

TDEA GRANTS MANUAL

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1. BACKGROUND

1.1. INTRODUCTION

The Trust for Democratic Education and Accountability (TDEA) is a Pakistan-based not-for-profit organization registered under the Trust Act 1882. TDEA has been working since 2008, ensuring parliamentary and governance oversight, political, elections observation, and electoral reforms in Pakistan since 2008. TDEA is promoting democracy and bridging the gap between citizens and elected representatives through fieldwork, applied research, advocacy, election observation, governance monitoring, electoral reforms, oversight of legislatures, and access to quality education. Moreover, TDEA strives to strengthen public accountabilities by enhancing citizens' associations to promote civil liberty, peace, improved governance, and democracy in Pakistan.

1.2. PURPOSE OF THE GRANTS MANUAL

This manual provides a comprehensive discussion of the approach that TDEA will implement in carrying out “granting” for its programs and projects. The manual describes the internal procedures, processes, criteria, and other requirements that the TDEA will follow in soliciting grant applications, training prospective applicants and actual grantees, reviewing applications and conducting pre-award assessments, issuing and modifying grants, processing payments, monitoring, and closing out grants.

The manual duly approved by the Board will form the framework for TDEA staff to follow for grants management. Please refer to Annex 1 for approval documentation of this manual and effective date.

If required, any changes made to this manual will be subject to TDEA chief executive officer's approval, provided the revised document remains within the framework already approved by TDEA's Board of Trustees (Board).

Anyone having questions regarding the policies and procedures should direct them to the TDEA grants management lead. The grants management lead should be vigilant of issues or events having an implication on this manual, such as changes in policies and procedures made by the Board or effects of directives from Pakistan's government. Any such change to this manual will be presented for approval to the CEO and notified to the Board.

Annexes to this manual mostly represent the tools used to perform the steps outlined hereunder. These are dynamic and living documents that will continue to evolve based on experiences during implementation. Any changes incorporated into these documents will require the CEO's approval.

2. DEFINITIONS

2.1. APPLICANT

An eligible organization that applies or plans to apply for grant funding under this manual.

2.2. SHORTLISTED APPLICANT

An applicant whose application has been scored by the technical review committee (TRC) and the applicant has secured passing marks.

2.3. SHORTLISTED POTENTIAL GRANTEE

An applicant whose application has been preliminarily recommended for a grant by the TDEA grants management committee (GMC) and for which an organizational assessment and due diligence analysis is to be conducted.

2.4. POTENTIAL GRANTEE

An applicant whose application has been recommended for a grant by the GMC to the CEO.

2.5. GRANT AGREEMENT

A legal agreement that governs the purpose, permissible use, and allocation of funds to any grantee under the project. It also defines the role and responsibilities of the grantee concerning such grant.

2.6. GRANTEE

An organization that has been awarded a project grant.

3. ROLES AND RESPONSIBILITIES

The following individuals or groups are involved in the grants award and review process:

- Chief executive officer (CEO)
- Grants management committee (GMC)
- Technical review committee (TRC)
- Assessment teams

3.1. ROLES & RESPONSIBILITIES

Each individual or group is responsible and accountable for specific tasks - some are consulted, informed, and oversee that particular points in the grant process are implemented as planned.

The roles of groups/committees are as follows:

3.2. GRANTS MANAGEMENT COMMITTEE (GMC)

The GMC composition is determined to allow TDEA the highest degree of openness and transparency and recommend potential grantees to the CEO.

The GMC reviews and recommends to the CEO the program description (PD), solicitation documents, selection of potential grantees, and approach towards their responsibility determination, payment methodology, and the type of grant to be awarded. Furthermore, within its purview, recommendations to the CEO on matters that require contractual or programmatic revisions if needed, such as re-alignment of budgets between and among different project budget lines, modifications of targets, termination of grant agreements, or substitute grantees.

Moreover, the GMC will provide oversight for effective management of grants, ensuring that donor requirements are met and project goals achieved. The GMC will cover the project's technical and programmatic aspects. The committee will have the following five voting members nominated by the CEO:

- Team lead—Program & Strategic Communications
- Team lead—Research & Advocacy
- Team lead—Project Support
- Team lead—Operations
- Team lead—Finance & Grants Management

Grants management lead or designee will act as facilitator and the GMC may invite any relevant official to participate in a meeting.

The GMC will meet every month. Also, the GMC meetings may be convened on a need basis at the grants management lead's request.

The GMC will present its recommendations to the CEO for further deliberation and decision-making.

The CEO may form additional committees considering the project amount, period, or if required by the donor.

Annex 2 details the GMC's terms of reference.

3.3. TECHNICAL REVIEW COMMITTEE (TRC)

The CEO shall constitute a technical review committee consisting of three program experts for the grant applications' technical assessment.

The staff members tasked with the technical review and evaluation of the applications must be given an orientation about the program and what is expected of the grant applications. It is imperative to reduce the reviewer's bias and yield common understanding among the evaluation team.

Annex 3 details the TRC terms of reference.

The committee will forward the applications that receive a TRC score above a designated threshold to the GMC for further consideration. These applicants will be referred to as "Shortlisted Applicants." The GMC will recommend the passing threshold, and the CEO will approve it at the time of each solicitation.

3.4. PRE-AWARD ASSESSMENT TEAM

The assessment team comprises grants, finance, and relevant technical and program experts. It will be responsible for the following tasks:

- conducting an organizational assessment of "Shortlisted Potential Grantees"
- gathering supporting documents to support the evaluation of each area and criterion covered in the organizational assessment
- managing the assessment process with the Shortlisted Potential Grantees, which includes sending the engagement letter, conducting entrance meeting to discuss the evaluation's purpose, conducting exit meeting to discuss the assessment results, and finalizing the report
- summarizing the results of the assessment for review and approval of GMC

Results from pre-award assessments would provide valuable information to the GMC about the risk level and enable them to plan and reduce the potential of an adverse event occurring, and taking steps to deal with any such thing if it does happen. Risk management involves a continuous process of managing through a series of mitigating actions. The assessment findings also provide avenues for building the grantees' capacity and the level of monitoring required by TDEA to handle the grants.

4. CONFLICT OF INTEREST STATEMENT

All individuals stated in Section 3 must declare any conflict of interest, such as financial or personal interests in organizations that will participate in the process for granting. A conflict of interest presents a risk that the individual's objectivity is impaired while performing the roles in the grant process.

The individuals stated in Section 3 will sign the conflict of interest declaration forms (attached as Annex 4). Such a statement should indicate all organizations' names in Pakistan in which the individual has personal or financial interests.

An individual with a conflict of interest must not participate in tasks such as recommending and selecting grantees for award and grants management.

5. TYPES OF GRANTS

There are two types of grants awarded by TDEA—fixed obligation grant (FOG) and simplified grant (SG). These differ from each other by their type of purpose, payment method, and other aspects.

5.1. FIXED OBLIGATION GRANT (FOG)

The fixed obligation grant is one where TDEA provides a specific level of support and for which it does not base payment upon the actual costs incurred by the grantee. This grant reduces some of the administrative burden and record-keeping requirements for both the grantee and TDEA. It focuses on outputs and results, limits parties' risk, and requires only limited financial and management capacity.

Because payments under FOG are based on the achievement of activities, the payment structure is critical. TDEA pays the recipient a set amount when it accomplishes an activity.

It has the following specifications:

- **Allowable purpose:** Intended to finance projects where there is reasonable certainty about the costs and where the results and implementation of activities are readily discernible, for example, organizing a conference or conducting a training seminar. FOGs support projects where there is limited risk that the specific grant activity will change.
- **Allowable costs:** No specific costs are assigned to FOGs, as cost principles do not apply to these grants. FOGs are awarded for achieving specific activities. There is no requirement for monitoring of types and magnitudes of the actual costs of achieving the activities.
- **Schedule of disbursements:** A FOG schedule of disbursements must be associated with one or more specific project activities where there is a certainty about the cost of achieving each benchmark, and the accomplishment of each activity by the grantee is readily discernible in fact and in time. The disbursements schedule reflects both the timing and the amount of grantee payments for each activity's completion. Therefore, the GMC must be satisfied that there is sufficient cost basis for negotiating the schedule of disbursements. Payments against the activities may be structured to facilitate an initial mobilization of the grant and provide adequate liquidity for the grantee to achieve the next activity.
- **Approval required:** The GMC recommends FOGs, and the CEO approves them.
- **Payment type:** TDEA will make payments to the grantee after presentation and verification of accomplished activities.
- **Required certifications from grantee:** Refer to Section 15.1 for a list of certifications.
- **Donor-specific conditions/requirements:** Donor-specific rules and regulations applying to TDEA will flow down to the grantee in the FOG agreement.

5.2. SIMPLIFIED GRANT (SG)

SG covers small, medium, and large-sized grants. It has the following specifications:

- **Allowable purpose:** SG finances discrete results-oriented activities measured with verifiable indicators.
- **Allowable cost:** Costs that are allowable, reasonable, and allocable and per approved accounting and reporting standards as applicable in Pakistan.
- **Approval required:** The GMC recommends SGs, and the CEO approves them.
- **Payment type:** Advance payments are the preferred mode. The cost reimbursement approach may be followed when it is a special condition for risk mitigation recommended by GMC based on pre-award assessment results or when the payment mechanism between the donor and TDEA is cost reimbursement. Reimbursement of allowable expenses must be supported by genuine receipts from the grantee and advance payment by analyzing cash flow requirements related to planned activities.
- **Required certifications from grantee:** Refer to Section 15.1 for a list of certifications.
- **Donor-specific conditions/requirements:** Donor-specific rules and regulations applying to TDEA will flow down to the grantee in the SG agreement.

6. ELIGIBILITY FOR GRANTS

6.1. ORGANIZATIONS ELIGIBLE FOR GRANTS

Applicants eligible to receive TDEA grants include:

1. legally registered non-governmental organizations (NGOs)
2. women's organizations
3. community-based organizations (CBOs)
4. academic research and training institutions
5. professional and business associations
6. trade unions
7. media entities
8. private sector entities
9. civic advocacy organizations
10. civil society coalitions (if legally registered)

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

- registered as a not-for-profit organization under the appropriate governmental body or as a for-profit entity if the profit element is waived for the grant
- have basic financial management systems
- currently active and/or have demonstrated commitment to the community or the sector
- commitment and flexibility to work in partnership with TDEA
- the credibility of the organization or individuals (in the organizations) within the relevant community or sector

The eligibility criteria provided in this manual are indicative and may be amended and approved by the CEO for each solicitation which would be considered final.

6.2. ORGANIZATIONS INELIGIBLE FOR GRANTS

Individuals, political organizations, and state and governmental institutions are not eligible for TDEA grants. Others ineligible are:

- Public international organizations.
- Entities (or its key personnel) on the various lists of different GOP and UN resources maintained for prohibited organizations or individuals.
- Entities whose previous grants under any program were terminated by TDEA as a result of fraud or mismanagement of funds.
- Entities (or its key personnel) convicted by a court of competent jurisdiction of a crime punishable by a fine of more than PKR50,000 or imprisonment or both. The objective is to avoid organizations or individuals with a 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 parties' office-bearers.

The ineligibility criteria provided in this manual are indicative and may be amended and approved by the CEO for each solicitation, which would be considered final.

7. GRANT PROCESS

This section describes the TDEA grant process steps, from the solicitation of applications to the grant agreement's signing.

7.1. OVERVIEW OF GRANT PROCESS

TDEA selects organizations for grants by utilizing a competitive, open, and transparent process. Any changes or bypass in procedural steps or approaches delineated in this manual (for example, for quick impact or time-sensitive grants) are allowed only upon GMC's recommendation and CEO's approval. The grant process is listed below and summarized in a flowchart form in Annex 5.

1. the CEO gives the directions for solicitation
2. call for grant applications from eligible organizations
3. optional pre-application clarification meeting
4. optional virtual Q&A sessions
5. posting of FAQs on the project website
6. receipt of applications and their logging
7. evaluation by TRC (technical) of the applications submitted
8. shortlisting of applicants based on applications
9. review by GMC
10. shortlisting of potential grantees based on applications
11. instructions for pre-award assessments
12. participatory organizational assessments
13. compliance check
14. recommendations by GMC of potential grantees forwarded to CEO
15. review by CEO and final approval of applicants for the grant
16. negotiations with the approved applicants
17. grant agreement
18. periodic reporting of grants status to GMC and CEO

Steps relating to solicitation of applications and sifting, evaluation of the applications will not be applicable if TDEA has mentioned partner organizations in the proposal document submitted to the donor.

8. SOLICITATION PROCESS

In the solicitation process, a Solicitation Notice is prepared and advertised based on CEO's approved program description. Please refer to Annex 6 for the templates of the Solicitation Notice and other relevant documents.

8.1. PREPARATION OF SOLICITATION NOTICE

After receiving the CEO approved program description, the grants management lead drafts a Solicitation Notice, under the supervision of the team lead—finance & grants management—and in consultation with the relevant team leads. The Solicitation Notice will be presented to GMC for review and to the CEO for approval. It should comprise at least the following items:

1. background information on the project
2. program description
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 (if applicable)
9. documents required to support meeting each criterion (basic qualifying criteria, technical, and financial applications)
10. application evaluation criteria

8.2. ANNOUNCEMENT OF SOLICITATION

The selection of organizations for the grant is made through a competitive, open, and transparent process by advertising the Solicitation Notice. The objective is to maximize solicitation communication so that all interested applicants are aware of it. Advertising in newspapers is one way of wide-spreading the information. Other avenues that may be utilized and explored include emailing to a list of organizations maintained by TDEA, placing links on the project (if developed) or TDEA website, and reaching the grassroots level.

The standard contents of an advertisement are:

1. logo of TDEA and donor (if applicable)
2. title of project/program
3. a brief introduction to the project
4. purpose of solicitation
5. type of funding, e.g., grants and funding allocation
6. the geographical area of the project
7. donor acknowledgment and program tenure
8. eligibility criteria of grantees clearly defined
9. last date for obtaining complete Solicitation Notice package
10. address from where the applicants can obtain the above documents
11. last date and time of submission of applications;
12. contact points at the project for any questions about the advertisement

The advertisement should also have safety caveats like: TDEA will not entertain late applications; it reserves the right to reject one or all applications with or without giving any reasons; the applicant shall bear any

costs associated with the preparation of and filing the application; TDEA will not be responsible for reimbursing 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.

TDEA's policy is to provide for full and open competition through the competitive procedure(s) contained in this manual that is best suited to the project circumstances and consistent with the need to fulfill its obligations to donors/clients efficiently. Full and open competition means that any organization or business will be permitted to compete for the planned grant. Besides that, limited competition may also be used with the CEO's approval.

In both situations, the complete solicitation notice document does not need to be advertised. However, TDEA must provide in the advertisement a link to the project or its website for full details.

The grants management lead coordinates with the procurement and communications units for the advertisement and posting of solicitation on the project or TDEA website. It is important to note that the cost of advertising in newspapers or other media is different depending on circulation. The GMC may also advise on the choice of newspapers and geographical coverage.

Depending on the degree of the program description's complexity, TDEA may hold an orientation or virtual or in-person Q&A session of applicants.

The advertisement is open for at least 14 calendar days from the date of the announcement. The grants management lead ensures that any application received after the deadline does not go through the qualification process.

TDEA may also publish the FAQs on the project or TDEA website so that applicants responding to the Solicitation Notice are better informed about the solicitation's specific nature.

8.3. CANCELLATION OF SOLICITATION

The cancellation of a Solicitation Notice costs both parties, i.e., TDEA and applicants, in time, effort, and money. TDEA should cancel solicitations only when revocation is mandatory, logical, defensible, unavoidable, and beyond its control.

If TDEA cancels a solicitation, 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 canceled solicitation from primary and backup data storage systems after receiving a go-ahead from the GMC.

The notice of cancellation must:

1. Identify the Solicitation Notice number and provide the title or the subject matter
2. Briefly explain the reason why TDEA canceled the solicitation
3. Assure prospective applicants that they will be allowed to apply for any subsequent or future solicitations, if appropriate.

The grants management lead must document the:

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

8.4. 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 have to complete the grant application form on the GMIS, including information relating to the essential qualifying criteria and other documents for evaluating the technical and financial applications, as listed in the Solicitation Notice.

8.5. OPTIONAL ORIENTATION TO APPLICANTS

If necessary and as required by the CEO, the relevant technical team, along with the grants management lead, conducts applicants' orientation on the date as indicated in the Solicitation Notice advertisement. The applicants get exposure to the following:

1. The project
2. Program description
3. Application requirements
4. Deadline for submission of applications
5. Outline of contents of the application
6. Technical application guidelines
7. Financial application guidelines
8. Guidelines on costing of activities or results
9. Cost-share guidelines
10. Certifications required
11. Shortlisting process
12. Application evaluation criteria
13. Organizational assessment

The grants management lead documents the list of applicants who attended the orientation.

8.6. RESPONDING TO QUERIES FROM APPLICANTS

In the interest of communication flow, to avoid conflict of interest, and maintain the process's integrity, an email address will be created for applicants to submit their queries. The ownership of that address will lie with the grants management lead. Creating a separate email address will restrict direct access of TDEA staff with the applicants and avoid any potential conflict of interest. The grants management lead will ensure that all received queries are circulated at the end of each business day to the GMC members with assigned responsibility to get an answer.

The staff will not reveal the names of organizations or persons asking questions. The answers will then be sent back using the same email address and posted in the FAQ section of the project or TDEA website. Therefore, it is important to advise all the applicants to continue visiting the website for updates on the solicitation.

Queries from applicants must be responded to on time.

9. RECEIPT AND REVIEW OF APPLICATIONS

9.1. RECEIPT OF APPLICATIONS

Each application received is logged in the grant applications database, taking note of, at least, the date of receipt, name of the applicant, and documents submitted. At the closing time, the MIS staff presents applications to the grants management lead, who then requests a GMC meeting. The GMC will note down the total number of applications received, the application number of the last one received by the due time, and the geographical breakup of the applications (if applicable).

Through electronic or hard copy notifications, the MIS staff informs each applicant of the receipt of application in writing.

9.2. REVIEW OF APPLICATIONS AGAINST BASIC QUALIFYING CRITERIA

The GMC reviews the applications against the basic qualifying criteria and the documentary evidence, as stated in the table below:

Criteria	Documentary Evidence Required
Must be a legally registered entity in Pakistan	Copy of certificate of registration
Must not be a public international organization	Copy of charter
Applicant organization and key personnel must not be on any of the lists of banned entities, as screened through different GOP and UN resources.	Available reports from GOP and UN resources supporting documents to clear false positives (done internally and copies of screenshots maintained)
If a for-profit entity (such as a private firm) must work on a non-profit basis	Certification to waive/forgo any profits in the grant
Must have basic financial management systems	Collected during pre-award operational assessment
Must demonstrate current successful activity implementation or strong capacity to implement activities successfully	Collected during pre-award programmatic assessment

The review results must be documented using the template in Annex 7—Basic Criteria Evaluation Sheet. Such documentation must show all applicants reviewed against each criterion, as stated above, emphasizing those that met all the necessary qualifying criteria. It must be supported by all documents submitted by the applicants. Any applicant not meeting all the requirements stated above is disqualified or does not move to the next qualifying round.

The review against the basic qualifying criteria should be initiated when applications are received and should end during the pre-award assessment exercise. In performing its duties hereunder, TDEA shall scrupulously avoid any conflicts of interest. Should any conflict of interest arise, TDEA shall immediately propose a solution for preventing the conflict. The criteria provided in the manual are indicative, while the Solicitation Notice approved by the CEO will include a final set of requirements for each solicitation.

9.3. REVIEW OF APPLICATIONS

It focuses on the content and quality of the application. In general, TDEA bases its review on the following:

- anticipated results
- implementation plan
- organizational capacity and experience
- creativity and community involvement
- beneficiaries
- cost breakdown
- feasibility of program activities/approaches and results
- sustainability of proposed interventions

The above selection criteria may vary and can include other requirements critical to a specific program. The final evaluation criteria and below-mentioned scoring weights would be approved by the CEO on the recommendation of the GMC, which will make part of the solicitation documents.

The applications that pass the eligibility criteria are reviewed by the technical review committee (TRC). Based on the above list, each application should be reviewed against the required program description for the grant and scored in the following manner, with a total possible score of 100 points:

Merit Review Criteria	Weight
1. Technical Approach	55
2. Management Plan	15
3. Institutional Capacity and Past Performance	15
4. MEL Plan	15
Total Possible Review Points	100

A three-member TRC will individually review applications electronically, based on pre-defined assessment/evaluation criteria.

An applicant must pass a minimum threshold to be shortlisted, which the CEO would decide for each solicitation. The CEO may decrease the passing score for a particular solicitation, which, after evaluation by TRC and GMC, remains less than the anticipated awarding level. The CEO could exercise this right in the form of a documented direction. After GMC recommends potential grantees to the CEO, the GMC will inform the CEO about the status of announced vs. recommended applications and any shortfalls in the targeted number of grants. GMC will recommend a decrease in qualifying marks for a solicitation for the CEO's approval.

The detailed "Technical Application Evaluation Sheet" will be drafted by the GMC and approved by the CEO for each solicitation. Such documentation must show all applicants reviewed against each criterion, as stated above, and must be supported by all applicants' documents.

The TRC should complete the evaluation of applications within the prescribed time allocated by the GMC. The grants management lead or his/her designee will review the marking before it is formally closed for further edits in the Grants Management Information System. S/he will check and equate the markings by all the reviewers and inquire about markings' significant variations to evaluate review patterns or reviewers' bias. The grants management lead can guide and lead the process; however, s/he will not influence the technical reviewers to change their scores. After the equalization exercise concludes, the technical review marking will be closed for editing by the MIS department.

9.4. RECOMMENDATION OF POTENTIAL GRANTEES BY THE GMC

GMC members will reach decisions through a majority vote about each shortlisted application. A focal person (grants management lead) will serve as the GMC secretary to take and circulate the minutes of the meetings. He/she will be the custodian of GMC minutes.

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 are available.

The GMC reviews the evaluation (review against basic qualifying criteria and evaluation of technical applications) conducted by the TRC and the relevant documents supporting the assessment. As a granting organization, it is not TDEA's mandate to dictate its terms to the applicant organizations. However, there could be questions and clarifications required for certain propositions laid down in the grant application contents during the review process. 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, inquiries related to geographical and political risks, and missing or unclear risk analysis. Besides these, there could be questions in the implementation plan, MEL plan, staffing, past performance, and other application areas. The GMC can review and advise about collecting missing information and clarification from the applicants who have passed the technical review and may also review applications that did not clear the technical examination. Possible means of such iterations with the applicants could be email, phone, meetings, and presentations. However, it is vital that applicants be advised that the project is in the shortlisting stage, and communication from TDEA does not entitle the applicants for a grant. Please refer to Annex 8 for an initial communication/letter to shortlisted potential grantees, informing them about the shortlisting process and what they must do.

The assessment team carries out the responsibility determination. After this pre-award exercise, its results are again brought to the GMC. After deliberations, the GMC recommends to the CEO to approve the final list of potential grantees.

The documented results of review against the basic qualifying criteria and evaluation of technical applications and all relevant documents are forwarded to the grants management lead and monitoring, evaluation and learning (MEL) lead.

9.5. APPROVAL OF POTENTIAL GRANTEES BY THE CEO

The CEO reviews the evaluation recommended by the GMC and the relevant documents supporting it. After the needed iterations of clarifications, the CEO makes appropriate changes to the evaluation, if required, and approves the potential grantees' selection. In case of rejecting a potential grantee, the CEO will document the reasons for rejection.

9.6. INFORM APPLICANTS OF STATUS OF APPLICATIONS

Potential grantees and those not selected during the first and second qualifying rounds are informed in writing by the grants management lead upon the instruction of GMC, primarily through a change of status in the online Grants Management Information System (GMIS).

10. EXCEPTIONS TO COMPETITION REQUIREMENTS

10.1. LIMITED COMPETITION GRANTS

TDEA may award grants through limited competition and will apply when it is necessary for reasons of efficiency. The written justification must describe in sufficient detail what other options were explored and be approved by the CEO.

Specific blanket justifications for a particular purpose or period of time may be taken for example, operational security.

11. PRE-AWARD PROGRAMMATIC ASSESSMENT

The monitoring, evaluation, and learning (MEL) team mainly carries out the pre-award programmatic assessment (PPA) that assesses the grantees' programmatic capacity. The PPA will be done based on key program areas through specific toolkits/other appropriate documentation. Risk assessment of shortlisted potential grantees must be completed before entering into a grant agreement. These also provide several opportunities for capacity building and level of required monitoring and strengthen the organizations for future funding and sustainability. Overall, the programmatic assessment will be based (but not limited) on the following:

- Programmatic experience relevant to TDEA's areas of interest
- Capacity to deliver based on programmatic performance
- Monitoring and evaluation system
- Geographical outreach

The MEL unit may seek staff with relevant experience from other departments to conduct PPAs in increased workload, subject to the CEO's approval. Services of third party contractors may be used depending on funds availability.

An organization's assessment on a desk basis will need to be updated in the event the total portfolio of the project increases beyond the limits specified for desk review. This is essentially done to put in place mitigating factors to cater to the increased risk of TDEA in a particular grantee.

The following two cases may not require PPA:

- shortlisted potential grantees who are currently grantees of TDEA
- A PPA of the shortlisted potential grantee has been conducted during the past 12 months

Please refer to Annex 9 for the assessment templates.

11.1. TYPES OF PPA

The types of assessment processes, their nature, timing, and scope, are as follows:

- Desk reviews will be carried out for grant applications with a budget of up to PKR3,750,000. This mode of assessment will be executed through a documentation-based approach. The assessment team will carry out each desk review. No traveling will be involved in this mode of assessment.
- Detailed assessments will be carried out for grant applications with budgets of PKR3,750,001 and above. This assessment mode will be executed through a documentation-based approach supported by meetings/interviews with the shortlisted potential grantee's management and staff. This mode involves travel

11.2. RISK LEVEL CATEGORIZATION

The assessment ranks risk levels into three categories as a result of the programmatic evaluation:

- Organizations with 60 percent or higher score will be ranked as low risk
- Organizations obtaining 50 percent to 59 percent score will be ranked as medium risk
- Organizations getting less than 50 percent score will be ranked as high risk

11.3. REPORTING THE RESULTS OF ORGANIZATIONAL RISK ASSESSMENT

The assessment team presents the results of organizational risk assessment. Such assessments show the overall risk level rating. The team should also list the special conditions for inclusion in the grant agreement. These should focus on areas that contributed to the high-risk rating. All relevant supporting documents are collated and properly filed. Monitoring, evaluation, and learning (MEL) lead compiles and categorizes the identified special conditions into four categories to facilitate the review and approval by the GMC as defined below:

- **Recommendations:** These are the conditions essentially directed towards system improvements without legally binding the grantee.
- **Prior Approval Requirements:** The conditions where either the systems are weak or non-existent, and where the activity is critical to the grant's objectives.
- **Pre-Award Conditions:** These are the conditions without meeting which the applicant remains very high risk, to the extent of precluding the grant.
- **Post-Award Conditions:** These are generally included as a capacity action plan (CAP) in the grant agreement and represent targeted capacity-building initiatives. In small short-term grants, capacity building training sessions conducted by TDEA may serve as CAP. The CAP will be part of the grant agreement and periodically reviewed during the grant period.

11.4. REVIEW OF ORGANIZATIONAL RISK ASSESSMENT DONE BY ASSESSMENT TEAM

Once the assessment team compiles the PPA reports and the toolkit and supporting documents, the MEL team will further evaluate the findings and observations of each organization's pre-award assessment reports. The monitoring, evaluation, and learning (MEL) lead will be responsible for consolidating all the risk assessments and further presenting and submitting the findings to GMC.

After the needed iterations of clarifications, the GMC makes appropriate changes to the assessment, if required, and documents the assessment results' approval.

Following the closing deliberations at the GMC level, the CEO endorses GMC's suggestions and recommendations and approves the grantee's final selection.

12. PRE-AWARD OPERATIONAL ASSESSMENT

The grants management team mainly carries out the pre-award operational assessment (POA) to evaluate governance, financial management, procurement, and human resource of the shortlisted potential grantee. Risk assessment of the shortlisted potential grantees must be completed before entering into a grant agreement. These also provide several opportunities for capacity building and level of required monitoring and strengthen the organizations for future funding and sustainability.

Before the POA, the assessment team sends an engagement letter to inform the shortlisted potential grantees about the assessment to be done. It prepares for the assessment by reviewing the applications and assessment results of potential shortlisted grantees. A prerequisite for conducting the assessment is the orientation of potential shortlisted grantees, through an email, which includes explaining the assessment process.

The grants management unit may seek staff with relevant experience from other departments to conduct POAs in increased workload, subject to the CEO's approval. Services of third party contractors may be used depending on the availability of funding.

An assessment for an organization done on the desk or a rapid basis will need updating if the project's total portfolio increases beyond the limits specified for desk review and rapid assessment. It is essentially done to put in place mitigating factors to cater to the increased risk of TDEA in a particular grantee. Since the assessments done by TDEA have step-wise procedures, the type of assessment performed initially will be used to update the assessment results as a full reassessment will not be required. This is to control the time spent on each assessment and remain reasonable.

The following two cases may not require a POA:

- shortlisted potential grantees who are currently grantees of TDEA
- A POA of the shortlisted potential grantee has been conducted during the past 12 months

Please refer to Annex 9 for the assessment templates.

12.1. TYPE OF ASSESSMENTS

There are three types of pre-award operational assessments:

1. Desk Reviews will be carried out for grants under PKR3,750,001. This assessment mode will be executed through a documentation-based approach. Assessment tools used for desk reviews include inquiries and analytical testing.

A desk review will be initiated by sizing up the organization based on the documentation provided at the solicitation stage. It will be used to structure the desk review template accordingly. Based on the scope and steps defined in para (d) given below, the assessment purpose is to obtain limited assurance on the organization's effectiveness at an institutional level through documentation review and its ability to utilize the grant for the required purpose. Each desk review will require one day. This mode of assessment involves no travel.

2. Rapid Assessments will be carried out for grants between PKR 3,750,000-15,000,001. This mode of assessment will be executed through documentation and a system-based approach. Assessment tools used for rapid assessment include inquiries, analytical testing, and walkthrough testing. A rapid assessment involves sizing up the organization based on the documentation provided at the solicitation stage. It will be used to structure the rapid assessment template accordingly.

Based on the scope and steps defined in para (d) given below, the purpose of the assessment is to obtain limited assurance on the organization's effectiveness at an institutional level through documentation and systems review and its ability to utilize the grant for the required purpose. Executing rapid assessment requires a maximum of three days. This mode of assessment involves travel.

3. Detailed assessments will be carried out for grants of PKR15,000,001 and above. This mode of assessment will be executed through documentation, system, and transaction-based approach. Assessment tools used for detailed reviews include inquiries, analytical testing, walkthrough, and substantive testing.

A detailed assessment will be initiated by sizing up the organization based on the documentation provided at the solicitation stage. It will be used to structure the pre-award assessment template accordingly. Based on the scope and steps defined in para (d) given below, the assessment purpose is to obtain limited assurance on the organization's effectiveness at an institutional level through documentation review, systems review, transaction testing, and its ability to utilize the grant for set purposes.

Executing a detailed assessment will require three to five days. This mode of assessment involves travel.

12.2. RISK LEVEL CATEGORIZATION

The assessment team gathers relevant documents to support the evaluation of each operational area and criterion covered in the organizational assessment. It will assign an overall risk rating for each assessed organization.

Level of Risk	Definition of Levels
High	High risk is allocated to the areas where documented systems and compensating controls do not exist, and our review highlights certain material weaknesses, or the documented system is in existence; however the team observed material weaknesses.
Moderate	The moderate risk rating is assigned to the areas where the documented system does or does not exist. During the transaction testing levels, certain significant but not material weaknesses were observed, however, the existence of compensating controls reduces the likelihood of such risks.
Low	The low-risk rating is assigned to the functions where a documented system exists, controls are in place, and only certain procedural weaknesses, if any, were observed.

12.3. REPORTING THE RESULTS OF ORGANIZATIONAL RISK ASSESSMENT

The assessment team presents the results of organizational risk assessment. Such assessments show the overall risk level rating. The team should also list the special conditions to be included in the grant agreement. These conditions should focus on areas that contributed to a high-risk rating. All relevant supporting documents are collated and properly filed. The grants management lead compiles and categorizes the identified special conditions into four categories to facilitate the review and approval by the GMC as defined below:

- **Recommendations:** These are the conditions essentially directed towards system improvements without legally binding the grantee.
- **Prior Approval Requirements:** The conditions where either system is weak or nonexistent for the procurement of goods and services or hiring of staff.
- **Pre-Award Conditions:** These are the conditions without meeting which the applicant remains very high risk, to the extent of precluding the grant.
Post-Award Conditions: These are generally included as a capacity action plan (CAP) in the grant agreement and represent targeted capacity building initiatives. In small short-term grants, capacity building training sessions conducted by TDEA may serve as CAP. The capacity action plan will be part of the grant agreement and periodically reviewed during the grant period.

12.4. REVIEW OF ORGANIZATIONAL RISK ASSESSMENT DONE BY ASSESSMENT TEAM

Once the POA reports have been compiled by the assessment team and the toolkit and supporting documents, the grants team will further evaluate the findings and observations of each organization's pre-award assessment reports. The team also recommends a payment mechanism for the subgrant, i.e., advance or reimbursement. The grants management lead will be responsible for consolidating all the risk assessments and further presenting and submitting the findings to GMC.

After the needed iterations of clarifications, the GMC makes appropriate changes to the assessment, if required, and documents the assessment results' approval.

Following the closing deliberations at the GMC level, the CEO endorses the GMC's suggestions and recommendations and approves the grantee's final selection.

13. COMPLIANCE CHECK

A compliance check is mandatory for shortlisted potential grantees. It is a process of due diligence for screening applicants against various UN and GOP lists to ensure grants don't go to debarred and suspended parties or suspected terrorists. The grants management lead will keep screenshots of these lists or maintain a checklist signed off by the Grants Management Lead. Compliance checks of existing grantees will be carried out every six months to verify that the grantee and its key personnel are not on the following list:

- United Nations Security Council Consolidated List: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>
- National Counter Terrorism Authority Proscribed Organizations List: <https://nacta.gov.pk/proscribed-organizations-3/>
- National Counter Terrorism Authority - Schedule-IV(Proscribed Persons) Data: <https://nacta.gov.pk/proscribed-persons/>
- Federal Investigation Agency List of High Profile Terrorists: <http://www.fia.gov.pk/en/terrorist.pdf>
- Federal Investigation Agency List of Human Traffickers: <http://www.fia.gov.pk/en/redbooktriff.pdf>

TDEA may use a different list for a compliance check if a donor has its list for vetting grantees.

14. SELECTION BY GMC AND APPROVAL BY CEO

GMC recommendations are summarized and submitted to the CEO for further review and selection. During the examination, the CEO may require and advise about collecting the missing information and clarification from the GMC about the organizations recommended for the grant. Possible means of such iterations with the organization could be email, phone, meetings, and presentations.

14.1. INFORM ALL APPROVED POTENTIAL GRANTEES OF SELECTION RESULTS

The grants management lead will prepare a list of all successful/unsuccessful potential grantees and keep it on file or online. Similarly, the lead will retain copies of the regret notification emails.

The grants management lead formally requests the selected grantee to accept the grant terms and conditions.

In the unlikely event that a selected grantee no longer wishes to receive a grant, the GMC may choose to recommend an alternative organization to be considered for the award.

15. ENTERING INTO GRANT AGREEMENT WITH SELECTED GRANTEE

The grants management lead collates and checks the completeness of all documents related to the grant before drafting the grant agreement. The file should have the following:

- Documented approval of PD by CEO and PD document itself
- Documented approval of solicitation notice by the CEO and the notice itself
- Documented approval of organizational risk assessment by GMC, supported by documented organizational risk assessments/reports and relevant supporting documents
- Documented GMC recommendations of potential grantees supported by relevant documents
- Documented basis for approving or not approving an organization by GMC
- Documented approval of selected grantee and rejection of potential grantee by the CEO.
- Documented approval of scope of work (SOW) by CEO and SOW document itself
- Separate files of the successful and unsuccessful applicants, approval or denial letters to potential grantees, and minutes of GMC are the documents that must be retained and maintained by the grants management team.

15.1. DRAFTING OF GRANT AGREEMENT

The grants management lead reviews the SOW to understand what aspects need to be incorporated into the grant agreement and also obtains the following required certifications from the selected grantee:

- Certification regarding terrorist financing
- Certification regarding debarment, suspension, ineligibility, and voluntary exclusion
- Certification regarding narcotics offense and drug trafficking by key individuals
- Certification regarding narcotics offense and drug trafficking by participants
- Certification regarding the prohibition on assistance to drug traffickers
- Certification regarding drug-free workplace
- Certification that a court of competent jurisdiction has never convicted the grantee and its key employees
- Declaration about the family relationships within the management and governance structure of the grantee organization
- Certification regarding political leadership or management of grantee and declaration for non-political use of grant funds
- Certification regarding no-profit element in the grant
- Assurance regarding no increment above actual costs
- Certification regarding conflicts of interest and past performance

TDEA might also require additional certifications and declarations to protect the integrity of its programs.

The grants management lead drafts the grant agreement and attaches the selected grantee's certifications to it. Donor-specific requirements, rules, and regulations applying to TDEA will flow down to the grantee in the grant agreement. After the needed iterations of clarifications between the grants management lead and team lead–finance & grants management, the draft grant agreement is sent to the CEO for review and approval and subsequently to the selected grantee.

The grants management lead answers any questions the selected grantee may have about the grant agreement. After the needed iterations of clarifications, the grantee agrees with the grant agreement's terms and conditions.

Preferably, the funds "advanced" should be placed in separate bank accounts opened exclusively for that purpose to simplify accounting. Further, should the bank account be interest-bearing, the grantee will inform TDEA of the amount of interest earned on funds advanced under the grant, if any, and such interest earned will be refunded

to the TDEA. Should the grantee deposit the funds in a non-exclusive bank account, it is understood that the grantee will accurately account for the receipts and expenditures of these funds and will be subject to TDEA's prior approval. Separate bank account requirement does not apply where FOGs are being awarded.

As a result of negotiations with the grantee, any changes in the proposed budget must be documented and kept in the file by the grants management lead.

See Annex 10 for the grant agreement templates. The agreement must include all respective provisions related to the grant management and approval requirements.

15.2. FINALIZING THE GRANT AGREEMENT

The grants management lead can pursue finalizing the agreement only after receiving the approvals for the selected grantee.

A grant agreement number is allotted to each grant and indicated on the agreement. TDEA sends two copies of the CEO's signed grant agreement to the grantee for signature, and the grantee returns one for TDEA's records.

16. GRANT MANAGEMENT

16.1. POST-AWARD ORIENTATION

All grantees must be provided a post-award orientation individually or in groups as applicable and convenient immediately after the grant to bring them on the same page concerning the grant's provisions, the reporting requirements, and expectations from the program.

16.2. GRANT PERIOD

The grant period is specified in the grant agreement and must not go beyond a project completion date.

16.3. PAYMENTS TO GRANTEES

A grantee under FOG is paid based on activities or results achieved. The grantee submits certification of completion of activities or results and documented evidence to TDEA when seeking payment against an activity.

The MEL team verifies activities or results per the grant agreement, either before each reimbursement or toward the completion date. The MEL staff that confirmed the activities or results recommends the reimbursement of the grantee's costs accordingly.

For SG, the financial report, narrative monthly, and quarterly reports and supporting documents of activities (on need basis/randomly) must be verified by the relevant TDEA units and reviewed by the grants/finance/MEL teams as applicable. The detailed review of the grantees' records 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 the concerned team lead. The grantee should be informed about the review beforehand and results documented and communicated to the grantee.

Similarly, to verify if the grantee is complying with pre- and post-award conditions and capacity action plan laid down under the grant agreement, TDEA can initiate field financial/programmatic monitoring visits to the grantee's offices for review of its records and progress on the recommendations of the pre-award assessment. Although it is unconventional for FOG, the objective here is to build capacity in previously identified areas. An engagement letter/email similar to the pre-award assessment will be sent to the grantee in advance, notifying the review, areas covered, the number of financial reports under examination, and the review's timing.

The nature, timing, and extent of technical and financial monitoring and mentoring will depend on GMC's initial recommendations. During implementation, it may vary upon the judgment of the concerned unit lead based on the responsiveness and interactions with the grantee subject to GMC's approval.

Please refer to the Annex 11 for templates of grantee monitoring.

16.4. ADVANCES

Advance payments may be made to grantees under SG if recommended by the GMC. Wherever advance payments are authorized, the grantee will have to open a separate bank account. In case of any exception, a detailed justification, an alternative mechanism, and the CEO's approval would be required.

16.5. MONITORING OF GRANTEES' ACTIVITIES OR RESULTS ACHIEVED

The activities or results (outputs or outcomes) of grantees, as indicated in the grant agreement, should be verified, either before each reimbursement or toward the completion date, i.e., before final reimbursement. Annex 11 provides a templates used for monitoring field activities. The different monitoring levels/extent for FOG and SG will be based on the grantee's performance and capacity issues.

16.6. AMENDMENTS/MODIFICATIONS TO GRANTS

An amendment to a grant is any document that changes programmatic and/or financial terms as defined in the original agreement, including schedule changes, SOW changes, or significant line item budget shifts. When required by the grant, an amendment must be requested and approved **before** a deviation from the original grant agreement. Additionally, only the TDEA's authorized person can make modifications to grants.

I. Extensions

An extension is a document that authorizes the grantee to continue spending on a grant after the original completion date stated in the agreement. It is most common when funding has not been fully expended during the project's life, or there has been a delay in implementation. All extension requests should include the following supporting documentation:

- the original scope of work and budget
- reason for the extension request
- analysis of spending to date, expected spending until the original end date, and projection of funds remaining at the original end date
- description of the use of funds if the extension is approved

Extension (funds only)

If the extension requested involves a request for additional funds, it will be discussed at GMC and forwarded for CEO's approval. The request should include a detailed explanation of the need for extra funding and the reason for the time extension. The program team should circulate the extension request with the Grant Amendment Review and Approval Form Annex 12 to all appropriate signatories.

Note: No charges may be made to a grant after the approved written completion date. Approval of the donor may be required if mentioned in the prime agreement.

Extension (time only)

Extensions that do not involve a request for additional funds would require GMC's review and approval. In most grants, the extension request must be made 30 days before the end date. However, GMC may, under exceptional circumstances, approve a no-cost extension with less notice period. The grants management lead must also maintain all extension requests and approvals in the grantee's file. Once the written extension is received from the CEO, the information should be shared with the technical, finance, and MEL teams immediately. However, if a time extension involves a budget revision, the following section outlines the approval process.

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

II. Budget Realignments

If the modification being made involves budget realignment or budget decrease, the amendment will require GMC's review and prior approval on the grants management lead's recommendation. If the donor's consent is required, the GMC will recommend the realignment and forward it to the CEO for approval. TDEA's written permission in advance is required for the following:

- additional funding (CEO's approval required)
- for SG, the transfer of amounts budgeted for non-program costs to absorb increases in program cost or vice versa (GMC's approval required)
- amending activities (GMC's permission required)

III. Program Revisions

In the case of program revisions, CEO's approval must be sought on recommendations from GMC before any change from the agreed-upon SOW occurs as indicated in the grant agreement.

For FOG, the CEO, on GMC's recommendation, may recommend amendment in activities during the grant period if the original activities are no longer feasible or appropriate due to circumstances beyond the grantee's control and if the amended activities are compatible with and satisfy the original purpose of the grant. The GMC may recommend for the CEO's approval termination of the grant if he/she concludes that multiple or substantial amendments indicate that continuing the grant is no longer in the project's best interests.

The grantee must seek prior written approval from TDEA before any one of the following occurs:

- Change in the SOW or objective of the project or program (even if there is no associated budget revision requiring prior written approval).
- Change in key personnel specified in the grant document.
- The grantee intends to contract or sub-grant any of the substantive programmatic work under the grant, and such contracts or sub-grants were not included in the approved grant document.

Approval of the donor may be required if mentioned in the prime agreement.

16.7. TERMINATION OR SUSPENSION OF GRANTS

TDEA reserves the right to terminate a grant on the following grounds:

- **For material failure:** The grant may be terminated at any time, in whole or in part, upon written notice to the grantee, whenever it is determined that the grantee 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 grant 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 grantee.
- **With the consent of the grantee:** The grant may be terminated, in whole or in part, with the grantee's consent. Both parties shall agree upon the termination conditions, including the effective date and, in case of partial terminations, the portion of the grant to be terminated. The agreement to close will be in written form.
- **Upon request of the grantee:** The grantee may terminate the grant in whole, or part, upon sending a written notice to TDEA. The notice must specify the reason for termination, the effective date, and the portion to be terminated in case of partial termination. If in TDEA's opinion, the grant's purpose will not be achieved, it may terminate it.
- **Non-compliance with grant agreement or fraudulent practices:** TDEA may terminate a grant at any time due to material non-compliance of the grant agreement or where the grantee is found involved in questionable/fraudulent practices.

If any of the above conditions exist, the matter will be brought on GMC's agenda. After discussions, a recommendation for suspension or rehabilitation would be made to the CEO for approval. The grants management lead will communicate this decision to the grantee by issuing a suspension notice. The donor is informed about the proposed termination.

Suspension of grant agreement

- The project lead will advise the grantee in writing the nature of the problem and that failure to correct the deficiency may result in the grant agreement's suspension or termination. Reference may be made for the remedies for non-compliance laid out in the grant agreement. The grantee will be requested to respond in

writing within seven calendar days of the letter's date, describing the action taken or the plan designed to correct the deficiency. The time duration might be less than seven days depending on the nature of issues or time available with the project, as approved by the GMC. However, TDEA may immediately suspend or terminate a grant without notice when it believes such action (e.g., questionable or fraudulent practices) is reasonable to protect TDEA's interests.

- MEL and grants management unit may be requested to provide feedback on invoicing and payments of the grantee, financial performance, capacity building interventions, including on the job training (program-specific) conducted to date with the concerned grantee.
- Suppose a satisfactory response is not received within the stipulated time. In that case, the project lead must prepare a chronology of events and request a GMC meeting for review and recommendation for issuance of the suspension notice.
- The GMC will present its recommendations along with relevant documentation to the CEO.
- The CEO may constitute a special committee that will then probe the facts, review the documentation, and submit a memo report.
- After deciding to suspend the grant agreement, the CEO will direct the grants management lead through GMC to issue a suspension notice to the grantee. The notice will include the following:
 - Reasons for suspension.
 - Applicable regulations and contract clauses authorizing the decision.
 - The effective date of suspension.
 - Term of suspension.
 - Corrective measures required from the grantee and stipulated time. If reasonable time had already been provided to the grantee by the project lead for corrective actions and the same has not taken place, immediate suspension might be invoked.
 - The grants management lead will prepare the notice of suspension and will submit it to the GMC through team lead—finance & grants management for review. After incorporating the review comments, the grants management lead will issue the suspension notice to the grantee.
 - The grantee's response to the 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 the CEO for lifting the suspension and resumption of activities or termination of the grant.
 - The decision for the resumption of activities will be communicated to the grantee in writing.

Termination of grant agreement in continuation of suspension letter

- If the deficiency is not corrected to the GMC's satisfaction, the grantee's response and input from other relevant units will be submitted by the project lead to GMC for review and further recommendation regarding the grant agreement's termination.
- Based on GMC's recommendations, after obtaining approval from the CEO, a letter of termination will be issued to the respective grantee. The notice will set forth the reasons for the action, applicable contractual clauses, donor regulations, and the effective termination date.

Termination of grant agreement without any suspension of activities

In extreme circumstances, TDEA reserves the right to terminate the grant agreement without giving notice of suspension. The following procedures will be followed:

The project lead will prepare detailed documentation. It will be presented along with input from the grants management unit and MEL unit to GMC for review and further recommendation regarding grant agreement's termination.

- The GMC will present its recommendations along with relevant documentation to the CEO.
- The CEO may constitute a special committee that will probe the facts, review the documentation, and submit a memo report.
- After deciding to terminate the grant agreement, the CEO will direct the grants management lead through GMC to issue a notice of termination to the grantee.

- The notice will set forth the reasons for the action, applicable contractual clauses, donor regulations, and the effective termination date.

Please see Annex 13 for templates relating to suspension and termination.

General

1. Suspension/termination proceedings are to be conducted fairly. The GMC/special committee may use flexible procedures to allow the grantee to present matters in opposition. In doing so, the GMC/special committee is not required to follow formal rules of evidence or procedure in creating an official record upon which it will base a final suspension/termination decision. The grants management unit will maintain files, including documentation that at least includes:

- an updated chronology of events with dates and annexures referred for supporting documentation
- all information in support of the decision to suspend the grant
- any further information and argument presented in support of, or opposition to, the suspension
- any other record of the 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 grantee's email address, usually used for communication, copying the organization's head's email.

The grants management unit will maintain all correspondence relating to suspension/termination during the proceedings.

Forced closure

TDEA may close out non-responsive and problematic grantees on completion or a premature basis without a completion certificate. The grants management lead will ensure that all documentation, including at least three periodic emails or letter reminders, audit confirmations, and other documents, are in place for supporting the closeout decision and attachment with a closeout memorandum in lieu of completion certificate. The project completion reports and other annexes of regular closeout may be prepared internally, and the grantee's signatures will not apply in this situation.

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

1. Grantee is nonresponsive
2. Termination of the grant agreement with or without suspension of activities

TDEA will adopt the following procedures if the grantee is nonresponsive for at least a month:

1. Three email reminders will be sent by the project lead or his designee, intimating forced closure of agreement due to pertinent reasoning and last date of response.
2. If the grantee does not respond within the given cutoff time, the following steps will be taken:
 - a. The project lead will prepare the case for forced closure along with relevant documentary evidence. It will be presented along with input from the grants management and MEL units to GMC for review and further recommendation regarding forced closure.
 - b. The case will be presented to the CEO 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 grantee's email address, usually used for communication, copying the email of the head of the organization.

The letter of forced closure will be considered received by the grantee:

- a. When delivered, if TDEA mails the notice to the last known street address, or five days afterward if the letter is undeliverable.
- b. When sent, if the TDEA sends the notice by facsimile or five days afterward if the facsimile is undeliverable.
- c. When delivered, if TDEA sends the notice by email or five days afterward if the email is undeliverable.

4. The grants management and MEL units will maintain all correspondence relating to forced closure during the proceedings.

Please refer to Annex 13 for the Forced Closure Sample Letter for Nonresponsive Grantees.

16.8. RECORDS TO BE MAINTAINED

The grants management lead/monitoring, evaluation, and learning (MEL) lead ensure that the following documents are maintained in the grant agreement file for each grant:

- All Board of Trustees, GMC and CEO approvals
- Grantee Activity Completion Report and Grant Activity Completion Certificate accepted by the MEL lead and supported by a checklist of items required for closing out a grant completed by the grants management lead
- Documented monitoring results (beneficiary selection; whether selected beneficiaries indeed participated in the activities; the number of women who benefited from the project)
- Approved monitoring plan
- Documented verification of completion of activities or results by the project technical staff
- Certification on completion of activities or results submitted by the grantee
- A signed copy of the grant agreement and any modifications to it
- Negotiation documentation where applicable
- All invoices bearing technical and financial approvals
- All invoice review documentation relating to FOGs and SGs
- Any waivers received for the grant from the donor
- Calendar of reports due and when received
- All correspondence related to the grant(internal and external)
- Audit and evaluation reports as applicable
- List of equipment/inventory with the grantee
- Closeout checklist

16.9. DISPUTE RESOLUTION AND COMPLAINTS

The grant agreement delineates the 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 a higher management level. Grantees must be given orientation about these mechanisms of dispute resolution and complaints.

17. GRANT CLOSE OUT

The Grant Activity Completion Certificate officially terminates TDEA's involvement in the grant activity and closes the grant activity file. The Grant Activity Completion Certificate is prepared only after the Grantee Activity Completion Report has been submitted by the grantee, reviewed by the grants management lead and monitoring, evaluation, and learning lead.

The grants management lead reviews the Grantee Activity Completion Report using a checklist of items required for a proper closeout. The grantee is required to complete another list to ensure an appropriate closeout of the grant.

Explanation: It would be better to write an email or a letter to all grantees before and after completion of the grant, asking them to send final documents and reports. The program team must also be consulted to ensure that there is no pending program report which needs to be mentioned in the email or letter.

Please refer to Annex 14 for closeout checklists and templates.