

Small Charities Challenge Fund

Guidance for project grant applicants



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Make sure you have read the latest version of this guidance before submitting your application online.

This is a live document which will be updated on an ongoing basis. The most up-to-date version will be available on the [UK Aid Direct website](#).

1. Overview of the Small Charities Challenge Fund (SCCF)

Small Charities Challenge Fund

Project grants at a glance:

- Grants for up to £50,000
- To deliver projects of up to two years duration
- Open to UK-registered charities with an annual income of £250,000 or less
- Projects must contribute towards the [UN Global Goals](#).

1.1 ABOUT SCCF

[Small Charities Challenge Fund](#) (SCCF) launched in 2017 as a two-year pilot funding opportunity for small, UK-registered, grassroots charities and not-for-profit organisations doing outstanding development work. Building on the successful pilot scheme, a full fund was launched in September 2019.

The fund awards grants of up to £50,000 for projects that address the Global Goals.

The SCCF is part of [UK Aid Direct](#), a challenge fund to build the capacity of small and medium sized organisations, to support the UK's commitment to achieving the Global Goals.

UK Aid Direct priorities reflect the [UK Government's](#) wider strategic objectives of:

- Strengthening global peace, security and governance
- Strengthening resilience and response to crisis
- Promoting global prosperity
- Tackling extreme poverty and helping the world's most vulnerable.

UK Aid Direct offers three main grant types:

- **Small Charities Challenge Fund project grants:** grants of up to £50,000 for organisations with an annual income of less than £250,000
- **Community Partnership Grants:** grants of up to £250,000 for organisations with an annual income of less than £1m

- **Impact Grants:** grants of up to £4m for organisations with an annual income between £1- £10m.

The SCCF is always open for project grant applications. Applications are reviewed every six months and dates are listed on the [UK Aid Direct website](#).

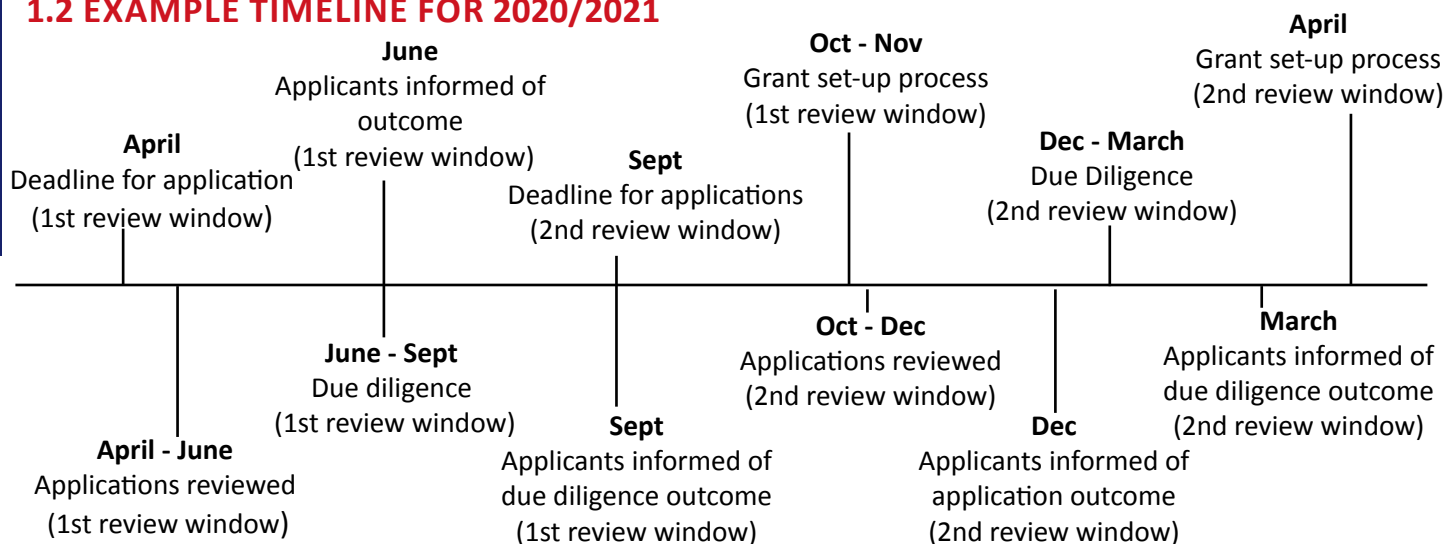
To support organisations interested in applying for SCCF, we typically hold application guidance webinars every six months. Details of these events are posted on our website.

COVID-19 update

Due to the outbreak of COVID-19, we will be prioritising applications that can demonstrate that they are responding to longer term impacts of COVID-19. The fund remains open for applications addressing a wide range of Global Goals in a variety of contexts. However, we will expect all applicants to be able to explain: how their project will address anticipated longer term impacts of the virus and outline how the risks of COVID-19 to project delivery could be mitigated as part of their application.

We appreciate the crisis is developing rapidly and that accurately predicting how COVID-19 will impact the specific context you work in will be challenging. Please refer to the [SCCF COVID-19 FAQs page](#) on the UK Aid Direct website for further guidance.

1.2 EXAMPLE TIMELINE FOR 2020/2021



Please note this timeline is indicative only. We will let you know as soon as possible if this timeline is likely to change significantly.

1.3 ABOUT OUR FUNDED ORGANISATIONS AND PROJECTS

Previously, SCCF organisations who have been successful have had an average annual income of £87,000.

Many are volunteer-run and some do not have an office but operate from a residential address. Successful organisations are based in different parts of the British Isles with 67% based outside of London and the South East of England. More than 70% of SCCF grant holders to date report that this is the first time they have had Foreign, Commonwealth & Development Office (FCDO) funding. Under the SCCF pilot **17% of applicants were successful.**

Applications are welcome from organisations working in any sector that is addressing the Global Goals. Current SCCF grant holders implement projects in areas such as: menstrual health, teacher training, disability inclusion, improving incomes for individuals and households; and providing family planning services.

Some of the organisations we support

Organisation: Redearth Education

Overview: Improving quality of teaching and learning in 16 government primary schools in Buliisa district, Uganda.

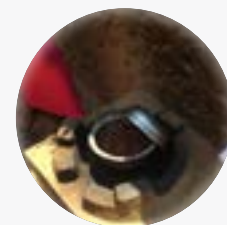


Aims: An SCCF grant is enabling Redearth Education to support teachers and schools to improve the quality of teaching ([Global Goal 4](#), Quality Education) and impact positively on the life chances of the most vulnerable. A better quality of education is also likely to impact on the achievement of other Global Goals.

Redearth's team train teachers working in government primary schools in rural, marginalised areas of Uganda to deliver quality lessons and experiences to children. This approach reduces absenteeism and dropout rates of both children and teachers. It also leads to better engagement and relationships between teacher and child which strengthens the learning process.

Organisation: Mbedza Projects Support

Overview: Stove Project in rural Malawi.



Aims: A two-year SCCF grant is enabling Mbedza Projects Support to provide an improved cooking stove (an Esperanza) to households in rural Malawi. The project addresses [Global Goals 1](#) (No Poverty) and [15](#) (Life on Land) with the aim of improving livelihoods and mitigating against climate change and reducing environmental damage.

Compared to cooking using the traditional three stone, open fire method, the Esperanza stove uses 65% less firewood. This saves families money, time and reduces deforestation. The stove is smokeless and beneficiaries report no longer needing to buy cough medicine or visit the hospital for burns treatment. They also report cleaner cooking pots. Some women have turned their gained time into other productive economic activities.

2. Eligibility requirements

2.1 CHECKING YOUR ELIGIBILITY ONLINE

Applicants should register and complete an initial eligibility assessment form located on the [UK Aid Direct website](#). If eligible, you will be able to continue your application on our online system.

Applications sent via email or post will not be accepted and we do not consider any additional documents not explicitly requested as part of the online application process.

2.2 ORGANISATIONAL REQUIREMENTS

To be eligible for an SCCF grant your organisation:

- Must be registered in the UK
- Be a not-for-profit organisation
- Have an average annual income of less than £250,000 over the past three years
- Must be implementing projects in an eligible country (see 2.3 Project Countries)
- Must be working towards addressing the [Global Goals](#).

If your organisation is part of a larger international family, you will need to show significant autonomy. This means your organisation must be registered in the UK and have its own UK-specific constitution. It must also have an independent board of trustees, meaning the board must be locally appointed and free and

able to make independent decisions on all strategic and operational issues. Relevant documentation as evidence of this status may be requested. There are no limits to the number of applications an organisation can submit. However, a maximum of two SCCF grants per organisation can be granted during a single round and a maximum of two live SCCF grants can be held at any one time. A maximum of five live UK Aid Direct grants of different types can be held at any one time.

It is important to note, that when assessing where an organisation is based, the UK Aid Direct team look beyond legal registration and will consider:

- Where the organisation is controlled from
- The level of autonomy of different offices
- Who governs the organisation, in particular relating to the financial management of the entity.

To help illustrate this:

If a grant application is registered in the UK with an average income of less than £250,000 (eligible for SCCF) but all management support functions take place in the United States head office, with an average annual income of over £250,000 (ineligible under SCCF), with very little autonomy in the UK office, this will deem the organisation to be ineligible.



SCCF grant holders Tushinde

2.3 PROJECT COUNTRIES

Projects are only eligible if they are set up in a country that is ranked in the bottom 50 of the UN Human Development Index (HDI) or if it is considered of high or moderate fragility by the UK Government. **Afghanistan, Somalia and Syria** are the exceptions to this rule and are **not** eligible project countries for SCCF project grants. If you are proposing a multi-country project, all the countries must be eligible. The full list of eligible countries is below:

- Angola
- Azerbaijan
- Bangladesh
- Benin
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Central African Republic
- Chad
- Comoros
- Congo (Democratic Republic of the)
- Côte d'Ivoire
- Djibouti
- Egypt (Arab Republic of)
- Eritrea
- Ethiopia
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Haiti
- Iraq
- Kenya*
- Kyrgyz Republic
- Lao People's Democratic Republic
- Lebanon
- Libya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mozambique
- Myanmar
- Nepal
- Niger
- Nigeria
- The Occupied Palestinian Territories
- Pakistan
- Papua New Guinea
- Rwanda
- Sao Tome and Principe
- Senegal
- Sierra Leone
- Solomon Islands
- South Sudan
- Sudan
- Swaziland
- Tajikistan
- Tanzania (United Republic of)
- Togo
- Turkmenistan
- Uganda
- Uzbekistan
- Venezuela (República Bolivariana de)
- Yemen
- Zambia
- Zimbabwe

***Projects in Kenya:** To ensure an even spread of projects across different countries, the number of Small Charities Challenge Fund (SCCF) projects already operating in the local area will be considered during the application assessment process. Currently, the fund receives a particularly high volume of proposals for projects in Kenya. For Kenya, priority will be given to projects delivering in areas with high levels of poverty (e.g. the North, East and urban slums) and addressing issues such as basic health, girls' education, family planning and youth employment.

2.4 PARTNERSHIPS

SCCF applicants are strongly encouraged to work with in-country delivery (downstream) partners. Successful applications should demonstrate an existing partnership with a local partner and how you will ensure their partner has the capacity to deliver effectively in line with the UK Government's standards.

Partners should operate at the grassroots levels. If a collaboration is proposed with an organisation that is larger than yours, please justify and explain the rationale for the partnership in your application.

If you are implementing directly and not working with a local partner, you will need to explain why in your application.

2.5 PROJECT BUDGET

The total budget for your proposal over the project's duration must be £50,000 or less. However, your total project budget, including contributions from other sources, can be greater than £50,000.

2.6 PROJECT DURATION

The length of your proposed project should be no more than 24 months. We will accept proposals for less than two years but would expect you to clearly justify the rationale behind this in your application.

IS THERE A PARTICULAR THEMATIC AREA THAT PROJECTS SHOULD FOCUS ON?

Yes, the Small Charities Challenge Fund is an open funding round for grassroots organisations supporting the delivery of the [Global Goals](#).



2.7 WHAT CANNOT BE FUNDED WITH A SCCF GRANT

Organisations that:

- Are not registered in the UK
- Are linked to any terrorist organisation
- Discriminate against groups based on gender, sexual orientation, disability, race, colour, ethnicity, religion etc.
- Are a governmental and or / inter-governmental organisation (or any other type of organisation that reports directly to government)
- Are government institutions
- Are insolvent
- Encourage activities which may lead to civil unrest.

Projects/grants that would:

- Support poverty alleviation work or awareness-raising activities in the UK
- Actively encourage civil disobedience or take a partisan political stance
- In the case of organisations that include proselytising in their organisational objectives: fail to provide assurances that promoting religion will not hinder project implementation, or lead to exclusivity or conditionality
- Include major capital expenditure like construction or purchasing buildings, cars or land. Any aspect of capital expenditure included in a proposal needs to be fully

justified as directly contributing to a sustainable improvement in people's lives

- Support orphanages or other residential children's institutions. Consideration may be given to projects that support the reintegration into families/family-based care of children from institutions
- Events which are not part of a wider project. For example: one-off conferences/seminars/training events/exchange, or costs associated to participants attending events
- Provide educational scholarships
- Provide organisational support for core costs. SCCF grants are designed to provide project funding and all project costs, including administration budget lines, must be clearly related to the project. See section 3.6 for guidance on how overhead/NPAC costs should be included in your budget.
- Involve micro-loans
- Involve cash couriers at any level
- Deal solely with the overseas transportation of goods and supplies.

2.8 DEMONSTRATING PROJECT AIMS AND OBJECTIVES

Successful applications will clearly show:

- How the project will reach the most vulnerable or marginalised in society
- How the project will contribute towards the Global Goals
- How the project will support the [goals of UK Aid Direct](#).

3. Completing your online application

3.1 ACCESSING THE ONLINE APPLICATION FORM

Applications must be submitted online. The online form is available at www.ukaidirect.org and you should click the login button in the top right hand corner of the website.

You will then be asked to complete an eligibility check and, if eligible, you will then be able to access the online application system. A PDF version of the form is available to download for your information, but you **must fill in the final version online**. Applications cannot be accepted via email or post.

Top tips for applicants :

- Write concisely using clear language
- Try not to use acronyms - if you need to, make sure to spell them out the first time
- Demonstrate as clearly as possible the link between your project and progress towards the Global Goals
- Cite evidence to show why your project is needed
- Cite evidence to show that your approach has worked before
- Include clear and measurable targets
- Demonstrate how your project will deliver good value for money
- Provide evidence that key stakeholders have been involved in the project design to ensure long-term buy-in and sustainability.

Background reading

[Carers Worldwide](#) have kindly granted us permission to share an extract of their original application with potential SCCF applicants. We have also provided some [commentary](#) as to why their answers are what we are looking for.

3.2 ABOUT YOUR ORGANISATION

In this section of the application form we expect you to provide specific information about your organisation, any implementing partners and any matched funders.

You will need to upload the following:

Your organisation's strategic plan if you have one and your organogram if you have one.

Fiduciary documents, including:

- Proof of organisational registration
- Letter of good standing from your bank
- Full name, date of birth and citizenship of your Senior Management Team. Please upload passport copies for each individual
- Full name, date of birth and citizenship of the organisation's Chair, Deputy Chair and Treasurer. Please upload passport copies for each individual
- Proof of registered address
- Details of two referees
- Copy of the past three years' annual accounts (audited or certified).

3.3 ABOUT YOUR PROJECT

In this section of the application form we will be assessing your approach to the project. We especially want to know (in detail) the following:

3.3.1 Why is your project needed?

Explain why your project is needed, the problem you are addressing and include an overview of the delivery context. Identify the barriers that prevent the problem being solved. Use evidence and data (your own or from official sources) to illustrate the points you are making.

Provide details of what has or hasn't been done to date to tackle the problem you will address.

Include information on who the other main actors are working on the topic.

3.32 Who have you consulted with?

In your application, you will need to show how you have identified the stakeholders who have a vested interest in the project. This may include local authorities, other NGOs, village chiefs etc. You should have consulted with these stakeholders and your communities of beneficiaries, to ensure that what you are proposing to deliver meets an identified need. We welcome applications from organisations with strong links to the country in which their project operates.

3.33 What will your project be doing ?

In this section we expect to see a clear outline of how you will be addressing the problem you have outlined. You will need to demonstrate how your proposed approach will tackle the barriers preventing the problem from being solved and what necessary conditions need to be in place for your project to succeed. Describe who will directly benefit from your project.

3.34 How will you implement your project?

Describe how you will implement the project, including the methods you will use and why they are the most effective ways of addressing the problem. Provide evidence for this where possible. This could include an example of when your organisation or another organisation has successfully used this method to achieve a similar goal.

3.35 What do you want to achieve with your project?

Explain here what your overall goal is for the end of

the project and describe what success would look like. You should include the number of beneficiaries who will directly benefit from the project and explain what the lasting impact on their lives will be.

3.36 Examples of similar work

In this section, please provide examples of similar work you have carried out.

3.37 Disability inclusion

In this section we expect you to be able to demonstrate how you are [addressing the needs of those living with disabilities](#). You should consult with disabled people's organisations and have a clear understanding of the context and numbers of people living with disability within your proposed project area. You should also consider how best to identify and then include people living with disabilities in benefitting from your intervention.

3.38 Gender equality

In this section, you will need to demonstrate how the project is addressing [gender equality](#) and tackling the barriers that prevent women's empowerment.

3.39 Value for money

We expect you to be able to demonstrate how your project represents good value for money (VFM). Value for money is about maximising the impact of the money you will receive. We expect you to demonstrate exactly how this money will improve lives and in what way.

We recommend summarising how your project represents value for money clearly in your application, by analysing the **4Es: economy, efficiency, effectiveness, and equity**:

Economy: what are the project's major costs and what drives the pricing of those costs? What can you

A disability inclusion case study: EdUKaid, a Small Charities Challenge Fund (SCCF) grant holder

Contributing towards [Global Goals 10](#) (to reduce inequality) and [4](#) (to provide access to quality education), [EdUKaid](#) is delivering a project tackling the cultural and practical issues preventing nearly 95% of children with disabilities in Tanzania from accessing education.

Working in partnership with local disability activists and specialist trainers, EdUKaid is running a training and awareness-raising programme for over 300 children with disabilities, teachers, parents and the wider community.

The organisation works closely with a range of stakeholders to identify the children to benefit from the project. This includes disabled people's organisations, head teachers, education officers, health professionals, village elders and religious leaders. They also ask parents to reach out to their local communities to find those children, hidden and isolated in their own homes.

Having worked in the community for some time, EdUKaid have established strong relationships with this network of community stakeholders, who have supported in identifying beneficiaries. Establishing strong and trusting relationships, and ensuring the community is aware of the objectives of the project and EdUKaid more broadly, has supported the identification and targeting process for the SCCF grant. Targeting is broad – EdUKaid look to reach any child aged four to 13, identified as living with some form of illness, impairment, disability or special educational need.



Photo credit:
EdUKaid

do to control their costs? Personnel costs are often a significant cost of a project; how do these compare to other NGOs working on similar issues? What overhead cost recovery are you budgeting for in your project budget?

Efficiency: what economies of scale can you identify in delivering your programme? What is the project cost per beneficiary? Would the cost per beneficiary reduce if you were to increase the scale of the project? If so, explain why you aren't aiming to deliver a larger project?

Effectiveness: how effective is your project in achieving the desired outcome on poverty reduction? Cost-effectiveness must also be explored. What is the overall impact on poverty reduction of your intervention relative to the inputs that is being invested in it? Consider the added value the project brings. What would happen if the project wasn't funded?

Equity: demonstrate how you are targeting the most

vulnerable and marginalised. If it costs more to reach these target populations justify what the overall impact will be of reaching them. Consider how you are being equitable in including people with disabilities and tackling gender disparities as part of your project, as well as those from other marginalised or excluded groups.

3.4 RESULTS

You will need to demonstrate the impact your proposed project will have and how you will change the lives of the most vulnerable and marginalised. The application process will ask you to show what these results will be over the project duration.

3.41 Results framework guidance and template

You will be asked to complete a results framework template as part of your application. It is a monitoring and reporting tool to help you:

- Define your project’s goals, objectives and milestones
- Explain how you will provide evidence of meeting your milestones
- Define the relationship between outputs and outcomes (see below) and how delivering your outputs will lead to successful outcomes.
- **Outcome indicators:** what is your project hoping to achieve? Be clear, realistic and achievable
- **Project outputs:** what you will do to reach the change described in your outcome. Try to write three achievable output indicators and describe the activities you will carry out to help you deliver these outputs
- **Milestones:** these are significant check points in your project’s life cycle and will be reported against every six months. They should be specific,

3.42 Monitoring results: what you will need to record

An approach to value for money: Zambia Orphans Aid, a Small Charities Challenge Fund grant holder

“Our approach to value for money stems from the fact we are a small charity with limited resources so have to be creative in the way we spend our budget and make it go as far as possible.

“All our implementing partners are expected to contribute knowledge, relationships and human resources. Wherever possible activities are integrated or combined with other plans, helping to make our partners’ time, travel and other costs go further. Examples of how this has been achieved include:

“Refresher workshops: additional workshops to reinforce menstrual hygiene management (MHM) messages to stakeholders and reach new audiences, run by partners’ staff / volunteers who had attended the original workshops run in 2018. This has allowed them to be run for less money.



“Combining menstrual hygiene management activities with monitoring and evaluation and other interventions: when visiting schools and communities to talk about MHM cost-savings have been made by carrying out other required activities at the same time.

“Radio for wide-spread community awareness: in order to reach out to the wider community and challenge widely held beliefs about MHM partners organised radio discussions and jingles to be aired about MHM around Menstrual Health Day. This is helping the project to reach a much wider audience and can be replicated for other key events throughout the year.

“We also encourage our partners to work together and share ideas and resources on joint activities. For example, in Kasama District our three partners worked together on a community awareness campaign using the local radio to raise the issue of menstruation with the wider community. This enabled us to reach an extra 1500 people in order to challenge widely believed myths and superstitions in the area.”

Katy Dore, Executive Director of Zambia Orphans Aid

measurable and realistic.

- **Means of verification:** you are encouraged to consider how your monitoring system - including tools and processes - will collect appropriate data to evaluate progress against the selected indicators
- **Monitoring:** it is essential to be able to monitor the impact of your project, and you are encouraged to consider your approach to monitoring and evaluation during your project design to ensure you collect the appropriate data for later analysis.



Results need to be:

Where possible include baseline figures and data as part of your application. If these are not available, we would expect a baseline to be carried out before the project commences.

In this section you will also need to upload a draft workplan using the template provided.

3.5 SUSTAINABILITY

In this section we expect you to explain how your project or elements of your project, will be sustainable. What will you do to ensure the impact of the project will continue after the funding has ended?

The project may not be fully sustainable, but we expect you to demonstrate that there will be a lasting

impact following its completion.

3.6 FINANCIAL DETAILS

3.61 The application form requires you to submit:

- Audited or certified accounts
- Provide information on your income - detailing the annual income of your organisation for the last three years. If you don't have an income for all the three years, please note it for the years you do have available
- Outline your proposed project costs and requests
- Upload a workplan
- Upload a budget ([template provided](#))
- Outline risks and explain mitigation plans.

3.62 Guidance on non-project attributable costs (NPAC/overheads)

NPAC (or overheads) are the costs incurred by an organisation that cannot be directly attributed to a specific project. These can include such items as annual audit fees, trustee meeting expenses and general office costs. The FCDO recognises that this type of overhead expenditure supports the overall cost of delivering organisational activities and allows a proportion of these costs to be included in your SCCF budget. The amount that can be included will be proportional to the amount of funding requested and is calculated by using the 'support' costs as identified in your annual financial statements as a percentage of total organisational expenditure.

These costs will need to be calculated as part of your overall project budget and within the £50,000 budget allocation. You do not need to calculate this for the application itself as we will calculate appropriate NPAC with you should you be successful, during the grant set-up stage. However, you should bear these costs in mind whilst you are developing the budget for your application. If you would like to find out more about how these costs will be calculated to develop your budget, please visit [this page](#).

3.7 RISKS

A **risk** is the probability or threat of a negative occurrence or circumstance that could cause a project to fail or go off-track. A risk can be caused by external or internal vulnerabilities and may be avoided through mitigation actions or pre-emptive contingencies. A risk is different from a challenge, which is something that is already present or known that will need to be dealt with. By identifying risks, you can plan to reduce their impact or to ensure they do not come to fruition. When describing risks, it is important to outline the cause, event and impact succinctly.

In the risk management section of your application, you must try to demonstrate an appropriate approach to manage and mitigate potential risks to your project. It is important to ensure there is a shared understanding and system approach in place for risk management with any downstream partners. Risk areas you should consider are: delivery, reputational, fiduciary, safeguarding and operational. A risk which would be unacceptable would be cash couriering, for example.

3.72 Safeguarding

In the safeguarding section of your application you must outline your project’s approach to safeguarding, and the safeguarding measures you will put in place to prevent and respond to exploitation, harassment and abuse of project stakeholders. This includes beneficiaries, community members, staff, and volunteers.

You should also outline how you will engage beneficiaries around safeguarding, to ensure that they understand what safeguarding is, what their rights are when they engage with the project and project staff and how to report any concerns.

Please note that you should not simply give an overview or outline of your organisation’s safeguarding framework as if successful, you will provide this information during due diligence. Instead you should focus on what you will implement for this specific project so that you can respond to and prevent safeguarding incidents from occurring.

3.71 Example of an SCCF risk register:

Risk title	Description of risk	Risk category	Probability	Impact	Overall	Mitigating Action	Probability	Impact	Overall
Upcoming Elections	An election is taking place in the next year and there is a possibility a new party could create a law that could make our work more difficult. This would make carrying out our work significantly harder as we will have to carry out our project with a different approach, to ensure we are operating within the law.	Delivery	Possible	Possible	Major	Various scenarios will be explored around changes to any laws that would impact directly or indirectly on the project. Research will be conducted into the opposition parties' positions on those key laws and alternative approaches will be explored and developed in case those laws are changed following the election. These actions will ensure we are prepared and can adapt quickly within a range of outcomes.	Possible	Moderate	Moderate

4. The outcome of your application

4.1 REVIEWING THE APPLICATION

Your application will be assessed by an independent review panel and the results will be moderated by the UK's Foreign, Commonwealth & Development Office (FCDO). The moderation panel considers:

- The technical quality of your application
- The diversity of organisations able to access FCDO funding and market share
- The financial capacity of your organisation to manage the size of grant applied for
- The panel will also consider how well proposals address the anticipated impacts of COVID-19.

4.2 TIMELINE: WHEN YOU WILL HEAR THE OUTCOME OF YOUR APPLICATION

You will be advised of the outcome of your application by email. This will be addressed to the main contact provided on your submission. Please see the indicative timeline in Section 1.2.

4.3 IF YOUR APPLICATION IS UNSUCCESSFUL

You will be provided with feedback after being notified of the result. Feedback is comprehensive and is designed to support unsuccessful applicants to make improvements to their application. Many current SCCF grant holders were unsuccessful on their first application to the fund.

4.4 IF YOUR APPLICATION IS SUCCESSFUL

You will be informed that you have been awarded a provisional grant; however, receiving the grant will be dependent on the outcome of the due diligence process. At this stage, you will be allocated a Performance and Risk Manager who will support you to finalise your project design and provide guidance on your reporting requirements.

4.5 DUE DILIGENCE

If you are awarded a provisional grant, your organisation will be required to undergo due diligence. The due diligence process will assess your organisation's capacity to deliver a UK Aid Direct grant by conducting a financial management assessment (FMA).

The assessment will assess your organisation's governance and internal control, ability to deliver, financial sustainability, and management of downstream delivery partners. You will be asked to complete and return a self-assessment questionnaire, alongside supporting documentation such as key policies and processes. Following this, a telephone call will take place between the appropriate person(s) in your organisation and by an experienced member of the Fiduciary Risk Team at UK Aid Direct. A FMA report will be drafted and shared with you to check for factual accuracy, before being submitted to the Foreign, Commonwealth & Development Office (FCDO) for their consideration and approval. This FMA is assessed at that point in time only and any decisions made by the FCDO on whether the risk is too severe to progress is made based on the information provided at the assessment point only. Please refer to section 1.2 Example Timeline for 2020 to give indicative time frames for this process.

Applicants will be assessed against criteria within each of the areas listed above, and risk ratings ranging from minor to severe applied. Applicants are encouraged to ensure they are operating in line with best practice, and access guidance available from the resources such as the Charity Commission. If the overall risk level assigned to the FMA report is deemed too high by the FCDO the grant will not be progressed.

Reasons for severe risk rating within FMA include:

- The organisation responsible for the actual delivery of the project not being registered in the country of operation

- Eligibility criteria is not met
- Multiple key governance and internal control policies are not formally in place, or not being implemented and adhered to
- Unlawful or illicit activities evident within the applying organisation or its delivery partners.

4.51 Safeguarding

It is important that you consider how to prevent and respond to potential harm caused by sexual exploitation, abuse, harassment or bullying. We will assess your organisation's ability to protect children, young people and vulnerable adults you work with as well as within your own staff and volunteers from sexual exploitation and abuse and harassment.

As part of due diligence, you will be assessed on your organisation's ability to meet the Foreign, Commonwealth & Development Office's (FCDO) enhanced safeguarding standards. The FCDO standards cover policies and processes across six key areas:

- Whistleblowing
- Human resources
- Risk management
- Codes of conduct
- Governance.

Guidance is available in the form of our [safeguarding webinar](#) covering the FCDO's enhanced safeguarding standards in more detail, and best practice from across the UK Aid Direct portfolio of grant holders.

Once a grant has been awarded, it is the grant holder's responsibility to work with implementing partners to ensure that they also meet FCDO's safeguarding standards. You will be asked to provide assurance to FCDO that this is the case.

It is important to ensure you have appropriate clear policies and reporting mechanisms in place, both with implementing partners and other project stakeholders should a safeguarding incident occur at

project level, or within the partners' organisation.

All incidents should be reported to the primary grant holder in a timely manner, who is responsible to report on to MannionDaniels and FCDO. It is the grant holder's responsibility to report safeguarding incidents / concerns to FCDO as soon as you are aware of them. Do this by emailing [MannionDaniels safeguarding](#) or by [contacting FCDO directly](#).

4.52 Special Conditions

Your FMA report will contain 'special conditions'. These are requirements that must be met either before or during the inception period of your grant.

The FMA report will clearly outline what is required and by when. It is essential you review these conditions and act where appropriate. Our Fiduciary Risk Team and your Performance and Risk Manager will be on hand to provide guidance if you have any queries.

4.53 Examples of common special conditions include:

- Policy development – for instance travel and subsistence, conflict of interest, exchange rate, anti-bribery and corruption and safeguarding (amongst others)
- Letters of commitment from any match funders
- Financial Manuals
- Memorandum of Understanding with local partners
- Delivery Chain Mapping.

4.54 Accountable Grant Arrangements (AGAs)

An accountable grant arrangement is drafted and agreed, following approval of your due diligence report from FCDO.

On signing, we will process your first disbursement which will equate to sufficient funding to implement your first quarter's activities, plus an additional 10% of the project value.

4.6 ANNOUNCING YOUR PROJECT

When it is time to announce your successful grant award, our Communications Team will be in touch to provide guidance and help you to achieve the best publicity for your organisation. Until then, we ask our grant holders not to communicate their grant publicly.

FURTHER READING FOR APPLICANTS

The following guidance documents are available for you to read on the UK Aid Direct website. Each one takes a closer look into the subjects covered in the document previously.

- A UK Aid Direct guide to what makes a good Small Charities Challenge Fund application ([PDF](#))
- A UK Aid Direct guide to beneficiary feedback mechanisms guidance ([PDF](#))
- A UK Aid Direct guide to budgeting ([PDF](#))
- A UK Aid Direct guide to defining marginalised ([PDF](#))
- A UK Aid Direct guide to disability inclusion ([PDF](#))
- A UK Aid Direct guide to due diligence requirements ([PDF](#))
- DFID's disability inclusion strategy 2018 to 2023 ([PDF](#))
- A UK Aid Direct guide to exchange rates ([PDF](#))
- Example of Accountable Grant Arrangement ([PDF](#))
- A UK Aid Direct guide to gender equality ([PDF](#))
- DFID's strategic vision for gender equality: her potential, our future ([PDF](#))
- Results Framework guidance ([PDF](#))
- Results Framework template (for use offline before you complete your online application) ([Word](#))
- A UK Aid Direct guide to sustainability ([PDF](#))
- A UK Aid Direct guide to value for money ([PDF](#))
- [Bond's guide](#) to value for money.

USEFUL WEBSITES

- The Global Goals: www.globalgoals.org
- Bond, UK Network for organisations working in international development: www.bond.org.uk/
- Foreign, Commonwealth & Development Office: www.gov.uk/government/organisations/foreign-commonwealth-development-office

