

Order of the Minister for Foreign Trade and Development Cooperation of 8 January, no. DHS_2016.18114, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Addressing Root Causes Fund 2016-2021)

The Minister for Foreign Trade and Development Cooperation;

Having regard to articles 6 and 7 of the Ministry of Foreign Affairs Grants Decree;¹

Having regard to article 5.1 of the Ministry of Foreign Affairs Grant Regulations 2006;²

Orders:

Article 1

The administrative rules appended as an appendix to this Order apply to grants awarded under article 5.1 of the Ministry of Foreign Affairs Grant Regulations 2006 within the framework of the Addressing Root Causes (ARC) Fund 2016-2021, with a view to financing activities aimed at tackling the root causes of armed conflict, instability and irregular migration.

Article 2

1. An overall ceiling of €125 million applies to ARC Fund 2016-2021 grants awarded from 1 February 2016 until 31 December 2021.
2. Grants are awarded on condition that sufficient funding is made available for the part of the grant that is chargeable to a budget that has not yet been fixed.

Article 3

1. Grant applications for the Addressing Root Causes Fund 2016-2021 must be submitted using the application form stipulated by the Minister and accompanied by the documents stipulated in the form.³
2. Grant applications may be submitted from the date on which this Order enters into force until 12:00 CET on 4 March 2016.

Article 4

The 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 for a grant, 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 Grant Decree.

Article 5

This Order enters into force on the day after the date of the Government Gazette in which it appears and lapses with effect from 1 January 2022, with the proviso that it continues to apply to grants awarded prior to that date.

This Order and its accompanying appendix (the policy framework), including annexes 1 and 2, will be published in the Government Gazette. The application form and the two mandatory annexes will be published on the internet.⁴

¹ Bulletin of Acts and Decrees, 2005, 137.

² Government Gazette, 2005, 251.

³ The application form and the mandatory appendices can be found at: <https://www.government.nl/topics/grant-programmes>

⁴ <https://www.government.nl/topics/grant-programmes>

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Glossary

Policy goals	The five primary goals of Dutch <u>policy</u> on security and the rule of law (S&RL) (see page six of this policy framework). For each target country, one or more policy goals have been selected for which applications can be submitted. Each selected policy goal is divided into one or more <u>country-specific</u> goals per target country.
Country-specific goal(s)	The specific <u>sub-goals</u> of Dutch policy on security and the rule of law for each ARC Fund target country, set out in annexe 1 to this policy framework (e.g. for Afghanistan these are the S&RL sub-goals 5.1, 2.1, 2.2, etc.).
Target countries	The countries or which proposals can be submitted in order to receive an ARC Fund grant.
Programme outcomes	Medium-term effects or consequences of programme outputs for the beneficiaries of the programme, which are achievable during the project's duration. Outcomes are formulated by the applicant/consortium.

Chapter 1 General

1.1 Introduction and background

More and more people are leaving their homes to find safe refuge elsewhere. In 2014, over eight million men and women fled their homes because of armed conflict, persecution or threats to their safety, bringing the total number of refugees to almost sixty million. Worldwide, currently one in 122 people is a refugee, an internally displaced person (IDP) or an asylum seeker. This number has never been higher.

The majority of refugees are IDPs (38 million). About one-third find refuge abroad, usually in a neighbouring country although an increasing number are finding their way to Europe. Refugee agency UNHCR estimates that over 750,000 refugees entered Europe via the Mediterranean Sea in 2015.⁵

The Netherlands is increasingly feeling the effects of the growing numbers of refugees and migrants. According to Statistics Netherlands (CBS), 24,000 people applied for asylum in the Netherlands in 2014, an increase of 66% compared to 2013. Between January and November 2015, 54,000 people applied for asylum in the Netherlands.⁶

Many of these people are fleeing armed conflict and/or repression in their countries of origin. A second group comes from countries that rank high on the Fragile States Index. While these countries may not currently be in armed conflict, they usually have a long history of armed conflict or instability. Fragile states are characterised by multiple problems, including violence, political instability, lack of an independent rule of law, poor governance, high unemployment (especially among young people), economic inequality, a high population growth rate and a lack of affordable education.⁷

Fragile states are home to nearly half of the world's poorest, i.e. people living below the poverty threshold of \$1.25 a day. The relative number of people living in absolute poverty in fragile states is expected to increase considerably, from 43% today to 62% in 2030.⁸ In addition, fragile states have generally lagged behind other developing countries in achieving the Millennium Development Goals (MDGs).⁹

In this situation, those who can afford it migrate to countries where they think they can build a better future. Those who do not have the means to leave must stay in their home country. Some of those who stay, particularly young people, become a target for criminal gangs, terrorist organisations and rebel groups. In many fragile states, these developments pose a severe threat to long-term peace and stability, and will likely lead to new flows of IDPs and refugees.

The third group consists of refugees and irregular migrants who fled their home country because of armed conflict or instability and originally found refuge in one of the neighbouring countries, but find it necessary to migrate further. Many of these countries of first reception are located near countries experiencing armed conflict or instability. Hosting such large numbers of refugees and/or irregular migrants puts growing pressure on basic services such as education, housing and health care, while competition on the – already tight – (informal) job market becomes fiercer. These developments are increasing tensions in society. Many refugees and/or irregular migrants are not economically

⁵ Refugees/Migrants Emergency Response, UNHCR, 2015, <http://data.unhcr.org/mediterranean/regional.php>

⁶ Data from the Ministry of Security and Justice, 14 December 2015.

⁷ States of Fragility 2015 – Revised Edition. OECD, 2015.

⁸ Ibid.

⁹ Idem.

independent and see no prospects for themselves or their families in the country where they originally found refuge. These people migrate further. Citizens from host countries are also joining the flow to more prosperous regions like Europe in their own quest for a better future.

The Netherlands has welcomed the refugees while also supporting authorities and organisations in countries and regions of first reception. Ultimately, of course, people want to be able to live safely and build a future in their home country. Addressing the socioeconomic and political root causes of armed conflict, instability and irregular migration must help reduce the large migration flow – and pressure on the countries of first reception.

1.2. Policy relevance

The policy memorandum 'A World to Gain'¹⁰ calls for eradicating extreme poverty and gender inequality, and achieving lasting, inclusive growth worldwide. However, countries caught in the vicious cycle of instability, armed conflict, inadequate governance structures and underdevelopment have generally lagged behind in achieving the MDGs. We also see an increasing prevalence of extreme poverty,¹¹ and a decrease in the rights and legal protection of women¹² in these countries. Citizens not only lack livelihood opportunities and basic services, their physical security is also threatened as a result of lawlessness and armed conflict. In this situation, women in particular are at risk of becoming victims of sexual violence.

The Netherlands aims to help tackle the root causes of armed conflict, instability and irregular migration by pursuing five goals of the Dutch policy priority, security and the rule of law (S&RL):

1. improve human security,
2. a functioning rule of law,
3. inclusive political processes,
4. legitimate and capable governments and
5. equal access to employment opportunities and basic services.¹³

The Netherlands thus endorses the five goals for statebuilding and peacebuilding agreed at during the fourth High Level Forum on Aid Effectiveness in Busan (2011).¹⁴

A theory of change drawn up in 2015 elaborated the Dutch policy goals for S&RL, dividing them into a five sub-goals and explaining their underlying assumptions.¹⁵

Tackling the root causes of armed conflict, instability and irregular migration is part of the integrated approach proposed by the Dutch government for dealing with the European refugee crisis.¹⁶ Another element of this approach is improving the protection of refugees in countries of first reception.¹⁷

¹⁰ Parliamentary Papers, House of Representatives, 33625, 5 April 2013.

¹¹ According to OECD/DAC, currently 43% of people who live in extreme poverty live in the 50 countries designated by the OECD as fragile states and their numbers are growing.

¹² *Preventing Conflict, Transforming Justice, Securing the Peace, a Global Study of United Nations Security Council resolution 1325*, (lead author Radhika Coomaraswamy), UN Women (<http://wps.unwomen.org/en>), October 2015. Also the OECD/DAC report: *Enhancing the Delivery of Justice and Security 2005 and Conflict and Fragility Do No Harm International Support for Statebuilding*, 2009.

¹³ Letter of 21 May 2012 from the Minister for Foreign Trade and Development Cooperation to the House of Representatives on the policy spearhead Security & Rule of Law, 32 605, no. 94.

¹⁴ The 'New Deal on Engagement in Fragile States' sets five peacebuilding and statebuilding goals: I. Legitimate politics - Foster inclusive political settlements and conflict resolution; II. Security - Establish and strengthen people's security; III. Justice - Address injustices and increase people's access to justice; IV. Economic foundations - Generate employment and improve livelihoods and V. Revenues and services - Manage revenue and build capacity for accountable and fair service delivery.

¹⁵ Theory of change for the Security & Rule of Law policy priority, <https://www.government.nl/ministries/ministry-of-foreign-affairs/documents/regulations/2015/12/10/theory-of-change-for-the-security-and-rule-of-law-policy-priority-in-fragile-situations>

¹⁶ Letter of 8 September 2015 from the State Secretary for Security and Justice in conjunction with the Minister for Foreign Trade and Development Cooperation to the House of Representatives on the European refugee crisis, 682 347.

¹⁷ Ibid.

In recent years, the Netherlands has contributed to tackling the root causes of armed conflict, instability and irregular migration through several channels, including multilateral and bilateral programmes, and diplomatic, political and military efforts. Specifically, the Netherlands has been involved in peacekeeping, facilitating peace processes, strengthening the rule of law and strengthening the capacity of (local) governments. The Dutch government also provides funding (e.g. through the Reconstruction Tender and the strategic partnerships for Protracted Crises and Dialogue & Dissent) to NGOs for implementing programmes that address the root causes of armed conflict, instability and irregular migration through a bottom-up approach, i.e. by strengthening civil society, encouraging peaceful conflict resolution, improving social cohesion among citizens and strengthening the social contract between citizens and the government.

In light of the Netherlands' continued commitment to these goals, the Minister for Foreign Trade and Development Cooperation has launched the Addressing Root Causes Fund (ARC Fund), an overarching instrument that will disburse up to €125 million over the years 2016-2021 in support of NGOs working in this area.

1.3. Geographical scope and goals

1.3.1. Territorial scope

The ARC Fund will support activities in the following countries: Afghanistan, Burundi, the Democratic Republic of the Congo (DRC), Ethiopia, Jordan, Lebanon, Mali, Pakistan, Somalia, South Sudan, Sudan and Syria.

These countries are experiencing major migration-related challenges, often combined with armed conflict and instability, and can be divided into countries of origin, countries of first reception, and/or transit countries (see 1.3.2.).

In all of these countries, there is (1) a Dutch embassy¹⁸ and (2) a certain degree of freedom for civil society to operate. Embassies play a crucial role in aligning the various Dutch initiatives in the target countries with those of other donors in order to achieve a multiplier effect, resulting in more and better results for the beneficiaries.

1.3.2. Goals

The ARC Fund's overarching goal is to address the political and socioeconomic root causes of (1) armed conflict and instability and (2) irregular (secondary) migration.

Armed conflict and instability are major concerns in Afghanistan, Burundi, DRC, Mali, Pakistan, Somalia, South Sudan and Syria. Irregular (secondary) migration is a major concern in Ethiopia, Jordan and Lebanon. Sudan faces all these issues simultaneously.

Addressing these root causes is complex and requires an integrated approach. The ARC Fund is part of a broader Dutch strategy for tackling the root causes of armed conflict, instability and irregular migration in the 12 target countries.

¹⁸ The Netherlands does not currently have embassies in Somalia and Syria, but has a Somalia desk and a Syria desk at Dutch embassies in neighbouring countries.

The countries of origin – root causes of armed conflict and instability

Most countries of origin are currently in the throes of armed conflict, causing the large-scale displacement of people to safer regions in the country itself, to neighbouring countries, and in some cases to Europe.

Other countries of origin are not currently in conflict but do have a long history of armed conflict and rank high on the Fragile States Index. Flows of IDPs,¹⁹ refugees²⁰ and irregular migrants are symptoms of conflict and/or instability.

The root causes of armed conflict and instability are diverse and complex, but at the core, these countries are characterised by strong social polarisation (poor social cohesion) which is reflected in and fuelled by a disrupted relationship between government and the people (weak social contract). In fragile states, citizens and communities often mistrust each other and are unwilling to cooperate peacefully due to, for instance, the complex ethnic or tribal composition of the population or as a result of a previous conflict. There is no legitimate government to guarantee everyone's safety and ensure fair access to employment, natural resources, public services and prosperity.

Government bodies, public funds and natural resources are often at the disposal of a small political-economic elite only, or various groups compete with each other to gain a power monopoly. Elites have few incentives to account for their actions, partly due to the lack of a middle class or a substantial tax base. In areas where the government has little effective authority, responsibility for performing core tasks is often assumed by traditional or non-state actors. Lawlessness, crime and terrorist networks may flourish as a result.

Unequal access and scarcity are more likely to lead to conflict where no peaceful social, political or legal mechanisms are in place for conflict resolution. In fragile states, access to a functioning legal system is limited. Factors such as physical distance, poor facilities, delays and corruption are obstacles to formal justice. Abuse of power and arbitrariness may be rife in the legal system. State capture (the influence of private interests on official decision-making) is commonplace, and there may be active involvement of judicial bodies, police or army in crime at local, regional or national levels.

The countries of first reception and transit countries in the region – root causes of irregular (secondary) migration

Countries of first reception and transit countries are located near unstable countries. As a result, they experience an influx of refugees and migrants, who may only consider themselves in transit on their journey to other countries further away.

The pressure of taking in such high number of refugees is bringing many of these countries to the brink of collapse. Economies are stagnating and public services such as schools and hospitals cannot cope with the enormous rise in demand. Moreover, many of these countries are themselves fragile states, with high levels of unemployment, weak governance structures and a history of instability and armed conflict. The major influx of refugees is causing tensions to rise, increasing the risk of renewed outbreaks of violence.

If they can afford it, refugees who initially found refuge in these countries move on because of the continuous dependency on humanitarian aid, limited or no access to education for their children, restrictions on work, rising tensions between host communities and refugees, and a lack of future prospects both in their own country and in the country of first reception. These factors combined make

¹⁹ According to the UNHCR definition in 'Guiding Principles on Internal Displacement' (UNHCR, 1998).

²⁰ According to the definition in article 1 (A) of the Treaty concerning the Status of Refugees (1951).

the countries of first reception less appealing in the eyes of 'new' refugees, too, motivating them to continue their journey to other destinations.

Moreover, social circumstances in countries of first reception and transit countries (insecurity and the lack of a functioning justice system, housing and/or sanitation services) put girls and women at greater risk of sexual violence, forced child marriage and women trafficking. The desire to protect the family and the family honour are thus additional reasons for travelling further.

The growing number of problems in host countries that are already struggling with high levels of unemployment and poverty, thus result in increasing numbers of migrants leaving the countries of first reception for more stable regions like Europe.

Finally, some countries are simultaneously country of origin, country of first reception and transit country. There, armed conflict or instability causes flows of IDPs, refugees and/or irregular migrants, while at the same time refugees are fleeing to or passing through the country from other conflict-affected countries.

Context-specific approach

The intensity and type of problems differ strongly per country targeted by the ARC Fund. The ministry therefore requires ARC Fund grantees to apply a context-specific approach, based on Dutch policy on S&RL, with a view to achieving the greatest possible added value in each country.

Based on the contextual analysis, the ministry (including the embassies) have selected S&RL goals and sub-goals for each target country (see box 1). For a number of target countries, a distinction was made between priority and secondary goals and/or priority regions.

Annexe 1 of this policy framework contains the contextual analyses and country-specific goals for each of the 12 countries separately.

Box 1. Goals of the theory of change for Dutch policy on security and the rule of law in fragile states. Ministry of Foreign Affairs, September 2015.

1. Human security
 - 1.1. All kinds of violent acts against citizens, including sexual violence, and other physical security threats are reduced.
 - 1.2. Institutions responsible for maintaining security perform their tasks effectively, accountably and in better coordination, in response to the needs of citizens.
 - 1.3. Communities and civil society contribute to human security and social cohesion, independently and in coordination with responsible institutions.
 - 1.4. Transnational drivers of conflict such as organised crime and illicit flows of finance, arms and conflict commodities are reduced based on an integrated approach.
2. Functioning Rule of Law
 - 2.1. Men and women are aware of their basic rights and fundamental freedoms and have equal means to access formal and informal justice systems.
 - 2.2. All justice institutions responsible perform their tasks effectively, accountably and in better coordination, responding to the needs of citizens.
 - 2.3. The justice system is independent and effectively curbs abuse of power by state institutions, armed actors or powerful individuals.
 - 2.4. Formal and informal justice institutions effectively address legacies of human rights violations and serious crimes committed during periods of armed conflict or dictatorship, and address root causes that give rise to conflict.
3. Inclusive political processes
 - 3.1. Political decision making at different levels is participatory, representative and inclusive of all social groups.
 - 3.2. National and international actors take responsibility for effective and inclusive mechanisms for peacebuilding and prevention of conflict, with an active role for women.
4. Legitimate and capable governments
 - 4.1. Government institutions at all levels implement laws and policies and deliver core tasks in a manner that promotes inclusive and sustainable development.
 - 4.2. Government institutions at all levels are responsive to needs and views articulated by citizens and civil society and have functioning mechanisms in place for internal and external accountability.
 - 4.3. Government institutions manage domestic resources and public finance transparently and have functioning mechanisms in place to reduce and prevent corruption.
5. Equal access to employment and basic services; resilience
 - 5.1. Government institutions, (local) civil society and the private sector increase sustainable employment opportunities in a conflict-sensitive manner, working towards inclusive development and social cohesion.
 - 5.2. Governments institutions, (local) civil society and the private sector improve (equitable access to) basic services in a manner that increases legitimacy of institutions and social cohesion.
 - 5.3. In situations of protracted crisis, national and international actors support vulnerable groups (including refugees, displaced persons and host communities) to enhance their resilience and build sustainable livelihoods.

Employment

Where the ministry has designated sub-goal 5.1 (improving access to employment) of Dutch S&RL policy as a goal for the target country (see annexe 1 of this policy framework), it is important that the proposed programme outcomes and strategy in the theory of change:

- are based on a solid market analysis (from reliable sources) and are, partly because of this, evidently demand-driven;

- address specific, context-relevant shortcomings concerning demand for employment/services, supply (i.e. a lack of the right skills among target groups) and/or mediation between demand and supply;
- show how the (central, regional and lower) authorities are encouraged to eliminate obstacles to a functioning labour market and satisfactory business climate;
- are aware of their impact on local markets (in relation to the goal of minimising market distortion) and complement relevant initiatives by other actors.

Note that in this context, the minister also considers promoting independent entrepreneurship in the formal or informal sector as 'improving employment'.

1.4 Target group

The ARC Fund is open to Dutch, international and local not-for-profit non-governmental organisations (NGOs) that possess legal personality under civil law, and to consortiums of Dutch, international and/or local not-for-profit NGOs. See chapter 4.1 for definitions.

The minister endorses an integrated approach and therefore encourages applications by consortiums. These applications will be given priority over applications of equal quality from individual applicants.

In the case of a consortium, the lead party submits the application on behalf of the consortium. If the application is approved, the lead party is responsible for implementation of the programme by the consortium and for compliance with the consortium's obligations towards the minister as set out in the grant decision.

Importantly, the applicant/lead party should have access, via one or more consortium partners or partner organisations, to an office in the country where the proposed activity is to be carried out.

Chapter 2 Procedure

The selection procedure consists of two phases. Eligible applications are selected in phase I (the assessment phase, consisting of two parts). Successful applicants go on to phase II (consultation and inception phase), in which they develop their country-specific programme document in consultation with the ministry.

2.1. Phase I – the assessment phase

In order to be considered for a grant from the ARC Fund, applications must pass the threshold check. To that end organisations/consortiums must ensure that the Ministry of Foreign Affairs has **received** their application form accompanied by the mandatory annexes (track record and concept note) **no later than 12:00 CET on 4 March 2016**. Applications received after 12:00 CET on 4 March 2016 will be rejected.

A separate application must be submitted for each target country. An applicant may submit only one application per target country, either individually or as part of a consortium (in which case no distinction is made between lead parties and co-applicants) and can therefore only receive one grant per target country. If an applicant submits more than one application for a target country, either individually or as part of multiple consortiums (either as a lead party or co-applicant), all these applications will be rejected.

Applications will be assessed in accordance with the provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 and are pursuant to the requirements set out in these administrative rules.

2.1.1. Phase Ia

Phase Ia consists of a check of the admissibility requirements as stated in section 4.1.1 of the General Administrative Law Act. Applications are assessed against the threshold criteria as set out in these administrative rules in chapter 4.1.

Applications must meet all the threshold criteria in order to be eligible for a grant from the ARC Fund. No scores are awarded: if one or more of the criteria are not met, the application is rejected and does not go on to phase Ib, which involves an assessment of the quality of their concept note and track record.

2.1.2. Phase Ib

In phase Ib, an assessment team including, in any case, staff members of the Department of Stabilisation and Humanitarian Aid (DSH) and the embassy in the target country assess the quality of the applicant's/lead party's track record and concept note.

See chapter three for the practical requirements that applications must meet and chapter four for the assessment criteria.

2.1.3. Selection of applications and distribution of the available funding

The quality of the track record and the concept note must be at least satisfactory in order for the application to be considered for phase II. If, for one or more countries, no proposals with a track record and concept note of sufficient quality are received, the minister may decide not to fund any activities in these countries.

In phase I, the minister selects a maximum of 36 applications (from consortiums and individual applicants). Applications that best meet the criteria relating to the quality of the track record and concept note are given priority in selecting proposals for phase II, taking into account the need for an even distribution of the available funding over the target countries and over the country-specific goals within countries.

Where both priority goals and secondary goals have been formulated for a target country (see annexe 1), applications focusing on one or more priority goals for the target country will be given priority over applications focusing on secondary country-specific goals.

Where annexe 1 identifies priority regions within countries, proposals focusing on priority regions will take priority over proposals focusing on other regions.

Where annexe 1 identifies priority and secondary goals and priority regions in a particular target country, applications focusing on secondary goals in a priority region will take priority over applications focusing on one or more priority goals in other regions.

This also applies if the quality of applications focusing on secondary country-specific goals in non-priority regions is higher than the quality of the applications focusing on priority country-specific goals and regions (provided that they are at least of sufficient quality).

In the case of applications of equal quality, applications by consortiums will be given priority over applications by individual applicants.

This means that an application that satisfies the quality criteria may nevertheless be rejected, because the budget is not sufficient to award grants to all satisfactory applications, or because the budget must be distributed as evenly as possible over the target countries and, within the countries, over the country-specific goals, or because priority was given to proposals focusing on priority goals or regions, or to proposals submitted by a consortium.

The minister will inform applicants of her decision on applications selected for phase II no later than **13 May 2016**.

Applicants/consortiums selected for phase II will be given an indication of the maximum grant amount that may be awarded. This amount is based on the number of applicants selected, the requested grant amount and the quality of the track record and the concept note. The applicant's score on the quality-based criteria for these components and the geographic and thematic distribution of applications and the available funding are also taken into account.

In phase II, based on this indicative grant amount, the selected applicants/consortiums will develop a programme document.

Prior to phase II, the ministry will publish guidelines for the programme documents to be drafted and the criteria that will be used to assess these documents. The aim is to award grants to all selected applicants/consortiums at the end of phase II, provided they sufficiently meet the programme document criteria. If the programme document gives cause to do so, the final grant award may be lower than the indicative grant amount communicated at the end of phase I (upward adjustments are not possible).²¹

2.2. Phase II – the consultation and inception phase

2.2.1. General kick-off meeting

The selected organisations will be invited to a general kick-off meeting in May or June organised by the Stabilisation and Humanitarian Aid Department (DSH) in The Hague. The purpose of this meeting is threefold: (1) to inform the selected organisations on the procedure in phase II, (2) to provide more information on the guidelines and criteria for the programme document, published prior to the start of phase II, (3) to present the monitoring and evaluation requirements and the guidelines for their further development.

2.2.2. Country kick-off meeting

In addition, kick-off meetings will be organised in the target countries (or in one of the neighbouring countries) in May or June, when the organisations selected for the target country will meet with DSH and embassy staff. The aims of the country-specific meetings will be to: (1) determine a common conceptual framework in the form of a country-specific theory of change and a learning agenda, (2) bring about complementarity and synergy between the organisations and with other programmes (financed by the ministry), and (3) result in agreements on collaboration.

The selected organisations will first present their own theories of change (submitted as part of the concept note) to the other participants. Based on this and on the ministry's theory of change for S&RL

²¹ See also article 14, paragraph 1 of the Ministry of Foreign Affairs Grants Decree: Grants shall be awarded solely to cover costs of the planned activities that are necessary in the light of the objectives and results envisaged, provided it cannot reasonably be expected that such costs can be funded from the applicant's own resources or other sources.

policy and, if available, the embassy's theory of change, they will then jointly develop a conceptual framework in the form of an overarching theory of change at country level.

The selected organisations will develop a programme document based on the common theory of change and the ministry's guidelines.

The country kick-off will also lead to a joint learning agenda, focusing on (1) further research into the root causes of armed conflict, instability and/or irregular migration in the target country, and (2) testing the assumptions underlying the theories of change. Funding will be made available for this through the ARC Fund.

Finally, agreements will be made on collaboration between the selected organisations and the Ministry of Foreign Affairs (including the embassies). These agreements will be laid down in a partnership agreement.

2.2.3. Developing the programme document

After the kick-off meetings, the organisations – with local partners and country offices, if applicable – will develop their programme document (including a budget), based on the concept note, common theory of change and partnership agreement.

The programme documents will then be assessed using the previously published criteria (prior to phase II).

The minister intends to award grants to all applicants/consortiums selected for phase II. However, if the applicant's/consortium's programme document is assessed as insufficient, the application will be rejected for a grant from the ARC Fund. The indicative grant amount may also be adjusted downwards should the programme document give cause to do so.

2.3. Monitoring and evaluation

A results framework will be developed for the ARC Fund during phase II. The ministry will present a framework of general ARC result areas and indicators (based on the results framework for S&RL)²² at the general kick-off meeting. The selected organisations will then, in cooperation with the ministry, develop indicators at programme level to be used for reporting purposes.

Reporting on results will take place through the provision of open data, in accordance with the IATI standards²³ applicable to all grant recipients from 2016 onwards.²⁴

All applicants/consortiums must conduct a final programme evaluation of the programme's effects with regard to the (1) overarching goal of the ARC Fund and (2) the country-specific goal(s) selected by the applicant/consortium. This means the applicant/consortium must conduct a baseline measurement of the program-outcome indicators before the intervention begins.

²² 2014 Annual Report on Security and Rule of Law, <https://www.rijksoverheid.nl/onderwerpen/ontwikkelingssamenwerking/documenten/rapporten/2015/11/06/bijlage-55-directie-dsh-security-and-rule-of-law-2014>

²³ IATI, <http://iatistandard.org/>

²⁴ Guidelines of the Ministry of Foreign Affairs on reporting using open data: <https://www.government.nl/topics/development-cooperation/documents/publications/2015/12/01/open-data-and-development-cooperation>

Chapter 3 Application and submission requirements

Organisations applying for an ARC Fund grant must submit: their application (threshold check) using the form prescribed by the minister (including a partnership agreement in the case of a consortium), a track record and a concept note. Templates for the track record and concept note can be found in annexes 1 and 2 of the prescribed application form.

3.1. Form

- Applicants must complete the application form²⁵ to ensure they provide the necessary information for the threshold check. There is no limit on the length of applications.
- The track record and concept note must be submitted using the available templates (annexes 1 and 2 of the application form) and must include at least all of the components listed under 3.3. The track record and the concept note must be appended to the application form.
- The concept note may not exceed 14 pages, excluding the cover page, clarifications and checklists in the template, part five of the template (grant amount) and the mandatory annexes to the concept note.
 - Applicants should use the flow chart to visualise the theory of change. The flow chart, including instructions for use, can be found in the concept note template.
 - Applications focusing on goal 5.1 may have a concept note of up to 15 pages in length, in which up to one page may be devoted to market analysis.
- The track record may not exceed six pages per case, excluding the cover page, the clarifications, checklists in the template, part one of the template (duration and intensity) and the mandatory annexes to the track record.
- Applications must be A4-size, in font Verdana 9 (or a typeface of similar size), with single spacing and normal margins (2,54 cm on all sides).
- The track record and concept note must each include a cover page providing at least the following information: the title of the fund (Addressing Root Causes Fund), name(s) of the applicant/lead party and co-applicant(s), the contact person of the applicant/lead party, title of the proposal, name of the target country and the country-specific goal(s) selected by the applicant/lead party.
- Applications, **including annexes**, must be submitted in English.
- The requested grant amount must be given in euros. A budget need not be submitted in phase I. Instead, the applicant/consortium should indicate the minimum grant amount necessary to achieve the formulated programme outcomes and the maximum grant amount requested. Amounts must be specified for each programme outcome, as formulated by the applicant/consortium, and in the case of a consortium for each co-applicant. (N.B. Please note the minimum and maximum grant amounts in section 4.1.2, threshold criterion D.7.). The maximum grant amount requested is the maximum grant amount that the applicant/consortium could be awarded. See the application form for more information.
- The application must refer specifically to the relevant annexe, page number and paragraph where the information requested can be found. All information requested in the context of these administrative rules must be clearly included in the application or in documents appended to the application. References to websites are not accepted.

²⁵ <https://www.government.nl/topics/grant-programmes>

3.2. Instructions for submitting applications

- To apply for a grant, applicants/lead parties must use the application form made available by the minister and including, as mandatory annexes, the track record and concept note drawn up using the appropriate templates. The completed form and all mandatory annexes must be submitted at the Ministry of Foreign Affairs **no later than 12:00 PM CET on Friday 4 March 2016**. Applications must be submitted **digitally** in **Adobe PDF²⁶** file format and sent by email to DSH-ARCFUND@minbuza.nl or **by post** to Ministry of Foreign Affairs, attn. DSH ARC Fund, Postbus 20061 EB Den Haag, the Netherlands. In the case of applications submitted by post, the documents must also be provided on a USB stick.
- Applications delivered after the date and time stated above will be rejected. The applicant/lead party bears sole responsibility for ensuring that the application is completed and submitted on time.
- In case the application is submitted digitally, the email subject line should read: country name _ name applicant/lead party _ title of the proposal.
- Applications should be complete and without reservations, signed by an officially authorised signatory. Incomplete or provisional applications will not be accepted.
- Applications submitted by a consortium must include a partnership agreement, signed by all the organisations in the consortium.
- Questions about the policy framework and application forms should be submitted by email to DSH-ARCFUND@minbuza.nl before:
 - 12:00 PM **CET** on Wednesday 20 January 2016, after which questions will be anonymised and answers will be published on the website by Wednesday 27 January at the latest.
 - 17:00 PM **CET** on Friday 5 February 2016, after which questions will be anonymised and answers will be published on the website by Friday 12 February at the latest.
- Applicants/consortiums applying for grants for multiple countries must submit a separate application, including the application form with as mandatory annexes a track record and concept note, for each country. A grant application for projects in multiple countries will be rejected.
- An applicant may submit only one grant application per country, individually or as member of a consortium (in which case no distinction is made between lead parties and co-applicants). If an applicant submits or is party to more than one application for a target country (either as lead party or co-applicant), all these applications will be rejected.
- There is no maximum number of countries for which applicants may submit proposals.
- 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 12:00 **CET** on 4 March 2016, the applicant runs the risk that, if it is incomplete, the Minister will not use her 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.

3.3. Instructions for drafting applications

3.3.1. Threshold check

The criteria for the threshold check can be found in chapter 4 of this policy framework. Applicants must use the prescribed application form to provide information for the threshold check.

²⁶ Do not use We Transfer or similar websites to submit proposals. Documents may be sent in a zip file.

The threshold check consists of two parts: (1) a check regarding the applicant/lead party and co-applicants and (2) a check regarding the proposal. The applicant/lead party needs to submit information for the first part (D.1. to D.6.) only once, irrespective of the number of proposals being submitted. The second part (D.7. to D.12.) needs to be submitted separately for each proposal.

3.3.2. Track record

In the track record, the applicant/lead party must describe their experience with the selected country-specific goal(s) in the target country on the basis of two programme cases carried out in the last five years (2011-2015) (type A).

If the applicant/lead party does not have the preferred combination of five years' experience **on** the selected country-specific goal(s) **in** the target country, they must select a programme that is indicative of their experience with programme implementation in the last five years (type B – consisting of B1 and B2):

1. in the selected target country, aimed at achieving the policy goals of Dutch policy on Security and Rule of Law, **and**
2. in another fragile state,²⁷ or Jordan or Lebanon, aimed at achieving the selected country-specific goal(s).²⁸

The possible combinations of cases to be submitted are presented schematically per type of applicant below:

Type of applicant	Case 1	Case 2
Local NGO	A	A
	A	B1
International or Dutch NGO	A	A
	A	B1
	A	B2
	B1	B2

In the case of a consortium, one of the two cases presented may describe the experience of one of the co-applicants.

The following types of programme may be submitted as a case:

- where the applicant/lead party (and any co-applicant) is the parent organisation, programmes carried out by any part of the **own** organisation;
- where the applicant/lead party (and any co-applicant) is a chapter of an international NGO, programmes that are independently managed by the applicant/lead party (and any co-applicant) and implemented by (a combination of) own staff, the local branch of the parent organisation and/or a local partner organisation;
- where the applicant/lead party (and any co-applicant) is a chapter of an international NGO, programmes for which the applicant/lead party (and any co-applicant) has acted as lead party for the implementing organisation and was responsible for the results.

²⁷ A country in the top 40 of the Fragile States Index 2015 published by the Fund for Peace: <http://www.fsi.fundforpeace.org/rankings-2015>.

²⁸ For example, the applicant/lead party may be applying for a programme in Afghanistan, focusing on goal 2 for Afghanistan (a functioning legal order). If it has no experience with projects in Afghanistan aimed at this goal, it must include the following under B: (1) programmes aimed at a functioning legal order in other fragile states, or Jordan or Lebanon (see footnote 3) **AND** (2) programmes in Afghanistan on other S&RL policy goals than goal 2 (a functioning legal order).

The following types of programme may **not** be used as a case:

- where the applicant/lead party (and any co-applicant) is a chapter of an international NGO, the programmes that the applicant manages together with another chapter of the international NGO may not be used as a case;
- where the applicant/lead party (and any co-applicant) is a chapter of an international NGO or is part of a network of organisations, the programmes implemented by other chapters or other members of the network may not be used as a case;
- programmes for which the applicant/lead party (and any co-applicant) has raised funds, without being responsible for the programme results.

At least one of the two cases must be substantiated by a final or mid-term evaluation, carried out internally or externally, and the logical framework or theory of change. These documents must be appended to the track record.

The programmes selected as cases may have been financed by the Ministry of Foreign Affairs or by other donors. If the applicant/lead party received a grant in 2011-2015 from the Reconstruction Tender 2012-2016 and/or the Strategic Partnerships Protracted Crises 2014-2016 for a programme in the target country for which the current grant application is made, they must use that programme as a case. If the applicant/lead party received a grant from both funds, they may use either or both programmes as a case for the track record.

If the applicant/lead party did not receive a grant from one of the above-mentioned funds in the last five years, they must select at least one case with a minimum average budget of €500,000 per year (in the case of a Dutch or international NGO) or of €200,000 per year (in the case of a local NGO), for a programme with an uninterrupted duration of at least, but preferably more than, two years (24 months).

The track record must be drafted using the template provided with the application form. The track record may not exceed six pages per case, excluding section one of the template (duration and intensity), the clarifications and checklists in the format and the mandatory annexes of the track record.

The track record must (visibly) include at least the following components:

- *Duration and intensity of experience relevant to the ARC Fund:* the applicant/lead party must specify their experience (1) in the selected target country and (2) on the selected country-specific goal(s).
- *Context and relevance:* the applicant/lead party must present the contexts in which the programme was carried out and its relevance for the target group.
- *Effectiveness:* the applicant/lead party must demonstrate to what extent the programme has been successful in achieving the envisaged results (programme outcomes).²⁹ Please demonstrate how the selected intervention strategy and related activities contributed to the results. Provide data on outcome indicators as evidence and, for at least one case, an evaluation. If results were not or only partly achieved, describe the internal and external factors to which this could be attributed, the lessons learned and the adjustments made to the intervention strategy.³⁰

²⁹ Outcomes are defined as: medium or long-term effects or consequences of outputs on the programme's beneficiaries. E.g. their satisfaction with products or services, and behavioural or other changes within the target group in the short or medium term. The timetable should be designed so that project outcomes can be achieved during the project duration. See OECD/DAC: <http://www.oecd.org/development/evaluation/1886527.pdf>

³⁰ It is possible for applicants who provide sufficient elaboration to be awarded the maximum number of points for criterion T1. See chapter 4.

- *Sustainability*: the applicant/lead party must demonstrate how sustainability of the results achieved was ensured. Please specify the indicators on which this is based. Explain in what way local authorities, local organisations and the target group participated in the sustainability strategy or, if these groups had no part in the strategy, explain why.³¹
- *Involvement of partner organisations*: the applicant/lead party must describe the extent to which the partners were involved in programme design, implementation, monitoring and accountability to the target group, and the extent to which their capacities were thereby strengthened. In cases where working through partner organisations was not possible or not in the interests of the programme/target group, explain why.³²
- *Involvement of target group*: the applicant/lead party must describe the extent to which the target group was involved in programme design, implementation, monitoring and accountability to the target group. If applicable, indicate which concrete adjustments were made to the original goals and/or intervention strategy based on the target group's feedback.
- *Monitoring and evaluation*: the applicant/lead party must indicate which monitoring and evaluation methods, including a baseline measure, were used to monitor progress on goals and lessons learned. Specify the measures used for determining whether the programme was gender-sensitive or gender-transformative. Importantly, the applicant should demonstrate that the monitoring and evaluation methods used mapped significant changes in the programme's broader environment and led to short feedback and learning loops. If applicable, explain how underlying assumptions of the theory of change were tested and how this led to adjustments in the theory of change.
- *Complementarity and added value*: the applicant/lead party must describe the extent to which the programme complemented and added value to other programmes implemented by the applicant and/or other organisations in the same target country or region. Describe the degree of coordination and alignment with other relevant actors. If a programme was not complementary, explain why.³³
- *Gender*: the applicant/lead party must demonstrate the extent to which the programme was gender-sensitive or gender-transformative (including co-workers, target group and capacity building).
- *Conflict-sensitivity*: the applicant/lead party must demonstrate the extent to which the role of the applicant/consortium and any partners was conflict-sensitive, showing that the applicant understands how the interventions and the context were related, both in a positive and a negative capacity, and what steps were taken to mitigate any possible negative effects. If the programme was aimed at activities that increased tensions/conflict in society (for example by confronting/breaking existing power structures, inequality, corruption and/or exploitation), the applicant must clarify the grounds for its legitimacy to carry out such activities.

3.3.3 Concept note

The concept note consists of five parts: (1) contextual analysis and actor mapping, (2) theory of change, (3) added value, (4) conflict-sensitivity and (5) the grant amount.

The applicant/lead party must draft the concept note using the template provided with the application form. The concept note may not exceed 14 pages, excluding the cover page, the clarifications and checklists, and section five of the template (the grant amount).

³¹ It is possible for applicants who provide sufficient elaboration to be awarded the maximum number of points for criterion T2. See chapter 4.

³² It is possible for applicants who provide sufficient elaboration to be awarded the maximum number of points for criterion T3. See chapter 4.

³³ It is possible for applicants who provide sufficient elaboration to be awarded the maximum number of points for criterion T6. See chapter 4.

If the applicant/consortium has chosen to focus on goal 5.1, a market analysis needs to be included in section one of the concept note (the contextual analysis and actor mapping). The concept note may in that case be a maximum of 15 pages, with the market analysis not exceeding one page in length.

The concept note must (visibly) include at least the following components:

- *Contextual analysis and actor mapping regarding the target intervention area(s)*: the applicant/consortium must describe the intervention area(s) (national/provincial/local – dependent on the target intervention area) on which the application is focused. The applicant must draft an adequate contextual analysis in line with a logical problem definition (the root causes of the armed conflict, instability or irregular migration) in the target intervention area(s). If the applicant has chosen to focus on goal 5.1 (employment), the contextual analysis must include a market analysis. In addition, the applicant/consortium must give an overview (map) of the actors relevant to the problem, either in a positive or negative capacity, and the connections between these actors. The concept note must:
 - describe the political and socioeconomic dynamics;
 - describe the political and socioeconomic power structures, elaborating in any case on the relationship between men and women;
 - describe the influence of the regional (i.e. cross-border) context on the political and socioeconomic dynamics in the proposed target intervention area(s);
 - give a clear definition of the problem; the identified root causes of armed conflict or instability, or irregular migration must be in line with the above analysis;
 - identify the actors relevant to the identified problem, either in a positive or negative capacity; including the connections between the different actors;
 - describe the position of the applicant/consortium and any partners in the context;
 - describe the sources on which the contextual analysis and actor mapping are based;
 - **if applicable**, include a robust market analysis describing the market, the main actors and the principal opportunities and obstacles in the market. The basis for the analysis (experience and/or research) should be described in annexe(s) to the concept note.
- *Theory of change*: the applicant/consortium must depict the theory of change using the visualisation flow chart in the template for the concept note. A programme document will be developed based on the theory of change and the outcomes of the consultation process in phase II. This is a first draft.
 - The visualisation must include the following components:
 - the intended result areas (programme outcomes)³⁴ that will be further developed in the programme document in phase II and that will contribute to the selected country-specific goal(s) in the selected target country (see annexe 1 of the policy framework). The applicant/consortium should aim to formulate a maximum of three programme outcomes;
 - assumptions concerning the links between programme outcomes and the country-specific goal(s);
 - the links between different programme outcomes;
 - the strategy for achieving the programme outcomes, including its underlying assumptions;
 - The applicant/consortium must elaborate on the following components concerning the theory of change in the concept note:
 - the extent to which the programme outcomes contribute to (1) the overarching goals of the ARC Fund and (2) the country-specific goal(s) in the selected target country and target intervention area(s) (annexe 1);

³⁴ See footnote 28.

- the extent to which the strategy depicted in the visualisation contributes to achieving the programme outcomes;
 - the extent to which the programme outcomes are complementary to activities being implemented in the target country by the applicant/consortium and by other NGOs and multilateral institutions, and the extent to which they are consistent with government priorities (if relevant in a conflict situation). If the activities are not complementary, explain why;³⁵
 - the basis for the assumptions (research, own experience, etc.) as formulated in the visualisation;
 - the extent to which the sustainability of programme outcomes is guaranteed, elaborating specifically on the role of local or national authorities, local partners and the target group;
 - the extent to which the theory of change deals with gender issues in an integrated and transformative manner;
 - the extent to which the theory of change falls within the sphere of influence of the applicant/consortium;
 - **if applicable (country-specific goal 5.1)**, the extent to which the programme outcomes (1) address specific context-relevant shortcomings concerning demand, supply and/or mediation between demand and supply on the market and (2) encourage the central, regional or local authorities to eliminate obstacles to creating a satisfactory labour market and business climate;
- *Added value and relevance*: the applicant/consortium must convincingly demonstrate its eligibility for a grant in the selected target country, specifically with regard to:
 - the extent to which the application is strategically relevant to Dutch policy on security and the rule of law;
 - the added value of the theory of change of the applicant/consortium compared with other organisations active in the target country, in relation to the country-specific goal(s);
 - if the application is submitted by a consortium, please explain why the decision was made to work in a consortium and the added value of working in consortium rather than individually;
 - *Conflict-sensitivity*: the applicant/consortium demonstrates that it has adequate knowledge and expertise regarding conflict-sensitivity and ensures that staff, local partners and contractors operate in a conflict-sensitive manner and report back on any contextual changes and the interaction between programme activities and the context;
 - *Grant amount*:³⁶ the applicant/consortium indicates the minimum grant amount necessary to achieve the formulated programme outcomes as well as the maximum amount being requested. The applicant must show how these amounts are divided over the programme outcomes and, in the case of a consortium, over the consortium members (co-applicants). The minimum and maximum grant amounts must fall within the range stipulated in threshold criterion D.7. The indicative grant amounts per programme outcome do not need to be substantiated in this stage. The maximum grant amount requested is the maximum grant amount that the applicant/consortium could be awarded. In addition, the applicant/consortium must provide the following information: the grant duration (minimum of 36 months and maximum of 60 months), the requested starting date (must fall between 1 September 2016 and 1 January 2017) and the percentage of the budget that will probably be disbursed through local partner organisations.

³⁵ It is possible for applicants who provide sufficient elaboration to be awarded the maximum number of points for criterion C11. See chapter 4.

³⁶ No points are awarded for this part. The applicant/lead party should provide these data using the table in the application form.

Chapter 4 Assessment criteria

4.1. Threshold criteria

4.1.1. Criteria relating to the applicant

- D.1. The applicant (or in the case of a consortium: the lead party), together with any co-applicants, must be a Dutch, international or local not-for-profit non-governmental organisation (NGO), which possesses legal personality.
- 'NGO' means: a not-for-profit organisation neither established by a public authority nor connected to a public authority either de facto or under its constitution, which possesses legal personality under civil law in the country where it has its registered office.
 - 'Dutch NGO' means: an NGO established in the Netherlands, subject to Dutch law and having its registered office in the Netherlands.
 - 'Local NGO' means: an NGO that has its registered office in the country where the intended activities will be carried out (target country).
Due to the conflict in Syria it has proven to be difficult for local NGOs to register themselves inside Syria. Therefore, the following definition applies for local Syrian NGOs: an organization having its registered office in Syria, Jordan, Lebanon or Turkey and only carrying out activities inside Syria.³⁷
 - 'International NGO' means: an NGO that has its registered office outside the Netherlands and the chosen target country, carries out activities in at least two countries, and has spent at least €500,000 per year outside the country of establishment in the 2013-2015 period, or in case the (draft) annual report and/or annual account of 2015 is not yet available, in the 2012-2014 period.
 - Applications by a consortium must include a partnership agreement signed by all consortium members, specifying: (i) how each party will contribute to the activities of the consortium; (ii) how the consortium will make decisions; (iii) how the costs and risks are shared among the parties; and (iv) how the fulfilment of grant-related obligations towards the minister in respect of the grant is guaranteed, including responsibility for joint aggregated reports.
- D.2. In 2011-2015 period, or in case the (draft) annual report and/or annual account of 2015 is not yet available, in the 2010-2014 period, the applicant or the lead party must have had at least three years' experience with implementing programmes in the target country with a budget of:
- in the case of a Dutch or international NGO: at least €500,000 per year;
 - in the case of a local NGO: at least €200,000 per year.
- D.3. The applicant must demonstrate that, as of 1 January 2016, at least 25% of its annual income derives from sources other than grants and/or contributions from the Ministry of Foreign Affairs (including embassies). Grants received from the ARC Fund will not exceed 75% of the organisation's total annual income. This must be plausibly demonstrated on the basis of financial reports over the 2012-2014 period.
- In the case of a consortium, this criterion applies to the whole consortium. Consequently if one organisation derives less than 25% of its annual income from sources other than the Ministry of Foreign Affairs, this can be offset by another party in the consortium.

³⁷ This exception is made only for Syria, not for any other ARC Fund target countries.

- Funds obtained directly or indirectly from the budget of the Ministry of Foreign Affairs (e.g. a grant or contribution from a Dutch embassy) do not count when determining the extent of an organisation's own income but do count towards its total annual income.
- D.4. A. The maximum remuneration of individual managers and board members of the applicant/lead party and co-applicants established in the EU does not exceed €168,000 per calendar year for a 36-hour working week, as from the start of the period for which the grant is being requested. This amount includes not only the total of periodically paid salary and bonuses, but also taxable fixed and variable expense allowances and amounts payable at a future date, such as holiday pay, a 13th month's salary and the employer's share of pension contributions. For EU member states that do not use the Euro applies that conversion of local currency to Euro is based on spot rates that are used by the ministry of 1 January 2016. The currency exchange list of these spot rates is added as annexe 2 to the policy framework.
- B. With reference to the purchasing power data published by EUROSTAT (GDP PPS),³⁸ the following income ceilings apply to the senior management of applicants/lead parties and any co-applicants established in the following countries, based on the general income level in the countries concerned:³⁹
- | | | | |
|-----------------|----------------|---|-------------|
| a. Norway: | NOK 2,153,538 | - | EUR 228,275 |
| b. Switzerland: | CHF 227,547 | - | EUR 207,750 |
| c. Japan: | JPY 22,192,867 | - | EUR 168,000 |
| d. USA/Canada: | USD 207,205 | - | EUR 189,800 |
- C. The maximum remuneration of the individual members of the management and the board of the applicant/lead party and any co-applicants established in other countries (i.e. outside the EU, Norway, Switzerland, Japan, USA and Canada) must be in reasonable proportion to the seniority of their position and to the organisation's geographical location, size and complexity.
- D.5. The applicant must have access to an office in the country for which the grant is being requested – whether or not via partner organisations. In the case of a consortium, one or more consortium partners must have access to an office.
- D.6. The applicant/lead party is capable of adequate financial management and must have sufficient experience and expertise to carry out the activities for which the grant is being requested efficiently and effectively.

4.1.2. Criteria relating to the proposal

- D.7. The minimum grant period is three years (36 months) and the maximum five years (60 months), and the average minimum grant amount applied for is:
- €500,000 per year in the case of a Dutch or international NGO;
 - €200,000 per year in the case of a local NGO;
 - €1,000,000 per year in the case of a consortium.
- For all applications, the maximum grant application is €10 million per country for a five-year duration of activities (2016-2021). If the application concerns a shorter period, the maximum grant application is €6 million for a three-year duration and €8 million for a four-year duration.
- D.8. The activities must start between 1 September 2016 and 1 January 2017, and must be completed no later than 31 December 2021.
- D.9. The applicant may submit only one grant application for the chosen target country. This may be an individual application or an application as part of a consortium, in which case no distinction is made between lead parties and co-applicants. If an applicant submits more than

³⁸ EUROSTAT, <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00114&plugin=1>.

³⁹ Calculated on the basis of the spot rates that are used by the ministry from 1 January 2016. The currency exchange list of these spot rates is added as annexe 2 of the policy framework.

one application for a target country, or participates in several applications for the same target country, either as lead party or co-applicant, all these applications will be rejected.

- D.10. The grant application must focus on: (1) the general goals of the ARC Fund, i.e. addressing the root causes of instability/conflict and/or irregular migration; and (2) one or more country-specific goals as laid down in annexe 1 of the policy framework.
- D.11. The application must not relate to:
- initiatives aimed entirely or partly at proselytism;
 - funding of commercial services, investments or commercial activities;
 - activities that already receive funding directly from the Ministry of Foreign Affairs budget;
 - activities of local civil society organisations that already receive funding from the Ministry of Foreign Affairs budget;
 - activities of organisations that already receive core funding from the Ministry of Foreign Affairs budget during the period to which the application for the ARC-fund relates.
- D.12. The grant application must relate to activities that will be carried out in *one* of the following target countries: Afghanistan, Pakistan, Jordan, Lebanon, Syria, Ethiopia, Somalia, Sudan, South Sudan, Mali, Burundi and the Democratic Republic of the Congo.

4.2. Track record criteria

- T.1. The extent to which the envisaged outcomes have been achieved and the extent to which this is supported by independent research.
- T.2. The extent to which the outcomes were sustainable.
- T.3. The extent to which the partners were involved in (1) preparation (= choice of goals), (2) implementation and (3) monitoring of the programme, (4) the accountability of results of the programme towards beneficiaries and (5) the extent to which their capacities were strengthened.
- T.4. The extent to which the target group was involved in (1) preparation (= choice of goals), (2) implementation and (3) monitoring of the programme and (4) accountability of results occurred towards the target group.
- T.5. The extent to which the monitoring and evaluation methods used mapped (1) progress in achieving the goals, (2) changes in the programme's broader environment, and (3) lessons learned, and the extent to which this information was used or is being used to make changes to current and future programming.
- T.6. The extent to which the programme complemented and added value to other programmes implemented by the applicant, other organisations and/or the government in the target country, and the degree of coordination with other organisations and/or the authorities.
- T.7. The extent to which the programme was gender-sensitive or gender-transformative in all aspects of the programme.
- T.8. A. The extent to which the role of the applicant/consortium and any partners was conflict-sensitive.
If the programme described in the case study is specifically aimed at activities that could increase tensions/conflict in society (e.g. by confronting and/or countering existing power relations, patterns of inequality in society, corruption and/or exploitation), the following criterion also applies:
- B. The extent to which the applicant/consortium had the legitimacy to carry out such activities, either by itself or via partners.

4.3. Concept note criteria

4.3.1. Criteria relating to the context analysis and actor mapping

- C.1. The extent to which the applicant/consortium refers to the socioeconomic and political dynamics in the target intervention area(s).
- C.2. The extent to which the applicant/consortium refers to socioeconomic and political power structures in the target intervention area(s), including in any case the power relations between men and women.
- C.3. The extent to which the applicant/consortium indicates how the national and regional contexts influence the socioeconomic and political dynamics in the target intervention area(s).
- C.4. The extent to which the applicant/consortium formulates a clear problem definition – the identified root causes of armed conflict/instability or irregular migration – that is in line with the context analysis and actor mapping.
- C.5. The extent to which the applicant/consortium lists the actors that are relevant to solving the problem, whether in a positive or negative capacity, and indicates the mutual relations between actors in the target intervention area(s).
- C.6. The extent to which the applicant/consortium indicates the positions of the applicant/consortium and its partners in the context.
- C.7. The extent to which the context analysis and actor mapping are based on different reliable sources both inside and outside the target intervention area(s).
- C.8. **Only applicable if the concept note focuses on country-specific goal 5.1:**
The extent to which the market analysis:
 - A. describes the market in the target intervention area(s);
 - B. lists the most important actors on that market;
 - C. identifies realistic opportunities and obstacles;
 - D. is based on reliable sources (own experience and/or research) documented in annexes to the application.

4.3.2. Criteria relating to the theory of change

- C.9. The extent to which the theory of change contributes to achieving: (1) the main goal of the ARC Fund: to address the root causes of armed conflict/instability or irregular migration; and (2) the selected country-specific goal(s) in annexe 1 of the policy framework in the target country selected by the applicant/consortium.
- C.10. The extent to which the theory of change tackles gender issues in an integrated and transformative way.
- C.11. The extent to which the programme outcomes are (1) complementary to other activities that are being implemented by the applicant/consortium and other NGOs and multilateral institutions in the target country, and (2) consistent with government priorities in the target country.
- C.12. The extent to which the proposed strategy contributes to achieving the programme outcomes formulated by the applicant.
- C.13. The extent to which underlying assumptions are made explicit and are based on a robust analysis and/or the experience of the applicant/consortium.
- C.14. The extent to which the applicant/consortium demonstrates that the theory of change lies within its sphere of influence.
- C.15. The extent to which the theory of change includes a plausible strategy on sustainability (meaning that results endure after the programme ends, no later than 2021), with a specific focus on the role of (local) authorities, local partners and the target group.
- C.16. **Only applicable if the concept note focuses on country-specific goal 5.1:**
 - A. The extent to which programme outcomes address specific, context-relevant shortcomings concerning demand, supply and/or mediation between demand and supply.
 - B. The extent to which programme outcomes stimulate (central, regional and local) authorities to eliminate obstacles to creating a satisfactory labour market and business climate.

4.3.3. Criteria relating to added value and relevance

- C.17. The extent to which the applicant/consortium convincingly explains its added value compared with other organisations active in the target country working on the selected country-specific goal(s).
- C.18. The extent to which the applicant/consortium convincingly explains why the application is strategically relevant to Dutch policy on Security and Rule of Law.
- C.19. **Only applicable if the application is submitted by a consortium:**
The extent to which the consortium convincingly explains the added value of working in a consortium rather than individually.

4.3.4. Criteria relating to conflict-sensitivity

- C.20. The extent to which the applicant/consortium convincingly demonstrates that it has adequate knowledge and expertise regarding conflict-sensitivity.
- C.21. The extent to which the applicant/consortium ensures that staff, local partners and contractors operate in a conflict-sensitive manner and report to the applicant/consortium about contextual changes and the interaction between programme activities and the context.
- C.22. **Only applicable if the concept note focuses on country-specific goal 5.1:**
The extent to which the applicant/consortium demonstrates awareness of the impact that programme outcomes will have on local markets (in relation to the goal of minimising market distortion).