



Nigeria-UK PACT

Frequently Asked Questions (FAQs)
Last update 20 October 2021



Table of Contents

1. Programme overview	1
1.1 Background – About UK PACT	2
1.2 Overview – About Nigeria-UK PACT	
2. Thematic focus and scope	6
3. Application process and eligibility	12
3.1 General application questions	12
3.2 Eligibility	18
3.2.1 Organisation eligibility	18
3.1.2 Project eligibility	23
3.2.3 Conflict of interest	27
3.3 Funding	27
3.4 Budget	29
3.4.1 Preparing the budget	30
3.4.2 Overheads	32
3.4.3 Eligible costs	35
4. Due diligence	
5. Assessment	
5.1 GESI	42
6. Grant agreement	46
7. Implementation	49



Clarification questions

As published on the Nigeria – UK PACT website and explained during the Regional Webinars, we have taken clarification questions for a period of 1 week after the launch of the funding round on 5 October 2021. This period closed on 13 October 2021. This updated FAQ document includes all the clarification questions received during that period, which have been added to the relevant section of the document. Any further questions received after this date have not been responded to. In some cases, clarification questions have been collated and summarised for clarity.

In some cases, clarification questions have been collated and summarised for clarity. Some questions have been edited to remove any identifying information.



1. Programme overview

1.1 Background – About UK PACT

What is UK PACT?

UK PACT (Partnering for Accelerated Climate Transitions) is a capacity building programme under the UK's International Climate Finance (ICF) portfolio.

UK PACT works with partner countries, supporting them to accelerate their clean growth transitions, meeting the demand for high quality skills and expertise aligned with UK leadership and experience.

Nigeria-UK PACT supports Nigeria to implement and increase its ambitions for carbon emissions reductions in line with its Nationally Determined Contributions (NDCs) and the long-term goal of the 2015 Paris Agreement to limit dangerous climate change.

The UK PACT programme consists of three core components:

- Country Programmes: To support innovative projects in partner countries to provide capacity building in line with the country context and demand from government stakeholders.
- **2. Green Recovery Challenge Fund (GRCF):** To provide support for innovative capacity building projects to promote low-carbon solutions and a green, resilient and inclusive recovery in a wider range of ODA-eligible countries.
- Skill-Shares and Secondments: To provide both short-term peer-to-peer skill shares with country counterparts, and long-term secondments into key institutions.

This FAQ document refers to Nigeria-UK PACT country programme only.

Who is UK PACT governed by?

UK PACT is governed by Her Majesty's Government (HMG), Department for Business, Energy and Industrial Strategy (BEIS).

The programme activities are being delivered by BEIS's delivery partners. Nigeria-UK PACT is being delivered by ICF Consulting Services Ltd.



How is UK PACT related to COP26?

UK PACT works with partner countries to implement and increase their ambitions for carbon emission reductions in line with their Nationally Determined Contributions (NDCs) and the long-term goal of the 2015 Paris Agreement to limit the dangerous impacts of climate change.

After five years of the Paris Agreement, countries are expected to come forward with more ambitious NDCs as well as long-term plans. Countries are expected to submit their new plans ahead of COP26, which is taking place in Glasgow. In this context, UK PACT will support partner governments to put forward greater ambitions and implement their NDCs.

The UK PACT priority sectors in the upcoming calls for proposals align with COP26 priorities, in particular: seizing the opportunity of the energy transition and safeguarding ecosystems with nature-based solutions.

What does it mean for UK PACT to be flexible and adaptive?

UK PACT responds directly to demand identified by partner governments. The programme has been designed to respond to this demand through three key mechanisms: Country Programmes; a Green Recovery Challenge Fund; and Skill-Shares and Secondments.

The combination of these three mechanisms provides the programme with the flexibility to deliver capacity building support in the most effective and efficient way based on specific needs and demands of partner countries.

It is also important that individual projects funded under UK PACT remain responsive to changes in needs and demands due to shifts in context. Flexible and adaptive programming means that projects are equipped and facilitated to shift activities and outputs in response to such changes over the project lifetime.

The need for such flexibility has been made especially clear under the current COVID-19 crisis, and we will be looking for robust risk assessments and mitigation strategies in project proposals to ensure projects have the necessary built-in flexibility and adaptability to prepare for continued uncertainty and change within the operating environment.

Has the COVID-19 situation had an impact on the objectives and purposes of UK PACT?

UK PACT aims to accelerate domestic and international action and ambition on climate mitigation and deliver sustainable low-carbon economic development.

As such, UK PACT has an important role to play in supporting government, businesses



and civil society in their efforts to achieve a 'green, clean and resilient recovery' post-COVID-19, and in supporting new policy, planning, investment and action to align with climate ambitions.

As part of our assessment criteria for the next phase of UK PACT, we will be looking for evidence of how project proposals can contribute to both emission reductions and economic recovery objectives.

We are also aware that the pandemic and post-pandemic situation is continuously evolving and will continue to do so for many months to come. We want to ensure that UK PACT and the projects funded remain responsive and adaptive in order to manage challenges and capitalise on opportunities as they arise. We will therefore also be looking for robust risk assessments and mitigation strategies to ensure projects have the necessary built-in flexibility and adaptability to prepare for continued uncertainty and changes within the operating environment during implementation.

Are the recent ODA cuts by the UK government likely to affect this programme?

No, recent decisions on ODA spending do not affect this Nigeria-UK PACT Call for Proposals. In September 2021, the UK Prime Minister announced £200m of new funding for UK PACT to continue its delivery and grow as a programme over the next three years. The launch of this Nigeria-UK PACT Call for Proposals will draw on this new funding, and is a clear statement of the UK government's commitment to UK PACT.

1.2 Overview - About Nigeria-UK PACT

What is Nigeria-UK PACT?

UK PACT is partnering with Nigeria to support the implementation of its Nationally Determined Contribution (NDC) and deliver ambitious action on climate mitigation via open calls for proposals around specific challenges. Nigeria-UK PACT is capacity building programme to support technical assistance to improve key capabilities, helping Nigeria to accelerate its low-carbon transition and maximise emissions reductions.

What is the vision of Nigeria-UK PACT?

Nigeria-UK PACT aims to develop a portfolio of bold and novel projects that address specific low-carbon challenges. The projects need to show measurable changes, promote social inclusion and inspire future actions to drive climate ambition at scale.



What type of capacity building projects will be funded?

The programme will fund capacity development projects that support the acceleration of the low-carbon transitions in Nigeria.

Examples of activities we expect to fund include enhancing skills through training, proposing recommendations of new policies or tools to accelerate emission reductions, creating knowledge and communication products (e.g. research papers) or strengthening networks of key actors to drive climate action.

How is funding managed?

Funding is managed by the Nigeria-UK PACT partner, ICF Consulting Services Ltd. Successful applicants will be required to submit regular reporting forms to ICF Consulting Services Ltd. Funding will be paid in arrears in GBP (£) for completed tasks, at quarterly intervals as agreed in the Grant Agreement.

How long does the Nigeria-UK PACT programme run for?

The programme is currently planned to run from October 2021 (with projects starting in April 2022) to March 2023.

Project proposals shall be funded for at least one year of activity. Funding beyond the initial 12 months is not guaranteed, but we welcome proposals that can demonstrate how a project might be extended to further years with additional funding. This excludes monitoring and evaluation activities beyond March 2023. Implementers should also indicate in their proposals if they intend to lengthen their project through other sources, such as co-funding.

Is there any overlap with Nigeria-UK PACT and the UK Government's Energy Catalyst programme?

The Energy Catalyst programme¹ supports UK and overseas businesses and organisations to develop highly innovative, market-focused energy technologies that primarily look to enable energy access in Sub-Saharan Africa and South/South East Asia.

Although both the UK PACT and Energy Catalyst programmes support climate change mitigation projects, there is no direct overlap and the requirements, aims and applications are separate.

¹ https://www.gov.uk/guidance/energy-catalyst-what-it-is-and-how-to-apply-for-funding



2. Thematic focus and scope

What are the themes of the funding rounds?

You can find information on the themes of the funding rounds on the website.

Can you elaborate what are the specific challenges for each window?

We advise all applicants to review the information provided as part of the window descriptions for each theme available on the <u>website</u>. We have laid out the context and scope under each of the windows. Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT.

As part of the selection criteria, projects will be selected on their merit towards addressing specified issues and the wider objectives of the UK PACT programme.

Is there a funding limit per theme or per region?

All projects for the Nigeria-UK PACT are selected on a competitive basis. Rather than adhering to pre-defined limits or quotas, projects will be carefully selected to ensure a balanced and complementary portfolio.

Are prospective projects expected to focus on both or a single funding window theme?

Projects should focus on a single funding window theme. Applications are specific to each funding window, but applicants can apply to each funding window.

Is UK PACT open to suggestions to projects in other sectors than those mentioned in the Call for Proposals?

Only projects that align with priority themes will be eligible for inclusion in this funding round. This will be assessed through the 'strategic fit' criterion. Importantly, we expect grant applicants to clearly demonstrate and evidence in their proposals how they have themselves identified and tested demand for proposed interventions, as well as built relationships that secure necessary buy-in from primary beneficiaries.

I have a specific idea for the funding window. Can you tell me whether is it a strong idea to apply with?

We will not be able to provide feedback on specific ideas or the strength of proposals applying for the Nigeria-UK PACT programme. We advise all applicants to review the information provided as part of the window descriptions for each theme available on the <u>website</u>. We have laid out what will be in scope under each of the windows.



Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT.

Are projects focused on resilience and adaptation eligible?

UK PACT is a climate mitigation programme, and all project proposals will be assessed on their potential to contribute to emission reduction targets. Activities that deliver resilience and adaptation impacts can be included within projects, so long as the primary objective and impact of the project is focused on climate mitigation and emissions reductions.

Where can I find more information about future funding rounds?

In the event that more funding rounds are confirmed, dates and themes will be announced on the <u>UK PACT website</u> when they are available.

Is training and technical assistance on strengthening institutional capacity within scope?

Yes. This would align with the scope of the window by strengthening institutional capacity on policy and technology areas at national, federal and sub-national levels.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Is management of natural carbon sinks such as wetlands including those within protected areas within the scope of the Nature-Based Solutions window?

The management of natural carbon sinks such as wetlands is inclusive to the scope only in the context of supporting sustainable land use management and activity. This can include the management of wetlands located on agricultural land use purposes including livestock farming. Ideally these wetlands should seek to benefit sustainable regenerative practices (i.e. supporting fertile soil, soil carbon sequestration or more efficient irrigation methods) whilst enacting as natural carbon sinks.

For wetlands located with protected areas, the management of this is exempt to the scope unless there is a permit and/or planning authority notification from state and local regulations provided as supporting evidence to the application, and if the location of the wetlands serves in promoting sustainable agriculture as listed above.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.



For the Nature-Based Solutions window, does UK PACT promote any particular approach to farming, such as agroecological approaches?

UK PACT does not promote specific approaches to farming but welcomes project proposals for capacity building which address the following: policy, monitoring reporting and verification (MRV) practices; agroforestry and restoration of degraded soils; scalable business models and enhanced market demand. All projects applying to the Nature-Based Solutions window must fit in the scope of sustainable land management practices.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Is it possible to support investments in plantations of agroforestry systems for small farmers (in addition to training activities) under the Nature-Based Solutions Window?

Yes, this would be welcomed in the scope of this window, under capacity building for sustainable land management practices that prevent deforestation and land degradation and/or increase carbon capture, such as agroforestry and silvopasture, including farmer managed natural regeneration.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Are private ecological initiatives for the purpose of social responsibility within the scope of Nature-Based Solutions window?

Ecological initiatives are not in the scope of this window, unless there is an evident link that this initiative promotes sustainable land management practices. We welcome projects with a co-benefit towards social responsibility, however the primary objective must be in meeting climate mitigation through promoting sustainable land management practices in order to be eligible for the fund.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Can the grant funding from Nature-Based Solutions be used in part to expand a microcredit fund directed to farmers with the objective of implementing an agroforestry system?

Yes, this would be welcomed in the scope, as a part of developing locally appropriate, scalable business models that generate (and integrate) revenue streams for sustainable land management.

For more information on the scope of the funding windows, visit the UK PACT website.



Would sustainable agriculture programs whose aim is food security be within scope of Nature-Based Solutions?

Eligible projects must meet the primary objective of climate mitigation through promoting sustainable land management practices in order to be eligible for the fund. We anticipate eligible programs to have a co-benefit of food security, whilst meeting this primary objective.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Are reforestation projects in urban areas, which incorporate a silvicultural approach within scope of the Nature-Based Solutions window?

The scope is open to reforestation projects providing that they incorporate the promotion of sustainable land management practices, such as through Silvopastoral practices, in either urban or rural context.

For more information on the scope of the funding windows, visit the <u>UK PACT website</u>.

Is my project relevant for the programme?

The proposed project must be providing capacity development support within the regional and thematic scope allocated for each funding window and must contribute to the programme's intended outcome of enhanced and sustained actions on emissions reductions.

Do you prefer bids that address a wide range of topics broadly or a subset of topics deeper?

There is no preference for projects which address a wider range of topics or which focus on one particular issue. However, we advise all applicants to review the information provided as part of the descriptions for each theme available on the website. We have laid out what will be in scope under each of the windows and all project proposals must be clearly aligned with this scope. Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT.

Is there any priority for cities/urban, peri-urban or rural focus? Or do all have equal standing-as long as the programme goals are met??

There is no preference for urban or rural settings, so long as the eligibility criteria are met including the eligible states, the programme aims addressed and the proposal is aligned with the scope of the funding windows.



In terms of national context, what are the plans for developing a policy on equitable benefit system for stakeholders involved in implementing carbon credit projects e.g. VCS credits?

UK PACT is unable to comment on the current or future policies of the Nigerian government or international initiatives. The theme descriptions available on the website set out what is in scope.

In general, high-quality carbon credits in the forest and land-use sector would necessarily include safeguards and guidelines around benefit-sharing, and through our ICF programmes, we support stakeholders to understand and implement such requirements. Ensuring equitable distribution of benefits is an important priority for UK ICF support to REDD+ initiatives, for example, as demonstrated in programmes we fund including REDD Early Movers and the Forest Carbon Partnership Facility. Are projects which include some activities which are aligned with the theme descriptions and some activities which are not, eligible for funding. For example a project that combines both Energy Efficiency and energy access?

The overall scope of the project should be clearly aligned with the definition of the thematic scope, with the majority of activities responding directly to the theme. However, we welcome project proposals which are delivering other co-benefits, so long as the primary function of the project is aligned with the theme.

Would improvement of LPG distribution for urban areas as alternative to firewood or charcoal for cooking be considered under the Nature Based Solutions category?

We will not be able to provide feedback on specific ideas or the strength of proposals applying for the Nigeria-UK PACT programme. We advise all applicants to review the information provided as part of the descriptions for each theme available on the website. We have laid out what will be in scope under each of the windows and all project proposals must be clearly aligned with this scope. If your project clearly aligns with this scope then it will be considered.

Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT.



Is support for pilot schemes to Energy Utility Companies, to improve Grid Power sustainability and fault recovery, eligible under the Energy Efficiency theme?

We will not be able to provide feedback on specific ideas or the strength of proposals applying for the Nigeria-UK PACT programme. We advise all applicants to review the information provided as part of the descriptions for each theme available on the website. We have laid out what will be in scope under each of the windows and all project proposals must be clearly aligned with this scope. If your project clearly aligns with this scope then it will be considered.



Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT. 3. Application process and eligibility

3.1 General application questions

Who/which office should I contact for the funding request?

All applications for funding should be submitted through the <u>application portal</u>. All enquiries should be directed to the UK PACT Team through the <u>website</u> by email at <u>Nigeria@ukpact.co.uk</u>.

As part of the engagement process with stakeholders and beneficiaries it might be relevant for a project to contact the local UK embassy or other government contacts, however all funding requests and applications must be submitted to the UK PACT Team through the portal.

What is the application process?

Prospective applicants are invited to register <u>here</u> to be added to a mailing list for relevant news on UK PACT.

Applicants are invited to register to apply for Nigeria-UK PACT on the dedicated <u>application portal</u> when the funding window is launched. Applications should be submitted electronically via the portal.

The application is a two-step process using the application portal:

- 1. Complete and submit an Expression of Interest
- 2. Complete and submit a Full Proposal*

^{*}only selected applicants will be invited to submit a Full Proposal



The <u>guidance document</u> provides more information on how to apply. You can also contact the delivery team by email on <u>Nigeria@ukpact.co.uk</u>

How long do I have to complete my application?

After the launch of the funding windows, prospective applicants will have to complete and submit their <u>Expression of Interest</u> application via the portal. Details of the timing for this are available on the UK PACT website.

Applicants who are successful in the first stage of the application will be invited to submit a Full Proposal. Details of the timing to complete this are available on the <u>UK</u> PACT website.

Will there be an opportunity to ask more questions during the application process?

After the launch of the funding round, there will be the opportunity to ask clarification questions by email on Nigeria@ukpact.co.uk. The deadline for submitting clarification questions can be found on the Nigeria-UK PACT website.

Deadlines for future funding rounds will be announced on the <u>UK PACT website</u> when they are available.

When will I hear about the outcome of my application?

After submitting your application, you will receive a confirmation email stating within how many weeks you will receive feedback on the outcome of your application.

Can I complete my application in a language other than English?

All applications must be submitted in English.

Is possible to have one-to-one support for my application?

One-to-one support is not provided for Nigeria-UK PACT applications. However, applicants can access <u>guidance material</u> on the <u>UK PACT website</u> and email clarification questions to <u>Nigeria@ukpact.co.uk.</u>

Do applicants need to submit policy and legal documents?

Projects which are selected for funding will be subject to a thorough due diligence process. This will include a self-declaration form that requires the submission of supporting documents. Amongst others, this will include: policies to control risk and mitigate against fraud and corruption; a certificate of incorporation/ business certificate or national equivalent; insurance certificates (professional indemnity, public liability, employers' liability); staff vetting measures and quality assurance



arrangements. A full list of documentation required for the due diligence process will be provided to shortlisted/successful applicants.

What are examples of evidence that are required to demonstrate demand from local stakeholders? Do you expect to see Memoranda of Understanding (MOUs) or letters of commitment from beneficiaries for the project and the implementing partner?

As a demand-led programme, demonstrating strong beneficiary relationships and buyin is key. At the EOI stage, applicants will be asked to identify primary beneficiary partnerships and additional stakeholders. Applicants can annex supporting evidence of that partnership (i.e. a letter or email). This is not mandatory, however, to receive the top marks for the relevant question, it is necessary to provide evidence of beneficiary support.

At the Full Proposal stage, shortlisted applicants will be asked to provide evidence of stakeholder and beneficiary engagement that has already occurred and to develop a proposed engagement plan with beneficiaries as appropriate to their project. This could include: informing beneficiaries through regular communications, establishing joint working groups, or even agreeing to more specific project Terms of Reference if appropriate.

Can letters of recommendation be provided by one institution to multiple applicants, or for multiple projects from the same applicant?

Yes - those individuals and institutions providing letters of recommendation are welcome to provide as many as they see fit.

Do primary beneficiaries need to be government? Or can we work with private sector and civil society?

Primary beneficiaries do not need to be government stakeholders. There are no restrictions on who the beneficiaries of the project are, so long as they have a need for capacity building in the areas defined by the funding window themes.

A primary beneficiary is an individual or group that the project directly works with, who will benefit from the change that the project will deliver. For example, government, ministries, communities, regional or city level organisations, private sector associations, financial institutions, women's groups and marginalised groups.



Which kind of references do you expect from applicants to prove their capacity to implement activities in the local language?

At the Full Proposal stage, projects must submit CVs for the project team as part of the application. These should include evidence of the required language abilities, such as experience in the country of operation or any other relevant evidence.

Am I allowed to include links in our application?

No. The application is evidence-based and all applications will be assessed only on the information provided in the application form. Strict word limits will be imposed to ensure applications are specific and direct.

Can I submit multiple applications?

The same applicant can submit multiple applications, whether as the lead implementing organisation or a partner implementing organisation within a consortium. Each distinct project idea should be submitted with a separate application.

There are also no restrictions on the type of applications submitted by an organisation. This could include multiple projects for the same theme, or multiple projects across both themes. There is also no restriction on organisations applying for different components of UK PACT.

Does the person who registers/ creates the account to apply have to be the legal entity of the organisation?

It is not necessary for the lead contact for the application to be the legal entity of the lead implementing organisation. However, it will be necessary to provide the name of the legal entity of the lead implementing organisation. The lead implementing organisation applying will be the recipient of the grant funding.

Can Skill-shares and Secondments proposals be combined with project proposals?

When you submit an EOI to Nigeria-UK PACT, the EOI must be about an eligible capacity building project only. However, there is a space within the EOI form to indicate if any organisation involved in the proposed capacity building project intends to apply to the Skills-Shares and Secondments component of UK PACT. Organisations are eligible to apply for both Nigeria-UK PACT and Skills-Share support.

If I am unsuccessful in my application, can I reapply?

If a project is unsuccessful in a certain funding window, the applicant can reapply in potential future funding windows. However, the project application must be relevant to the region and theme of subsequent funding windows.



I'm having a problem with the application portal, where can I get help?

For help using the application portal, please contact Nigeria@ukpact.co.uk.

I've forgotten my application portal password, what should I do?

If you have forgotten your application portal password, you can reset this by clicking 'login' and then 'forgot password?' on the application portal.

In a multi-partner application, do all partners need to create an account on the application portal, and provide details such as CVs?

Only one partner is required to make an account on the <u>application portal</u>. In the online <u>Expression of Interest</u> form, all partners will be requested to provide their contact details. CVs from key team members delivering the project will be required at Full Proposal stage.

More information on the contact details required from consortium partners can be found in the downloadable EOI template from the <u>UK PACT website</u>.

Is there an example EOI that I can see, which was successful previously?

The EOI template and other resources can be downloaded from the <u>UK PACT website</u>. Unfortunately, we are unable to disclose a copy of a successful EOI at this stage in the programme.

Is there a template of the Full Proposal available to download, in addition to the EOI template?

The <u>Expression of Interest</u> (EOI) template is available to download on the <u>UK PACT</u> <u>website</u>. The template for the Full Proposal will be shared directly with applicants who are successful at EOI stage, and invited to submit a Full Proposal.

What type of impact is expected from a project?

The focus of UK PACT is to provide capacity building support that builds capabilities and knowledge within key institutions to support low carbon transitions and emissions reductions. At the Expression of Interest (EOI) stage, applicants will be expected to demonstrate a basic outline of the expected project plan. If shortlisted, further detail including a detailed project plan, which identifies outputs and intermediate outcomes will be requested. Applicants will be asked to present what outputs will be delivered by when and a clear logic of how proposed outputs will lead to enhanced capacities and capabilities amongst target stakeholders, and how this in turn will contribute to the impact of enhanced and sustained action on emissions reductions.

Applicants are also asked to provide details on how their projects may incentivise further action from wider stakeholders; what pathways for further scaling or



replication of project activities exist, and how projects aim to create impact beyond the period of UK PACT funding.

If the project has to be achieved within a 12-month period – to what extent can we mention benefits post 12 months in the application?

In the application form, applicants will be asked to comment on the short-term actions, and outcomes which are expected to come from the adoption of their project outputs. Applicants can use this section to describe the short and long-term change expected from the adoption of their outputs. For example, the outcome from the adoption of a policy recommendation should be described in the application form.

Project proposals shall be funded for at least one year of activity. Funding beyond the initial 12 months is not guaranteed, but we welcome proposals that can demonstrate how a project might be extended to further years with additional funding.

Implementers should also indicate in their proposals if they intend to lengthen their project through other sources, such as co-funding.

The <u>Expression of Interest</u> application form will allow applicants to set out information on their longer-term vision for what they would do, if they could implement projects for more than one year. Projects which, because of their nature, are fixed at 12-months or less will not be penalised.

Do you have specific Nigerian government teams that are expected to be consulted with for the bid or during the project?

No. Demonstrated consultation should be with whomever the applicant considers most appropriate for their project proposal.

As a demand-led programme, demonstrating strong beneficiary relationships and buy in is key. At the EOI stage, applicants will be asked to identify primary beneficiary partnerships and additional stakeholders. Applicants can annex supporting evidence of that partnership (i.e. a letter or email). This is not mandatory, however, to receive the top marks for the relevant question, it is necessary to provide evidence of beneficiary support. At the Full Proposal stage, shortlisted applicants will be asked to provide evidence of stakeholder and beneficiary engagement that has already occurred and to develop a proposed engagement plan with beneficiaries as appropriate to their project. This could include: informing beneficiaries through regular communications, establishing joint working groups, or even agreeing to more specific project Terms of Reference if appropriate.



In general - for other UK PACT country programmes - what percentage of EOI submissions are shortlisted, and what percentage of full proposals are successful?

The percentage of shortlisted EOIs and successful full proposals varies by country and is dependant on a range of factors, including application quality and proposed budgets.

3.2 Eligibility

3.2.1 Organisation eligibility

Who can apply?

The following types of organisations are eligible to apply: think tanks; consultancies (private sector firms); academic institutions (including universities); community organisations (including local, international or indigenous); and NGOs; international organisations; professional associations or similar organisations that have the knowledge, skills and experience to deliver capacity building projects in relevant themes and in Nigeria.

International organisations are encouraged to partner with local organisations (from the country of project delivery) to apply.

Government departments and agencies are not eligible to apply for or receive UK PACT funding. Organisations that are separate legal entities from the government are eligible to apply for and receive funding.

Eligible organisations listed above can be based in any country and can apply alone or as part of a consortium with organisations from any country. However, the lead and partner organisations which will be delivering the project must have the legal right to work in Nigeria where the project will be operating.

Organisations and consortia need to be sure that they are structured and registered in a way that allows them to deliver the project they have proposed. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country. Applicants will also need to review and agree to the terms of the Grant Agreement. Grantees are required to accept the terms of the Grant Agreement to participate in the Nigeria-UK PACT programme and any changes are unlikely to be accepted.

Therefore, applicants should review these terms carefully as they will be expected to agree to them before they implement their project.



Are individuals with low carbon transition ideas allowed to apply for this funding?

Indivduals may apply, however all applicants must be well-placed to deliver this project including the knowledge, skills and experience and the relevant networks incountry. This includes ability to deliver in the Nigerian context.

Applicants will also need to review and agree to the terms of the Grant Agreement. Grantees are required to accept the terms of the Grant Agreement to participate in the Nigeria-UK PACT programme and any changes are unlikely to be accepted. This includes the requirements for due diligence and financial management. Therefore, applicants should review these terms carefully as they will be expected to agree to them before they implement their project.

Can an NGO apply in partnership with a government agency?

Government departments and agencies are not eligible to apply for or receive UK PACT funding. Organisations that are separate legal entities from the government are eligible to apply for and receive funding.

A government agency can be a beneficiary of a project. However, they cannot be part of a consortium or in any way be recipient of the grant funding.

Are past or current UK PACT grantees eligible to apply for funding again?

Yes, past and current UK PACT grantees are eligible to apply for UK PACT funding again. The funding round for new UK PACT projects will be run using an open and competitive process. Therefore, there is no guarantee that existing or previous UK PACT implementing partners will be successful or be allocated new funding and no advantage will be given to existing or previous UK PACT implementing partners.

Can I also apply to other programmes within UK PACT e.g. UK PACT Green Recovery Challenge Fund or Indonesia-UK PACT?

Yes, you can apply to multiple programmes in UK PACT. Applicants will need to state any conflicts of interest at the application stage.

What is the expected role for institutions in the UK?

UK PACT aims to provide and share expertise in key sectors to accelerate low-carbon transitions. Given the UK's experience such as in legislating for Net Zero, the formation of the Committee of Climate Change and expertise in green finance, the UK is often well-placed to provide expertise. However, there is no requirement that organisations, either lead organisations or within a consortium, need to be UK based. We will assess proposals against the criteria outlined.



Can multiple organisations apply with one project?

UK PACT accepts applications from multiple organisations who wish to operate in a consortium of one lead implementing organisation and other partner implementing organisations. The application requires a nominated lead implementing organisation, which can be supported by other partner implementing organisations (optional).

Will UK PACT help in building consortia or match-making between parties?

UK PACT does not provide a consortium building service.

Do you prefer individual bids or joint bids?

There is no preference for either bids from single organisations or from consortia. The applying organisation(s) must be able to demonstrate the knowledge, skills and experience to deliver capacity building projects in the relevant themes and in Nigeria.

International organisations are encouraged to partner with local organisations (from the country of project delivery) to apply.

Eligible organisations can be based in any country and can apply alone or as part of a consortium with organisations from any country. However, the lead and partner organisations which will be delivering the project must have the legal right to work in Nigeria where the project will be operating.

Is it possible to change the consortium structure after the EOI stage?

UK PACT does not expect significant changes between the EOI stage and the Full Proposal stage. A change in a consortium would be considered significant and require strong justification as part of the Full Proposal. UK PACT reserves the right to not proceed with an assessment of Full Proposals that contain significant changes.

Is it possible to change institution during the application process?

One of the key selection criteria at both EOI stage and Full Proposal is the experience of the project team. Applying organisations must be well-placed to deliver this project including the knowledge, skills and experience within the team and the relevant networks in-country. This includes ability to deliver in the Nigerian context.

UK PACT does not expect significant changes between the EOI stage and the Full Proposal stage. A change in a consortium would be considered significant and require strong justification as part of the Full Proposal. UK PACT reserves the right to not proceed with an assessment of Full Proposals that contain significant changes.



Would a letter between the Consortium to identify the proposed partnership be sufficient at EOI?

At the EOI stage, proof of the partnership is not a requirement. The consortia organisations are welcome to submit a letter confirming their involvement. At the Full Proposal stage further guidance will be provided for the format of documentation of the consortium.

If a consortium is proposed, what partnerships agreements need to be in place?

At the EOI stage, any proposed partnership or sub-contracting arrangements should be identified and partners should be committed to working together on the project. Full details on the agreement between consortia can be found in the template Grant Agreement which is available on the Nigeria-UK PACT <u>website</u>.

Do I have to have the legal right to work in the country where my project will be delivered?

The lead and partner organisations which will be delivering the project must have the legal right to work in all countries where the project will be operating.

Do organisations need to be locally registered in Nigeria to apply?

The lead and partner organisations which will be delivering the project must have the legal right to work in Nigeria where the project will be operating.

Organisations and consortia need to be sure that they are structured and registered in a way that allows them to deliver the project they have proposed. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country.

Are there any eligibility requirements regarding nationality of team members?

There are no eligibility requirements regarding nationality of proponents. Applying organisations must be well-placed to deliver this project including the knowledge, skills and experience within the team and the relevant networks in-country. This includes ability to deliver in the Nigerian context.

Eligible organisations can be based in any country and can apply alone or as part of a consortium with organisations from any country. International organisations are encouraged to partner with local organisations (from the country of project delivery) to apply. However, the lead and partner organisations which will be delivering the project must have the legal right to work in Nigeria where the project will be operating. Organisations and consortia need to be sure that they are structured and registered in



a way that allows them to deliver the project they have proposed. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country.

Should documentary proof for the legal right to operate in the country be presented and if yes, what?

Organisations and consortia need to be sure that they are structured and registered in a way that allows them to deliver the project they have proposed. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country.

Does the project team providing technical support to teams on the ground in target countries require employment visas?

Organisations and consortia need to be sure that they are structured and registered in a way that allows them to deliver the project they have proposed. This does not necessarily mean all team members need to be provided with work visas. It is acceptable for some of the project staff members to be operating on the project remotely, hence having work visas from their country of residence not the project target country. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country.

Must the implementing team be able to speak English?

The project and the implementing team should be able to demonstrate the skills needed to deliver the project. This includes being able to report to and hold meetings with UK PACT in English and understand any communications circulated by UK PACT in English. Where relevant, and in cases where not all members of project teams speak English, it may be necessary or preferential to include budget for translation.

Do projects need to have a UK partner?

No, projects do not need to have a UK partner. Consortia can be constructed from organisations in any country. However, there is an expectation that the organisation or consortia proposed has strong networks and experience in Nigeria and necessary expertise in proposed programme content.

Do projects need to have a Nigerian partner?

If an application is submitted from a single organisation then there does not need to be a Nigerian partner. However, if the application is being submitted by a consortium, we would strongly encourage the inclusion of an eligible Nigerian partner organisation.



Are those receiving funding from other HMG programmes eligible to apply?

Yes, organisations receiving funding from other HMG projects are eligible to apply. Where funding has been received for the same project, applicants must be able to clearly distinguish between activities funded by UK PACT and those activities funded through other sources, as well as any associated results achieved. Applicants must be prepared to separately account for and report on spend against UK PACT funding. Applicants should be able to demonstrate the need and additional impact of UK PACT funding.

Can commercial organisations apply for funding if they are working on a project on the given themes as part of their Corporate Social Responsibility commitment?

All projects must be not-for-profit and demand-led i.e. must be able to demonstrate demand and engagement with relevant stakeholders and beneficiaries. Potential applicants should also check the list of eligible organisations and the terms of the Grant Agreement.

Are UN agencies eligible to apply?

Yes. UN organisations may be eligible to apply. Eligible organisations are those that have the knowledge, skills, and experience to deliver or form part of a consortium delivering capacity building projects in the target country. Government departments and agencies are not eligible to apply to receive a grant. In order to be eligible to apply for UK PACT, funding organisations must be separate legal entities from the UK Government.

If we are a for profit company, are we entitled to apply to this source of funding which is described as a grant?

Yes. Budgets can include all normal employment rates and overheads, but profit will not be considered as an eligible cost in budgets.

3.1.2 Project eligibility

Where can projects be funded?

To apply for Nigeria-UK PACT funding, projects must take place in and benefit Nigeria only. See the list of priority areas below.

Can my project include countries other than Nigeria?

Only projects that are delivering in Nigeria are eligible to apply. The primary benefit of projects and the main project activities should remain within Nigeria. The UK



Government is committed to support the low-carbon transition across the world and there are a number of similar programmes available, which may be suitable for capacity building initiatives implemented beyond Nigeria. These include: UK PACT Country Programmes; The UK PACT Green Recovery Challenge Fund; and the ² The Climate Ambition Support Alliance³, the NDC Partnership⁴, and the The Climate Ambition Support Alliance⁵

Are there any geographical priority areas within Nigeria?

We will only consider projects working at a federal level or in the following states:

- Adamawa State
- Borno State
- Edo State
- Ekiti State
- Jigawa State
- Kaduna State
- Kano State
- Lagos State
- Nasarawa State
- Ogun State
- Yobe State

For the NBS theme only, we will also consider projects in:

- Cross River State
- Plateau State

What is the rationale for the eligible states?

⁴ The UK is a member of the NDC Partnership, which supports developing countries to implement their NDC through improved planning and access to finance. Any country is able to become a member – see their website for more information about how to join: https://ndcpartnership.org/members If you are already a member, we recommend contacting the NDC Partnership's Support Unit through your government's NDC Partnership focal points to find out what support is available. Their website also has a Climate Finance Explorer that can signpost to sources of finance, which is available to everyone: https://ndcpartnership.org/climate-finance-explorer

⁵ The Climate Ambition Support Alliance (CASA) provides technical assistance to climate vulnerable country negotiators to increase their capacity and capability in order to engage more effectively within the international climate negotiations. CASA partners provide tailored support to the Least Developed Countries (LDC) Group, the Alliance of Small Island States (AOSIS), and the Republic of the Marshall Islands (as convenor of the High Ambition Coalition), as well as ad hoc training to individual negotiators from any developing country group. The CASA programme further aims to support climate vulnerable countries in the implementation of the Paris Agreement, with technical assistance for NDC development and enhancement, transparency and access to finance. For more information see: https://casaclimate.org/



As UK PACT is newly launching in Nigeria, we are working with an initial list of eligible States to facilitate liaison with State officials and supervision of projects. The list of States has been decided primarily based on existing relationships and projects, but also takes into account nature-based solution priorities in forested areas.

Will UK PACT be adding more states to the eligible list?

For this funding opportunity, the list of eligible states that is available on the website will not be changing. If you have a project idea that is focussed on a state that is not one of the eligible states then please do register your interest on the website to stay up to date for future funding opportunities..

Can you please clarify what it means to have an application "at federal level"?

Federal level projects are those which are operating across the country, for example working with federal government beneficiaries, rather than those working at specific state or municipal level.

We have a project idea in Abuja City. As it is in Federal Territory, will it be considered a federal level project and therefore be eligible?

Federal Capital Territory is not included in the list of priority states and therefore no project at Territory or municipal level is eligible. Federal level projects are those which are operating across the country, for example working with federal government beneficiaries, rather than those working at specific state or municipal level.

Is the fund only available for new projects, or can existing initiatives apply to improve or extend a project?

Existing initiatives are eligible to apply to the UK PACT however the project activities should be distinct and there should be no duplication.

What if my project is not eligible?

If your project is not eligible, then the UK PACT might not be a suitable source of funding for your project. If your project does not meet the thematic and regional focus of this funding window, your project may be eligible for future funding rounds, so you should register your interest on the <u>website</u> to stay up-to-date with future announcements. However, the other key eligibility criteria will be the same for future funding rounds.

The UK Government is committed to supporting the low-carbon transition across the world and there are a number of similar programmes available, which may be suitable



for capacity building initiatives that are beyond the scope of UK PACT. These include: <u>The Climate Ambition Support Alliance</u>⁶ and the <u>NDC Partnership.</u>⁷

For projects that may have regional remit - such as transboundary issues and impacts in certain biomes and populations – are other countries eligible?

For Nigeria-UK PACT projects' primary benefit and all project activities must remain within Nigeria.

Applicants will be expected to demonstrate how the majority benefit of the project is to Nigeria.

Projects which build upon the experience gained in other pillars of UK PACT are encouraged to apply for the UK PACT, as long as the primary benefit of the project is to Nigeria.

What is ODA?

ODA is an abbreviation for Official Development Assistance. This assistance has been allocated under Section 1 of the International Development Act 2002. ODA contributes to a reduction in poverty and aims to further sustainable development or improve the welfare of relevant countries.

According to the OECD, Official Development Assistance is defined as financial support to eligible countries and to multilateral development institutions which are:

1) Provided by official agencies, including state and local governments, or by their executive agencies; and

⁶ The Climate Ambition Support Alliance (CASA) provides technical assistance to climate vulnerable country negotiators to increase their capacity and capability in order to engage more effectively within the international climate negotiations. CASA partners provide tailored support to the Least Developed Countries (LDC) Group, the Alliance of Small Island States (AOSIS), and the Republic of the Marshall Islands (as convenor of the High Ambition Coalition), as well as ad hoc training to individual negotiators from any developing country group. The CASA programme further aims to support climate vulnerable countries in the implementation of the Paris Agreement, with technical assistance for NDC development and enhancement, transparency and access to finance. For more information see: https://casaclimate.org/

⁷ The UK is a member of the NDC Partnership, which supports developing countries to implement their NDC through improved planning and access to finance. Any country is able to become a member – see their website for more information about how to join: https://ndcpartnership.org/members If you are already a member, we recommend contacting the NDC Partnership's Support Unit through your government's NDC Partnership focal points to find out what support is available. Their website also has a Climate Finance Explorer that can signpost to sources of finance, which is available to everyone: https://ndcpartnership.org/climate-finance-explorer



2) Is administered with the promotion of the economic development and welfare of developing countries as its main objective. More information about ODA can be found on the OECD website.

Is my project ODA compliant?

Nigeria-UK PACT will only fund projects which are ODA compliant. This is not project task specific, as a certain task could be ODA eligible or ineligible depending on context and detail. To consider whether your project is ODA compliant you may wish to consider the following questions:

- What does success of your project tasks look like?
- How might the impact of your project be measured?
- How does your project contribute to sustainable development?
- Would your project lead to the outcome of a reduction of poverty in the implementing country/ies?

You will be asked about the questions above in the application form.

3.2.3 Conflict of interest

Can I still apply if I have any conflicts of interest?

Yes, however, applicants must declare any conflict of interests that currently exist or that could arise during this selection process and/or during project implementation. These will be considered at assessment stage. Conflicts of interest can be personal, business and/or finance related. Where potential conflicts of interest are declared, the EOI should both state these and the actions that will be taken to mitigate them.

3.3 Funding

If I am successful in being offered funding, when can the project start?

Applicants that are offered grant funding will be funded for tasks which start from the date of signature of the grant agreement. This is expected to start from April 2022. Please check the <u>website</u> for up-to-date timelines.

Will there be flexibility in the project start times if we continue with confinement due to the pandemic?

Project duration should fall within the defined 12-month time period. If at the point of being notified that a project has been selected for funding it is clear that the intended start date cannot be achieved due to the impacts of COVID-19, this should be raised immediately with ICF Consulting for discussion.

We are aware that the pandemic and post-pandemic situation is continuously evolving and will continue to do so for many months to come. We want to ensure that UK PACT



and the projects funded remain responsive and adaptive in order to manage challenges and capitalise on opportunities as they arise. We will therefore also be looking for robust risk assessments and mitigation strategies to ensure projects have the necessary built-in flexibility and adaptability to prepare for continued uncertainty and changes within the operating environment during implementation

How many projects are you looking to fund?

The limitation is the allocation of funding, not the number of projects to be funded. Applicants may apply for up to £1,000,000 per annum.

How much funding can I apply for?

Applicants may apply for up to £1,000,000 per annum.

As well as a maximum, is there a minimum amount of funding to apply for per project?

There is no minimum funding allowance that UK PACT projects can apply for. Projects are expected to apply for grant funding between £100,000 and £1,000,000 per annum.

Will there be any additional funding in the future?

Nigeria-UK PACT's current funding and timeframes only allow us to guarantee successful applicants funding for 12-month projects. However, subject to approval of further funding for the UK PACT programme in the future, we may subsequently be in a position to offer additional funding to some of the projects selected in this call for proposals beyond the initial 12-month funding period. Please also note that any extension is not guaranteed, and would be subject to satisfactory performance, a detailed proposal for the subsequent phase and continued strategic fit with UK PACT priorities, as well as BEIS approvals for further funding for UK PACT.

The <u>Expression of Interest</u> template will allow applicants to set out information on their longer-term vision for what they would do, if they could implement projects for more than one year. Projects which, because of their nature, are fixed at 12 months or less will not be penalised.

In regard to partnerships/consortia, is the grant funding given to the lead implementing organisation or to a member of the partner implementing organisations?

The lead implementing organisation applying to the Nigeria-UK PACT will be the recipient of the grant funding.



What is project 'co-funding'?

Co-funding is money for the project that comes from another source than UK PACT. For example, a project proposal might include funding from UK PACT and another donor.

Do projects have a better chance of securing funding if there is some co-funding?

There are no requirements for match or co-funding to be eligible for UK PACT support. However, if it is demonstrated that co-funding would contribute to the sustainability of the proposed activities or leverage further climate mitigation activities, this would be considered under relevant selection criteria, e.g. sustainability. The proposal should also clearly outline how UK PACT financing is additional and identify a discrete budget of activities not covered by other sources of funding.

Should the cost of the audit be included in the budget?

No. The Grant Recipient should pay for the accountant's reports. This information is included in the annex of the Grant Agreement.

What information needs to be included on partners (organisational documents) and their budgets?

The lead implementing partner will be the sole recipient of the grant funding and will be the signatory of the Grant Agreement. They will be responsible for disbursing the funding amongst consortium members, and as such the budget should include all costs for the project regardless of which partner, they are incurred by. The due diligence process will primarily focus on the lead implementing partner but will also assess their ability to manage downstream partners and cascade relevant policies and processes down the delivery chain.

3.4 Budget

What are the accounting requirements?

The applicant must have an appropriate accounting system in place to be able to manage the grant funding and receive the payments in arrears, in GBP via fees and expenses invoiced.

It is important that grantees have robust financial management strategies and processes in place to facilitate responsible and transparent management of funds.



Can you provide benchmarked rates to help assess the financial feasibility of the project?

Applicants must ensure the rates they are proposing are competitive for the market within which they are operating. For awarded projects, UK PACT may ask applicants to demonstrate how the rates they have proposed have been benchmarked and/or carry out our own internal benchmarking to assess whether the rates proposed offer value for money.

Budgets, including day rates, will be assessed as part of the call for proposals process. Day rates should be in line with local market rates and should also provide value for money – allowing projects to hire the right staff, with the right skills, at the right price. Please bear in mind that this is ODA funding so value for money will be subject to high levels of scrutiny. Prices must reflect the accurate costs of delivering particular outputs or activities and costs must be able to be evidenced and justified. Guidance on cost ranges will be provided for applicants shortlisted to the Full Proposal stage.

Certain activities and budget categories can be easily linked to a specific outcome (for example travel costs, subcontractors, etc.), but there are other budget categories and activities that are cross-cutting over several outcomes. Could these types of activities be entered in the budget as crosscutting instead of linked to one specific outcome?

Each activity and cost category should be directly related to the delivery of a specific task and associated output. Payments are made quarterly in arrears for completed tasks, therefore costs should be directly related to a task to facilitate this.

Please break down the cross-cutting activities or costs by the amount of time or effort that contributes to the different outputs.

At EOI, this level of detail is not necessary, and only a high-level budget should be provided. At Full Proposal stage a full budget breakdown will be required.

3.4.1 Preparing the budget

Is a deviation permitted in the budget estimates from EOI to the Full Proposal stage?

UK PACT does not expect significant changes between the EOI stage and the Full Proposal stage. Minor variations are acceptable, however larger changes would require strong justification as part of the Full Proposal. UK PACT reserves the right to not proceed with an assessment of Full Proposals that contain significant changes.



Please bear in mind that this is ODA funding so value for money will be subject to high levels of scrutiny. Prices must reflect the accurate costs of delivering particular outputs or activities and costs must be able to be evidenced and justified.

Can organisations' internal salary costs include all normal salary on-costs?

Yes. Cost rates can include all normal employment rates and overheads but cannot include a profit margin.

For applicants from research organisations, do they need to be permanent academic staff, or can be researchers on a fixed term contract?

Personnel included in the budget for UK PACT projects are not required to be contracted in a specific way. They can be either permanent academic staff or researchers on a fixed term contract, for example.

Is there a restriction in the percentage of funding that can be attributed to personnel?

There is no limit to the percentage of funding which can be attributed to personnel compared to other costs in the budget e.g. travel costs. Applicants should consider the resources needed to deliver their project and budgets will be carefully scrutinised to ensure all costs are clearly described and contribute to materialising the project outputs. Applicants can apply for up to £1,000,000 per annum.

Should VAT be applied to the grant claims?

Where a grant has been awarded the Grant Recipient should not charge BEIS for UK VAT.

The grant conditions for not attracting VAT are:

- The grant fulfils an obligation i.e. legal requirement e.g. commitment on ODA spend.
- Payment of the grant does not lead to any benefits (cash or kind) to the grant donor.

If the purpose of the funding changes from the original intention this should be reviewed to ensure there is no VAT liability.

If the awarded organisation is based in the UK and they are claiming for UK based services they should invoice on a 0% VAT basis.

If the organisation is based outside of the UK, they should invoice based on the local tax law. HMG is not able to recover this tax and it is up to the organisation in question to deal with their tax duties locally and ensure these are captured accurately within the grant budget.



How do we treat VAT incurred on expenditure in the course of delivering the grant?

UK based applicants should note if they are claiming for UK based services, they should invoice for all Eligible Expenditure **net of Input VAT** (which is recoverable from HM Revenue and Customs). Exceptions can be made where VAT is Irrecoverable, please flag and discuss this when submitting your budget.

Is local tax an eligible cost?

If organisations are based outside of the UK, they will need to provide a budget based on their local tax laws and it is up to the organisation in question to deal with their local tax duties. Where local taxes apply these are eligible costs, and should not be separated out from other direct costs included in the budget to which they relate. HMG (through UK PACT) does not recover this tax and it is up to the organisation in question to deal with their tax duties locally.

Can exchange rate fluctuation variations be included in the budget to ensure adequate funding of the activities as planned?

Applicants will be paid in GBP and must be prepared to manage the risk of exchange rate fluctuations during the lifetime of the project. If exchange rate fluctuations become unmanageable, i.e. could prevent the project from being able to complete activities and deliver outputs within the agreed budget or agreed timeframes, this should be flagged to UK PACT.

Overhead rate calculations can be completed in local currency, in order to allow for transparency with audited accounts. When you complete the 'Overheads' tab on the Task Based Budget, you are able to enter the cost of your overheads in local currency, but you must indicate the exchange rate. The spreadsheet will automatically calculate the total cost in GBP. You must use the exchange rate facility OANDA (www.oanda.com) and include the date the rate was calculated.

3.4.2 Overheads

What is considered an eligible overhead cost?

Overheads are those costs incurred by an organisation that are not specific project costs but that support the delivery of the project and other projects that the organisation is delivering. For example, human resources, space and premises costs and other costs that are not project specific, but which are required to keep the organisation functioning.

We are expecting applications from a wide variety of organisation types with different financial structures, and we will allow organisations to submit budgets including overheads that are well constructed and represent good value for money. This means



that costs are reasonable; that costs which should be included as direct project costs are not included in overheads; that overheads can be linked back to an organisation's financial accounts; and that organisations are transparent in demonstrating how overheads have been constructed. Contingency and exchange rate fluctuations are not eligible overhead costs. A profit margin or sustainability margin is not an eligible cost under this funding window.

How should overheads be included in the budget?

The amount of overhead that can be funded by UK PACT should be an 'appropriate apportionment' and is calculated as the percentage of core costs necessary to support your organisation's ongoing business or activities.

Applicants have two options for identifying an overhead rate:

- 1. Choose an overhead rate of up to 15% of direct project costs. You can indicate the % of overheads required in the 'Overheads' tab in the Activity Based Budget template. No additional information will be required to verify this rate. Please note that UK PACT is an ODA programme funded by UK taxpayers and, as such, ensuring all our projects represent value for money is critical. We encourage all organisations to only apply for the overheads % they need.
- 2. Where organisations are not able to accept an overhead rate of 15% or less because their indirect costs are higher, the 'Alternative overhead' tab in the Activity Based Budget template and workplan must be completed. This will then be verified by the UK PACT team based on the financial audit reports you will be required to submit as part of the due diligence process. The amount of overhead that can be funded by UK PACT should be an 'appropriate apportionment' and is calculated as the percentage of core costs necessary to support your organisation's ongoing business or activities.

Overheads will need to be managed within the overall budget limit for the project and will not be paid separately.

Where you require an overheads rate of above 15%, the following instructions apply: Overhead amounts included should be sourced from your annual financial statements over the past three years (where available) to ensure that a realistic annual average percentage is recognised of overheads to direct costs. Overhead costs are often identified in the notes to the accounts, and are generally classed as premises and office costs, support staff costs, and governance and strategic development costs.

The resulting average amount is used to calculate what average percentage of core costs has been needed to support the organisation's business activities over the same time period and this provisional percentage can be applied to your proposed budget. If your project is selected for funding the overhead rate proposed will be fully checked and verified by the UK PACT team, and a final agreed percentage will be applied to your project budget. Care must be taken to ensure that overhead costs are not



duplicated within your proposed budget for the delivery of project activities. For example, the time of staff included within the project budget cannot also be included as an overhead and vice versa.

Can staff/personnel costs include overheads?

A daily rate should be included in the budget and workplan template for all proposed project staff. The value of a daily rate should be the actual cost to the business of employing the personnel, with no overheads, profit or contingency included.

Can overhead expenses such as office cost, IT cost, central functions cost, depreciation, training, and development etc. be included on a proportionate basis as overheads for team members to estimate day rates?

The ineligible expenditures quoted in the Grant Agreement and <u>Guidance Document</u>, such as office rental, IT and equipment costs etc. refer to new purchases for the purpose of the project. Normal operating costs relating to these categories are allowed to be included as overheads. Where possible, administration or overheads should be split out and included as a separate line in the budget. Operating costs relating to these categories should not be included in staff/personnel in day rates.

What does 'administrative costs' refer to? Can this include expenses to the programme such as project material and local travel?

Administration or overhead costs can include those costs incurred in the day-to-day delivery of the proposed project (normal operating costs) that have not already been detailed separately in the budget (such as personnel costs and expenses). Examples include office supplies. Administration or overheads should be split out and expensed. Operating costs relating to these categories should not be included in staff/personnel in day rates.

Can universities claim overheads?

The budget constraints are the same for all eligible organisations. At the Full Proposal stage, the overall budget will be reviewed for value for money, taking into account the proposed approach, rationale for the proposed activities for each member of the consortium, and quality assurance of the consortium performance.

Is the funding 100% full economic costing (FEC)?

We are aware that different types of organisations will be applying for UK PACT funding and this will mean organisational costs need to be structured in different ways. In principle, the Full Economic Costing (FEC) recovery model may be a reasonable approach, although this will be determined on a case-by-case basis depending on the project and type of organisation applying. The key principle is that consortia and/or



organisations applying should be able to clearly articulate how their project and proposed budget demonstrates value for money.

Are bidders allowed to apply a margin to their proposals? Or should all overhead / indirect costs be 'above the line' and directly budgeted?

All overhead costs should be broken out and included in the budget sheet. Please view the information in this section 3.4.2 Overheads of the FAQ document for detailed guidance on including overheads in the budget sheet. Project proposals must be on a not-for-profit basis and cost rates cannot include a profit margin..

3.4.3 Eligible costs

Where can I find a list of eligible costs that can be claimed as part of the grant funding?

A list of eligible activities which can be claimed as part of the grant funding can be found in Annex 1 of the Guidance Document.

Can the grant funding be used to pay for capital equipment?

No. Applications for the funding of specific equipment are not eligible.

Is it possible to use this funding for software development?

A list of eligible costs can be found in Annex 1 of the Guidance Document.

Are materials for technical workshops eligible expenses (including lab equipment, etc)?

Applications for the funding of specific equipment are not eligible. A list of eligible activities which can be claimed as part of the grant funding can be found in Annex 1 of the Guidance Document.

Can I claim grant funding for travel and accommodation expenses from stakeholders who are neither lead or partner implementing organisations?

Expenses for stakeholders who are neither lead nor partner implementing organisations are not eligible costs; this includes travel and accommodation expenses from stakeholders attending consultations with the implementing partners. A list of eligible activities which can be claimed as part of the grant funding can be found in Annex 1 of the <u>Guidance Document</u>.



If we do not procure new day basis experts but share the eligible labour cost within existing project staffs day/work hour basis need to implement the project, will it be accepted? Does UK PACT allow such sharing of salary?

It is not required to procure new day basis experts. Each member of existing staff who is to be involved with the project should be assigned a day rate and should be expensed on an hours worked basis.

In Annex 1 (Eligible costs) of the Guidance Document, is it permissible that our nomenclature for project implementers is different from yours (e.g. "senior expert," "project manager," etc.)?

Applicants shortlisted to the Full Proposal stage will be required to submit a budget using a prescribed template. This will require detailing personnel using the nomenclature in Annex 1 of the <u>Guidance Document</u> and must match the CVs provided as part of the application.



4. Due diligence

What due diligence checks will there be on my organisation?

All applicants will be subject to a robust due diligence process. This will include automated checks for financial risks and against HM Treasury Sanction list amongst others. If the applicant is successful at Full Proposal stage, applicants will also be required to fill out ICF Consulting's dedicated due diligence form.

This self-declaration collects information including but not limited to past project references; insurance policies; safeguarding policies; quality assurance procedures; and past prosecutions. Applicants are required to submit supporting documents and all information provided is validated against publicly available data wherever possible.

Should any significant risks be identified, a project may be excluded from receiving funding.

Will due diligence apply to all partners in an applying consortium or just the lead implementing organisation?

UK PACT will perform due diligence on the lead implementing organisation, the prospective Grant Recipient.

The Grant Recipient will manage all risks in relation to the project unless otherwise agreed as part of the risk register and in writing with BEIS.

The Grant Recipient is solely accountable for compliance with the provisions of the Grant Agreement including where the Grant Recipient engages any Downstream Partner(s). The Grant Recipient will reflect the provisions of the Grant Agreement as necessary in any arrangement(s) with any Downstream Partner(s) to ensure both the Grant Recipient and Downstream Partner(s) are compliant with the provisions of this Agreement.

Full information can be found in the <u>draft Grant Agreement</u>.

If successful at EOI stage, will the due diligence take account of whether an organisation is already 100% compliant with the UK's Foreign, Commonwealth and Development Office's code of conduct?

Nigeria-UK PACT is delivered by BEIS and all applicants will be subject to a robust ue diligence process from the UK PACT, regardless of whether or not they have passed due diligence checks from the Foreign, Commonwealth and Development Office (FCDO).



More information on the due diligence checks can be found in the answer to the question above.

If a private company is a partner, should applicants follow their own Procurement Policy/Tender Process? Will UK PACT want to see evidence of this and if so, when?

UK PACT does not have a specific procurement policy in place for organisations to follow. The organisation's procurement approach and/or policy will be reviewed as part of the due diligence process before award to determine suitability to administer project related procurement exercises. Where relevant, and if organisations do not already have a procurement policy in place, UK PACT may provide guidance on appropriate procurement approaches and/or the adoption of a procurement policy.



5. Assessment

How will my application be assessed?

Potential projects will be assessed on several criteria, as detailed in the <u>Expression of Interest</u> and Full Proposal forms and <u>guidance document</u>.

Final selections will be guided by the need for a balanced portfolio of projects covering different themes, regions and levels of novelty.

Where can I find more information about the assessment criteria?

More information about the different criteria that the applications will be assessed on and their relative importance can be found in the <u>guidance document</u>.

Who will be involved in proposal review and selection?

ICF Consulting staff with relevant thematic expertise will review and score all applications. An Advisory Panel consisting of UK Embassy representatives and thematic experts will be consulted to provide guidance throughout the assessment process. The review of the applications will be discussed with a Recommendation Panel including BEIS UK PACT staff. A recommendation report including inputs from the Panels will then be presented to the Investment Decision Panel consisting of senior BEIS staff who will make the final project selection.

Will all the information available in my application form be considered when scoring a specific question?

When assessing the EOI, only the direct response to the question is assessed. Therefore, additional information, which could enhance the score, but is included in a different section will not be considered. For example, the 'Political will and local ownership' criteria can only be judged by the direct response to that question, and not enhanced by relevant information in the 'Sustainability' response.

Will a program application be favoured if it aligns with priorities from HMG or COP26 objectives?

The themes and scope of each of the funding rounds have been designed to align with wider HMG and COP26 objectives and strategies, and the degree to which a project is relevant and in-keeping to the theme will be assessed.

All projects will be scored against the criteria of potential to create transformative change, deliverability (the likelihood of successful delivery of the project) and value for money.



In addition to scoring against criteria, projects will be carefully selected to ensure a balanced and complementary portfolio balanced in theme, region, and levels of novelty. Distribution across countries will also be considered.

Full details of the scoring criteria and assessment method can be found in the Guidance Document.

How will the emissions reduction potential of proposals be assessed? Will this involve a specific methodology or criteria?

Given the diversity of sectors and contexts within which UK PACT projects will operate, there is no single methodology prescribed for measuring emissions reduction potential. Assessment of emissions reduction potential will be made based on the level of strategic fit of project proposals (priority sectors in each country have been identified in part due to their emissions reduction potential) and applicants' responses to how their projects align with and are expected to contribute to the achievement of NDC targets. Applicants will be asked to present clearly outlined activities, outputs and intermediary outcomes in their project plans, including a clear logic of how proposed outputs will lead to enhanced capacities and capabilities amongst target stakeholders, and how this in turn will contribute to enhanced and sustained action on emissions reductions.

What feedback will I get on my application?

All applicants will be informed if they have been successful or unsuccessful in progressing to the Full Proposal stage. Unsuccessful applications will receive feedback on the outcome, and successful applicants at the EOI stage will receive feedback which will help to guide improvements for the Full Proposal Stage.

Unfortunately, due to the volume of applications, we are unable to answer specific questions about the evaluation of each EOI or provide feedback on EOI applications. However, we can provide the following information which may be useful.

The most common reason for ineligibility was failing the criteria for relevant and strategic fit, i.e. applicants needed to demonstrate that the proposed projects will operate within the scope of the defined theme for each funding window. Projects must contribute to the programme's intended outcome of enhanced and sustained actions on emissions reductions. In the wake of Covid-19, projects must also demonstrate how they will contribute to a green, inclusive and resilient recovery.

Applications which were not invited to submit a Full Proposal generally performed lower in some common areas, including:

- Political will and local ownership;
- Gender and Inclusion; and
- Risk Management.



Political will and local ownership responses should demonstrate a high level of demand for the project from beneficiaries. Applications which evidenced commitment between consortium partners rather than demand from beneficiaries in this section, scored poorly.

The priority themes have been identified through engagement with potential beneficiaries and key stakeholders, and consequently are based on in-country demand. The proposal should demonstrate some involvement from beneficiaries in project design and explain how the project has sufficient buy-in from key stakeholders to deliver the expected outcomes and the plans in place to develop and maintain support as the project progresses. Applicants are encouraged to annex letters of support from key stakeholders to evidence this buy-in to receive top marks for this section.

Gender and inclusion responses should demonstrate that the applicant has acknowledged the basic needs and vulnerabilities of women and marginalised groups in relation to the project. Responses which failed to acknowledge these needs could not demonstrate how their project plan seeks to address them, and therefore scored lower for this category.

One key consideration in the design and delivery of this programme, is the extent to which it complies with the UK PACT <u>GESI Ambition Statement</u>. In line with Nigeria's intention to empower and respond to the needs of women in the context of climate change, the National Action Plan on Gender and Climate Change presents strategies for integrating gender into the implementation of national climate change initiatives, including the Paris Agreement and the Nationally Determined Contributions (NDC). UK PACT projects should be aligned with these aims. Grant selection will be made on a minimum "do no harm" basis, but grant applicants should be mainstreaming gender and inclusion opportunities into their grant activities. This will form a key part of the screening criteria as such projects which demonstrate a higher degree of GESI ambition will score more highly. Where opportunities have been identified during the selection process, implementing partners will be supported to develop and embed GESI processes into delivery planning.

Please see the UK PACT <u>GESI ambition statement</u> and <u>guidance document</u> that are available on the <u>UK PACT website</u> for additional guidance.

Risk management responses should seek to include any severe or major insightful risks, i.e. those that are most relevant and tailored to the specific project concept. Many applicants failed to provide information on insightful risks and/or failed to describe effective mitigation steps for relevant risks and scored poorly on this question.

This programme aims to achieve transformational change, and we recognise that this entails taking some risks. There is a high-risk appetite for innovation. However, there is zero tolerance to fraud and corruption (including potential conflicts of interest) and



stringent requirements regarding safeguarding. Applicants need to demonstrate a good understanding of the key risks to delivering the project and appropriate proposals for the management of these risks. Applicants will need to complete a risk register indicating the top risks to the delivery of the project including the probability and severity of each and an appropriate mitigation strategy.

When assessing the EOI only the direct response to each question is assessed. Therefore, additional information, which could enhance the score, but is included in a different section will not be considered. For example, the 'Political will and local ownership' criteria can only be judged by the direct response to that question, and not enhanced by relevant information in the 'Sustainability' response.

5.1 GESI

What does GESI mean?

GESI comprises two closely related and equally important concepts:

- Gender Equality: It is the absence of any discrimination based on gender, with equal rights, responsibilities, and opportunities for everyone, without distinction depending on their gender. This means that women's and men's rights, responsibilities, and opportunities will not depend on whether they are born male or female. It means ensuring that everyone has equal access to socially, economically, and politically valued goods, resources, opportunities, benefits, and services.
- Social Inclusion: It is the process of removing institutional barriers and the improvement of incentives to increase the access to development opportunities for all individuals and groups; it is essentially making the 'rules of the game' fairer where there are imbalances.

 Social exclusion occurs when certain groups are systematically disadvantaged based on social characteristics, such as gender, age, particular risk factors (e.g. disability, ethnicity, caste, migrant status), type of household (e.g. one-person household, single parent), the level of education and literacy, employment status, or housing status. This results in different social, political, and economic inequalities and can result in individuals being discriminated against and denied recognition and resources.

Gender equality and inclusion are distinct but overlapping concepts. For some groups, exclusion is based on gender while for others, it is based on other factors, such as those outlined above. However, for most people, exclusion is based on several factors across both dimensions, which shift in the context of diverse relationships and institutional settings. This is what is generally referred to as "intersectionality". Therefore, it is not possible to address gender without also addressing inclusion, and it is important for all projects to look at both elements in conjunction.



What does Do No Harm mean?

Do No Harm (DNH) is a principle recognising that no action is neutral, and – in the context of GESI – that paying no specific attention to gender and inclusion does not make these interventions 'gender or discrimination neutral'; rather, they may actually reinforce the status quo or even advance inequality and exclusion. Do No Harm (DNH) is a framework which was devised to help humanitarian personnel apply conflict sensitivity to their programming, especially in conflict and post-conflict settings. However, DNH approaches are helpful in any context, to assist in preventing harm and increasing positive impact on those that development projects are trying to benefit, with a specific focus on the most vulnerable communities and wider society.

The basis of DNH is to ensure careful consideration is given so – at a minimum – no harm is done, intentionally or unintentionally. Critically, DNH does not mean avoiding all kinds of conflict or harm at all costs, but rather that we have the responsibility of understanding the context in which we work and how our presence and action interact with the wider environment.

DNH is to be applied at all stages of the project lifecycle, right from needs assessment and design, through to inception, implementation and monitoring and evaluation. In very practical terms, all projects are expected to understand their context (especially thinking of GESI implications), how the proposed intervention interacts with the context, and use this understanding to avoid negative impacts and maximise positive ones.

What is GESI mainstreaming?

GESI mainstreaming is the process of assessing the implications for everyone (including women, men, sexual and gender minorities (SGM), as well as any excluded groups, on the basis of any factor) of any planned action, including policies or programmes, in all areas and at all levels.

It is a way to make GESI an integral dimension of the design, implementation, monitoring, and evaluation of policies and programmes in all political, economic, and societal spheres so that everyone benefits equally, and inequality is not perpetuated. GESI mainstreaming contributes to more responsive programming and better service provision, because it considers the particular interests and needs of all relevant groups. Everyone's inputs are necessary if communities are to prosper, and equality and inclusion are essential elements of sustainable development.

What does GESI mainstreaming in capacity building, emissions reductions projects usually entail?

GESI mainstreaming can take a variety of forms. In climate-related projects this can include:



- Integrating gender and inclusion into the design, implementation and monitoring of climate projects and programmes;
- Systematically taking women's and marginalised groups' differentiated needs, knowledge, experiences, and priorities into account in all climate responses;
- Ensuring women's and marginalised groups' meaningful participation, access to and influence over decision-making on climate change at all levels.

Why is GESI a consideration for UK PACT?

UK PACT's primary objectives is to reduce emissions and alleviate poverty. In order to achieve these objectives, the programme outcomes should be inclusive and equitable. It is therefore essential that projects have high ambitions for GESI and that GESI considerations are mainstreamed throughout UK PACT.

One key consideration in the design and delivery of this programme, as mandated by law for all UK ODA programming, is the extent to which it complies with the International Development (Gender Equality) Act of 2014 (ID(GE)A), which makes consideration of gender equality and ensuring Do No Harm a legal requirement. This means that all ODA programmes, including UK PACT, must actively consider the likely effect of their intervention in reducing gender inequality at all stages of the programme cycle.

How is GESI considered in UK PACT applications?

GESI forms a key part of the evaluation criteria for the UK PACT applications at both EOI and Full Proposal stage, through dedicated questions under the "transformative change" criteria, but more broadly expecting inclusion of GESI considerations throughout the project approach, design, and project cycle. This is reflected in various sections of the application form (e.g. political will and local ownership, project team, budget, project plan, stakeholder engagement).

The UK PACT applies four levels to evaluate how GESI considerations have been mainstreamed into projects and to set its GESI impact ambition:

- Level 0: Non-compliance Projects that fail to identify different needs and impact for women and marginalised groups. They would be classified as GESI unaware and blind.
- Level 1: Minimum compliance Projects that addresses basic needs and vulnerabilities of women and marginalised groups.
- Level 2: Empowerment Projects that build assets, capabilities and opportunities for women and marginalised groups.
- Level 3: Transformative change Project addresses unequal power relations and seeks institutional and societal change.



The level of compliance that is expected of all applicants is Level 1: Minimum compliance, although our overall ambition as a programme is to reach level 2: Empowerment.

UK PACT has set clear expectations for all applications to clearly show how they are building GESI into their design and programming.

What is UK PACT's approach to mainstreaming GESI and Do No Harm?

At the commencement of project implementation, in order to meaningfully mainstream GESI and DNH, grantees are expected to carry out a GESI-informed context analysis and assess how their interventions interact with that context, taking steps to prevent harm and maximise positive impact, as well as develop a detailed GESI Action Plan.

Throughout project implementation, grantees are responsible for:

- Continuously reflecting on how their interventions may cause unintended negative effects and take immediate steps to mitigate these;
- Engaging communities in every stage of the programme, and to the extent possible building their capacity as decision-makers through specific activities;
- Implementing accountability and complaints mechanisms throughout project and organisational structures, creating a safe space for feedback from beneficiaries and stakeholders to be incorporated into future project planning;
- Continuously monitor progress against actions set in the GESI Action Plan, establishing strong accountable monitoring and evaluation processes to guarantee follow through on GESI commitments, appropriate disaggregation of data, and collation of case studies and stories.

How important is the question on Gender and Inclusion?

Guidance on answering this question and details of how it will be assessed can be found in the <u>Guidance Document</u>. All sections, including Gender and Inclusion, must be answered fully.

Should we focus more on gender or other aspects of social inclusion?

Gender equality and social inclusion are distinct but overlapping concepts. For some groups, exclusion is based on gender while for others, it is based on other factors, such as age, disability, ethnicity, caste, or migrant status. However, for most people, exclusion is based on several factors across various relationships and settings. Therefore, all aspects of social inclusion which you have considered when developing your project and assessing your operating context should be included in your proposal. Please see the UK PACT <u>GESI ambition statement</u> and <u>guidance document</u> that are available on the <u>UK PACT website</u> for additional guidance.



6. Grant agreement

Who will the grant agreement be signed with?

The Grant Agreement will be signed with the Department for Business, Energy and Industrial Strategy (BEIS). ICF Consulting will be named as a Grant Manager in the Grant Agreement and will be the main point of contact for implementing partners.

Is the contract a grant agreement or commercial contract?

The funding under UK PACT will be in the form of grant funding. The agreement under which the funds will be distributed to implementing partners will be a Grant Agreement and not a commercial contract.

Where can I find out more about the terms of the Grant Agreement?

The template Grant Agreement can be viewed on the Nigeria-UK PACT <u>website</u>. Grantees are required to accept the terms of the Grant Agreement to participate in the UK PACT funding and any changes are unlikely to be accepted. Therefore, grantees should review these terms carefully as they will be expected to agree to them before they implement their project.

Can I suggest amendments to the terms of the Grant Agreement?

Grantees are required to accept the terms of the Grant Agreement to in order to receive funding from UK PACT and the grant terms are non-negotiable.

Some clauses in the Grant Agreement are not relevant for my organisation, does this exclude me from receiving funding?

A number of clauses in the Grant Agreement state that they only apply "where applicable" to accommodate some of these differences. If these clauses do not apply to you then you are not required to abide by them. If you are unable to comply with any of the mandatory clauses in the Grant Agreement (i.e. where is not stated "where applicable") then you will not be eligible to receive funding.

Could you confirm Intellectual Property Rights terms under UK PACT?

Please refer to clause 25 of the Grant Agreement template for the full Intellectual Property Rights terms.

Is it allowed for materials from the grant funding to be commercialised?

As per the terms set out in the Grant Agreement, any materials using funding provided can be used in accordance with an Open Government Licence (OGL). The OGL is a



simple set of terms and conditions under which information providers in the public sector can license the use and reuse of their information. Provided that the grantee complies with the terms, the grantee will have permission to use information anywhere in the world. The licence is also non-exclusive which means that the grantee will not be the only person able to make use of it. The Open Government Licence enables the grantee to use information for both commercial and non-commercial purposes.

Please see the Grant Agreement template on the Nigeria-UK PACT <u>website</u> for further information.

What is the Return on Investment to UK PACT?

The UK PACT administers grants, not investments or loans, so no financial return is expected for the programme.

Intellectual Property Rights are not considered as returns on investment. As specified in the Grant Agreement, the Intellectual Property Rights created by the funded activities will be held by the UK Government in accordance with the One Government Licence (OGL), however this licence is non-exclusive which means that the Intellectual Property is open access.

Does clause 19.8 in the Grant Agreement mean the Grant Recipient should appoint a staff member to conduct regular audit functions? Or is this something that our accounting department can overtake?

Recipients just need to have an internal audit function in place. This does not need to be a dedicated department but simply appropriate assurance processes/systems in place around risk management, governance etc. An existing accounting department can perform this function.

It is stated (grant contract 19.11) that if our proposal is successful, as Grant Recipients, we must present the Project Quarterly Work Plan and the Eligible Expenditure form to our external auditors/accountants for certification. We currently have an external auditor, but these assessments are on an annual basis. Does this mean that we must hire quarterly auditing services?

The Project Quarterly Work Plan and Eligible Expenditure form should be presented to an external and independent qualified auditor at the end of the funding period as per clause 19.18 to support the reasonable assurance report.



Can we use our internal accounting staff to provide the reasonable assurance report as per Clause 19.18?

No. All grantees will be required to engage an external independent qualified auditor to provide a reasonable assurance report. This report cannot be provided by an internal accountant.

For the auditing purposes, is the Grant Recipient the only organisation that should be covered? Or should partner organisations be covered as well?

An external independent qualified auditor will provide a reasonable assurance report that should state whether, in their opinion, the grant paid to the Grant Recipient was applied in accordance with the Agreement. The reasonable assurance report is not an audit on an organisation.

If external audit costs cannot be funded, can we run an internal audit of the programme?

No. The reasonable assurance report must be provided by an external independent qualified auditor. The cost of this is not an eligible expense.



7. Implementation

If successful, how and when will I receive the grant funding?

Grant funding will be paid in arrears into the account specified in the Grant Agreement. This is dependent on receipt and approval of appropriate evidence, as specified in the Grant Agreement. Funding will be disbursed in GBP (£) and be paid in quarterly intervals (in arrears) for completed tasks, as specified in the Grant Agreement for your project.

Will we be able to receive payments in advance instead of in arrears as stated? It will be very challenging to initiate and implement the project activities or engage the expert without funding/payment in advance.

Our default position is to pay in arrears. Only in exceptional circumstances (for example where upfront investment is required which would be unaffordable for the recipient organisation to manage) if organisations request a payment in advance, we may be able to accommodate this. We will manage any payments in advance on a case-by-case basis and a robust rationale would be required for any payments in advance to be considered. Any such requests should be flagged at Full Proposal stage.

What percentage of movement between budget lines is allowed without authorisation?

Movement that is more than 10% of the total budget line (over or under) must be discussed with the Grant Manager as soon as the Grant Recipient is aware of the variance.

What are the expectations for a robust financial management strategy and the expectations on how to demonstrate cost reasonableness?

It is not the intention to dissuade smaller organisations from applying, however it is necessary that any grantee has a robust financial management strategy in place to facilitate responsible and transparent management of funds. In particular, this includes being able to accept grant payments in arrears and in GBP, and a system for paying downstream partners if applicable. Grant Recipients will be required to provide detailed and accurate project accounts to support payment claims and will need to be able to separately track and account for UK PACT funding.

It is also essential for the whole UK PACT programme that the grant funding is delivering value for money. Therefore, projects should be able to demonstrate how cost reasonableness will be ensured throughout delivery. This could include methods to increase economy, reasonable and appropriate corporate procurement approaches, and benchmarking exercises for daily rates.



Applicants will have the opportunity to provide evidence for this if they are invited to Full Proposal stage, when a full budget breakdown is required.

Do you expect all funded projects in Nigeria to work together and collaborate?

Although there is no requirement for funded projects to work together, engagement, collaboration and knowledge sharing are encouraged. The sharing of lessons and opportunities for amplification is very valuable for the success of the projects individually and for the programme more broadly and UK PACT will look for opportunities support collaboration between the funded projects.

How do we identify other projects with whom we might collaborate?

Applying projects should seek to use their knowledge, experience and networks from working in Nigeria to identify projects with which there may be possible synergies or future opportunities for collaboration, if relevant, as well as differences with existing projects and programmes currently being delivered in Nigeria.

Funded projects will be supported to engage with other relevant projects in the UK PACT portfolio and other UK ODA programmes





Visit our website
Nigeria – UK PACT

Email us nigeria@ukpact.co.uk