system exists, controls are in place and only certain procedural weaknesses, if any, were observed.

Size of the subaward

Level of Risk	Risk Ranking
Low	Under \$25,000
Medium	\$25,001 to \$100,000
High	\$100,001 to \$250,000
High +	\$250,001 and over

An assessment for an organization done on desk basis will need to be updated in the event the total portfolio of the project increases beyond 10% of the limits specified for desk review. In case rapid assessment has been performed for a certain grantee and portfolio of the project increases 10% beyond ceiling of rapid assessment, a detailed assessment will be required only if the sub award is more than 9 months long.

This is essentially done to put in place mitigating factors to cater for the increased risk of TDEA in a particular subawardee. Since the assessments done by TDEA or subcontractors have step-wise procedures for different assessments, the type of assessment performed initially will be used to update the results of the assessment as a full re-assessment will not be required. This is to control the time spent on each assessment and remain reasonable. In the event other subcontractors are engaged for pre-award assessments by TDEA, the provisions of this clarification will apply. The period of subaward is kept at 9 months so that required capacity action plans could be implemented. If the period of subaward is less than 9 months, it does not provide the required length of time for effective capacity building interventions.

14.5 Areas Covered in Organizational Risk Assessment

The assessment identifies four areas in which each subawardee is to be evaluated, as follows:

1. Inherent Risk
2. Control Risk
3. Reporting Capabilities
4. Prior Experience Administering USAID awards or subawards

Each area is discussed in detail in [Annex 14](#).

The same areas are covered when assessing organizations for the purpose of developing the list of "required" organizations.

M&E team will prepare and use a programmatic review checklist that should also address the mission order 200.4 requirements.

14.6 Discussions with Potential Subawardees

Entrance meeting is held with the potential subawardee's management team to explain how the organizational risk assessment is to be done and information requirements for the assessment. Exit meeting is held with the potential subawardee's management team at the end of the assessment to discuss the results – risk level rating and any recommendations to address significant issues noted during the assessment. It is important to manage expectations that the potential subawardee is informed that a final decision of subaward has not yet been made.

Exit meeting can be done with or without the TDEA or subcontractor Assessment team. In this meeting, any points which remained unaddressed from subcontractor review could be addressed. Also, the PDR and M&E team can take part in this meeting for any further clarifications that they would require. The CAP and any pre or post award conditions to be mentioned in the sub award agreement will also be discussed and negotiated in this meeting.

At the same time, a time bound Capacity Development Action Plan ([Annex 15](#)) will be developed by the TDEA or sub contractor's assessment team and agreed with the potential grantee. Grants unit after review of the pre award assessment file may make amendments to the provisions of the final capacity action plan to be included as part of the sub award agreement. Subsequent implementation of the provisions will be monitored by the M&E, Grants Unit and Organizational Development and Capacity Building Unit of the project.

14.7 Reporting the Results of Organizational Risk Assessment

The [Assessment Team](#) separately presents the results of organizational risk assessment. Such assessments show the overall risk level rating.

The Assessment Team should also list the special conditions to be included in the subaward agreement; these special conditions should focus on areas that contributed to high risk rating.

All relevant supporting documents are collated and properly labeled, filed and Senior Manager Grants compiles and categorizes the identified special conditions into four categories to facilitate the review and approval by the GMC as defined below:

1. Recommendation: These are the conditions which are essentially directed towards system improvements without legally binding the sub awardee.
2. Prior Approval Requirements: The conditions where either systems are weak or nonexistent for procurement of goods and services or the activity is critical to the objectives of the sub award.
3. Pre Award Conditions: These are the conditions without meeting which the applicant remains very high risk, to the extent of precluding the award.
4. Post Award Conditions: These are normally included as Capacity Action Plan (CAP) in the sub award, and represent targeted capacity building initiatives. In case of small short term awards, capacity building trainings conducted by the subcontractors will serve as CAP. The Capacity Action Plan will be part of the Letter of Grant and will be periodically reviewed during the period of the sub award.

14.8 Review of Organizational Risk Assessment done by Assessment Team

Grants team will review and perform quality control check of the working paper files submitted by the subcontractors of the risk assessments undertaken by them. The quality control check will be performed atleast for those applicants which have been finally approved by USAID. The quality control check list is attached as [Annex 31](#).

Sub Awards Manual

In order to meet tight deadlines, applications can be forwarded to USAID without submitting operational pre award results and USAID can be requested for approval. These approvals will be subject to satisfactory results of operational pre award assessments.

The risk assessment of each subawardee is reviewed at each periodic financial review, and is revised whenever required.

The GMC reviews the organizational risk assessment conducted by the [Assessment Team](#) and the relevant documents supporting the assessment. After the needed iterations of clarifications, the GMC makes appropriate changes to the assessment, if needed, and documents approval of the assessment results in a memo. The review should ideally be completed within three days from receipt of assessment results from the [Assessment Team](#). After the final deliberations at GMC level, the COP approves the selection and takes it up to CEO. The CEO's approval triggers the final selection of subawardee. The Assessment team also recommends payment mechanism for the subaward i.e., advance or reimbursement.

The proposed budget reviewed till last minute changes and hence final amounts communicated to CEO and USAID in the approval memo may change. However, the budget must not exceed the amount of funding allocated for this sub award by USAID without prior approval of COR. Depending on the overall risk of the organization and its past experience for proposed interventions, TDEA may split the total award into an initial Fixed Amount Award (FAA) to support development of systems followed by a Simplified Subaward (SSA) for the remaining life of the approved intervention depending upon the progress made by the grantee in the tenure of FAA. If there is no significant progress, TDEA can drop the grantee and terminate the FAA as well as not extend the subsequent SSA.

Section 15. Propositions and Iterations

As a granting agency, it is not TDEA's mandate to dictate its terms to the applicant organizations. This is an assistance program and grantee reserves right to the ownership of the program. During the review process however, there could be questions and clarification required for certain propositions laid down in the contents grant application. These include but are not limited to: questions related to technical approach, unclear or missing linkages, lesser information for decision making, gaps in the proposed implementation model, questions related to geographical and political risks, missing or unclear risk analysis etc., besides these, there could be questions in implementation plan, M&E plan, staffing, past performance and other areas of technical applications. The staff designated by COP can review and advise about collection of the missing information and clarification from the applicants who have passed the technical review. Possible means of such iterations with the applicants could be through email, phone, meetings, presentations etc. It is however important that all applicants be advised that the project is in the process of shortlisting and communications from TDEA do not entitle the applicants for a sub award. Please refer to [Annex 27](#) for a letter to applicant grantees informing them about the shortlisting process and what they are required to do.

15.1 Final approval of subawards by USAID

USAID's COR will take lead in the process at this stage and will review vet/approve, application summaries received from TDEA on a periodic basis. Furthermore, USAID Provincial Office staff may be involved in reviewing application summaries, identifying priority provincial-level and local-level issues, as well as monitoring program implementation, performance and impacts and channeling this information to the COR.

Please refer to [Annex 29](#) for a specimen of approval memorandum to be used for requesting USAID approval.

USAID may approve more than the number of sub awards allocated in the RFA. USAID can also allow for increase in ceiling or award of a larger sub award by combining more than one smaller application from the same applicant.

USAID's COR will review all application summaries received from TDEA and TDEA's funding recommendations, and make a final determination to proceed with an award, or to deny an award to the applicant or may suggest to make certain improvements before providing final approval for any award to grant applicant. Senior Manager Grants will communicate regrets to the unsuccessful applicants, also, an approval memorandum will be provided by the COR for TDEA's further action with the selected subawardees.

15.2 Inform all Potential Subawardees of Selection Results

Senior Manager Grants will prepare a list of all unsuccessful potential subawardees to be kept on file or the online system. If possible, copies of the regret notification emails will also be retained on file or the online system.

The selected subawardee is formally requested by Senior Manager Grants to accept the subaward terms and conditions.

In the unlikely event that a selected subawardee no longer wishes to receive a sub award, the GMC may choose to recommend an alternative "competitive" applicant to be considered for the award. COP, upon agreement with GMC, will send the application to CEO and after his

vetting, to USAID for approval. This implies that the next most qualified application will have to go through the same process as earlier applications. A set of objective criteria for replacements will be applied and the same must be communicated to COP, CEO and final approval will be provided by USAID's COR

Section 16. Entering into Subaward Agreement with Selected Subawardee

The Senior Manager Grants collates and checks completeness of all documents related to the subaward prior to drafting the subaward agreement. The file should have the following:

1. Documented approval of selected subawardee by USAID.
2. Documented vetting of selected subawardee by the CEO.
3. Documented approval of organizational risk assessment by COP based on GMC recommendations – supported by documented organizational risk assessments/reports, all financial applications and relevant supporting documents (Second Stage GMC approval).
4. Documented approval of potential subawardees by COP based on GMC recommendations supported by documented evaluation of technical applications, results of review against basic qualifying criteria, evaluation of technical applications and relevant supporting documents
5. Documented approval of RFA by USAID and RFA document itself.
6. Documented approval of PS/PD by USAID and PS/PD document itself
7. Documented basis for approving or not approving the concept note by GMC and concept note itself.
8. Separate files about the solicitation, applications received, logged and initial shortlisting/ sifting, letters/ communication messages to successful and unsuccessful applicants, approval or denial letters/ communication to potential subawardees, minutes of GMC, vetting of CEO and approval of COP are also procurement documents which must be retained and maintained by the Grants team.

16.1 Drafting of Subaward Agreement

The Senior Manager Grants reviews the RFA and PS/PD to understand what aspects in these two documents need to be in the subaward agreement. The Senior Manager Grants also obtains the following required certifications from the selected subawardee:

1. Certification regarding terrorist financing
2. Certification regarding debarment, suspension, ineligibility and voluntary exclusion
3. Certification regarding Narcotics offense and drug trafficking by key individuals
4. Certification regarding Narcotics offense and drug trafficking by participants
5. Certification regarding drug free workplace
6. Certification regarding Lobbying
7. Certification regarding prohibition on assistance to drug traffickers
8. Initial environmental examination form
9. Certification Regarding Voluntary Population Planning Activities (for health and population subawards only)
10. Certification that the subawardee and its key employees have never been convicted by a court of competent jurisdiction in Pakistan.
11. Declaration about the family relationships within management and governance structure of the subawardee organization.
12. Certification regarding local cost financing.
13. Certification regarding political leadership or management of subawardee and declaration for non-political use of subaward funds
14. Requirement and guidelines for obtaining a DUNS number
15. FSRs Executive Compensation and Subaward Reporting Form
16. Certification regarding Trafficking in Persons
17. Certification regarding no profit element in the grant

18. Assurance Regarding no increment above actual cost
19. Prohibition on contracting with entities that require certain internal confidentiality agreements-representation

TDEA might also require additional certifications, assurances, representations and declarations to protect integrity of its programs.

The Senior Manager Grants drafts the subaward agreement and attaches in it the certifications obtained from the selected subawardee. After the needed iterations of clarifications between the Senior Manager Grants and concerned technical manager, the draft subaward agreement is sent to the selected subawardee.

The Senior Manager Grants answers any questions the selected subawardee may have about the subaward agreement. After the needed iterations of clarifications, the subawardee conveys agreement with the terms and conditions in the subaward agreement.

To simplify accounting for the use of TDEA funds, it is preferred that funds "advanced" be placed in separate bank accounts established exclusively for that purpose. Further, should the bank account be interest bearing, Subawardee will inform TDEA of the amount of interest earned on funds advanced under the subaward, if any, and such interest earned will be refunded to the TDEA. Should Subawardee deposit the funds in a non-exclusive bank account, it is understood that Subawardee will be able to accurately account for the receipt and expenditure of these funds. Separate bank account requirement does not apply where subawardee is incurring expenditure itself and reimbursements are being made by TDEA or for FAAs where no advances are paid.

In cases subawardees are unable to open an interest bearing account where advances are being provided by TDEA, appropriate documentation justifying the reason need to be documented for securing waiver of imputed interest.

As a result of negotiations with the subawardee, any changes in the PS/PD or the proposed budget from the initial application must be documented by way of a negotiation memorandum and signed by both the Senior Manager Grants and Technical Manager concerned. Such negotiation memorandum documents the differences between original and final application and reasons for these deviations. Please refer to [Annex 16](#) for a template of Negotiation Memorandum.

This negotiation memorandum is mandatory for awards above Pak Rupee equivalent of USD 150,000. For awards less than the threshold (SAT), communication records evidencing negotiation are to be maintained.

This drafting of subaward agreement and obtaining subawardee's agreement should be ideally completed within five business days. In the event the selected subawardee does not successfully complete the negotiation, the GMC recommends to the COP for subjecting the next most qualified party to the review and approval process. COP, upon agreement with GMC sends the application to CEO for vetting and then to GRC at USAID for approval through COR. This implies that the next most qualified application will have to go through the same process as earlier applications including pre-award responsibility determination. A set of objective criteria for replacements will be applied and the same must be communicated to COP, CEO and USAID.

See [Annex 17](#) for the sub award agreement templates. The subaward agreement must include all respective provisions related to management of the subaward and approval requirements.

16.2 Finalizing the Subaward Agreement

Only after receiving the approvals of the selected subawardee from COP, the Senior Manager Grants can pursue finalization of the subaward agreement.

A subaward agreement number is allotted to each subaward and indicated on the agreement. Two copies of COP signed subaward agreement is sent to the subawardee for signature and subawardee returns one for TDEA record.

Section 17. Subaward Management

17.1 Post award Orientation

All subawardees may be provided a post award orientation either individually or in groups as applicable and convenient immediately after the subaward to bring them on the same page with respect to the provisions of the subaward, the reporting requirements and expectations from the program. TDEA will make all efforts to impart the orientation, however if grantees cannot attend, alternative channels can be used such as emails or videos or telephonic conference or including them in subsequent orientation batches or orientation shall be exercised to the extent that is practical. Please refer to [Annex 30](#) for a sample agenda for post award orientation.

17.2 Subaward Period

The subaward period is specified in the subaward agreement and must not go beyond the Project completion date.

17.3 Payments to Subawardees

A subawardee under a FAA is reimbursed its costs based on milestones or results achieved. A certification of completion of milestones or results and documented evidence are submitted by the subawardee to TDEA when seeking reimbursement of its costs.

The Project technical staff verifies that milestones or results were indeed completed as agreed in the subaward agreement, either before each reimbursement or toward the completion date. Any discrepancy between the agreed and actual milestones or results achieved should have an equivalent adjustment in costs sought for reimbursement or final payment by the subawardee. The technical staff who verified the milestones or results recommends the reimbursement of subawardee's costs accordingly. Since further break-down of milestone costs and partial payments makes financial tracking of sub award expenditure difficult, these are not preferred. In the event of anticipated major variations, a modification/ amendment to subaward are the preferred approach.

For SSA, the financial report must be verified by the concerned technical department of TDEA and reviewed by the grants/finance team as applicable. The detailed review of the records of subawardees could be initiated depending on the nature and extent of expenditure reported. The decision to review the underlying financial records must be made with the approval of concerned Director and COP. Subawardee should be informed about the review beforehand and results must be documented and communicated to the subawardee. Please refer to the [Annex 18](#) for a template of a Subawardee Financial Report Review Letter.

Similarly, for capacity building and ensuring compliance with the Subawardee Capacity Building Action Plan which is a part of the subaward agreement, TDEA can initiate a field financial monitoring visit of the subawardee premises for review of its records and progress on the recommendations of the pre-award assessment. Although it is unconventional for FAA but the objective here is to build capacity in previously identified areas. An engagement letter similar to pre-award assessment will be sent to subawardee in advance notifying about the review, areas covered, number of financial reports under review and timing of the review. Please refer to [Annex 19](#) for template of a Subaward Financial Monitoring Checklist (Onsite review). A letter of feedback will be provided to subawardee based on the findings of the review.

TDEA can make direct payments to suppliers on behalf of a subawardee. In such cases, the Senior Manager Grants must verify that: (a) the good or service is clearly specified in the Subaward Application, (b) the good or service is allowable, allocable, and reasonable, (c) the selection of source was based on full and open competition to the maximum practicable extent. The same amount will be deducted from the budget of subawardee by way of sending a debit note and the subawardee will report it as an expense by TDEA on its behalf by adding to its total expenditure for reporting purposes.

Reimbursement can be made only upon presentation of at least the following documents:

1. Subawardee's certification of completion of milestones or results
2. Documented results of verification of subawardee's completion of milestones or results by a designated competent technical staff of the project
3. Adjustment in costs if the agreed milestones or results were not fully achieved by way of modification/ amendment.

Nature, timing and extent of technical and financial monitoring and mentoring also depend upon the judgment of the concerned manager based on the responsiveness and interactions with the subawardee. Some subawardees might require more attention compared to other as their capacity building needs are greater than others while some subawardees might require lesser attention due to stronger systems meeting basic requirements of the subaward.

For all other purposes, USAID COR must be in the loop for a final decision related to relaxation or a legal action against the subawardee under the provisions of a subaward e.g., suspension, termination, recovery etc.

A set of guidelines have been developed for streamlining the milestones verification and payment process. These are included as annex 38 to the manual. COP may decide about giving contractual authority to these guidelines by incorporating in the letter of grant.

For SSA and STSA, a checklist provided in the annex 36 will be used for verification of supporting documentation with respect to risk level of the subawardee. The Senior Manager Grants will have the authority to alter (reduce or increase) the ceilings defined in the checklist for extent of verification depending on the track record of subawardee and history of former verifications etc.

For effective financial record reconciliation following statement has been included Project Finance unit may share the status of payments against milestones on a six monthly basis with partner organizations in order to reconcile its records with the partner organizations. This could be done through the advanced and live status updates through GMIS or emails, as appropriate.

17.4 Advances

The Project may also advance funds to subawardees under FAAs (see [Section 4.2](#)) where the typical payment method is cost-reimbursement (allowed by ADS 303). Advance payments may be made to subawardees under SSA. Cost-reimbursement will only be required for SSA when the special conditions for risk mitigation as recommended by GMC based on the results of pre-award assessment. Wherever advance payments are authorized, opening of a separate bank account will be required for the subawardee.

17.5 Monitoring of Subawardees' Activities and Milestones or Results Achieved

The milestones or results (outputs or outcomes) of subawardees, as indicated in the subaward agreement, should be verified, either before each reimbursement or toward the completion date, i.e., before final reimbursement.

The [Annex 20](#) provides template of a checklist used for monitoring of field activities. The different monitoring levels/ extent for FAA and SSA will be based on the performance and capacity issues of the subawardee.

17.6 Amendments/ Modifications to subawards

An amendment to a subaward is any document that changes programmatic and/or financial terms as defined in the original agreement, including schedule changes, PS/PD changes, or major line item budget shifts. When required by the subaward, an amendment must be requested and approved **prior** to a significant deviation from the original agreement. Additionally, amendments to subawards can only be made by the TDEA's authorized person.

17.6.1 Extensions

An extension is a document that authorizes the subawardee to continue spending on a subaward after the original completion date stated in the agreement. This is most common when funding has not been fully expended during the life of the project or there has been a delay in implementation. The following supporting documentation may be included in extension requests or must be available online at GMIS:

- a. Original PS/PD and budget.
- b. Reason for extension request.
- c. Analysis of spending to date, expected spending until the original end date, and projection of funds remaining at the original end date; and
- d. Description of the use of funds if the extension is approved.

17.6.1.1 Extension (funds plus time together or funds only)

If the extension being requested involves a request for additional funds, the request must be approved by COP before submission to USAID. The request will be discussed at GMC and sent to COP. It should include a detailed explanation of the need for extra funding and the reason for the time extension. Program team should circulate the extension request with the Subaward Amendment Review and Approval Form [Annex 21](#) to all of the appropriate signatories. Once the request is approved, it can be submitted to USAID. A subaward agreement template is also included in [Annex 17](#).

Additionally, the Senior Manager Grants must verify that neither the subawardee, nor its proposed subawardees:

1. Have active exclusions in the System for Award Management (SAM) (<https://www.sam.gov/portal/public/SAM/>);
2. Appear on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, sometimes referred to as the "OFAC List" (online at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>); and
3. Are listed in the United Nations Security designation list (online at: https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list

Note: No charges may be made to a subaward after the approved written completion date.

Once the written extension is received from USAID, the information should be shared with Program department and concerned subawardee immediately.

17.6.1.2 Extension (time only)

Extensions that do not involve a request for additional funds would require prior approval from COP. In most subawards the extension request may be made between 30-45 days prior to the end date. The Senior Manager Grants must also maintain all extension requests and approvals in the subawardee's file. Once the written extension is received from COP, the information should be shared with Technical Team, Finance Team, and M&E Team immediately. However, if a time extension involves a budget revision, the approval process is outlined in the following Section. Progress reporting will not be required in extensions that have been provided to cater for administrative matters related to close out.

Note: No charges may be made to a subaward which has ended and which does not have a written approved extension from TDEA.

17.6.1.3 Budget Realignments

If the modification being made involves budget realignment or budget decrease, the modification would require prior approval of COP.

TDEA's written approval in advance is required for the following. This approval will be given by COP as requested by Senior Manager Grants with a copy to GMC.

Additional funding (COP and USAID approval will be required);

For SSA and STSA, the transfer of amounts budgeted for non-program costs to absorb increases in program cost or vice versa. (COP approval will be required);

For SSA and STSA, if costs that require prior approval according to 2 CFR 200 & 700 (previously OMB A-122) were not budgeted originally, but are now necessary for the satisfactory completion of the project. (COP approval will be required).

For amending milestones (COP's approval will be required).

17.6.1.4 Program Revisions

For FAA COP may amend milestones during the period of the sub award, if the original milestones are no longer feasible or appropriate due to circumstances beyond the control of the recipient, and if the amended milestones are compatible with and satisfy the original purpose of the sub award. The COP may terminate the sub award if he/she concludes that multiple or substantial amendments indicate that continuing the sub award is no longer in the best interests of the Agency.

TDEA may also unilaterally modify the subawards for administrative modifications or modifications emanating from changes in applicable laws, rules and regulations. The unilateral modifications or administrative modifications to facilitate close out after the completion of activities may condone the regular reporting requirements and will only cover the remaining reporting requirements related to close out and pending milestones being allowed for performance, if any.

In case of SSA approval must be sought from the COP through GMC recommendation before any change from the agreed-upon PS/PD occurs as indicated in the subaward agreement.

Subawardee must seek prior written approval from the COP before any one of the following occurs:

1. Change in the PS/PD or objective of the project or program (even if there is no associated budget revision requiring prior written approval);
2. Change in key personnel specified in the application or subaward document;
3. The absence of more than three months, or a 25% reduction in time devoted to the project, by the approved project director or principle investigator; and
4. The subawardee intends to contract or sub award any of the substantive programmatic work under the subaward, and such contracts or sub awards were not included in the approved subaward document.

17.7 Termination and Suspension of Subawards

17.7.1 Purpose

The purpose of these guidelines is to establish a standard set of procedures to be implemented by those involved in the process, for termination and suspension of sub award agreements between TDEA and sub awardees under Citizens' Voice Project.

17.7.2 Factors affecting suspension/ termination of subawards

As per the approved Subawards Manual, the sub award agreement may be suspended or terminated in whole or in part by TDEA with information to USAID in any of the following circumstances:

- 1. For material failure** - The sub award agreement may be suspended or terminated in whole or in part at any time, upon written notice to the sub awardee, whenever it is determined that the sub awardee has materially failed to comply with the terms and conditions of the award. Termination should only be invoked when all other corrective measures have failed. If a sub award agreement activity is well designed, failure to achieve the objective will most likely result from either a wholly unanticipated event or condition (an invalid assumption) or negligence on behalf of the sub awardee.
- 2. With consent of the sub awardee** - the sub award agreement may be terminated, in whole or in part, with consent of the sub awardee. Both parties shall agree upon the termination conditions, including the effective date and, in case of partial terminations, the portion of the sub award agreement to be terminated. The agreement to terminate will be in written form.
- 3. Upon request of the sub awardee** - The sub awardee may terminate the sub award agreement in whole or in part upon sending a written notice to TDEA. The notice must specify the reason for termination, the effective date, and, in case of partial termination, the portion to be terminated. If in the opinion of the TDEA a partial termination will mean that the purpose of the sub award agreement will not be achieved, TDEA may terminate the sub award agreement.
- 4. When continuation is not in the national interest of U.S. Government** - If at any time USAID determines that continuation of all or part of the funding for a sub award agreement should be suspended or terminated because such assistance would not be in the national interest of the United States, or would be in violation of an applicable law, USAID may instruct TDEA to suspend or terminate the sub award agreement in whole or in part on an immediate basis.

5. **For convenience of TDEA-** in whole or in part – by giving a 30 days’ notice to sub awardee.
6. **Right of USAID to Supersede Contractor Decisions:** Recognizing the paramount interest of the United States and USAID in sub award-making, TDEA has agreed that USAID may, in its sole discretion, supersede any decision, act or omission taken by TDEA in respect of any sub award made by it, or proposed to be made by it, hereunder. Notwithstanding any other provision of this Manual and the prime contract, USAID retains the right, at all times hereunder, through the Contracting Officer, to (1) dictate a different decision with respect to the award or administration of any sub award; (2) rectify an omission by TDEA with respect to the award or administration of any sub award; (3) take over the administration of any sub award awarded hereunder; and/or (4) terminate, in whole or in part, the TDEA’s authorities under this Contract.

If any of the above conditions exit, the matter will be brought on the agenda of GMC and after discussions; a recommendation for suspension or rehabilitation or termination would be made. The COP will have the authority to suspend or rehabilitate or terminate the subaward and the Grants Manager will communicate this decision to the subawardee by issuing a suspension notice.

17.7.3 Procedures for suspension and termination of subaward agreement

When it is established that sub awardee has failed to comply with one or more of the terms of sub award agreement or the factors described above exist meriting suspension of a subaward, following procedures will be performed;

1. Suspension of sub award agreement

- a. Manager M&E will advise the sub awardee in writing of the nature of the problem and that failure to correct the deficiency may result in suspension or termination of the sub award agreement. Reference may be made for the remedies for non-compliance laid out in the subaward agreement. The sub awardee will be requested to respond in writing within 30 calendar days of the date of such letter, describing the action taken or the plan designed to correct the deficiency. The time duration might be less than 30 days depending on the nature of issues or time available with the project, as approved by the Director Programs or Chief of Party. However, TDEA may immediately suspend or terminate a sub award without notice when it believes such action is reasonable to protect the interests of TDEA and USAID.
- b. Manager M&E will forward the responses provided by sub awardee to Program Development and Research (PD&R) unit and obtain their input in this regard. Considering the given circumstances, the PD&R unit may also be requested to conduct a review of the issues and performance of sub awardee and submit report thereon.
- c. ODCB unit will be requested to provide feedback of capacity building interventions including on the job trainings (Program specific) conducted to date with the concerned subawardee.
- d. Grants unit will be requested to provide their input regarding invoicing and payments of sub awardee.
- e. If a satisfactory response is not received within stipulated time, Manager M&E must prepare a chronology of events and request convening of a meeting of GMC for review and recommendation to the Chief of Party (COP) for issuance of suspension notice. All reports

from PD&R, ODCB and Grants unit will be presented in a meeting of Grants Management Committee (GMC).

- f. If GMC determines that there is a compliance issue involved, the documentation along with recommendations of GMC members will be submitted to compliance unit for review. Compliance unit will review the documentation and submit a memo report thereon to the COP;
- g. The case will be presented to the COP for approval. After deciding to suspend the sub award agreement, the COP will direct the Senior Manager Grants (or any other person delegated by COP for the purpose) to issue a notice of suspension to sub awardee. The notice will include the following:
 - Reasons for suspension;
 - Applicable regulations and contract clauses authorizing the decision;
 - Effective date of suspension;
 - Term of suspension;
 - Corrective measures required from sub awardee along with stipulated time period. If reasonable time had already been provided to subawardee by M&E unit for corrective actions and the same have not taken place, immediate suspension might be invoked.
- h. Senior Manager Grants will prepare the notice of suspension and will submit it to the COP through Director Finance and Grants for review. After incorporating the review comments of COP, Senior Manager Grants will issue the notice of suspension to the sub awardee;
- i. The response of sub awardee to notice of suspension will be forwarded to respective units for their inputs; upon satisfaction of respective units, the case will be forwarded to GMC which will make a recommendation to COP for lifting the suspension and resumption of activities or termination of the sub award.
- j. Decision for resumption of activities will be communicated to the sub awardee in writing by the Senior Manager Grants.

[Refer Annexure 37-A: Template for suspension of sub award agreement](#)

[Refer Annexure 37-B: Letter for suspension of sub award agreement](#)

[Refer Annexure 37-C: Checklist for suspension/termination of sub award agreement](#)

2. Termination of Sub award agreement in continuation of suspension letter

- a. In the event that the deficiency is not corrected to the satisfaction of TDEA-CVP, the response received from the grantee along with input from PD&R and Grants unit will be submitted by Manager M&E to GMC for review and further recommendation regarding termination of sub award agreement;
- b. If there is a compliance issue involved and GMC recommends a compliance review, the documentation along with recommendations of GMC members will be submitted to compliance unit of CVP for review by Manager M&E. Compliance unit will review the documentation and issue a memo report thereon;
- c. The case will be presented to the COP for approval.
- d. Letter of termination will be issued by the COP to the respective sub awardee. The notice will set forth the reasons for the action, applicable contractual clauses and donor regulations as well as the effective date of termination.

[Refer Annexure 37 - D: Template for termination of sub award agreement](#)

[Refer Annexure 37 - E: Letter for Termination of sub award agreement](#)

[Refer Annexure 37 - C: Checklist for suspension/termination of sub award agreement](#)

3. Termination of Sub award agreement without any suspension of activities

In extreme circumstances, TDEA reserves the right to terminate the sub award agreement without giving notice of suspension. Following procedures will be followed for the aforesaid termination:

- a. Detailed documentation will be prepared by Manager M&E and same will be presented along with input from PD&R, and Grants units to GMC for review and further recommendation regarding termination of sub award agreement;
- b. If there is a compliance issue involved and GMC recommends a compliance review, the documentation along with recommendations of GMC members will be submitted to compliance unit of CVP for review by Manager M&E. Compliance unit will review the documentation and issue a memo report thereon;
- c. The case will be presented to the COP for approval.
- d. Letter of termination will be issued by the COP to the respective sub awardee. The notice will set forth the reasons for the action, applicable contractual clauses and donor regulations as well as the effective date of termination.

[Refer Annexure 37 - D: Template for termination of sub award agreement](#)

[Refer Annexure 37 - C: Checklist for suspension/termination of sub award agreement](#)

General:

1. Suspension/termination proceedings are to be conducted in a fair manner. The COP may use flexible procedures to allow sub awardee to present matters in opposition. In so doing, the COP is not required to follow formal rules of evidence or procedure in creating an official record upon which he will base a final suspension/termination decision. Grants unit will maintain files including documentation that at least includes:
 - a. An updated chronology of events with dates and annexures referred for supporting documentation.
 - b. All information in support of the decision to suspend the sub awardee;
 - c. Any further information and argument presented in support of, or opposition to, the suspension; and
 - d. Any other record of review or fact-finding exercises.
2. Letters of suspension or termination must be sent in hard copy on the registered or last known postal address with an advanced scanned copy to the email address of the subawardee usually used for communication copying the email of head of organization/program manager. The letter of suspension or termination will be considered to be received by the sub awardee;
 - a. When delivered, if TDEA mails the notice to the last known street address, or five days afterwards if the letter is undeliverable;
 - b. When sent, if the TDEA sends the notice by facsimile or five days afterwards if the facsimile is undeliverable; or
 - c. When delivered, if TDEA sends the notice by email or five days afterwards if the email is undeliverable.

All the correspondence relating to suspension/termination will be maintained by Manager M&E during the proceedings.

17.7.4 Forced Closure

TDEA may close out non-responsive and problematic grantees on completion or on premature basis without a completion certificate. Senior Manager Grants will ensure that all documentation including at least three periodic email or letter reminders, audit confirmations and other supporting documents are in place for supporting the close out decision and attachment with the close out memorandum in lieu of completion certificate. Project completion report and other annexes of regular close out may be prepared internally and signatures of subawardee will not apply in this situation. USAID/COR will be informed about such grantees.

TDEA may exercise the power of forced closure in absence of completion certificate in the following circumstances:

1. Grantee is non responsive
2. Termination of sub award agreement with or without suspension of activities

Following procedures will be followed in the event that grantee is non-responsive for at least a month:

1. Three email or hard copy reminders will be sent by Manager M&E, intimating forced closure of agreement due to pertinent reasoning and last date of response.
2. In the event that the grantee does not responds within the given cutoff time, following steps will be taken:
 - a. Case for forced closure along with pertinent documentary evidence will be prepared by Manager M&E and same will be presented along with input from PD&R, and Grants units to GMC for review and further recommendation regarding forced closure;
 - b. The case will be presented to the COP for approval.
3. Letter for forced closure will be sent in hard copy on the registered or last known postal address with an advanced scanned copy to the emails of the subawardee usually used for communication copying the email of head of organization/ program manager. The letter of forced closure will be considered to be received by the sub awardee;
 - a. When delivered, if TDEA mails the notice to the last known street address, or five days afterwards if the letter is undeliverable;
 - b. When sent, if the TDEA sends the notice by facsimile or five days afterwards if the facsimile is undeliverable; or
 - c. When delivered, if TDEA sends the notice by email or five days afterwards if the email is undeliverable.
4. All the correspondence relating to forced closure will be maintained by Senior Manager Grants or Manager M&E during the proceedings.

[Refer Annexure 37 F: Forced Closure Sample Letter for Non Responsive Grantee](#)

All legal notices related to suspension or termination must be vetted by the Compliance Team and Director of Finance & Grants Administration before submission to COP by the Grants Manager.

17.8 Records to be maintained

The Senior Manager Grants ensures that the following documents are maintained in the subaward agreement file for each subaward:

1. All GMC CEO and USAID approvals.
2. Subawardee Activity Completion Report and Subaward Activity Completion Certificate accepted by the Technical Manager and supported by a checklist of items required for closing out a subaward completed by Grants Officer. A close out memorandum in case of forced closure.
3. Documented monitoring results (beneficiary selection; whether selected beneficiaries indeed participated in the activities; number of women who benefited from the project, etc.)
4. Approved monitoring plan
5. Documented verification of completion of milestones or results by the project technical staff
6. Certification on completion of milestones or results submitted by the subawardee
7. Signed copy of subaward agreement and any modifications thereto
8. Negotiation memorandum
9. All invoices bearing technical and financial approvals
10. All invoice review documentation for the FAA and SSA.
11. Any waivers received for the subaward from USAID
12. Calendar of reports due and when received
13. All correspondence related to the subaward – internal and external.
14. Audit and evaluation reports as applicable.
15. List of equipment/ inventory with the subawardee
16. Close out checklist

17.9 Dispute Resolution and Complaints

The subaward agreement delineates dispute resolution mechanism which needs to be followed for any contractual disputes. Besides that, TDEA's Whistleblower Policy will be followed for any complaints and issues which are required to be escalated to higher management level. Subawardees must be given orientation about these mechanisms of dispute resolution and complaints.

Section 18. Subaward Close Out

The Subaward Activity Completion Certificate [Annex 22](#) officially terminates TDEA's involvement in the subaward activity and closes the subaward activity file. The Subaward Activity Completion Certificate is prepared only after the Subawardee Activity Completion Report [Annex 23](#) has been submitted by the subawardee, reviewed by the Subawards/Grants Officer, and accepted by the concerned Technical Manager.

The Senior Manager Grants reviews the Subawardee Activity Completion Report using a checklist of items required for a proper close-out [Annex 24](#). Another checklist is provided in the same annex which is required to be completed by the subawardee to ensure a proper close out of the subaward.

Explanation: It would be better to write an email or a letter to all subawardees before and upon completion of the sub award asking them to send final outstanding documents and reports. Program team must also be consulted to ensure that there is no outstanding program report which needs to be mentioned in the email or letter. A template of such letter is attached in [Annex 24](#).

Section 19. Exceptions to Competition Requirements

USAID will approve all non-competitive awards based on any of the following exceptions (ADS 303):

1. Exclusive or predominant capability

TDEA may make other than full competition, including sole-source, awards when it considers a recipient to have exclusive or predominant capability based on one of the following criteria:

- a. Proprietary resources,
- b. Specialized facilities or technical expertise,
- c. An existing and unique relationship with the cooperating country or beneficiaries, or
- d. Participation in a Global Development Alliance, USAID's business model promoting public-private alliances as a central element of the Agency's strategic assessment, planning, and programming efforts.

This exception may not be used to continue an on-going relationship when the applicant developed the exclusive or predominant capability during performance of a USAID award, or when the previous award was made without competition using the small grants award exception.

When this exception is used, the Justification to Restrict Eligibility (JRE) must describe in detail the uniqueness of the proposed recipient and how it applies to the activity to be supported along with what other options were explored.

2. Small grants

TDEA may issue other than full competition, including sole-source, awards with an estimated value each of \$150,000 or less and a term of no more than one year.

3. Limited competition for efficiency

TDEA may limit competition to a selected group of applicants when it is necessary for sake of efficiency. The JRE must describe in detail what other options TDEA explored.

4. New entrants

For its sub awards, TDEA may limit competition to organizations that have received USAID direct assistance of less than \$1,500,000 (ADS 303.3.6.5) during the past three years in order to expand the number and sustainability of development partners.

5. Congressionally mandated programs

USAID may ask TDEA to make an award to a particular organization without competition when US legislation includes a congressional earmark. In the absence of legislation that specifies a particular awardee, USAID may use this exception only when Congressional intent for USAID to make an award to a particular recipient is demonstrated by specific language in either:

- a. Both House and Senate Committee Reports, or
- b. A Congressional Conference Report.

USAID COR's communication on this account to TDEA will be sufficient for TDEA's purpose.

6. Critical objectives of the foreign assistance program

USAID may ask TDEA to award without competition when it is critical to the objectives of the foreign assistance program. USAID may use this exception only when no other exception applies. This exception is typically used for specific blanket justifications for a class of awards and for a particular purpose or period of time. USAID COR's communication on this account to TDEA will be sufficient for TDEA's purpose.

7. Unsolicited applications

Unsolicited applications are those submitted to TDEA for an award by an applicant solely on his or her initiative, without prior formal or informal solicitation by TDEA.

TDEA may make an award based on an unsolicited application, without the benefit of competition, when the application:

- a. Clearly demonstrates a unique, innovative, or proprietary program;
- b. Represents an appropriate use of USAID funds to support or stimulate a public purpose; and
- c. Fits within an existing Development Objective.

This exception may not be used for non-competitive extensions to existing awards. A recipient's request to extend an ongoing relationship is not an unsolicited application. The JRE must clearly state that TDEA did not solicit the application and that it was submitted by the applicant solely on his or her own initiative. The memo must also address the following:

- a. In what way the application is unique, innovative, or proprietary;
- b. How funding the application is an appropriate use of USAID funds to support or stimulate a public purpose; and
- c. Describe how it fits within a Development Objective (DO)

8. Follow-on awards and extensions

A follow-on award is a new award to an entity to perform activities that is the same as or substantially similar to those included in a recently expired previous agreement with the same entity. An extension is an amendment to increase the total estimated amount of an existing award, usually to provide additional activities within the program description, to extend the period of the award, or both. Also included in the definition of "follow-on" as used in this manual are awards or extensions that include new activities that are clearly logical expansions of or derived from activities previously performed by the same recipient.

TDEA may award without competition follow-on sub awards or extensions to existing awards. The follow-on exception must not be used to continue a relationship with a recipient that received an award based on the small grant award exception.

When this exception is used, the JRE must state with specificity why the benefits of continuing the assistance activity with the same recipient exceed the benefits of a competitive process. A JRE is not required if the amendment is for strictly administrative purposes, including:

- a. Incremental funding actions;
- b. Changes which do not require:
 - An increase to the total estimated amount of the award, or
 - A substantive change to the program description;
- c. A no-cost time extension; or
- d. An extension authorized under 2 CFR 200.308 (d) (2)

9. Science and technology and innovation

TDEA may award without competition new or follow-on awards, or amend existing awards in instances which it determines that a promising science and technology concept or innovative solution exists to tackle a pressing development challenge.

For purposes of this exception, innovation means significant, not incremental, improvements in development impact and the process that translates knowledge into economic growth and social well-being. For purposes of this exception, science means the process of generating knowledge based on evidence, including the systematic study of the nature and behavior of the material and physical universe, based on observation, experiment, and measurement, and the formulation of laws to describe these facts in general terms. For purposes of this exception, technology means the application scientific knowledge to practical problems, including the tools, processes, and techniques, created by such application of knowledge.

To use this exception to competition, JRE must document with specificity that the proposed award or extension is for science and technology or innovation activities, and the benefits of foregoing competition exceed the benefits to of a competitive process.

10. Other Exceptions to Competition

The following actions are exceptions to full competition but do not require the preparation of a JRE.

- a. Emergency and disaster assistance
- b. Local competition
- c. Transition Awards

All non-competitive application, together with complete justifications, shall be submitted to CEO for review and approval after the review by GMC and COP and Senior Manager Grants. USAID will finally approve all such requests for sub awards.

ANNEX 1 – Approval of Subawards Manual and Effective Date

Attached scanned copies of USAID approval and TDEA BOT approval.

1. Approval notification received from COR through email dated Monday October 17, 2011 1819 hrs.

Sub Awards Manual



Date:

Ref:

Resolution No: bot7-03/2012-01
Pages 1 of 1

The Seventh Meeting of the Board of Trustees of the Trust for Democratic Education and Accountability was held on March 25, 2012 at FAFEN-TDEA Secretariat, Islamabad.

The Board approved Sub-Awards Manual of the Trust for Democratic Education and Accountability. The Sub-Award Manual will replace the Sub-Grant Management Policy under Section 36 of the Compendium of Policies and Procedures.

The Sub Awards Manual is an integral part of this Resolution.

 Faiz-Rahman Secretary	 Ghaffar Khan Secretary	 Manzoor Secretary	 Muzaffar Chaudhry Secretary	 Mubshir Javed Secretary	 Anwarul Secretary	 Dawood Khan Secretary	 Saad Secretary
---	--	---	---	---	---	---	--

TDEA
224-Margalla Road
F-10/3, Islamabad

Phone : +92 51 2196006, 2211026
Fax : +92 51 2211047

e-mail : secretariat@fafen.org
web : www.fafen.org

(Click on the file to open)

ANNEX 2 – Terms of Reference of Grants Management Committee



Annex 2 TORs of
GMC.doc

(Click on the file to open)

Terms of reference of Technical Review Committee/ Panel

(Click on the file to open)

ANNEX 3 – Memorandum of Understanding Template

(Click on the file to open)

ANNEX 4 – Request for Application and Other Solicitation Documents Templates

(Click on the file to open)

ANNEX 5 – Subaward Application Form Template

Already a part of solicitation document

Concept Paper Application Template (Two Step Process)

Direct specific RFAs (One Step Process)

Pre-award certifications

Sample Matrix of Familial Relationships

(Click on the attached file to open)

ANNEX 6 – Evaluation against Basic Criteria Template

Reserved

ANNEX 7 – Technical Application Evaluation Template

Each main criterion will need to be broken down into sub-criteria with allocation of marks from the total of the main criterion. The objective is to make a structured decision and documenting the same to the maximum extent possible. This will also support the Project’s decisions in the event of any questions from USAID.

Please note that the criteria provided in the Subaward Manual are examples and therefore, content of each evaluation worksheet will follow the criteria provided in each solicitation document and the templates will need to be modified to accommodate that.

(Click on the attached file to open)

ANNEX 8 – Financial Application Evaluation Template

Please note that the criteria provided in the Subaward Manual are examples and therefore, content of each evaluation worksheet will follow the criteria provided in each solicitation document and the templates will need to be modified to accommodate that.

(Click on the attached file to open)

ANNEX 9, 10 and 11 – Preaward Assessment: Toolkit for Pre-award Assessments

ANNEX 09 – Preaward Assessment: Desk Review Template

(Click on the attached file to open)

ANNEX 10 – Preaward Assessment: Rapid Assessment Template

(Click on the file to open)

ANNEX 11 – Preaward Assessment: Detailed Assessment Template

(Click on the attached file to open)

ANNEX 12 – Engagement Letter Template for Preaward Assessment

Please refer to the Annex – 27, initial communications with the applicants. Those communications now contain the TOR of pre-award assessments and a list of documentation required.

Redundant files just for reference

Engagement Letter – Desk Review

(Only applicable if more documentation is required than what is already provided)

Engagement Letter – Rapid Assessment

Engagement Letter – Detailed Preaward Assessment

(Click on the file to open)

ANNEX 13 – Feedback Letter Template after Preaward Assessment

Feedback Letter – Desktop Review

Feedback Letter – Rapid Assessment

Feedback Letter – Detailed Preaward Assessment

(Click on the file to open)

ANNEX 14 – Organizational Risk Assessment Tools

From Program Perspective

(Click on the file to open)

ANNEX 15 – Subawardee Capacity Development Action Plan Template

Subawardee Capacity Action plan is the document which details the observations TDEA has made during the pre-award responsibility determination exercise, the improvements required and agreed points of action plan. The Subawardee will be required to report on the progress of items in the action plan as part of it quarterly narrative reports.

Item	Observation	Agreed recommendation and action	Proposed completion date
1			
2			
3			
4			

ANNEX 16 – Negotiation Memorandum Template

(Click on the file to open)

ANNEX 17 – Subaward Agreement Template

Subaward agreement templates are annexed with this manual. These include separate templates for sub award and terms and conditions. The Fixed Price agreement templates will be used for FAA while the Advance reimbursement/ Cost reimbursement templates will be used for SSA type subawards. The templates will be modified for “with” and “without” advance payment mechanism of funding.

A template for amendments/ modifications to existing subawards has also been included.



Annex 17 A Letter of Grant, STC and GTC -



Annex 17 B Letter of Grant, STC and GTC -

(Click on the file to open)

ANNEX 18 – Subawardee Financial Report Review Letter Template

(Click on the file to open)

ANNEX 19 – On-Site Financial Monitoring Checklist Template

(Click on the file to open)

ANNEX 20 – Programmatic Monitoring (in field) Checklist Template

(Click on the file to open)

ANNEX 21 – Subaward Amendment Review and Approval Form

(Click on the file to open)

ANNEX 22 – Subaward Activity Completion Certificate

(Click on the file to open)

ANNEX 23 – Subaward Activity Completion Report Template (Internal)

(Click on the file to open)

ANNEX 24 – Subaward Close out Checklist

Subaward Close out checklist for TDEA/the Project

Subaward Close out checklist for Subawardee

Letter to subawardee for close out

(Click on the file to open)

Annex 25 – Subaward Process Flowchart

(Click on the file to open)

Annex 26 – Disclosure forms for Conflict of Interest

(Click on the file to open)

Annex 27 – Initial Communications with Shortlisted Applicants



Annex 27 B
PreAward-Certificatio

(Click on the file to open)

Annex 28 – Specimen Checklist for Technical Review of Grant Applications

Please refer to Annex – 7 for the sample file.

(Click on the file to open)

Annex 29 – Specimen Grant Application Approval Memo for USAID

(Click on the file to open)

Annex 30 – Specimen Agenda for post award orientation

(Click on the file to open)

Annex 31 Quality Assurance Checklist for 3rd Party Conducted Pre and Post Award Assessments

(Click on the file to open)

Annex 32 – Quality control checklist of third party files

(Click on the file to open)

Annex 33 – Profit under USAID assistance instruments – (additional help document for ads 303)

(Click on the file to open)

Annex 34 – Awarding fixed obligation grants to non-governmental organizations - (additional help document for ads 303)

(Click on the file to open)

Annex 35 – Justification to restrict eligibility template - (mandatory reference for ads chapter 303)

(Click on the file to open)

Annex 36 –Subaward Monitoring Checklists

(Click on the file to open)

Annex 36 A -Monitoring Checklist Low risk



Annex 36 A
-Monitoring check list

Annex 36 B- Monitoring Checklist Moderate risk



Annex 36 B-
Monitoring checklist M

Annex 36 C -Monitoring check list High risk



Annex 36 C
-Monitoring check list

Annex 37 – Suspension, Termination and Forced Closure Templates and Letters

(Click on the file to open)

37 A-Template for suspension of sub award agreement



Annex 37 A
Template for suspens

37 B- Letter for suspension of sub award agreement



Annex 37 B Letter
for suspension of sub

37 C- Checklist for suspension/ termination of sub award agreement



Annex 37 C Checklist
for suspension & tern

37 D- Template for termination of sub award agreement



Annex 37 D
Template for Termina

37 E – Letter for termination of sub award agreement



Annex 37 E Letter
for termination of sub

37 F- Forced Closure Sample Letter for nonresponsive grantee



Annex 37 F Forced
Closure Sample Letter

Annex 38 –Milestones Verification and Payment Checklist



Annex 38 - Milestone
verification and paym

(Click on the file to open)