

Order of the Minister of Foreign Affairs [Minister for European Affairs and International Cooperation] of 5 December 2011, no. DJZ/BR-1404/2011, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Reconstruction 2012-2015)

The Minister of Foreign Affairs [Minister for European Affairs and International Cooperation],

Having regard to article 6 of the Ministry of Foreign Affairs Grants Decree;¹

Having regard to articles 2.1 and 4.8 of the Ministry of Foreign Affairs Grant Regulations 2006;²

Orders:

Article 1

The administrative rules appended as an annexe to this Order apply to grants awarded under articles 2.1 and 4.8 of the Ministry of Foreign Affairs Grant Regulations 2006 with a view to financing activities aimed at promoting reconstruction and development in post-conflict areas.

Article 2

A ceiling of €120 million applies to grants in connection with Reconstruction 2012-2015 awarded between 1 January 2012 and 1 January 2015, a maximum of €40 million of which will be available for activities in South Sudan.

Article 3

1. Applications for Reconstruction 2012-2015 grants must be submitted using the model application form as stipulated by the Minister and accompanied by the documents stipulated in the form.³

¹ Bulletin of Acts and Decrees 2005, no. 137.

² Government Gazette 2005, no. 251.

³ The model application form can be downloaded from <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties>.

2. Grant applications may be submitted from the date on which this Order enters into force until 15 March 2012.

Article 4

The available funds will be allocated in accordance with an assessment based on the criteria set out in the annexe to this Order, on the understanding that, of the applications that meet the criteria, those that meet them best will be given priority, with due regard for the need for an even distribution as referred to in article 8, paragraph 3 (d) of the Ministry of Foreign Affairs Grants Decree.

Article 5

This Order enters into force on the day after the date of publication of the Government Gazette in which it appears and lapses with effect from 1 January 2016, with the proviso that it continues to apply to grants awarded prior to that date.

This Order and its accompanying annexe, excluding the appendices, will be published in the Government Gazette. The appendices to the annexe will be published online, at <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties>.

J.M.G. Brandt

Director-General for International Cooperation

For the Minister for European Affairs and International Cooperation

Annexe

1. Introduction

This is the grant policy framework for Reconstruction 2012-2015, containing the administrative rules for assessing applications for grants under this framework. It is also to be used, together with the mandatory model application form published on the Ministry of Foreign Affairs website, as a guide for drawing up grant applications for the 2012-2015 period.⁴

States emerging from conflicts face societies that have been disrupted on many fronts. More and more, the international community is realising that people and communities are not capable of building an independent and sustainable livelihood for themselves without adequate security and a functioning rule of law. At the same time, it has been recognised that an integrated approach to development cooperation can make an important contribution to improving human security and security for communities, by tackling the underlying causes of insecurity, instability and exclusion.

The Netherlands has received international recognition for its integrated '3D approach' (diplomacy, defence and development) in countries like Afghanistan and Burundi. This approach entails, among other things, a 'whole of government' outlook: besides the Ministry of Foreign Affairs, Dutch reconstruction efforts also involve the Ministries of Defence, Security & Justice and Economic Affairs, Agriculture & Innovation. In addition, the Dutch government works with various partners, including Dutch universities, local partners and the business community.

The Netherlands is committed to increasing human security, supporting legitimate government and creating a peace dividend by tackling the underlying causes of instability, conflict and exclusion. This creates the conditions for more security and the rule of law. These efforts also help lay the groundwork for effective poverty reduction and the achievement of the Millennium Development Goals (MDGs). They also help ensure that fragile states and conflict areas do not have negative

⁴ <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties>

repercussions for the global interests of peace, security and prosperity. In fragile states and conflict situations it is first necessary to create the conditions for an effective contribution to sustainable development, namely: adequate security in the framework of a functioning rule of law. Prevention is the best option, not only from a humanitarian standpoint, but also an economic one.

This call for proposals falls under the Standard Framework for Development Cooperation, which sets out general provisions for subsidising activities by civil society organisations concerned with long-term poverty reduction in developing countries.⁵ The policy principles underpinning this call for proposals are drawn from the letter to the House of Representatives of 18 March 2011 presenting the spearheads of development cooperation policy.⁶ These principles are set out in chapter 2 of this grant policy framework. Based on these principles, threshold criteria have been drawn up which all applications must meet in order to qualify for funding. The assessment criteria are used to assess applications that have met the threshold criteria. These criteria are described in chapter 4. The assessment procedure is described in chapter 3.

Assessment will take place in consecutive stages, using a series of checks. Stage 1 involves the threshold criteria check and the organisational check, which enables the Minister to judge the quality and efficiency of the applicant organisation. In stage 2, the quality of the comprehensive programme proposal is assessed by means of the programme check. These checks are dealt with in more detail in chapter 4.

This grant policy framework includes several appendices: the mandatory model application form (appendix I), the list of priority countries (appendix II), the ODA criteria as formulated by the OECD (appendix III), the OECD/DAC definitions of

⁵ Order of the Minister for European Affairs and International Cooperation no. DJZ/BR/0874-10 of 1 December 2010 adopting administrative rules containing general provisions for grants awarded for development cooperation activities (Standard Framework for Development Cooperation), Government Gazette 2010. no. 19701.

⁶ Letter to the House of Representatives, Ministry of Foreign Affairs, March 2011. Parliamentary Papers, 2010-2011, 32605, no. 2, policy spearheads letter. See <http://www.minbuza.nl/en/appendices/news/newsflashes/2011/04/senate-approves-development-budget/letter-to-the-house-of-representatives-presenting-the-spearheads-of-development-cooperation-policy.html>.

outcomes and outputs (appendix IV), the DAC list of ODA recipients published by the OECD (appendix V), the Memorandum to the House of Representatives on Security and Development in fragile states⁷ (appendix VI), the letter to the House of Representatives presenting the spearheads of development cooperation policy⁸ (appendix VII) and the letter to the House of Representatives on the regional approach (appendix VIII).⁹

2. Policy principles underlying Reconstruction 2012-2015

2.1 Objectives and priority themes of the grant policy framework Reconstruction 2012-2015

Conflicts cause profound human suffering, impede socioeconomic development and thus hamper progress toward the Millennium Development Goals.¹⁰ Unemployment, exclusion, human rights violations or a lack of security can lead to the outbreak of violent conflicts. These conflicts can also have disastrous consequences for the economy. The annual costs of international conflict management are estimated at USD 270 billion per year, USD 7.2 billion of which goes to international peace operations (such as UN missions). In 2009 a third of all development aid went to fragile states.¹¹ A strategy aimed at prevention is thus not only humane; it is also efficient. The final objective is government that can ensure human security, rule of law, respect for human rights and the provision of basic services.

⁷ Security and Development in Fragile States: See <http://e-mdf.nl/projects/dprn/backgrounddocuments/Beleidsstuk%20-%20veiligheid%20en%20ontwikkeling%20in%20fragiele%20staten.pdf>. (in Dutch)

⁸ See footnote 6.

⁹ Letter on the regional approach to development cooperation, Ministry of Foreign Affairs, November 2011. See <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2011/11/17/kamerbrief-over-regionale-benadering-binnen-ontwikkelingssamenwerking.html> <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2011/11/17/kamerbrief-over-regionale-benadering-binnen-ontwikkelingssamenwerking.html>

¹⁰ According to OECD/DAC, 22 of the 34 poorest countries are facing internal conflicts, meaning that the MDGs cannot be met and people cannot earn a livelihood. See policy spearheads letter.

¹¹ OECD (2011), 'Conflict and Fragility, International Engagement in Fragile States: Can't we do better?'.

The policy spearheads letter of 18 March 2011 contains the government's development policy objectives.¹² Responding to a rapidly changing global situation which also impacts on development cooperation, the policy letter sets out four spearheads of bilateral development cooperation policy:

1. water
2. food security
3. security and rule of law
4. sexual and reproductive health and rights (SRHR).

The objectives of Security and Rule of Law spearhead are:

1. improving human security;
2. contributing to legitimate government with sufficient capacity;
3. creating a peace dividend.

The award of Reconstruction 2012-2015 grants will be guided by the policy objectives contained in the memorandum to the House of Representatives 'Security and Development in Fragile States' and the Security and the Legal theme from the policy spearheads letter.¹³ The overarching policy objective of the call for proposals is to contribute to reconstruction and development in post-conflict areas. To qualify for a grant, an application should focus on at least category 1 (improving human security) and besides that on either category 2 (legitimate government) or 3 (peace dividend):

- 1) Improving human security and promoting rule of law. This approach fosters stability in fragile states, and this in turn is important for the security of the Netherlands.
- 2) Activities concerned with developing legitimate government with sufficient capacity in the priority countries identified in section 2.5 below and appendix II)
- 3) Activities concerned with achieving a peace dividend by creating conditions for socioeconomic reconstruction in these priority countries.

¹² See footnote 8.

¹³ See footnote 7.

For subsidising activities that advance these goals, the Minister for European Affairs and International Cooperation has budgeted €120 million for civil society organisations, both Dutch and international. Up to €40 million of this sum will be available for funding activities in South Sudan. The available funding is part of the Central Reconstruction Fund which finances reconstruction activities to promote security and rule of law in conflict zones and post-conflict areas, with a view to increasing human security.

Gender

Strengthening the position of women in reconstruction and peace processes is an important cross-cutting theme within the spearhead. Sustainable peace and reconstruction can only be achieved if these processes are supported and implemented by the local population. Knowledge of the distinctive perspectives and roles of men and women is key in this regard. Security is not gender-neutral. Women are more likely to be the victim of sexual violence. At the same time, the capacity of women is currently underused in conflict prevention and resolution and in transformation processes, which diminishes the efficiency and effectiveness of such efforts. Women are 'early warners' for conflicts and local and national peace brokers. 'Smart security', therefore, means ensuring women's participation. This is in line with UN Security Council resolution 1325 which addresses the impact of armed conflict on women and emphasises the positive contribution that women can make to peace negotiations, conflict resolution and, in the long term, reconstruction.¹⁴ The Netherlands thus aims to strengthen the position of women as actors in peace and reconstruction processes.

2.2 Objective 1: Improving human security

One important goal of the policy on fragile states is to increase public safety and security. In post-conflict situations, priority must be given to peacebuilding. This means preventing violence and promoting lasting peace by enhancing stability and security. The basic principle is that the state must have the capacity to regulate the

¹⁴ UN Security Council Resolution 1325 (2000), see: http://www.un.org/events/res_1325e.pdf.

use of force in a responsible way. Security can only be achieved if countries have both the capacity and the will to uphold the rule of law.

2.3 Objective 2: Contributing to legitimate government with sufficient capacity

One of the main problems of fragile states is that government authorities often lack sufficient capacity and legitimacy and there is no system in place to safeguard human rights. This puts pressure on the rule of law.

When there is legitimate government with sufficient capacity, societies possess the political wherewithal and social resilience to settle conflicts of interest without violence. Many fragile states, however, are organised around networks of socioreligious organisations, families, clans and companies on the basis of clientelism or patronage. These networks are often far from democratic in the Western sense of the term, though they can function as important social safety nets. Yet in a society based around networks, large groups can sometimes be excluded. This is why it is important to build legitimate government with sufficient capacity. The Netherlands and the international community can promote the political process between states and their citizens and strengthen the capacity of government authorities through dialogue and targeted programmes.

With regard to this objective, grant applications can be related to, for example, strengthening the capacity of ordinary people and civil society to prevent, de-escalate and resolve conflicts at local level. This boosts the capacity of different segments of the population, thereby increasing the accountability of government authorities and the involvement of ordinary people and the community in the implementation of development programmes (community-based approaches). Programmes on mediation, promoting dialogue, conflict prevention and transitional justice may also be eligible for a grant under the framework for Reconstruction 2012-2015. This can support post-conflict reconciliation processes.

2.4 Objective 3: Creating a peace dividend

The purpose of creating a peace dividend is to allow a country's people to experience the advantages of peace and stability by improving living conditions and employment. Wherever possible, these kinds of efforts should be begun before or during the conflict; for example, job creation for young men can help halt or prevent conflicts. A peace dividend is used to eliminate the breeding ground for conflict and establish a foundation for stability. Short-term results are crucial. It is therefore important to keep the gap between the provision of humanitarian aid and the launch of the development relationship as small as possible. On the one hand, a peace dividend involves building social services, such as infrastructure, health care, education, water and sanitation. On the other hand, it is concerned with creating employment and economic opportunities by launching activities in the agriculture sector or among small and medium-sized enterprises (SMEs). Another important element of the peace dividend is, for example, eliminating obstacles to legal certainty and land registration. Women, too, must be involved in development programmes and empowered to take part in reconstruction and economic development.

Considering this objective, grant applications might relate to the creation of employment (for former combatants, young people and women) or programmes concerned with improving the range of basic services for the general public (including women, young people, children and minorities). These basic services are provided based on a context analysis and a conflict-sensitive approach. To bridge the gap between humanitarian aid and reconstruction, it is necessary to build on the networks and investments arising from humanitarian aid efforts. Development programmes should then be aligned with these networks or specifically devised with a view to bridging this gap.

2.5 Geographic priorities

2.5.1 Priority countries and regions

To qualify for a grant under the framework for Reconstruction 2012-2015, the activities should focus on the priority countries and regions listed below. As stated in the policy spearheads letter on development cooperation, Dutch bilateral development policy concentrates on 15 partner countries. For the purposes of this

call for proposals, our focus is on profile II partner countries: fragile states where an approach combining peace, security and development (including the development of the rule of law) lie at the core of the programme. Activities in other partner countries are also eligible for a grant. The final category of geographic priorities concerns countries which, in accordance with the policy spearheads letter, require a regional approach in order to tackle transnational problems relating to security, stability and rule of law. This also includes countries in transition where a focus on security and rule of law is felt to be advantageous. In this way the Netherlands helps promote security, stability and rule of law in fragile states while creating the conditions for a peace dividend. The full list of priority countries for Reconstruction 2012-2015 is as follows:

1)

Profile 1

1. Benin
2. Ethiopia
3. Mali
4. Mozambique
5. Uganda
6. Rwanda

Profile 2

7. Afghanistan
8. Burundi
9. Yemen
10. Palestinian Territories
11. South-Sudan

Profile 3

12. Bangladesh
13. Ghana
14. Indonesia
15. Kenya

2) Countries that require a regional approach to tackling transnational problems relating to peace, security and stability¹⁵

- Afpak/Pakistan: Afghanistan and Pakistan
- Great Lakes: (Rwanda), (Uganda), DRC, (Burundi)
- Horn of Africa: Somalia, (Kenya)
- Central America: Nicaragua, Guatemala, Honduras, El Salvador

3) Other partner countries and countries in transition where a focus on security and rule of law is felt to be advantageous:

- Colombia

¹⁵ See footnote 9.

2.5.2 South Sudan

With a view to reducing conflicts and promoting stability, security and rule of law is also a priority theme for Dutch policy in South Sudan.

The framework for Reconstruction 2012-2015 provides a maximum of €40 million for activities undertaken by Dutch and international civil society organisations in South Sudan in the 2012-2015 period that fall under objectives 2 (legitimate government) and 3 (peace dividend) of the priority theme security and rule of law. The threshold criteria and assessment criteria set out in chapter 4 also apply to grant applications under this framework for projects in South Sudan.

In drafting the multi-annual strategic plan (MASP 2012-2015) for South Sudan, the following elements were identified as areas within the priority theme of security and rule of law on which the Netherlands will focus in the years ahead: identifying measures that can broaden the role of women in the peace process; improving ordinary individuals' access to the legal system and achieving a synergy between the traditional local structures and the more Western-oriented legal systems; increasing access to and conservation of natural resources (including land and water, given that these are a major source of the conflicts in South Sudan). Without better laws, land and water disputes will remain a source of conflict between local communities and individuals. Capitalising on the peace dividend will involve, among other things, increasing employment by developing the private sector in agriculture and related sectors.

The above objectives cannot be accomplished without adequately functioning institutions, such as the police and army. A system of checks and balances needs to be developed so that these institutions can be held accountable (and legally liable) for their actions. Underlying themes guiding these efforts concern the need to uphold human rights, fight corruption and ensure the army and law enforcement authorities operate in accordance with the law. The development of an independent media plays an important role in this. It can, for example, bring instances of corruption to light, thereby curbing this problem.

2.5 Who are the grants for?

To ensure that development is sustainable, a strong civil society is needed, as an advocate of human rights and for the underprivileged. In many difficult situations it is NGOs, both national and international, that do the essential work. They are major partners in the Netherlands' efforts in post-conflict areas. NGOs, for example, can provide social services in cases where it is not possible to work with the government authorities of a particular country. They are also in the best position to build civil society from the ground up. This also contributes to the legitimacy of the political process. It is important that activities are coordinated so that the role of weak government authorities is not undermined. In South Sudan or the Eastern DRC, for example, efforts should also contribute to the creation of strong government on the basis of a strong social contract.

Grants awarded under the framework for Reconstruction 2012-2015 are intended to fund programmes carried out by independent, non-profit Dutch or international civil society organisations with legal personality. Applicants will commit themselves to structural poverty reduction in the priority countries or regions listed in section 2.5, by cooperating with non-profit civil society organisations in those countries, with the goal of contributing to reconstruction and development in post-conflict areas. It is also important that NGOs follow a conflict-sensitive and conflict-preventive approach.

Organisations can independently submit a grant application or form part of a consortium in a joint application. In the latter case, a consortium representative (known as the 'lead party') submits the grant application on behalf of the consortium as a whole. If the application is granted, the lead party is responsible for implementing the consortium's programme. Only civil society organisations of the type specified above can form part of a consortium.

2.6 Activities not eligible for grants

No grant will be awarded for activities already directly or indirectly subsidised from the Ministry of Foreign Affairs budget. Activities being funded in the context of other grant programmes, such as FLOW, MRF 2012-2015 or MFS II, are also not eligible

for funding under Reconstruction 2012-2015.¹⁶ New activities on the part of organisations already receiving grant money may be eligible for a grant under Reconstruction 2012-2015, provided they comply with the criteria set by these administrative rules.

Programmes connected to humanitarian demining and cluster munitions are also ineligible for a grant under Reconstruction 2012-2015.¹⁷

Also ineligible for funding are NGO activities relating to small arms, security sector reform (SSR), and institutional reforms of the army, police and the criminal justice authorities.

3. Assessment procedure

3.1 Assessment criteria

Organisations applying for grants under the framework for Reconstruction 2012-2015 must meet the criteria below in order to qualify for a grant. The assessment will take place in stages.

There are three types of criteria:

1. Threshold criteria: criteria which all applications must meet. If an application does not meet all of the threshold criteria, it will be rejected.
2. Criteria relating to the quality of the applicant organisation or the lead party of the consortium (organisational check).
3. Criteria relating to the quality and policy relevance of the programme proposal (programme check).

These criteria are explained in more detail in chapter 4.

¹⁶ For an overview of grants relating to development cooperation, see <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa>.

¹⁷ Any such applications are referred to the call for proposals specifically dedicated to humanitarian demining and cluster munitions. For more information, see <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa> (in Dutch)

3.2 Assessment

The provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 are fully applicable to the assessment of applications and the grants that are ultimately awarded. Applications will be assessed in accordance with the above legislation and pursuant to the requirements set out in these administrative rules. The administrative rules laid down in the Standard Framework for Development Cooperation also apply.¹⁸ If the administrative rules applying to Reconstruction 2012-2015 deviate from the Standard Framework for Development Cooperation, the former will prevail.

Grant applications will be assessed in accordance with the procedure set out in the call for proposals. All applications that meet the requirements laid down in these administrative rules will be assessed according to the same criteria. The applications that best meet the criteria will be given priority in the award of grants. The Minister will award grants in accordance with this ranking, taking account of the need for an even distribution of the available resources, as referred to in article 8, paragraph 3 (d) of the Ministry of Foreign Affairs Grants Decree.

The assessment of applications is carried out at civil service level by an assessment committee consisting of at least two members of staff of the Ministry of Foreign Affairs and possibly an external consultant. The procedure is based on the legislation governing the award of grants by the Minister, the Standard Framework for Development Cooperation and this grant policy framework.

The Minister will make a decision on the grant applications no later than 1 July 2012.

3.3 Checks and the allocation of available resources

The assessment of grant applications will take place in stages.

¹⁸ Order of the Minister for European Affairs and International Cooperation no. DJZ/BR/0874-10 of 1 December 2010 adopting administrative rules containing general provisions for grants awarded for development cooperation activities (Standard Framework for Development Cooperation), Government Gazette 2010. no. 19701.

The first stage consists of an assessment against the threshold criteria and an organisational check. The second stage looks only at proposals that meet the threshold criteria and that have been submitted by organisations that satisfy the organisational check.

3.3.1 Checks in stage 1

The threshold criteria are criteria that applications for Reconstruction 2012-2015 grants must meet. No points are awarded; applications that fail to meet all of the threshold criteria are rejected and not processed further.

The organisational check contains criteria relating to the quality and efficiency (track record, planning, monitoring and evaluation, and financial and administrative management) of the applicant organisation. Applications from organisations whose quality and efficiency are judged to be deficient are rejected and not processed further.

3.3.2 Checks in stage 2

In stage 2 the quality of the application will be assessed on the basis of the programme check. If the quality of the programme is judged to be deficient, the application will not qualify for a Reconstruction 2012-2015 grant and the applicant will receive a letter of rejection.

3.3.3 Allocation of available resources

Allocation of the available resources to the applicants that have already met the threshold criteria and passed the organisational check takes place at the end of stage 2, i.e. on the basis of the results of the qualitative assessment of the applications following the above programme check.

In order to qualify for a grant under Reconstruction 2012-2015, applications must satisfy the criteria set out in this policy framework.

If insufficient resources are available for all satisfactory applications to receive a full grant, these applications will be ranked according to their results in the programme

check. The size of the grant they receive will depend on how well they meet the criteria.

4. Assessment of applications

4.1 Threshold criteria

Applications that fail to meet all the criteria below will be rejected and will not be assessed further. These criteria are listed below and explained where necessary.

Criterion D.1 *The applicant is a not-for-profit Dutch or international civil society organisation with legal personality.* The organisation must enclose its constitution proving this.

Criterion D.2 *The applicant strives to achieve structural poverty reduction in the priority countries or regions listed in section 2.5, by working with not-for-profit civil society organisations and/or government authorities in these countries, with the aim of contributing to reconstruction and development in post-conflict areas.*¹⁹ This should be evident from the organisation's objectives, as set out in its constitution. Organisations with a broader objective may demonstrate that they satisfy this criterion with reference to their track record and/or internal policy documents, such as a strategic annual plan or multi-annual plan.

Criterion D.3 *The applicant must demonstrate that, as of 1 January 2012, at least 25% of its annual income will derive from sources other than Ministry of Foreign Affairs grants. Grants awarded under Reconstruction 2012-2015 will not exceed 75% of the total annual income of the applicant organisation.* The applicant can demonstrate this plausibly on the basis of income over the 2008-2010 period.

If the applicant is the lead party, this criterion applies to the whole consortium. Consequently, if one organisation derives less than 25% of its annual income from sources other than Ministry of Foreign Affairs grants, this may be offset by another party in the consortium. Funds which are directly or indirectly obtained from the

¹⁹ This criterion differs from the rules laid down in the Standard Framework for Development Cooperation.

budget of the Ministry of Foreign Affairs (e.g. a grant or contribution from a Dutch embassy) do not count when determining the size of the applicant's own income.

Criterion D.4 *From the start of the grant period, the gross salaries of the managers and board members of the applicant/lead party are in reasonable proportion to the seniority of their position and to the organisation's geographical location, size and complexity. The applicant must specify the salaries (including allowances) of managers (including the CEO) and board members.*

Criterion D.5 *The applicant is capable of proper financial management. The applicant can ensure effective and efficient implementation of the activities due to its expertise regarding the activities for which a grant is being applied for.*

Criterion D.6 *The duration of the activities for which grant funding is sought should not exceed four years. Projects should have a minimum duration of 24 months. The minimum grant application is €1 million and the maximum €10 million. These amounts are proportionally lower for projects with a shorter duration, namely:*
2 years: a minimum of €500,000 and a maximum of €5 million;
3 years: a minimum of €750,000 and a maximum of €7.5 million.
This should be evident from the proposal and the accompanying budget and multi-year estimate.

Criterion D.7 *The programme does not involve initiatives aimed wholly or partly at proselytisation. This should be evident from the proposal and the accompanying budget and multi-year estimate.*

Criterion D.8 *Contrary to what is stated in the Standard Framework for Development Cooperation, at least 75% of the resources necessary for implementing the activities must be spent in two or more of the priority countries listed in section 2.5 (priority partner countries and countries in priority regions; see also appendix II). This should be evident from the proposal and the accompanying budget and multi-year estimate.*

Criterion D.9 *The programme does not relate to commercial services, investment or other commercial activities. This should be evident from the proposal and the accompanying budget and multi-year estimate.*

Criterion D.10 *The activities are not at odds with the objective of promoting human security and focus on at least one of the following:*

- 1) *developing legitimate government with adequate capacity;*
- 2) *achieving a peace dividend by creating conditions for socioeconomic reconstruction.*

This should be evident from the proposal and the accompanying budget and multi-year estimate.

Criterion D.11 *The programme relates to activities that qualify for funding from the ODA budget, in line with OECD/DAC criteria.²⁰ This should be evident from the proposal and the accompanying budget and multi-year estimate.*

Criterion D.12 *The programme does not involve activities relating to:*

- *small and light arms;*
- *humanitarian Mine Action and Cluster Munitions*
- *Security Sector Reform (SSR);*
- *institutional reforms of the army, police and the criminal justice authorities.*

This should be evident from the proposal and the accompanying budget and multi-year estimate.

4.2 The organisational check

The organisational check is part of the assessment in the first stage. The aim is to enable the Minister to judge the quality and efficiency of the applicant organisations.

Assessment within the context of the organisational check is based on the extent to which the organisation complies with the following criteria:

²⁰ For the ODA criteria, see appendix III.

Criterion O.1: *Track record over the past three years:* an applicant's performance over the past three years shows that it is capable of achieving planned outcomes²¹ and outputs,²² of obtaining the contributions from third parties necessary for the implementation of the programmes and of ensuring the sustainability of programmes vis-à-vis the ultimate target group.

Criterion O.2: *Planning, monitoring and evaluation (PME):* the PME system used by the organisation is sufficient for monitoring progress in terms of outcomes, outputs and sustainability at programme and organisational level. The organisation periodically commissions independent evaluations of programmes, programme components and its own functioning. The organisation has a sound quality management system in place for its primary processes.

Criterion O.3: *Financial and administrative management:* the applicant's policy on the financial supervision of organisations with which it has a funding relationship is satisfactory; it uses a satisfactory method for assessing the quality of partner organisations with which it has a financial relationship; it has a financial monitoring system that enables it to identify shortfalls (or potential shortfalls) or surpluses at an early stage and take adequate measures to anticipate these contingencies; it also has a broad donor base.

If the quality of the applicant/lead party is deficient, the application will be rejected and will not be assessed further.

4.3 The programme check

The programme check assesses the quality of the programme. This is done on the basis of the following criteria:

Criterion P.1: *Policy relevance:* the extent to which the programme is relevant to policy. This is assessed on the basis of the following factors:

1. *Relevance to development:* the extent to which the activities contribute to structural poverty reduction in post-conflict countries.

²¹ As defined by OECD/DAC. See appendix III;
<http://www.oecd.org/dataoecd/29/21/2754804.pdf>

²² Ibid. <http://www.oecd.org/dataoecd/29/21/2754804.pdf>

2. *Relevance to the objective of this call for proposals:* the extent to which the activities contribute to the objective of Reconstruction 2012-2015, i.e. promoting reconstruction and development in post-conflict areas, particularly through:
 - 1) Improving human security
 - 2) developing legitimate government with sufficient capacity
 - 3) achieving a peace dividend by creating conditions for socioeconomic reconstruction.
3. A) The extent to which the activities are consistent with objectives 2 (legitimate government) and 3 (peace dividend) of the priority theme security and rule of law from the letter to parliament 'Security and Development in Fragile States' and the policy spearheads letter on development cooperation.
B) The extent to which the activities strengthen the position of women as actors in reconstruction and peace processes.
C) The extent to which the implementation of the activities is guided by a conflict-sensitive and conflict-preventive approach.
4. The priority countries and regions where the activities are to be carried out (see appendix II).
5. *Complementarity:* the extent to which the activities are aligned with the development policy of the Netherlands and other donors (organisations or countries) in the country concerned, or with the activities carried out by the Netherlands or other donors (organisations or countries) in the country concerned.

Criterion P.2: *Innovative nature/effectiveness:* the extent to which the proposed activities are innovative, in a thematic sense or due to improvements to the intervention strategy used (increasing the effectiveness of the programmes) or efficiency gains in programme implementation.

Criterion P.3: *Contextual analysis:* the extent to which the proposal, especially the defined problem and objective, reflects the findings of a context or conflict analysis.

Criterion P.4: *Position of partners in the programme:* the extent to which the programme contributes to building the institutional capacity of the partners in the

countries in question and the extent to which partners or the target group can effectively influence the programme.

Criterion P.5: *Details of envisaged outcomes, outputs, activities and resources:* the extent to which the programme provides a detailed description of outcomes, outputs, intended activities and resources, and a clear link has been established between the outputs to be achieved and the resources necessary to do so.

Criterion P.6: *Expression of envisaged outcomes, outputs and resources in SMART terms:* the outcomes, outputs and resources have been formulated in SMART terms (Specific, Measurable, Acceptable, Realistic and Time-related).

Criterion P.7: *Risks, monitoring and corrective action:* the extent to which satisfactory risk management – consisting of a satisfactory risk analysis and a satisfactory system for monitoring and corrective action – is in place, and the funding necessary to implement the programme, in addition to the requested grant, is guaranteed.

Criterion P.8: *Sustainability:* sustainability of the activities: whether they will produce a lasting effect for the ultimate target group and contribute to the institutional sustainability of partners and the applicant's/lead party's own organisation.

Criterion P.9: *Capacity transfer:* the degree to which the activities contribute to the enlargement of the national capacity of the authorities in conflict and post-conflict countries.

5. Application procedure

Applications for grants must be submitted using the model application form as stipulated and made available by the Minister.²³ Applications should be complete and without reservations, signed by an officially authorised signatory and submitted in duplicate on paper and on CD-ROM. It is not possible to submit a provisional application. Applications should be submitted in Dutch or English.

Grant applications must be received no later than **Friday 15 March**, 16.30 (Central European Time). The address is: Ministry of Foreign Affairs, t.a.v. EFV tender Reconstruction, Bezuidenhoutseweg 67, 2500 EM, Den Haag.

With regard to the application procedure, particular attention is drawn to article 7, paragraph 3 of the Ministry of Foreign Affairs Grants Decree. If an incomplete application is submitted, the Minister may request a supplement. In this case, the date of receipt of the application will be the date on which the application was supplemented. If the application is submitted less than two weeks before the deadline of 15 March 2012, the applicant runs the risk that, if it is incomplete, the Minister will not use his discretionary powers to request a supplement, because it cannot be submitted before the deadline. In that case, the application would have to be assessed as it stands.

We would like to draw your attention to article 9 of the Ministry of Foreign Affairs Grants Decree in particular. An application connected to activities that are already in operation at the time that the grant application is submitted will be rejected.

Questions about this policy framework or other matters may be submitted by email. The questions will be anonymised and published online, with answers, on two occasions.

The first deadline for submitting questions is **7 January 2012, 16:30**.

The second deadline for submitting questions is **7 February 2012, 16:30**.

²³ The model application form can be downloaded from <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties>.

In each case the answers to the questions will be posted two weeks later on the following website: <http://www.rijksoverheid.nl/onderwerpen/subsidies-voor-ontwikkelingssamenwerking-en-europa/subsidies-maatschappelijke-organisaties>.

Questions can be submitted by email to **EFV-tender-reconstruction@minbuza.nl**.

Appendix I Model Application Form (see link on webpage)

Appendix II Priority countries/regions

1)

Profile 1

1. Benin
2. Ethiopia
3. Mali
4. Mozambique
5. Uganda
6. Rwanda

Profile 2

7. Afghanistan
8. Burundi
9. Yemen
10. Palestinian Territories
11. South-Sudan

Profile 3

12. Bangladesh
13. Ghana
14. Indonesia
15. Kenya

2) Countries that require a regional approach to tackling transnational problems relating to peace, security and stability²⁴

- Afpak/Pakistan: Afghanistan and Pakistan
- Great Lakes: (Rwanda), (Uganda), DRC, (Burundi)
- Horn of Africa: Somalia, (Kenya)
- Central America: Nicaragua, Guatemala, Honduras, El Salvador

1) Other partner countries and countries in transition where a focus on security and the rule of law is felt to be advantageous:

- Colombia

²⁴ See footnote 9.

Appendix III: ODA criteria

IS IT ODA?

Factsheet - November 2008

DAC Members occasionally request the Secretariat's view as to whether a particular expenditure should be reported as official development assistance (ODA). This paper outlines the reasoning the Secretariat uses to answer such enquiries, and discusses some specific cases. It should not be taken as a definitive guide to ODA eligibility, since only the DAC may determine such eligibility. Further details are provided in the Statistical Reporting Directives (available at www.oecd.org/dac/stats/dac/directives).

Official development assistance is defined as those flows to countries and territories on the DAC List of ODA Recipients (available at www.oecd.org/dac/stats/daclist) and to multilateral development institutions which are:

- i. provided by official agencies, including state and local governments, or by their executive agencies; and
- ii. each transaction of which:
 - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
 - b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent)²⁵

ECONOMIC DEVELOPMENT AND WELFARE AS THE MAIN OBJECTIVE

This is often the decisive criterion for determining ODA eligibility. In the final analysis it is a matter of intention. But in order to reduce the scope for subjective interpretations and promote comparable reporting, Members have agreed to limits on ODA reporting, e.g.:

²⁵ This calculation helps determine whether a loan is concessional. If the loan satisfies the ODA criteria, then the whole amount is reported as ODA. The grant element itself is not reportable as a flow. Reporting is on a cash (nominal) basis, except for Paris Club debt service reduction (see under "Flows" below).

Exclusion of military aid - The supply of military equipment and services, and the forgiveness of debts incurred for military purposes, are not reportable as ODA. On the other hand, additional costs incurred for the use of the donor's military forces to deliver humanitarian aid or perform development services are ODA-eligible.

Peacekeeping - The enforcement aspects of peacekeeping are not reportable as ODA. However, ODA does include the net bilateral costs to donors of carrying out the following activities within UN-administered or UN-approved peace operations: human rights, election monitoring, rehabilitation of demobilised soldiers and of national infrastructure, monitoring and training of administrators, including customs and police officers, advice on economic stabilisation, repatriation and demobilisation of soldiers, weapons disposal and mine removal. (Net bilateral costs means the extra costs of assigning personnel to these activities, net of the costs of stationing them at home, and of any compensation received from the UN.) Similar activities conducted for developmental reasons outside UN peace operations are also reportable as ODA, but not recorded against the peacekeeping code. Activities carried out for non-developmental reasons, e.g. mine clearance to allow military training, are not reportable as ODA.

Civil police work - Expenditure on police training is reportable as ODA, unless the training relates to paramilitary functions such as counter-insurgency work or intelligence gathering on terrorism. The supply of the donor's police services to control civil disobedience is not reportable.

Social and cultural programmes - As with police work, a distinction is drawn between building developing countries' capacity (ODA-eligible) and one-off interventions (not ODA-eligible). Thus, the promotion of museums, libraries, art and music schools, and sports training facilities and venues counts as ODA, whereas sponsoring concert tours or athletes' travel costs does not. Cultural programmes in developing countries whose main purpose is to promote the culture or values of the donor are not reportable as ODA.

Assistance to refugees - Assistance to refugees in developing countries is reportable as ODA. Temporary assistance to refugees from developing countries arriving in donor countries is reportable as ODA during the first 12

months of stay, and all costs associated with eventual repatriation to the developing country of origin are also reportable.

Nuclear energy - The peaceful use of nuclear energy, including construction of nuclear power plants, nuclear safety and the medical use of radioisotopes, is ODA-eligible. Military applications of nuclear energy and nuclear non-proliferation activities are not.

Research - Only research directly and primarily relevant to the problems of developing countries may be counted as ODA. This includes research into tropical diseases and developing crops designed for developing country conditions. The costs may still be counted as ODA if the research is carried out in a developed country.

Anti-Terrorism - Activities combatting terrorism are not reportable as ODA, as they generally target perceived threats to donor, as much as to recipient countries, rather than focusing on the economic and social development of the recipient.

ODA ELIGIBILITY OF AID TO MULTILATERALS AND NGOS

Annex 2 of the Statistical Reporting Directives lists those international agencies contributions to which are reportable as ODA. ODA coefficients are provided for United Nations agencies which conduct part of their activities in favour of development. These coefficients are revised every few years in consultation with the agencies concerned.

United Nations agencies have established many specific-purpose funds. These are too numerous, and arise and disappear too quickly, to be listed in the Directives. The same applies to national non-governmental organisations. In both cases, Members must use their judgement as to whether contributions have an ODA character². When in doubt, they may consult the Secretariat, at dac.contact@oecd.org providing details of the fund in question.

The Directives also list the main international non-governmental organisations (INGOs) contributions to which are reportable as ODA. These are increasingly numerous. Where Members have contributed to INGOs not on this list, they should assess their ODA character in the light of the INGOs' aims, programmes and membership. If they believe the contribution should be counted as ODA, they should

inform the Secretariat so that Members can consider the INGO in the annual review of Annex 2.

2. The coefficient established for an agency partly active in development does not normally apply to specific-purpose funds it sets up, the ODA character of which should be assessed individually. For example, 70 per cent of contributions to WHO's core budget are reportable as ODA. But contributions to WHO's bilharzia programme are 100 per cent ODA-reportable, while contributions to its International Agency for Research on Cancer are not ODA-reportable.

OFFICIAL AGENCIES

Official flows comprise transactions undertaken by the official sector (i.e. Government) at their own risk and responsibility, regardless of the source of funds (taxation of or borrowing from the private sector). Official agencies include federal, state and local departments and agencies. The market-based transactions of central monetary authorities, however, do not enter into the statistics.

Sometimes one official agency subsidises another. Since the subsidy is internal to the official sector of the donor country, it is not reported as a flow. Rather, the transaction recorded is that between the subsidised agency and the developing country. If this transaction meets the other ODA criteria described in this paper, it is recorded as ODA.

Official subsidies to private firms may be recorded as other official flows (OOF). They are not considered to meet the tests of ODA, since by definition they support activities with a primarily commercial objective.

Official subsidies to private not-for-profit organisations ("non-governmental organisations") that are active in development are reportable as ODA.

FLOWS

Flows are transfers of resources, either in cash or in the form of commodities or services. Since DAC statistics concentrate on transactions likely to have a development impact, loans for one year or less are not counted. Repayments of the principal of ODA loans count as negative flows, and are deducted to arrive at net ODA, so that by the time a loan is repaid, the net flow over the period of the loan is

zero. Interest is recorded, but is not counted in the net flow statistics. Where official equity investments in a developing country are reported as ODA because of their development intention, proceeds from their later sale are recorded as negative flows, regardless of whether the purchaser is in a developed or a developing country.

Disbursements are measured on a cash basis, not an accruals basis, except that:

- wherever contributions to multilateral development banks and funds are made in the form of promissory notes, the full amount of the note is recorded at the time of deposit; and
- the net present value of debt relief provided by implementing a Paris Club debt reorganisation through debt service reduction is reportable as an ODA grant in the year of the reorganisation.

Some transactions not recorded as transfers in balance of payments statistics are nevertheless eligible to be recorded as ODA, since they represent an effort by the official sector in favour of development. These include the costs of developmentally relevant secondary and tertiary education and vocational training (including stipends and travel) provided to developing country nationals in the donor country, the administrative costs of ODA programmes, subsidies to non-governmental organisations, in donor refugee costs and programmes to raise development awareness in donor countries.

Capital investment in the donor country is not regarded as a flow and is therefore not eligible to be reported as ODA. This applies even to the construction and equipment of training and research facilities related to development issues. The running costs of such facilities may, however, be counted as ODA.

CONCESSIONAL IN CHARACTER

From the earliest discussions of the concept of ODA, Members agreed that it should represent an effort in favour of developing countries by the official sector. Loans at market terms were excluded. When in the early 1970s interest rates began rising sharply, it was further specified that loans could only be reported as ODA if they had a grant element of at least 25 per cent, calculated against a notional reference rate of 10 per cent per annum.

These elements remain today. In recent years, long-term interest rates in most OECD Member countries have fallen well below 10 per cent, so the 25 per cent grant element level has become easier to attain. But to qualify as ODA, loans must still be concessional in character, i.e. below market interest rates.

Where concessional and non-concessional financing are combined in so-called “associated financing packages”, the official and concessional elements may be reported as ODA, provided they have a grant element of at least 25 per cent. Such contributions must also meet the special concessionality tests for associated financing, which are based on market interest rates and set out in the Arrangement on Guidelines for Officially Supported Export Credits (OECD, 2008 Revision).

Appendix IV: DAC list of ODA recipients

Effective for reporting on 2011, 2012 and 2013 flows

Least Developed Countries	Other Low Income Countries (per capita GNI < \$1 005 in 2010)	Lower Middle Income Countries and Territories (per capita GNI \$1 006-\$3 975 in 2010)	Upper Middle Income Countries and Territories (per capita GNI \$3 976-\$12 275 in 2010)
Afghanistan	Kenya	Armenia	Albania
Angola	Korea, Dem. Rep	Belize	Algeria
Bangladesh	Kyrgyz Rep.	Bolivia	*Anguilla
Benin	South	Cameroon	Antigua and Barbuda
Bhutan	Tajikistan	Cape Verde	Argentina
Burkina Faso	Zimbabwe	Congo, Rep.	Azerbaijan
Burundi		Côte d'Ivoire	Belarus
Cambodia		Egypt	Bosnia and Herzegovina
Central African Rep.		El Salvador	Botswana
Chad		Fiji	Brazil
Comoros		Georgia	Chile
Congo, Dem. Rep.		Ghana	Cook Islands
Djibouti		Guatemala	Costa Rica
Equatorial Guinea		Guyana	Cuba
Eritrea		Honduras	Dominica
Ethiopia		India	Dominican Republic
Gambia		Indonesia	Ecuador
Guinea		Iraq	Former Yugoslav Republic of Macedonia
Guinea-Bissau		Kosovo ¹	Gabon
Haiti		Marshall Islands	Grenada

Kiribati		Micronesia, Federated States	Iran
Laos		Moldova	Jamaica
Lesotho		Mongolia	Jordan
Liberia		Morocco	Kazakhstan
Madagascar		Nicaragua	Lebanon
Malawi		Nigeria	Libya
Mali		Pakistan	Malaysia
Mauritania		Papua New Guinea	Maldives
Mozambique		Paraguay	Mauritius
Myanmar		Philippines	Mexico
Nepal		Sri Lanka	Montenegro
Niger		Swaziland	*Montserrat
Rwanda		Syria	Namibia
Samoa		Thailand	Nauru
São Tomé and Príncipe		*Tokelau	Niue
Senegal		Tonga	Palau
Sierra Leone		Turkmenistan	Panama
Solomon Islands		Ukraine	Peru
Somalia		Uzbekistan	Serbia
Sudan		Vietnam	Seychelles
Tanzania		West Bank and Gaza Strip	South Africa
Timor-Leste			St Helena
Togo			St. Kitts-Nevis
Tuvalu			St. Lucia
Uganda			St. Vincent and Grenadines
Vanuatu			Suriname
Yemen			Thailand
Zambia			Turkey
			Tunisia
			Uruguay

		Venezuela *Wallis and Futuna
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*Territory

(1) This is without the prejudice to the status of Kosovo under international law.

Appendix V: OECD/DAC definition of ‘outcomes’ and ‘outputs’

Outcome

The likely or achieved short-term and medium-term effects of an intervention’s outputs.

Related terms: result, outputs, impacts, effect.

Outputs

The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.