UK Aid Direct 4
Concept note guidance webinar

With Karen Stephenson, UK Aid Direct and special guests
Richard Granville from Send a Cow and Lauren Watters from AbleChildAfrica

26 February 2019 11:30am – 12:30pm
UK Aid Direct webinar timeline

• Introduction to UK Aid Direct and this particular funding round from Karen Stephenson
• Introduction from our special guests, grant holders Send a Cow and AbleChildAfrica
• Content guidance from Karen Stephenson
• Top three tips on content gathering for your application from Send a Cow and AbleChildAfrica
• Budget and due diligence guidance from David Bailes
• Top three tips on budgeting and due diligence from Send a Cow and AbleChildAfrica
• Q and A time
UK Aid Direct is the UK government’s funding mechanism to support small and medium sized civil society organisations to work towards achieving the Global Goals.

- It has been running since 2010 and was previously the Global Poverty Action Fund.
- It is multi-sectoral in nature and reflects Department for International Development (DFID) priorities.
- Highly competitive. UK Aid Direct 3 had 538 applications. UK Aid Direct 2 had 626.

Grant types:
- Community Partnership for organisations with an income of less than £1m;
- Impact grants for organisations with an income of less than £10m;
- Jo Cox Memorial Grants – strengthening and networking grants;
- Small Charities Challenge Fund (SCCF) for smaller organisations with an income of less than £250k.
Overview of this particular funding round

- This funding round is UK Aid Direct 4
- We welcome applications that address any of the Global Goals
- Applications addressing menstrual hygiene management will be particularly welcomed
- Two stage funding round process
- A portion of available funding will be reserved for projects addressing urban poverty

- The eligibility for applicants of the Community Partnership grant has is now open to those registered outside the UK. For both Impact and Community Partnership grants organisations must be registered either in the UK or in one of DFID’s eligible countries.

Photograph from ActionAid Rwanda, a UK Aid Direct grant holder
Community Partnership grants

- Are open to applications from small, not-for-profit organisations that are:
  - Registered in the UK or
  - Registered in one of the **lowest 50 countries** in the UN Human Development Index (HDI) or
  - Registered in a country considered by the UK Department for International Development (DFID) to be **of high or moderate fragility**.
- Organisations must have an average annual income of less than £1 million for the past three years
- Grants of up to £250k will be made available for projects lasting up three years or more
Impact grants

- Are open to applications from medium sized, not-for-profit organisations that are:
  - Registered in the UK or
  - Registered in one of the lowest 50 countries in the UN Human Development Index (HDI) or
  - Registered in a country considered by the UK Department for International Development (DFID) to be of high or moderate fragility.
- Organisations must have an average annual income of less than £10 million for the past three years
- Grants worth between £250,001 and £4,000,000 are available for projects lasting between three and five years.

Photograph from AfghanAid, an Impact grant holder
Timelines

- The online application portal will open on Monday 4 March and the
- Deadline for submission will be **17.00 BST Wednesday 17 April**
- The application form will be available by entering the application portal via the website
- Each application will be reviewed by experts all using the same criteria
- Shortlisted applicants will be invited to complete a full application from mid-July 2019
- Results are expected to be announced December 2019

Photograph from Worldwide Hospice of Palliative Care Alliance, a Community Partnership grant holder
Application process

- All applications must be completed and submitted online
- You must listen to the recording on how to use the online system
- You must read the guidance available online
- All accompanying documents must be uploaded by the final submission date. We will not give you an opportunity to upload documents if you miss the deadline. If you don’t include the documents your application will be rejected.
- Financial management assessment (FMA) and due diligence (DD) is carried out on all shortlisted organisations
Introduction to our special guests, UK Aid Direct grant holders

Richard Grenville, Programme Funding Contracts Manager at Send a Cow

Impact grant holders

Lauren Watters, Head of Programmes for AbleChildAfrica

Community Partnership grant holders
AbleChildAfrica is a UK based charity working with and alongside partner organisations in East Africa (currently in Kenya, Tanzania, Uganda and Rwanda).

AbleChildAfrica works exclusively with and for children with disabilities in Africa.

Our mission is to promote the realisation of equal rights for children with disabilities and their families in Africa and to facilitate their meaningful inclusion in all aspects of life.

The children we work with are some of the world’s most vulnerable children.

Lauren Watters, Head of Programmes
AbleChildAfrica worked in partnership with UWEZO Youth Empowerment (a Disabled Person’s Organisation in Rwanda) to submit an application for a Community Partnership grant from UK Aid Direct in 2017.

The project, ‘Raising Aspirations: Disabled Youth Make the Sustainable Development Goals a Reality in Rwanda’, began in April 2018 and will end in March 2021.

It uses a holistic approach to inclusion by working with children and young people with and without disabilities, their families, surrounding communities, other organisations working in the sector, as well as local and national governmental bodies simultaneously.

The project exists to contribute to the wider aim of ensuring children and young people with disabilities are fully included in the 2030 Agenda for Sustainable Development in Rwanda.

AbleChildAfrica and UWEZO Youth Empowerment have also included opportunities for organisational capacity building to ensure effective delivery, management and monitoring of the project.
Content guidance for your application

- Most issues in the previous round stemmed from poor project design
- A greater analysis of the specific, local context and how your project will address the specific drivers
- A greater focus on sustainability and building sustainable elements into all projects is needed
- Projects need to be designed to be able to respond and adapt better to changes in context, build on feedback and learning
- Approach to capacity building of beneficiaries, implementing partners, frontline staff and other stakeholders needs greater consideration
- Greater collaboration is needed between the lead and implementing partner at the design stage.
Content guidance for your application

Key factors to consider:
• Context
• Stakeholders
• Theory of change (for full application)
• Measuring change
• Reliability of numbers
• Flexibility and adaptability
• Capacity building
• Sustainability
• Monitoring and evaluation (for full application)
• Value for money
• Budgeting
• Partnerships
• Gender and diversity

Useful link:
• UK Aid Direct guidance: factors to consider when designing a project, link
Content gathering – top tips

• Know your team

• Start early, and manage your time well

• Invest in the opportunity
Content gathering - pitfalls

- Don’t rush to write!
- Thinking ‘it’s just a concept note’
- Know your strengths
1) Do Research for Strong Evidence Base
➢ Need to fully understand and discuss the context of the areas your project will work in.
➢ Must be able to evidence the need for the project and demonstrate therefore why your project approach is best placed to address this need. This also includes evidencing your own work (learnings).

2) Carry out Participatory Stakeholder Consultations
➢ With other organisations working in the sector to ensure the project adds value to existing working rather than duplicating efforts. Garner ‘letters of support’ to give credibility.
➢ With ALL project stakeholders to ensure the voices of people the project aims to support or influence are heard to inform project design.

3) Mainstreaming Disability and Gender
➢ Mainstream disability and gender in all project planning and its methodology as opposed to including this as an ‘add on’ element.
➢ Talk to organisations whose work focuses on disability and gender to understand how to do this effectively and how this affects budgeting.
## Budget and due diligence process

<table>
<thead>
<tr>
<th>Stage</th>
<th>Detail</th>
<th>Requirements</th>
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<tbody>
<tr>
<td><strong>Concept note stage</strong></td>
<td>• Summary budget</td>
<td>• Short summary budget only</td>
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<tr>
<td></td>
<td>• Financial due diligence</td>
<td>• Most recent 3 years’ audited annual accounts</td>
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<td><strong>Full application stage</strong></td>
<td>• Budget</td>
<td>• Full budget according to your workplan</td>
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<td></td>
<td>• Integrity due diligence</td>
<td>• Organisational information, and project team identities</td>
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<td><strong>Prior to contracting</strong></td>
<td>• Revised workplan and budget</td>
<td>• Revisions agreed if necessary</td>
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<td>• Financial management assessment</td>
<td>• An in-depth due diligence assessment requiring supporting documentation and a site visit</td>
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• Financial guidance available from ukaiddirect.org: Principles of Reporting, Budget Classification, Exchange Rates

• Reporting on the transactions of the project not the grant holder – partner transactions should be reported alongside grant holder transactions

• 1 April – 31 March financial year

• Quarterly financial reporting feeding into claims/payments

• Reporting through an Excel spreadsheet at transaction level

• Payments are made in arrears by default but may be agreed in advance
Budget guidance – tips

Don’t forget to include

• Reporting costs
• IATI compliance costs
• M&E
• Reasonable apportionment of overheads (NPAC to follow)
• Non-DFID funded amounts
• Spending by implementing partner not transfers to implementing partner

Not permissible

• Lobbying UK government
• Statutory fines, criminal fines or penalties
• Severance pay, payments etc.
• Major capital expenditure cannot be supported as the primary focus
• Land or cars
• Contingency/unforeseen costs
• Depreciation/amortization
Budget guidance – tips continued

• Please read the guidance – for Community Partnership this can be found [here](#) and Impact grants [here](#)

• Don’t include any costs which are not permissible

• Don’t change the format of the template

• Make sure the budget matches a workplan
Due diligence (DD)

**Process**

- Only (fully) completed on successful applicants
- Standard DFID assessment: Governance and Internal Control, Ability to Deliver, Financial Stability, Downstream Delivery
- Stages: Financial DD, Integrity DD, Financial Management Assessment
- Full report will be sent to all successful applicants
- Recommendations will be included in Grant Arrangement

**Tips**

- Don’t suddenly start preparing policies. We’d much rather see an ‘as is’ position and make recommendations
- Important to consider Safeguarding
- Ensure that your own due diligence is carried out on partners
- Be open, honest, and collaborative

**Assessments are supportive and collaborative**
Budgeting and due diligence – top tips

• Use budget notes

• Start from a fully costed project budget

• Think about cash flow
Budgeting and due diligence – pitfalls

- Budget templates
- Lack of scrutiny
- Due diligence can be a slow process
1) **Prepare a Full and Detailed Budget at Stage 1**

- Design a full internal budget with broken down costs for each activity (alongside detailed budget notes to explain these costs) that clearly links to the project Theory of Change.
  - Allows more time to focus on changes to the project design/narrative and logframe at Stage 2, which take time, rather than beginning a more detailed budget at this later stage (easier to edit).

- Having a full and detailed budget at Stage 1 will provide clarity and significantly help organisations to visualise the project in terms of delivery (again, supported through a clear link between the budget and Theory of Change).

2) **Fully Consider Costs Associated with Vulnerable Groups**

- How will you disaggregate data by disability? Consider the Washington Group Set of Questions and include budget for training.

- A participatory and inclusive approach to project design, implementation and monitoring will require budgetary commitments for:
  - Accessible venues for meetings, trainings and workshops.
  - Sign language interpreters (or other communication support), assistants and accessible transport (in addition to transport costs for assistants).
  - Materials (printing) in braille and large font or videos that include subtitles and sign language.
  - Project specific e.g. accessibility modifications, provision of assistive devices, disability inclusive child protection and safeguarding training (that consider the needs of vulnerable groups) etc.
3) **Due Diligence - Prepare Ahead of Time**

- UK Aid Direct require multiple documentation and evidence around governance/ internal control and an organisation’s ability to deliver and financial stability.
- It is important to have systems in place and organised in folders as early as possible to avoid any panic later on.
- Due diligence is also carried out on any partner organisations (‘downstream partners’) involved in the project and so organisations need to have this information.
- Ensure that both you and your partner organisation have strong policies and procedures in place, especially around child protection and safeguarding.

**Lauren Watters, Head of Programmes**

lauren@ablechildafrica.org.uk
Completing your application form

- Download the short guidance film on completing the eligibility test and concept note from [YouTube](https://www.youtube.com)
- Follow the instructions on the recording
- Allow plenty of time in case you have difficulty saving or uploading documents
- Email us if you have a problem with the system
  - [smile@manniondaniels.com](mailto:smile@manniondaniels.com)
  - [ukaiddirect@manniondaniels.com](mailto:ukaiddirect@manniondaniels.com)
Thank you

• Thank you to Richard and Lauren for sharing their experiences and advice with us all today
• The webinar has been recorded and will be available online by the end of the week to download / view again
• A copy of the presentation will also be available
• The Q and As will be documented and shared in a separate document as soon as possible
• We look forward to receiving your applications!

Photograph from Farm Africa, an Impact grant holder