

# Small Grant Facility (CA SGF) the blue book

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*Concept and Tools*

DRAFT

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## ACRONYMS

CA	The Cities Alliance
CA-S	Cities Alliance Secretariat
CATF	Cities Alliance Catalytic Fund
CAPAT	Cities Alliance Programme Administration Team
CG	Consultative Group
CN	Project Concept Note
DGF	Development Grant Facility
EEP	Expert Evaluation Panel
FEU	Finance, Economic & Urban unit of SDN
FM	Financial Management
FP	Project Full Proposal
GFR	Grant Fund Request
GMA	Grant Manager Agreement
GPO	Global Programme Operations
ICP	In-Country Programmes
ITA	Independent Technical Assessment
K+L	Knowledge and Learning
PPD	Cities Alliance Proposal/Project Database
SGF	Small Grant Facility
TTL	Task Team Leader

## I. Background and rationale

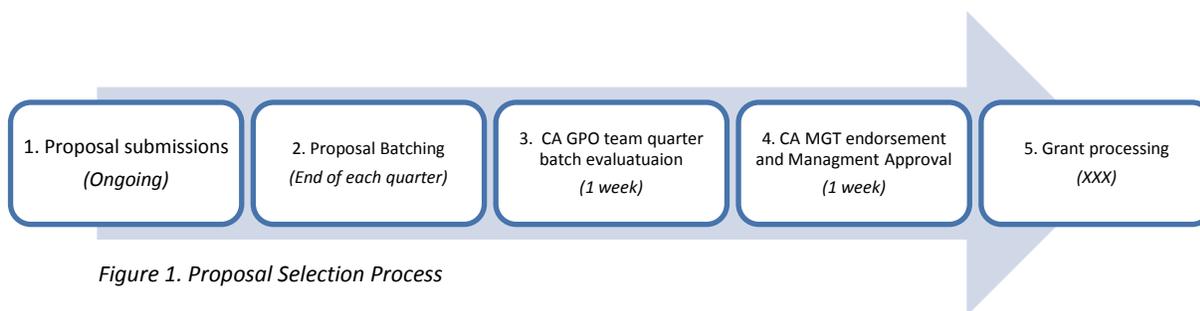
1. In the history of the Cities Alliance (CA) financing activity, there has been a consistent demand for small grants (<US\$75,000). Small grants average between 10% and 15% of the total CA budget and account for almost 50% of all the grants approved yearly.
2. The majority of the small grants are directly executed by CA members often as knowledge related activities. Overall small grants have been timely and effective in assisting clients/partners in scoping and mobilizing for larger activities as well as in laying the foundation for a longer term engagement.
3. With the advent of the new CA business model, there is a need to find a way to accommodate such a demand for small grants since the new funding tools do not fully conform. The In Country Programmes (ICP) operates on larger budgets according to a more programmatic logic and is highly focused on a small number of selected countries. The CATF features a six-month selection process cycle which length might disincentivize small grant applicant from participating. Furthermore, the CATF is primarily targeted at cities rather than CA members.
4. Against this background, the CA is introducing a new specific tool in its business model, a Small Grant Facility (SGF). This is a separate part of the CATF and will be fully dedicated to the financing of small grants.

## II. Goal

5. The main goals of the SGF are the same as that of the CATF. Specifically, it aims (1) at having catalytic effects on initiating and enhancing urban transformation processes promoting more inclusive cities; and (2) at advancing collective know-how through the learning that can be distilled from the project experiences and shared among CA partners, CA members and beyond.

## III. Key Features and Cycle

6. Despite supporting the same goals, the SGF maintains very different operational characteristics from the CATF which descends from their different rationale. Three major characteristics should be mentioned:
  - ❖ *Reduction of transaction costs.* The SGF will provide money in a timely and appropriate manner, simplifying the costs of transaction both internally for the Secretariat as well as for the applicants.
  - ❖ *Supporting CA Members.* The SGF will be open only to CA members (on behalf of a local partner, a city or a country) providing a flexible window open all year round for catalytic opportunities that builds on members' strength.
  - ❖ *Comparative selection.* Although the SGF provides funding in a timely manner, proposals for funding will still be selected competitively. A competitive process will allow the Secretariat to favor those proposals more in line with the CA renewed strategic objectives of scale and impact.



7. The SGF is open all year round and proposals are received by the Secretariat on an ongoing basis. Proposals are submitted to the Secretariat through an application form.<sup>1</sup> The application form has a simple format, which aims at providing information on the design of the project as well as its catalytic relevance [\[step 1\]](#).

8. At the end of each quarter on pre-established dates, all proposals received during the previous quarter will be batched and submitted for processing to the CA Global Programme Operations (GPO) team. As for the CATF, proposals are subjected to a set of eligibility criteria.<sup>2</sup> Proposals which do not meet these criteria will be excluded from the quarterly batching and not submitted for evaluation<sup>3</sup> [\[step 2\]](#).

9. The GPO team within the CA Secretariat is in charge of evaluating the proposals. The evaluation operates on the basis of some defined criteria which are the same as those behind the evaluation of proposals for the CATF (see section below)<sup>4</sup> [\[step 3\]](#).

10. Following the evaluation process, the list of projects recommended for funding by the GPO team is discussed by the CA Management for endorsement and, subsequently, sent to CA Manager for final approval [\[step 4\]](#). Relevant comments and recommendation emerging from GPO screening and CA Management discussion will be conveyed to proponents in view of the implementation. The process of evaluation and approval is expected to be of one week duration each.

#### IV. Selection Criteria

11. The criteria for evaluating the proposals are the same as for the CATF since both the CATF and the SGF are governed by the same overarching principles. To help evaluators with the definitions and the different criteria a set of guidelines has been developed.<sup>5</sup> More on the criteria genesis and rationale can be found in the CATF Handbook.<sup>6</sup>

Table 1. The selection criteria

<sup>1</sup> Annex 1, also available online on Member’s Section of the website.

<sup>2</sup> Under development.

<sup>3</sup> Non-eligibility will be communicated immediately to applicants.

<sup>4</sup> For the Screening Template see Annex 2.

<sup>5</sup> See CATF Handbook, ‘3.3 Guidelines on the Criteria’.

<sup>6</sup> CATF Handbook, ‘3.2 Selection Criteria’.

<b>1. Implementation conditions</b>	<ul style="list-style-type: none"> <li>• Capacity</li> <li>• Cost-Effectiveness</li> <li>• Result Framework</li> <li>• Fiduciary Management</li> <li>• Risks and Mitigations</li> <li>• Co-Funding</li> </ul>
<b>2. Impact</b>	<ul style="list-style-type: none"> <li>• Scalability</li> <li>• Transferability</li> <li>• Institutionalization</li> <li>• Follow-up investments</li> <li>• Targeting the objective</li> </ul>
<b>3. Cooperation</b>	<ul style="list-style-type: none"> <li>• Ownership</li> <li>• Harmonization</li> <li>• Alignment</li> <li>• Partnerships, Dialogue and Consultations</li> </ul>
<b>4. Innovation</b>	<ul style="list-style-type: none"> <li>• Innovative design, process and products</li> </ul>
<b>5. Knowledge and Learning</b>	<ul style="list-style-type: none"> <li>• Learning from M&amp;E</li> <li>• Learning and dissemination</li> <li>• Applicability</li> </ul>

## V. Budget and Operational Policies

12. The SGF has currently an allocated budget of US\$400,000 for FY11. The grant size will not exceed US\$50,000.<sup>7</sup> Accordingly, the CA-S envisions funding about 8 activities per year which means on average two activities per quarter.

13. In order to comply with the idea of reducing the transaction costs, the following other policies will be adopted:

- ❖ Maximum grant period of not more than 12 months and no extensions. CA Secretariat can approve a single extension based on strong justification and evidence that objectives of the project will be achieved.
- ❖ Co-financing is not a precondition for approval of the proposal albeit applicants are encouraged to seek or provide such funding.
- ❖ No in-depth FM assessment required, but basic fiduciary questions included in the simplified application form.
- ❖ No interim financial or progress reports are required.<sup>8</sup> A narrative and a financial report will be provided after the completion of the project with the submission of the outputs as agreed in the grant agreement.

<sup>7</sup> The limit of 50,000 instead the 75,000 traditionally defining 'small grants' in the CA is due to budget constraints and might be revised for next FY.

<sup>8</sup> To be checked against CA members' institutional requirements.

## ANNEX 1 - Template to apply to the Cities Alliance Small Grants Facility



<b>Section 1 - GENERAL PROJECT INFORMATION</b>	
<b>1.1 Title of proposed project</b> [Create a short but descriptive title that captures the overall scope of the project]	<b>1.2 Submission date</b>
<b>1.3 Proposal submitted by</b>  Organization: Name and title: [Please insert full details of the person responsible that will be answering communications related to the proposal] Address: Telephone/Fax/E-mail:	
<b>1.4 Main Implementing Organization</b> [Please insert the name of the organization and the person responsible that will have overall responsibility for achieving the project's objective, for managing the project, and reporting on progress]  Organization: Name and title: Address: Telephone/Fax/E-mail:	
<b>1.5 Recipient Organization</b> [Please insert the name of the organization and the person responsible that will receive and sign the CA grant]  Organization: Name and title: Address: Telephone/Fax/E-mail:	
<b>1.6 CA member(s) sponsoring the project</b> [Please add additional text boxes below if more than one CA member is involved]  Organization: Name and title of representative in charge: Address: Telephone/Fax/E-mail:	<b>Type of Sponsorship</b> [To mark a checkbox double-click on it, and choose 'checked' from the default value section] [more than one box can be checked]  <input type="checkbox"/> Co-implementation <input type="checkbox"/> Co-funding <input type="checkbox"/> Grant Management <input type="checkbox"/> Analytic and/or Advisory Assistance and Support <input type="checkbox"/> Joint Knowledge Management [e.g. M&E, learning events]
<b>1.7 Government entity endorsing the application</b> [or the umbrella programme this project will be part of]  Ministry/Department/Organization/Unit: Name and title of representative in charge: Address: Telephone/Fax/E-mail:	
<b>1.8 What is the main project theme?</b> [To mark a checkbox double-click on it, and choose 'checked' from the default value section] [only one box can be checked]  <input type="checkbox"/> Citizen engagement <input type="checkbox"/> City management <input type="checkbox"/> Security of tenure and access to shelter <input type="checkbox"/> Environment <input type="checkbox"/> Access to economic opportunities <input type="checkbox"/> Access to affordable services	<b>1.8 Geographic scope of the project</b> [To mark a checkbox double-click on it, and choose 'checked' from the default value section] [more than one box can be checked]  <input type="checkbox"/> City: [specify] <input type="checkbox"/> State/province: [specify] <input type="checkbox"/> Country: [specify] <input type="checkbox"/> Global / Regional / Multi-city / Multi-country: [specify]

<b>1.9 Expected project duration</b> [please note that this is expected to be one year maximum]	<b>1.10 Budget Summary</b> Total Grant amount requested from CA: [US\$] Total amount of Co-financing: [US\$] Total Project costs: [US\$]
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**SECTION 2 – PROJECT CONCEPT and DESCRIPTION** [2 pages approximately] [Please answer each question below in the order presented. Please be detailed with questions on project outputs, outcomes and objective as these will be listed in the Grant Agreement]

- ❖ What are the key issues to be addressed?
- ❖ Why is this project needed?
- ❖ How different it is this project from other or earlier projects?
  
- ❖ What is the main objective of the project?
- ❖ What are the expected outcomes of the project [The [Project Outcomes](#) are the direct short term benefits produced by the project outputs and their utilization. What is the benefit and who will benefit?]
- ❖ What are the main activities and outputs of the project? [The [Project Activities](#) are the actions taken or the work performed to produce the outputs. The [Project Outputs](#) are the deliverables, i.e. products, goods and services - including knowledge and skills - that result *directly* from the project activities. Please list all outputs which are relevant to observe progress towards the objectives]
  
- ❖ How does this project initiate, complement and/or leverage other urban development programmes?
- ❖ How will the project facilitate broad participation of stakeholders, build partnerships and achieve complementary cooperation?
- ❖ How will the project facilitate learning processes and dissemination of knowledge?

**SECTION 3 – PROJECT and FIDUCIARY RISKS**

- 3.1 Project Risks**
- ❖ Will the project entail any social risks? (e.g. impacts on indigenous people, resettlement etc.)  YES  NO  
[If yes please describe the mitigating measures to be undertaken to minimize potential adverse impacts]
  - ❖ Will the project entail any environmental risks? (e.g. impact on forest conservation area, natural habitats etc)  YES  NO  
[If yes please describe the mitigating measures to be undertaken to minimize potential adverse impacts]
  - ❖ Will it be necessary any early screening to assess, minimize and mitigate potential adverse impacts?  YES  NO
- 3.2 Financial Management [as applies to Recipient organization, see 1.4]**
- ❖ Is the Recipient a registered organization under the countries’/cities’ legal requirement?  YES  NO
  - ❖ Can the Recipient provide proof of registration and years of operation?  YES  NO
  - ❖ Is it the Ministry of Finance aware about the activity?  YES  NO
  - ❖ Does the Recipient follow any Procurement Guidelines and if so can this document be provided for review?  YES  NO
  - ❖ Does the Recipient have or can open a bank account?  YES  NO
  - ❖ Is the Recipient liable for audit?  YES  NO

SECTION 4 - PROJECT SCHEDULE AND DELIVERABLES				
Key activities [Please mark the duration of the main activities (#####) and indicate what deliverable is planned to be due in which time period] [activities can be grouped in 'components' and/or separated in 'sub-activities' if needed] [please add/delete lines where needed]	YEAR 1			
	Q1	Q2	Q3	Q4
1. Activity: e.g. baseline survey	#####	#####	Data base	
2. Activity:				
3. Activity:				
4. Activity:				
<b>Budget requirements by trimester [approximate]</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>

SECTION 5 - PROJECT BUDGET [Please add or delete lines as needed. This budget is only for the grant amount requested to CA]						
	Budget per expenditure category (US\$)					Comments
	Consulting Services	Training/ Workshops/ Seminars	Dissemination	Other [please specify in Comments columns]	TOTAL (US\$)	
<b>A. PROJECT ACTIVITIES</b> [please add/delete lines where needed]						
1. Activity: [please specify]	US\$	US\$	US\$	US\$	US\$	
2. Activity: [please specify]	US\$	US\$	US\$	US\$	US\$	
3. Activity: [please specify]	US\$	US\$	US\$	US\$	US\$	
4. Activity: [please specify]	US\$	US\$	US\$	US\$	US\$	
<b>SUB-TOTAL</b>	US\$	US\$	US\$	US\$	US\$	
<b>B. OPERATING COSTS</b> [maximum 15% of the total]					US\$	
<b>TOTAL (A+B)</b>					<b>US\$</b>	

SECTION 6 - BUDGETING ASSUMPTIONS [ONLY FOR CONSULTING SERVICES]				
Type of Consulting Services	Unit Description	Unit Cost	No. of units	TOTAL (US\$)
Consultant A [please specify if (a) individual or firm; and (b) scope of assignment]	[e.g. day, hour, lump sum]	US\$		
Consultant B [please specify if (a) individual or firm; and (b) scope of assignment]		US\$		

## ANNEX 2 - CA Secretariat Threshold Screening Template for the Small Grant Facility



**Country:**  
**Title of Activity:**  
**Requested CA Funding:**  
**Submitted by:**

**Date Submitted:**  
**Sponsored by:**  
**Implemented by:**  
**Task Manager Name:**

**Project Summary:** [\[please specify objectives, activities and outputs\]](#)

CRITERIA	SUB-CRITERIA	Proposal Exhibits Criteria				COMMENTS
		Excellent	Satisfactorily	Deficient	N/A	
<i>Implementation conditions</i>	Capacity					
	Cost-Effectiveness					
	Impact Orientation					
	Fiduciary Management					
	Risks and Mitigations					
	Co-Funding					
<i>Impact</i>	Scalability					
	Transferability					
	Institutionalization					
	Follow-up investments					
	Targeting the objective					
<i>Cooperation</i>	Ownership					
	Harmonization					
	Alignment					
	Partnerships					
<i>Innovation</i>	Innovative design, process and products					
<i>Knowledge and Learning</i>	Learning from M&E					
	Learning and dissemination					
	Applicability					

**Overall Comments:**

**Secretariat Decision:**