



Clarification questions

September 2021

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1. Introduction

This document compiles clarification questions and answers from previous UK PACT Country Programmes funding rounds.

They are divided into eleven categories:

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2. The UK PACT Programme

Q. What are the roles of Palladium, BEIS and the UK Embassy in UK PACT?

A. UK PACT (Partnering for Accelerated Climate Transitions) is a £70m flagship programme under the UK's International Climate Finance (ICF) portfolio. It is part of the UK's £11.6bn commitment to International Climate Finance by 2027 to tackle climate change. The programme (2018-2022) is funded by the Department for Business, Energy and Industrial Strategy (BEIS). BEIS has partnered with Palladium International Limited to deliver the Country Programmes component of UK PACT. Palladium will manage and oversee the selection and implementation of grants awarded under Country Programmes, in strategic collaboration with BEIS and UK Embassies in each partner country. Successful projects will be directly managed by Palladium, with strategic oversight from BEIS and the relevant Embassy

Q. Is it possible to get more information on projects from the first phase of UK PACT?

A. When the first phase of UK PACT launched in 2018, grant funding was allocated to three countries: China, Colombia and Mexico. Across all countries UK PACT funded a total of 34 projects. Key facts and figures, case studies and success stories from the first phase of UK PACT can be found on the Country Programmes pages of the UK PACT website (www.ukpact.co.uk/country-programmes).

Q. How is UK PACT related to COP26?

A. 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 dangerous climate change. Five years after the Paris Agreement was agreed, 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 November 2021. In this context, UK PACT will support partner governments to put forward greater ambition. The UK PACT priority sectors in calls for proposals align with strategic COP26 campaign pillars, in particular, Nature-Based Solutions, Energy Transition and Energy Efficiency, Green Finance, and Zero-Emissions Vehicle campaigns. Together with partner governments, we hope to be able to showcase strong case studies from UK PACT projects that demonstrate emissions reduction and ambition-raising support delivered through our UK PACT Country Programmes at COP26.

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

A. 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; 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 demand 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.

Q. What is meant by Official Development Assistance (ODA)?

A. 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 2) Is administered with the promotion of the economic development and welfare of developing countries as its main objective.

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

A. 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.

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.

Q. Will there be further funding rounds of UK PACT? Will these include projects longer than 12 months?

A. BEIS is currently thinking about the future of UK PACT and it is possible that, subject to approval of further funding for the UK PACT programme in the future, we may subsequently be in a position to extend funding to projects selected in this funding round beyond the 12 month funding period. Although BEIS currently cannot guarantee funding for projects that are longer than 12 months, we reserve the right to later extend projects selected through this funding round beyond the initial 12 months, subject to approvals for further funding for UK PACT. 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.

UK PACT is currently due to end in 2022. BEIS is developing plans for the future of UK PACT. UK PACT is demand-led and flexible in its approach. As such, we would not look to define at this stage the frequency of calls for proposals in any given country, however, subject to further funding being available, we would look to strike a balance between continuing to support projects that are performing well, and where multi-year approaches bring greater impact and value for money, as well as being open to new project proposals that bring new ideas and are relevant to the context at that time. Once we are in a position to do so, we plan to share our thinking and future plans with the market.

Q. Can you steer us to case study of the earlier projects to provide context, please?

A. Please refer to Success Stories on the UK PACT Country Programmes pages on the website <https://www.ukpact.co.uk/country-programmes>

3. Scope and focus of the CfP

Q. Which sectors are eligible for inclusion in project proposals?

A. Priority sectors of greatest emissions reduction potential and where UK PACT can provide the most relevant capacity building support have been identified through an exercise of stakeholder consultations and demand scoping with key beneficiaries in

each partner country. Priority sectors for each UK PACT partner country are described in the relevant Call for Proposals document.

Q. Which stakeholders have been consulted by UK PACT in the development of the funding round?

A. Since UK PACT initiated activities in each partner country, a series of consultations and technical scoping meetings have been held to identify the key priorities and opportunities where UK PACT could most effectively provide support. This will allow UK PACT to provide climate finance and technical assistance that is demand-led, responsive and effectively supports each partner country to implement and increase their ambitions for carbon emissions reductions. The outcomes of these consultations have informed the identification of the priority sectors for inclusion in the current UK PACT Calls for Proposals.

Q. Are projects focussed on resilience and adaptation eligible?

A. UK PACT is a climate mitigation programme, and all project proposals will be assessed on their potential to contribute to emissions reductions 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 focussed on climate mitigation and emissions reductions.

4. Full proposal process

Q. Can you confirm the timeframes and deadlines for the application process?

A. For information on the timeframe and deadlines for the application process, please visit the Country Programmes Opportunities Portal, accessed at the following link: <https://www.ukpact.co.uk/apply-now>

Q. How and where do I submit a proposal?

A. The instructions for submitting a proposal can be found on the UK PACT website at the following link: <https://www.ukpact.co.uk/apply-now>

Q. Where can we find presentations and recordings from the market engagement events?

A. The presentations and recordings from the market engagement events can be found by following the relevant webinar links on the Events page of the UK PACT website: <https://www.ukpact.co.uk/events>

Q. Is it possible to make multiple applications?

A. Yes, organisations are free to submit proposals for more than one project. We would however urge organisations to focus on quality rather than quantity, and organisational capacity to deliver multiple projects will be considered as part of the overall assessment.

Q. Is it possible to make an application across multiple countries?

A. Applications should be prepared for one country and will be assessed based on their ability to deliver that project against the selection criteria outlined. Applicants are welcome to apply to one or more of the UK PACT calls.

All calls will be launched on www.ukpact.co.uk

Funding for projects that include multiple countries will be possible through the UK PACT Green Recovery Challenge Fund. Projects will need to include at least one country that is identified as a priority under a GRCF funding window. The focus of the GRCF funding windows and countries that are eligible to apply will be announced on the website. Please see the GRCF webpage for further information and to register for updates.

Q. Must applications be submitted in English?

A. Yes, applications must be submitted in English. The grant agreement will also be in English.

Q. Can skill-share and secondment proposals be combined with project proposals?

A. When you submit an application to the Country Programmes, it must be about an eligible technical assistance project only. However, there is a space within the form to indicate if any organisation involved in the proposed technical assistance project intends to apply to the Skills-Shares and Secondments component of UK PACT. Organisations are eligible to apply for both Country Programme and Skills-Share support.

Q. Will it be possible to extend projects beyond 12 months?

A. 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 extend funding to some of the projects selected in this funding round beyond the initial 12-month funding period.

Your expression of interest form should be completed on the basis of a 12-month project and, currently, we cannot guarantee any UK PACT funding from BEIS beyond that 12-month period. We reserve the right to then extend some of the projects selected through this application process beyond the initial 12 months. 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.

Q. Please confirm whether diagrams, graphics and charts are acceptable within the submission and whether they count towards the word limit.

A. Diagrams, graphics and charts are acceptable and do not count towards the word limit.

Q. Regarding the operative process to submit the proposal to the UK PACT country programs opportunities portal, do proponents have to create an independent user for each project when bidding for more than one funding window, or could a single user submit more than one project?

A. A single user can submit more than one project

Q. In regard to the question “Have you been awarded any other UK Government funding in the last 3 years?”, does this refer to other non-BEIS funding like the Conflict Stability and Security Fund, the Prosperity Fund or the International Climate Fund? If so, do projects signed with the British Embassy, or with a third-party organization but funded by any of the aforementioned funds apply to this question and need to be disclosed?

A. Yes, this refers to all UK Government departments and programmes and includes any funds where the UK Government is the source of funds.

Q. Regarding the presentation of the proposal, we understand that as long as it complies fully with the required information and word limits, we could present it with the editorial design that best fits the presented idea. Could you please confirm our understanding?

A. The Proposal should be presented in the Proposal Template provided. Unless specifically requested in the Proposal Template, additional materials will not be reviewed.

Q. I was wondering if the main contact in the lead organisation has to have an email from that organisation or if it can be a subcontractor (i.e. different email domain)

A. The main contact must be clearly linked to the lead organisation, be authorised to submit an application on the lead organisation’s behalf and be authorised to communicate with UK PACT about the application on the lead organisation’s behalf.

Q. For projects focused on cities, is it possible to focus on one city only or do you prioritize projects that contemplate a group of cities?

A. All proposals will be assessed according to the scoring criteria referenced in the Call for proposals.

Q. Question 5.1b in the Full Proposal template asks for ‘a bio for each key member of the project team who will be involved in delivery project’. Please confirm if the staff bios are outside of the 700 word limit for this section.

A. Bios should be included within the word limit for this section.

Q. Does the completed Full Proposal Form need to be submitted in MS Word or PDF?

A. Completed Full Proposal Forms can be submitted in either Word or PDF format.

Q. Could you specify if the "Registration or charity number" refers to a Register number in the UK or in Mexico? Our organisation has had previous agreements with the UK Embassy in Mexico, Is this the Registration or charity number? In Mexico, our

organisation has a special tax condition that allows us to receive donations, is this the required Registration number?

A. The “Registration or Charity number” refers to the unique Charity Registration Number or Company Registration number for the organisation applying. I.e. the number allocated when the organisation was created in the country it was created in. In Mexico’s case this refers to the RFC.

Q. Could you explain what a parent organisation is?

A. A parent organisation is an organisation that has significant control over the management and operation of another organisation.

Q. The form on the portal asks for a breakdown of all staff on the proposed project. Is it necessary to include the names of each of these? Should the names of enlisted staff already be confirmed?

A. Where possible, applicants should be able to nominate staff that will carry out the activities. Where this is not possible, applicants should indicate the positions that will be included in the project.

Q. Can one single registered user submit multiple proposals for different projects, or one user can only submit one proposal.

A. One single user can submit multiple proposals for different projects.

Q. Does it give us an advantage to take up a project that was previously funded by UK PACT?

A. Applications will be considered based on the strength of the project proposed and the skills, knowledge and experience of the organisations and personnel who will deliver the project. All applications will be assessed based on the scoring criteria provided in the Call for proposals document.

Q. Does co-funding the project is beneficial to the selection process? If so, do you promote or prohibit any type of co-funding stakeholders?

A. Each application will be assessed on the strengths of the individual project. This assessment would include whether co-funding offered any enhancements to the project. All applications will be assessed based on the scoring criteria provided in the Call for Proposals document.

Q. Which is the mechanism to prove the expertise of the lead organization and that of its partner?

A. This should be discussed in Section 5 of the Full Proposal template.

Q. Does the project need to specify how and in what percentage the reduction of emissions is expected? Under which criteria?

A. This is not a requirement. However, if applicants wish to indicate what percentage of emissions reductions is expected, this can be included in the project description.

Q. In the webpage of UKPACT there is a funding opportunity on Green Recovery Challenge Fund. Doesn't the Country Programmes Calls overlap with the Green Recovery Challenge Fund? How are the two different?

A. Under the Country Programmes, proposals submitted must be for projects in a single, eligible country. Green Recovery Challenge Fund (GRCF) projects may have a regional impact, and as such, project activities can include UK PACT Country Programmes countries (China, Colombia, Malaysia, Mexico, South Africa) within a multi-country/regional project, however, the primary beneficiary must be one of the 11 target GRCF countries (Argentina, Brazil, Peru, Ethiopia, Kenya, Nigeria, Bangladesh, India, Indonesia, Thailand and Vietnam). Additionally, the GRCF funding windows are focused on specific themes and applications must be for projects that aim to deliver capacity building under those themes. For more information on the GRCF see here: <https://www.ukpact.co.uk/green-recovery-challengefund>

Q. Can we add an "abbreviation and acronyms" page, to facilitate better understanding and flow in our write-up?

A. Yes

Q. How would UKPACT (Funders) and the UK High Commission like to be involved during implementation? At one extreme, we have worked in scenarios where donor partners like UK PACT have wanted clear outline of deliverables up front, and then only a reporting / monitoring relationship. Or would you like more active engagement with partners (our preference)?

A. Further details will be provided to successful applicants following the full proposal stage. However, applicants should expect to report to UK PACT at least quarterly if they are selected to receive funding, as well as having regular meetings with UK PACT representatives to discuss the project and monitor progress and risks.

Q. Should the CVs included with the proposal be in a specific format?

A. No, applicants are free to submit staff CVs in their own format.

Q. Is there a specific time for approval of products or milestones such as "reviewing periods" that we should incorporate in our work plan?

A. Although UK PACT will always endeavour to review products and milestones promptly, there is no specific timeframe for this.

Q. Are there any guidance on travel restrictions that project personnel will need to follow under UK PACT standards in relation to COVID?

A. UK PACT does not have specific travel restrictions in relation to COVID. Duty of care rests with the grant recipient(s) and so it is up to the recipient(s) to determine appropriate travel policies for their staff and associates. We do, however, encourage applicants to factor in potential restrictions relating to travel and in-person meetings and events in their budget projections. As stated in the budget guidance, although

the COVID-19 context creates challenges for programme implementation, we believe that transition to a post-COVID business-as-usual also offers opportunities to decrease the carbon footprint of programme delivery in some cases. We encourage applicants to review their delivery approach to optimise quality with a view to reducing carbon emissions associated with significant travel.

Q. How does UK PACT define quantifiable impact, considering it is a one-year project?

A. Applicants should 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 outcome of enhanced and sustained action on emissions reductions. Applicants should also provide details on how their projects may incentivise further action from wider stakeholders; what pathways for further scaling or replication of project activities exist; how lessons learned will be disseminated and shared; and how projects aim to create impact beyond the period of UK PACT funding.

Q. Can more than one partner be responsible for the delivery of certain activities (can some activities be co-led by partners)?

A. Yes, the proposed delivery structure should optimise the quality and value for money of the proposal. The Activity Budget should clearly indicate the personnel deployed to deliver specific activities and outputs, and if a blended team is proposed, the rationale and value-add of the team arrangements and team selection should be described in the full proposal template.

Furthermore: Each consortium will be expected to nominate a lead organisation who will ultimately be responsible for delivering the project and will sign the Grant Agreement with BEIS to deliver UK PACT.

Lead organisations will be expected to have appropriate legal agreements in place with any consortium partners at the start of the project and this will be a key condition for grants to proceed. The legal agreement must detail the roles, responsibilities and obligations of the consortium partner(s) and should reflect the terms of the lead organisation's Grant Agreement with BEIS to enable the lead organisation to fulfil its obligations to BEIS under that Agreement. UK PACT will primarily interact with this lead organisation on a day-to-day basis during the implementation of the project.

Q. In terms of aligning the project to UK PACT's TOC, are you saying that the given 4 outputs are the menu from which we should choose?

A. As stated in the full proposal template, key project outputs must fall within one of the following categories: - Skills enhancements (e.g. training sessions) - Knowledge products - Recommendations for actions on climate change (e.g. new policies, regulations, approaches, ways of working, tools) Partnerships between stakeholders

established or strengthened. However, you may also include other outputs that do not fall within any of these categories.

Q. Will you review our logframe prior to proposal submission, or at a later stage?

A. There will be a process of co-creation with applicants that are successful at full proposal stage and who are selected to receive funding following notification of grant award. No individual assistance is offered during the competitive full proposal application stage.

Q. Are successful proposals permitted to appoint additional service providers for the work, if a need arises during project implementation, or must all service providers (e.g. expert inputs) be named in the proposal now?

A. As far as possible, applicants should endeavour to name all staff and subcontractors in the full proposal. Where this is not possible, staff can be indicated by job title/rank and CVs can be approved by the UK PACT Grant Manager later. If, during implementation, new needs arise for the project, this should be raised with the Grant Manager, who will discuss the situation with you and agree solutions on a case by case basis. However, in principle, UK PACT will endeavour to take an adaptive and flexible management approach, which should allow projects to adapt to changing demands and circumstances within reason.

Q. Are there any restrictions to including additional partners or subcontractors through the execution of the project, if the need is identified?

A. Consortium partners should have been identified in the Idea Note and Full Proposal stages of projects selection as this forms a key part of the selection of projects. In exceptional circumstances, where a clear need and rationale is identified, additional consortium partners may be brought in at a later stage. However, UK PACT would need to be informed in advance and a decision to approve this would be made on a case-by-case basis.

Sub-contractors can be identified during the implementation of the project. However, the activities for which sub-contractors will be required must be outlined at the full proposal stage and a cost included in the budget.

Due diligence will be carried out on the lead organisation of the consortium before a grant agreement is signed and the lead organisation must carry out thorough due diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate. This includes new consortium partners, downstream partners and/or sub-contractors added during project implementation. The Full Proposal must also demonstrate that there are procurement systems which will be put in place to help ensure open and fair purchasing practice and deliver value for money within the project, as well as an appropriate plan to ensure partners or subcontractors are paid in a timely manner. These will be assessed as part of the due diligence process.

Q. Our project currently envisions technical assistance with 5 government entities (as explained in the LOI). Is it possible to add a 6th entity in our full proposal?

A. Yes, additional beneficiaries can be added. Please indicate your beneficiaries in Section 1.8. of the full proposal form. Applicants should ensure that they have adequate capacity to engage with all beneficiaries to a sufficient level.

Q. Do we need to include ToRs or Procurement Plans for consultants' positions or outsourcing contemplated in the project?

A. If personnel for key positions have not been confirmed at the full proposal stage this should be indicated in the full proposals and terms of reference/job descriptions can be submitted in place of CVs. It should be noted that the knowledge, skills and experience of the consortium members and staff proposed will form a key part of project selection. Applicants do not need to include procurement plans for consultants positions in the proposal. It is for implementing partners to procure the services they require to deliver the outputs of the project and to procure those services in a way that ensures value for money. Procurement approaches must be in line with the procurement clauses of the grant agreement

Q. Beneficiary engagement plan - How to engage, how often and who by/ who to), Are you looking for details on who superficially within the project team will manage these engagements and communications?

A. We are looking to understand the specific plans that are in place to engage with the identified project beneficiaries. This means explaining how engagement with a beneficiary will happen, how often engagement with a beneficiary will happen, who within a beneficiary will be engaged with and who within the consortium will be responsible for engaging with a beneficiary. This should be answered by responding within the boxes highlighted in blue in this section.

Q. Beneficiary Engagement Plan - Can this section be left blank? We don't anticipate stakeholders to be opposed to the objectives or delivery of the project. However, we may identify stakeholders that need to be engaged and kept informed so as not to become opposed stakeholders. These would probably be best expressed under section 8 (RISK MANAGEMENT AND MITIGATION). Would this be ok?

A. Yes, this section can be left blank and the related risk can be identified instead. However, we encourage applicants to thoroughly consider the different relationships and dynamics that the project will need to consider, both those in opposition and those in support.

Q. Can we include footnotes?

A. No, footnotes are not accepted.

Q. In order to give examples of previous experiences and alignment with other initiatives, can other documents be attached to the full proposal than those already mentioned in point 6 of the programmes selection process and submissions guide?

A. You must complete your full proposal according to the instructions provided in the Applicant Handbook. Information about the types of documents that should be submitted are included in this document.

Q. Eventually we will have to go through the internal customer acceptance process in our firm and we will need access to the Department for Business, Energy and Industrial Strategy (BEIS) information. Will it be possible to communicate with the Department for this purpose throughout the proposal process and through which channel?

A. All communication throughout the proposal process will be carried out by Palladium on behalf of BEIS.

Q. Regarding the supporting documentation, the Organogram, is this of the project delivery team itself, or existing organisation(s) as a whole?

A. This is for the project delivery team who would deliver the project to be funded.

Q. 4.4 Opposed Stakeholders (Government, Private Sector, CSOs, Communities) – is it mandatory to complete this section

A. This is not mandatory, though we encourage applicants to consider whether there are opposed stakeholders and, if so, include them here.

5. Consortia

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

A. UK PACT does not provide a consortium building service.

Q. Do projects need to be submitted by consortia? Is it necessary to show cross-organisational collaboration?

A. No, applicants do not need to form a consortium or work through other partners. Projects can be submitted by one organisation.

Q. Do projects need to have a UK partner?

A. 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 the UK PACT delivery country and necessary expertise in proposed programme content.

Q. We are a [Country] based subsidiary of a global organization that has a UK-based subsidiary as well. Does UK PACT have an implicit or explicit preference for including UK-based organizations as part of the initiative?

A. No, there is no preference for UK-based organisations as part of the consortium. Consortia can be formed of UK-based or International organisations. Strong networks in country are an essential requirement.

Q. Is it possible to present letters of intent from both organisations to support that the lead organisations and the partners will work together in this proposal?

A. Letters of intent (or letters of support) from beneficiaries to the applicants to demonstrate buy-in are welcome but not mandatory. If “letters of intent” refer to agreement between the lead and partner applicants, then a memorandum of understanding (MoU), consortium agreement or a similar appropriate agreement should be attached to the full proposal.

Q. Will the evidence of cooperation between the lead organisation and the consortium partner abide to a specific format of memorandum of understanding (MoU)? What specifically should this document include? Or is the consortium agreement presented with the preliminary proposal enough?

A. There is no specific format of memorandum of understanding. Applicants are free to present this in the format that fit with local appropriate legal agreement signed by all members of the consortium where they have agreed to work together on this project.

Q. What are the contractual document requirements necessary for this second phase from the contractors'/partners' side?

A. Each consortium will be expected to nominate a lead organisation who will ultimately be responsible for delivering the project and will sign the grant agreement with BEIS to deliver the UK PACT project.

Lead organisations will be expected to have appropriate legal agreements in place with any consortium partners at the start of the project and this will be a key condition for grants to proceed. The legal agreement must detail the roles, responsibilities and obligations of the consortium partner(s) and should reflect the terms of the lead organisation's Grant Agreement with BEIS to enable the lead organisation to fulfil its obligations to BEIS under that Agreement.

Q. Can the MoU or similar agreement be presented in Spanish?

A. For the full proposal, the MoU or similar agreement may be presented in Spanish. If selected for award, a final consortium agreement or sub-contracts can be provided in English or in English and Spanish, with the English version taking precedence.

Q. In the Full proposal form, only six partners are listed? Is there the option to include more? Understand that based on the funding size and project duration a larger consortium may not be recommended.

A. Applicants are welcome to add more lines to this section, if needed.

Q. I have looked at the application form and I am an independent freelance practitioner and therefore I am not part of an organisation. Must I be considered a sub-contractor of the lead organisation that will put in the bid? If that is the case, do I not include myself in the Proposal? Or can I be listed in the consortium as an independent and if so where would my details be recorded?

A. UK PACT expects proposals from registered organisations capable of delivering capacity building projects of between £100,000 and £1,000,000 in value. A consortium must consist of registered organisations. Within proposals organisations are asked to include information about the key personnel who will form part of the project delivery team. Individual consultants and freelancers could be included within the team of one of the organisations applying.

Q. The call for proposals mentions that UK PACT welcomes applications from consortia. Do other group association types like temporary unions also apply?

A. UK PACT welcomes proposals from consortia formed for the purposes of the project. The form of consortium and agreement between organisations is at the discretion of the organisations included. A lead organisation must be nominated and the Grant Agreement will be signed with the lead organisation. For more information on consortia please see the applicant handbook.

Q. Can you please clarify whether one entity (X) can be part of different consortia presenting proposals for the UK Pact project?

A. Yes, the same organisation can be form part of different consortia on different proposals.

Q. How many maximum partners can the consortium have?

A. There is no maximum.

Q. Can a very recently created consultancy participate as part of a consortium?

A. Yes. UK PACT expects proposals from registered organisations capable of delivering capacity building projects of between £100,000 and £1,000,000 in value. A consortium must consist of registered organisations. There are no specific requirements or limitations for individual consortium members.

Q. A partnership that has a juridical person, but that has been inactive for a while, could form part of a consortium?

A. UK PACT expects proposals from registered organisations capable of delivering capacity building projects of between £100,000 and £1,000,000 in value. A consortium must consist of registered organisations. There are no specific requirements or limitations for individual consortium members. Government agencies or departments are not eligible to receive UK PACT funding. Any potential conflicts of interest must be declared in the proposal Template.

Q. Are there any restrictions on the nationality of the lead organisation? E.g. can a UK agency hold the contract and partner with a local agency/office.

A. There are no restrictions on the nationality of the lead organisation.

Q. How would you evaluate if the proposal is submitted by a consortium or by a single organization? What would be the value of going one way or another?

A. We will assess applications based on the strength of the project proposed and the skills, knowledge and experience of the consortium or organisation proposed to deliver that project. Applications will be assessed against the criteria outlined in the Call for Proposals.

Q. If we are interested in submitting two proposals as lead organization, what would you evaluate related to capacity? Would this evaluation be part of the due diligence?

A. We would assess the capacity of the organisation to deliver two projects and evidencing this may be a condition of shortlisting, if both projects were shortlisted. Further guidance on the due diligence process will be provided to shortlisted applicants.

Q. Would it be possible for an organization to submit the IDEA NOTE by itself, and then for the full proposal (in case it is shortlisted) include other organizations to form a consortium or include sub-contractors?

A. UK PACT does not expect significant changes between the Idea Note 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.

Q. In Section 4 of the FAQs it states that “At the Idea Note stage, any proposed partnership or sub-contracting arrangements should be identified and reflected in a letter(s) signed by partners/sub-contractors. If shortlisted for full proposal, specific guidance will be provided.” Does sub-contractors include consultants (i.e. to prepare a specific study)? Normally there would need to be lead-time to identify the right consultant, gauge availability during project period and agree on a scope. So if a letter that covers potential consultants is necessary for the IDEA NOTE, does it need to express more than intent to carry out such discussions?

A. This letter refers to proposed consortium partners, not to consultants proposed.

Q. Can Project Proposals be submitted jointly by more than one organisation?

A. Each consortium will be expected to nominate a lead organisation who will ultimately be responsible for delivering the project and will sign the grant agreement with BEIS to deliver the UK PACT project. The lead organisation will receive all grant payments from UK PACT and will be required to disburse payments to consortium partners. Lead organisations will be expected to have appropriate legal agreements in place with any consortium partners at the start of the project and this will be a key condition for grants to proceed. The legal agreement must detail the roles, responsibilities and obligations of the consortium partner(s) and should reflect the terms of the lead organisation's Grant Agreement with BEIS to enable the lead organisation to fulfil its obligations to BEIS under that Agreement.

Q. Can a government official who is academically qualified for the subject intervened by the project be engaged as Project expert under individual capacity for short period such as 2 weeks for specific deliverable (example report writing, technical assessment etc)

A. Government officials time involved in the project is not an eligible cost on UK PACT projects.

Q. Can any of the partners in the consortium be an unregistered NGO? This is due to the organization is still applying for the registration and may acquire it by early next year.

A. Where an organisation is not yet registered but is due to be registered imminently, evidence of registration will be required before grant agreement signing.

Q. I am planning to submit a proposal. Do I need to submit the proposal or my in-country partner? Can we share the grant in a 50-50 ratio or the in-country partner must receive majority of the grant? Also I submitted a similar application for the last UK PACT call which was unsuccessful. Is that going to be an issue?

A. There is no relationship between previous submissions to UK PACT and this call – previous applications to UK PACT will not affect your application in this round.

Each consortium will be expected to nominate a lead organisation who will ultimately be responsible for delivering the project and will sign the grant agreement with BEIS to deliver the UK PACT project. The lead organisation will receive all grant payments from UK PACT and will be required to disburse payments to consortium partners. Lead organisations will be expected to have appropriate legal agreements in place with any consortium partners at the start of the project and this will be a key condition for grants to proceed. The legal agreement must detail the roles, responsibilities and obligations of the consortium partner(s) and should reflect the terms of the lead organisation's Grant Agreement with BEIS to enable the lead organisation to fulfil its obligations to BEIS under that Agreement. The nominated

lead organisation should be responsible for submitting an expression of interest to UK PACT.

Q. Paragraph 6 in your email below states “[Country] will stand to benefit from the UK’s decarbonisation experience and technical expertise in the climate change sector while building a more sustainable economy through the creation of green jobs.” Does this mean that it is requirement, or it will be beneficial for us to work with a UK consultant that have decarbonisation experience and technical expertise in the climate change sector?

A. No, it is not a requirement or preference that UK consultants be involved in your proposal

Q. Could including British partners improve our score?

A. Applications will be considered based on the strength of the project proposed and the skills, knowledge and experience of the organisations and personnel who will deliver the project. All applications will be assessed based on the scoring criteria provided in the Call for Idea Notes.

Q. If a consortium is proposed, is there a specific guide for proposed association or subcontracting agreements? If so, could you share it with us?

A. There is no specific template for consortium partner agreements. However, the terms of the agreement should reflect the terms of the Grant Agreement held between the consortium lead and UK PACT.

6. Beneficiaries

Q. Who can the primary beneficiaries of technical assistance be? Can a project have more than one beneficiary?

A. UK PACT is a demand-led programme. In order to demonstrate that the project will be successful, applicants will need to identify primary beneficiaries who will be the direct recipients of the project’s outputs.

For the most part, primary beneficiaries of UK PACT projects will be national or subnational government institutions and bodies, state-owned enterprises and other state funded agencies, regulatory bodies and policy centres. There may however also be secondary beneficiaries of project outputs, depending on the scope and focus of each individual project. These may include other types of stakeholders in addition to government and public sector institutions and bodies, such as industry associations and bodies, NGOs, community-based organisations, private sector enterprises, businesses and research and academic institutions.

Q. What type of institutions are considered to be principal beneficiaries, if we are a business foundation would we be eligible to be considered as a principal beneficiary?

A. Primary Beneficiaries are typically government or government agencies but can also include other bodies, including industry associations. If a business foundation has the character of an industry association and is to be the recipient of technical assistance from external providers through UK PACT support, a business foundation could be considered a Primary Beneficiary. In this case, the foundation would not be the applicant. If a business foundation were in a position to provide technical assistance to a government agency or other Primary Beneficiary, then a foundation could also be an applicant.

Q. Can a public entity be a beneficiary of more than one funding project? Please confirm that a public entity could be entitled to more than one funding project by the UK PACT 2020 country program.

A. Yes, a public entity can be named as beneficiary in more than project proposal. A public entity can be the beneficiary of more than one UK PACT project through this Call for Proposals. UK PACT supports capacity building of beneficiaries through the provision of technical assistance; beneficiaries do not receive UK PACT funds. Government departments and agencies are not eligible to receive UK PACT funding. Organisations must be separate legal entities from the government in order to be eligible to receive UK PACT funding.

Q. Would entities like banks and stock exchanges be appropriate as primary beneficiaries?

A. State-owned banks and financial bodies are eligible as primary beneficiaries. Privately owned banks and corporations are eligible as secondary beneficiaries, in partnership with a primary beneficiary.

Q. If a government entity endorses the project because it addresses national goals, can this organisation be considered as one of the direct beneficiaries and/or would this org. be included as a partner?

A. A government entity, which is the recipient of or will benefit from the project outputs, would be considered the Primary Beneficiary and should be indicated in Section 4 of the proposal template.

Q. Regarding the secondary beneficiaries, is it possible that an international cooperation with a Project in the region of the Project for the Proposal could be considered as secondary beneficiary?

A. Secondary beneficiaries can be defined as organisations or groups of individuals that the project works with, whether indirectly or in partnership with primary beneficiaries, who will **also** benefit from the outputs and change that the project will deliver. These may include other types of stakeholders in addition to government

and public sector institutions and bodies, such as NGOs, community-based organisations, private sector enterprises, businesses, and research and academic institutions.

Q. Is it admissible to present a mixed-economy entity as a primary beneficiary?

A. Yes.

7. Eligibility

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

A. Yes. However, profit is not an eligible cost within these grant budgets.

Q. How do you classify think tanks?

A. A registered institute, corporation, or group organised for interdisciplinary research with the objective of providing advice on a diverse range of policy issues and products through the use of specialised knowledge and activation of networks. Think tanks are distinct from government, and may be non-profit organizations, but their work may be conducted for governmental as well as commercial clients.

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

A. Yes, past and current UK PACT grantees are eligible to apply for UK PACT funding again. 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.

Q. Do organisations need to be locally registered in the country of implementation to apply?

A. 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.

Q. Do projects need to have a partner from the partner country?

A. The answer depends on the country of focus.

Q. Must the implementing team be able to speak English?

A. The project and the implementing team should be structured in a way and consist of 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.

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

A. 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.

Q. Are state owned certification companies eligible to apply?

A. Government agencies or departments are not eligible to apply for or receive UK PACT funding. If your organisation is a separate legal entity from the Government of the target country (in this case China) then you will be eligible to apply for UK PACT funding.

Q. Is there any requirement for staff of UK PACT implementing partners to be in the UK?

A. There is no requirement for staff of UK PACT implementing partners to be in the UK.

Q. Within the context and funding requirements of a building a Technical Assistance (TA) project, could a proposed project be designed around a pilot initiative which has a component of implementation? The vision is for the TA project to be designed around and embedded into a demonstration project which allows the primary beneficiaries (government) to help develop and implement a program addressing specific needs.

A. Yes, Technical Assistance supporting primary beneficiaries to develop and/or implement a programme is eligible as long as the implementation component, if related to capital expenditure, is not funded by UK PACT. UK PACT can only fund the TA component.

Q. Can a consultant submit a proposal together with a beneficiary and be eligible for funding for carrying out the technical scope of works?

A. A consultancy should submit a proposal which identifies the beneficiary they intend to partner with to deliver the project. A beneficiary cannot be a partner within a consortium or receive UK PACT funding. UK PACT cannot provide funding directly to government departments or agencies.

Q. Do entities that take part in consortiums could provide co-financing for the development of activities and scope which are not financed by BEIS or by the present bidding announcement (such as buying fixed assets that would be required for the project)?

A. UK PACT welcomes projects that leverage co-funding. For more information around co-funding.

Q. Please clarify the term “Day rates”. -Is this related to wages?

A. Applicants are asked to indicate the key personnel who will be involved in the project, including the cost of their time for each day they work on the project. This cost constitutes a “day rate”.

Q. Just to clarify, the UK Pact projects should only be of technical formulation and not of implementation? For instance, in the case of ecotourism, capacity building on the local community to develop this service and design of the program are expected but not the implementation of the project (construction of cabins, adaptation of road, signage etc.)

A. Yes. Technical Assistance projects that build capacity to design and implement programmes in local communities are eligible, however tangible capital expenditure, for example construction, is not.

Q. I was wondering if an organization such as XXX [a UN organisation] could be eligible to apply for the UK Pact call for proposals?

A. Yes. UN organisations would 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 Government where the project is being implemented. All organisations applying must be prepared to accept the terms of the draft grant agreement provided on the opportunities portal as this will form the terms of the eventual grant agreement to be signed under UK PACT.

Q. Does UK PACT have any tools that would allow me to measure GHG emissions in the value chain of products such as cocoa or annatto?

A. UK PACT does not offer specific tools for GHG emission measurement.

Q. Is it possible to present projects under the mitigation umbrella of a XXX project?

A. Projects are eligible that would contribute to or leverage further climate mitigation action. Applicants should demonstrate how the funding from UK PACT is additional and necessary, and not duplicative. The funding portion received from UK PACT must be for distinct activities with distinct, measurable outputs and outcomes.

Implementers must also be able to separately track and report on spending against UK PACT funding.

Q. I am currently working a project funded by the [] focusing on mobility and transportation. I can see parallels and synergies that could be gained by a concurrent effort focusing on climate change. Are there any limitations to 'parallel working' between different projects/programmes?

A. Where UK PACT projects can work in a way that is complementary to other projects and realise synergies, this is positive. However, please note UK PACT will only provide funding for distinct project activities and will not duplicate funding from other sources. Grant recipients will be expected to separately track and account for UK PACT funding and must be able to demonstrate the additionality of UK PACT funding to any other co-funding sources.

Q. Is there a concrete list of Eligibility criteria for Official Development Assistance (ODA)?

A. According to the OECD, Official Development Assistance (ODA) 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 2) Is administered with the promotion of the economic development and welfare of developing countries as its main objective³ (<http://www.oecd.org/development/financing-sustainable-development/development-finance-standards/officialdevelopmentassistancedefinitionandcoverage.htm>)

Q. If a solar PV plant is part of an education service, could these be financed by the UK Pact program?

A. UK PACT funds projects that support capacity building through technical assistance but does not fund capital expenditure or infrastructure. For example, UK PACT could support the capacity of others to effectively design financing structures for, and assess the technical feasibility of, climate change projects. However, UK PACT welcomes proposals for projects that leverage co-funding.

Q. As a governmental organisation, is it possible to participate as partner in one or more projects?

A. Government departments or agencies cannot be implementing partners or consortium partners for a project. Therefore, they cannot receive or manage UK PACT funding. Government organisations can be Primary or Secondary Beneficiaries or stakeholders of more than one project.

Q. XXX is managed by a fiduciary-trust fund named XXX regulated by private law and attached-financed by XXX [a Government Ministry]. Is this organisation eligible?

A. UK PACT funding is not available to government agencies or departments; however, these entities may be beneficiaries of UK PACT projects. In order to be eligible to receive UK PACT funding your organisation must be a separate legal entity from the Government.

Q. If a new local branch of a global organisation does not yet have experience as a legal locally registered organisation but has had it with the global or regional offices, can the organization present the documents of the other offices as support?

A. In the Full Proposal template applicants are asked to describe the experience and skills within their organisation/consortium that make them suitable to deliver the proposed project. If you feel that experience from your global network or parent organisation is relevant and linked to the experience and skills that would be present in your local branch you may cite this.

Q. A circular economy project, applied in a pilot city, could be attractive to be financed?

A. Pilot projects at the city-level that achieve objectives in one of the priority sectors are eligible. UK PACT supports capacity building through the provision of technical assistance; capital investment and infrastructure are not eligible costs.

Q. Can we present a project that is subject to be refinanced?

A. UK PACT supports capacity building through the provision of technical assistance; capital investment and infrastructure are not eligible costs. If technical assistance activities can support the bankability of a project or bring additional value to the project by leveraging additional financing, this could be an eligible project.

Q. In what stage a project must be subject to financing?

A. Technical assistance can support projects in various stages of the project development cycle.

Q. Can we apply to multiple priority areas within one project?

A. Yes

Q. Is it possible to include a skill share or secondment component as a part of a larger country program proposal, so long as it complies with the selection criteria outlined in the Call for Proposal documentation for the Country program?

A. Proposals solely for skill-shares or secondments will not be assessed. However, the proposal can include activities that have a skill-share component as long as they are necessary to fulfil the objective of the project and have a strong capacity building purpose. For more information on the dedicated skill-share and secondments component of UK PACT please see here: <https://www.ukpact.co.uk/skill-shares-and-secondments>.

Q. Would a project for providing advisory services for international engagement to a State Government in one of the areas supported by UK PACT be eligible?

A. UK PACT accepts proposals from any organisation or consortium that is looking to deliver a technical assistance project as outlined in the Call for Proposals document. Government agencies or departments are not eligible to receive funding from UK PACT but state and municipal governments are eligible to receive support from UK PACT as primary beneficiaries.

Q. Seeking that the projects in communities promoted by local authorities, scale up at the national level, we are proposing to also involve the federal government through federal instruments to synergize with these efforts of local governments to promote and strengthen their projects. Is this vision aligned with the program?

A. Yes both examples above seem like they would be aligned with UK PACT objectives but each application received will be assessed in full, based on the Full Proposal template and using the scoring criteria provided in the Call For Proposals. Please note that government agencies and departments are not eligible to apply for or receive UK PACT funding directly. Organisations that are a separate legal entity from the government are eligible for funding. Government agencies and departments can, however, be beneficiaries of UK PACT projects.

Q. We understand that resources are not focused on acquiring equipment or construction. Is there a way we can use some of these resources for small pilot projects that may require this expenditure to fulfil the project's main goal?

A. UK PACT does not fund any tangible capital expenditure (CAPEX). However, applicants are free to seek co-funding for capital expenditure costs that will complement UK PACT funded activities.

Q. In terms of stakeholder engagement, are press, and media campaigns allowed?

A. As long as these provide a demonstrated added value to the project then they are allowed. It should be noted that there is a limited available budget for communications and branding within UK PACT. Wherever possible, applicants should seek to minimise these costs and/or ensure value for money and economies of scale are achieved.

Q. Can we sub-grantee in other geographies?

A. Yes – consortium partners or sub-contractors can be located in different geographies to the lead organisation. However, project activities must be focussed on achieving UK PACT objectives in the country the call relates to.

Q. Is UK PACT interested in some research or systematizing the lessons learned for replicability?

A. UK PACT can support projects that provide capacity building which supports emissions reductions. Research and analysis to disseminate lessons learned from past initiatives and provide recommendations for further climate mitigation work are eligible projects activities. Applicants can talk about how they could replicate or scale approaches in their proposal.

Q. Should we aim to have some impact for British companies or does that requirement no longer apply?

A. This does not apply.

Q. Is it possible to develop the project in conjunction with the partner government clearly stating that the applicant organisation will be the leader and the partner government the beneficiary of the project? (Considering that the Call for Expressions of Interest states: "Government agencies or departments do not qualify to apply as a leading organization or as an associated organization of a consortium").

A. Yes. Government Agencies and/or departments cannot be included as lead organisations and/or consortium partners but can be named as beneficiaries of the project in the Idea Note template. Beneficiaries can be involved in the development of project proposals.

Q. As mentioned in page 17 of the Call for Expressions of Interest document, "UK PACT is unable to consider projects that are solely focused on basic or scientific research", a scientific research program that has as its main goal to give technical assistance to a minister of the federal government and that eventually will be materialized as part of programs and legislation can be considered?

A. Possibly. UK PACT will fund eligible capacity building projects as defined in the Call for Expressions of Interest. As per section 5 of the Call for Expressions of Interest document, eligible projects will be technical assistance (TA) that deliver capacity building. Technical assistance can be defined as non-financial support provided by specialists which could include activities such as information sharing, instruction, skills training, transmission of working knowledge, and transfer of technical data etc. All applications will be assessed using the scoring criteria set out in the Call for Idea Notes.

Q. Is it possible to apply for funding for separate projects under both the Country Programmes and the GRCF?

A. Yes, this is possible and if you plan to do or have done this you should indicate this in section 1.8 of the proposal template.

Q. As a private academic institution member, I should aim to apply for a project providing technical support to a government body, on the topic of Climate Action, for instance?

A. Yes, this would be an eligible structure. We are inviting expressions of interest for technical assistance (TA) projects that will deliver capacity building. Technical assistance can be defined as non-financial support provided by specialists which could include activities such as information sharing, instruction, skills training, transmission of working knowledge, and transfer of technical data etc. The Beneficiary(ies) of such capacity building should be government departments or agencies at any level and should be identified in the proposal.

Q. Will other sectors also be considered such as TA & capacity building for the cultural sector (initiatives that support greening the arts etc)

A. Initiatives supporting greening of the arts are not eligible. All projects must demonstrate how they address at least one of the priority sector/themes outlined in the call for proposals document.

Qa. We understand that Government Agencies are not eligible to apply for this grant, however is there any other grant that Government Agencies (think tank to the Government) is able to apply?

Qb. Government department/agencies are not eligible for UK PACT funding? Did I read correctly on one of the slides? This excludes most federal research institutes and public academic institutions?

Qc. Would you be able to clarify the definition of an organisation which is "a legally distinct entity(ies) from the Government" please?

Qd. Can Local authority apply?

Qe. Are state-owned Government Linked Companies considered as ineligible to apply? We are interested to apply but currently, our organization is known as a government agency.

A. Government departments or agencies cannot be implementing partners or consortium partners for a project but can participate in UK PACT as beneficiaries. Therefore, they cannot receive or manage UK PACT funding. In order to be eligible to receive UK PACT funding your organisation must be a separate legal entity from the government and be administered independently. Local authorities are deemed to be government agencies and therefore potential primary beneficiaries and are not eligible to apply for funding.

Q. Would you consider projects that require co-funding?

A. Yes, co-funding is welcome. Implementers must demonstrate how the funding from UK PACT is additional and necessary, and not duplicative. The funding portion received from UK PACT must be for distinct activities with distinct, measurable outputs and outcomes. Implementers must also be able to separately track and report on spending against UK PACT funding.

Qa. Can an organisation submit several proposals for different priority sectors?

Qb. Can a private company apply for more than 1 application, with different government institutions?

Qc. Do you allow more than one application, say, if one wants to submit a proposal per theme?

Qd. May I know for the upcoming Call for Expression of Interest, whether 1 consulting firm can submit 2 different proposals under different themes such as energy efficiency and sustainable mobility with different project concept notes and involvement of different primary beneficiaries and stakeholders?

A. Yes, multiple submissions are eligible. However, we recommend that organisations prioritise their strongest proposals and we would recommend submitting a maximum of 3 proposals. We would however urge organisations to focus on quality rather than quantity, and organisational capacity to deliver multiple projects will be considered as part of the overall assessment.

Q. Can we use an existing running project and expand it as UK PACT project?

A. Yes, it is possible for UK PACT projects to be continuations or expansions of existing projects. However, as with all other projects, you must be able to demonstrate beneficiary buy-in for the project, the additionality of UK PACT funding and how this project would be a strategic fit for UK PACT. If you are receiving co-funding for your project this must be indicated in the Proposal template.

Q. Are you going to give funding to organisations that have been in existence for less than one year?

A. Organisations that have been in existence for less than one year are eligible to apply; there is currently no restriction related to the age of an organisation. It should be noted that all Proposals, organisations and consortium will be assessed using the same process and criteria and all lead organisations will be required to undergo due diligence before grant agreements can be signed. Please refer to Section 5 of the Call for Expressions of Interest Document on Eligibility and Suitability, Section 8 on Requirements for due diligence and Section 9 to see the selection process and scoring criteria.

Q. Can a UK academic lead the bid or will it be preferable for a company to lead?

A. UK or other academic institutions can be either lead or partner organisations.

Q. Can there be research projects carried out involving students and post-doctoral staff?

A. Projects are free to propose the most appropriate personnel to conduct activities in their proposal taking into account Value for Money considerations and the skills necessary for the project.

Q. Should the project topic be 100% original topic?

A. No, there is no requirement for topics to be completely original. It is possible to build on existing projects and themes. Implementers must demonstrate how the funding from UK PACT is additional and necessary, and not duplicative. The funding portion received from UK PACT must be for distinct activities with distinct, measurable outputs and outcomes. Implementers must also be able to separately track and report on spending against UK PACT funding.

8. Selection criteria and process

Q. Who will be involved in proposal review and selection? Are partner government representatives involved?

A. Screening and Technical Review Panels comprised of UK PACT staff (Palladium staff) and sector experts will conduct the screening, scoring and shortlisting of project proposals. Selected projects will be presented in a recommendation paper to an approval panel including BEIS and UK Embassy representatives prior to final approval of selection.

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

A. 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.

Q. What type of impact is expected within a 12-month project?

A. The focus of UK PACT is to provide technical assistance that builds capacities, capabilities and knowledge within key institutions to support low carbon transitions and emissions reductions. Applicants are 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; how lessons learned will be disseminated and shared; and how projects aim to create impact beyond the period of UK PACT funding.

Q. For the project selection criteria, is it important or desirable for UK PACT to try to choose beneficiaries from different states than those currently working with the Prosperity Fund (or other ICF programmes)? Is it something that must be taken in consideration when developing IDEA NOTES?

A. Projects must provide added value and cannot duplicate efforts with existing programming in the region. This, however, does not mean that all projects are better suited to regions devoid of Prosperity Fund or ICF programming.

9. Budget and Finance requirements

Q. What costs are eligible to be included in the budget?

A. Please see Section 3.7 of the Applicant Handbook on eligible expenditure.

Q. How will costs and budget be assessed and scored?

A. Costs will be reviewed for cost-reasonableness within the specific market. Proposals will also be assessed against value for money criteria.

Q. What are considered 'reasonable' overheads and administrative costs?

A. 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 therefore we have not fixed overhead percentages but 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.

Q. Does local VAT need to be included in the budget?

A. Local VAT should be included in the budget where applicable. UK VAT should not be included in the budget.

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

A. 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.

Q. How will payments be made?

A. Payments will be made by bank transfer to the lead organisation. Payments will be made in GBP.

Q. In case of consortia, do all finances flow through the lead organisation?

A. Yes. Payments will be made to the lead organisation, which will be responsible for reporting on activities and budget quarterly. The proposed activity budget should identify which organisations are involved with delivery of each underlying activity. Lead organisations must be able to report on how the project funding will be allocated between the consortium members.

Q. Are advance payments possible?

A. 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.

Q. Are monthly milestone payments possible?

A. Our default is to make payments quarterly in alignment with a quarterly reporting schedule. Where demonstrably critical to the project we can consider monthly payments and reporting, however, there would need to be a strong rationale for this. Requests for monthly payments should be flagged at full proposal stage.

Q. What type or level of match funding or co-financing is expected? Will this provide any competitive advantage?

A. There are no requirements for match or co-financing to be eligible for UK PACT support. However, if it is demonstrated that co-financing 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. For more guidance on co-funding please see section 6 of the Call for Expressions of Interest document.

Q. Where in the budget can the "estimated profit" of the proponent for this project be included? Is it possible to include it in the overhead? In which cell?

A. The UK PACT Country Programmes does not count profit as an eligible cost either within direct costs or within overheads. Therefore, profit must not be included in budgets.

Q. If due to the COVID-19 restrictions some activities cannot be carried out, what is the procedure or guideline to be followed by the project? Could resources be redistributed to other activities?

A. If applicants determine that certain activities are not feasible or advisable due to COVID restrictions, these activities could be adjusted, delayed, or cancelled. Any suggested changes to activities should be discussed with the grant manager (Palladium), prior to changes being implemented. All applicants should consistently apply value for money (VfM) principles to their budgets and this of course includes COVID-19 related adaptations and savings. If budget reallocations from COVID 19 restrictions are to be made, these must be justified and follow a clear VfM logic.

Q. Sheet "Alt. Overheads calculation"/ cells F14 and F24 "Exceptional adjustments due to material future changes": what does this value refer to? What items can be included there? How can the information included be evidenced?

A. Exceptional adjustments due to material future changes refers to major changes in the governance structure of the organisation that significantly reduce or increase the corporate overheads (e.g. elimination or creation of a support department, additional support personnel costs, etc). The probability or need of these exceptional adjustments due to material future changes should be thoroughly explained in the notes. Further evidence could be requested during the Due Diligence Process.

Q. Is part of the time of staff from the Grant Recipient and the Downstream partners an eligible cost?

A. Yes, staff time from grant recipients and downstream partners is an eligible cost as long as it is staff time dedicated to deliver funded activities only. Staff time from grant recipients and downstream partners dedicated to activities outside the project will not be deemed as an eligible direct cost but could be considered as an eligible cost in the calculation of overheads where support staff, i.e. IT/HR functions, are concerned. Also, the time of staff members of beneficiary organisations, including government agencies or departments, are ineligible costs. For more information please see the Country Programmes budget guidance note.

Q. According to the Budget Guidance Note, "VAT and other local taxes, Applicants should note that UK VAT is not eligible as a cost in the budget however, local taxes

can be included". We understand that the Colombian VAT (19%) being a local tax must be applied to the value of the contract. In which cell of the Budget Template, is this tax filled?

A. The local VAT rate should be included in the total fee that BEIS will disburse.

Q. What financial reporting template will UK PACT require for this grant? Can grantees use their own established templates?

A. Templates for narrative and financial reporting will be shared with applicants who are selected to receive funding following full proposal stage. Grantees will be required to use UK PACT templates.

Q. From reading UK PACT's guidance on indirect costs, our understanding is that facilities and occupancy lines would normally be classified as overhead costs. Please confirm that this allocation method is accurate.

A. Yes, facilities (offices) are eligible costs to be included in overhead calculations. The term "occupancy lines" is not clear.

Q. Is there a cap for indirect costs that needs to be taken into consideration when developing the budget?

A. There is no defined cap for indirect costs or overheads as we understand that there are different types of organisations with varying financial structures. However, the amount of overhead that can be funded by UK PACT should be an 'appropriate apportionment' and is calculated as the percentage of core overhead costs deemed necessary to support your organisation's ongoing business or activities.

Q. In our original budget, we did not take into account that project communications for promotion purposes will involve collaboration with Palladium. Are the costs for project communication by Palladium to be anticipated in the project budget, or does Palladium have a budget for project communications?

A. Costs related to general promotion of your project would be classified as communications budget. These types of costs will require strong justification and must be clearly shown in your budget on separate lines. UK PACT reserves the right to ask participants to remove communications spend before grant signature. For more information please see the section "Communications and Branding Costs" in the Applicant Handbook. Palladium has their own budget under UK PACT to cover their staffing and activities, including communications, so grantees do not need to budget for Palladium's costs.

Q. What are the roles that Palladium will fill in project-related communications with the public? Writing? Translation? Media relations?

Support from Palladium includes help to:

- Align IPs' ideas for communications products with key communications themes of UK PACT
- Apply branding guidelines

correctly when in doubt • Review (Spanish/English) translations for communications products and suggest edits • Review case studies and project narratives in announcements to help spread the message about UK PACT • Advise on photography so it is suitable for UK PACT channels and has appropriate consents • Identify channels of communication for the dissemination of project information

Q. On page 16, Applicant Handbook, you list three items that would not be classified as communications, including an in-house staff in charge of drafting posts and publishing these on social media. Could we still include a staff member in-charge of communications in the budget template, not as a cost in the communications category but in staff?

A. In-house staff personnel can be charged to the UK PACT project when their work is aligned to delivery of activities related to the achievement of project outcomes. All staffing decisions should be justified and made on that basis. Broader organisational communication activities are not eligible costs. Please also refer to clause 8.2 of the Grant agreement: The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using funding provided under this Agreement will deliver measurable outcomes that meet government objectives and can secure value for money.

Q. When you mention that “costs associated with advocacy and campaigning marketing and communications” are not eligible for inclusion in the organisation’s overhead, do you mean the communications costs that are not eligible for UK Pact funding?

A. Communications costs must not be included in overhead costs. Eligible communication costs should be clearly shown in your budget and separate lines for communications must be used. Communications costs must be well justified in terms of objectives and value for the money. For more information on eligible communication costs and eligible overheads costs please see the Applicant Handbook.

Q. Digital spend: If a certain digital operator does not offer licenses for just the year of implementation of the project but for more time, could it still be funded with UK Pact funds?

A. No, eligible digital costs must be demonstrably for project use and only for the duration of the project. If the organization can continue using the licenses/software or have future economic benefits after the end of the project, then this would constitute capital expenditure and is not eligible.

Q. Is it possible to learn about the conventional and potential distribution of disbursements and their timeframe? This in order to plan for the project cash flow and internal project planning approvals.

A. Our default position is to pay quarterly in arrears, based on an agreed payment schedule annexed in the grant agreement. Only in exceptional circumstances (for example where upfront investment is required which would be unaffordable for the recipient organisation to manage) would we consider approving a request for payment(s) in advance. Where demonstrably critical to the project we can also consider monthly payments and reporting, however, there would need to be a strong rationale for this. We will manage any requests for payments in advance or monthly payments on a case-by-case basis. A robust rationale would be required for this, which should take into account your organisation's cashflow (size of organisation, level of funding from other sources) and the type of project you are planning and how that impacts on financial requirements (i.e. whether large investment needed up front). You should also indicate the value and timing of the payment in advance you are seeking, if requesting a payment in advance. If you wish to request a payment in advance or monthly payments please email us directly.

Q. There was mention made that the UK PACT has resources external to the project budget for communications and would therefore prefer not to have too much project budget assigned to communications. Rather that we would apply to the programme wide budget? Is this a correct interpretation? Also, can the project communications personnel engage with the UK PACT programme communications personnel to refine the communications plan?

A. All communications and branding costs for your project should be included within your project budget. Communications and branding costs count as Direct Project Costs and therefore should be included in the project budget at full proposal stage. As a guiding principle costs relating to the wider promotion of your project would be classified as communications, whereas costs directly related to disseminating project outputs should not be classified as communications. For further guidance please see the UK PACT Country Programmes Applicant Handbook.

Q. As the primary contracting authority, we are a Non-profit company (NPCs), but the partners we are working with are not NPCs as they are engineering firms. Is this acceptable in terms of the permissible costs?

A. It is permissible to have for profit partners. However, profit is not an eligible cost in the UK PACT budget. Profit should not appear within either direct or indirect costs. This means it cannot be factored in within overheads, personnel rates or any other costs charged to UK PACT.

Q. On co-funding:

a) your requirements state that the implementers must demonstrate that the UK PACT funding must be for distinct activities and spending needs to be separately tracked and reported. How do you expect this to be implemented when co-funders are providing funds to enable a larger scale project to happen, and activities cannot be meaningfully separated or traced?

A. Where there is co-funding of an activity, the budget line for that specific activity should be presented as a whole and the proportion of that which is funded by UK PACT and that funded by other parties should also be set out, for example, 25%:75%. Budgets should make clear how all UK PACT funds are spent and accounted for.

b) what are the requirements on co-funders? For example, can the organisation in the consortium also be the co-funders?

A. A member of the consortium can be a co-funder.

Q. Is there a percentage of funding that needs to be spent within countries?

A. No. However, the budget must be targeted towards the overall UK PACT objectives of supporting emissions reductions in the target country.

Q. Budget flexibility – what changes are deemed non-significant, and therefore don't require approval from BEIS?

A. Guidance will be provided to shortlisted applicants.

Q. Is it possible to receive full financing for the project or is it only the co-funding option available?

A. It is possible to receive full financing for a proposed project. However, UK PACT welcomes Proposals for projects that leverage co-funding as well.

Q. How often we can submit claims for payment?

A. Typically payments will be made quarterly in arrears.

Q. Is there any guidance on day rates or is there a cap on day rates?

A. Guidance on day rates is provided in the Eligible Costs Guidance tab of the Budget Template.

Q. Are there any limitations or guidance on the split of total budget allocated to each partner in the consortia?

A. There is no specific requirement. Applicants should be able to demonstrate a clear rationale for the consortium proposed and the corresponding budget should reflect the activities proposed by each partner and demonstrate value for money.

Q. Will UK PACT and its implementing partners consider allocating a small portion of funding toward capex as part of the Technical Assistance project, if there is a strong rationale for doing so? If so, what is a realistic potential allocation as a percentage of total budget?

A. UK PACT does not fund capital expenditure (CAPEX). However, UK PACT welcomes proposals for projects that leverage co-funding.

Q. "Given that private sector consultancies are able to respond to the call for expressions of interest for UK PACT, can you please confirm if it is deemed eligible to build profit costs into the budget? "

A. Profit is not an eligible cost within the UK PACT Country Programmes.

Q. "Can you clarify how staff costs can be charged please? We operate on a day rate consultancy model basis where our day rates include salary costs, overheads (including management time) and a service fee. Are we able to charge on this basis?"

A. Profit is not an eligible cost within the UK PACT Country Programmes. Budgets should be developed on a project costs basis, including only the direct costs of project delivery, such as day rates for key personnel, travel and subsistence and reasonable overheads. There is an expectation that budgets will be constructed reasonably and offer Value for Money. Shortlisted applicants may be asked to provide a breakdown of what is included within overheads.

Q. In the budget of an environmental education and behaviour change project, can the communications strategy be considered as one of the areas? If not, how do you suggest that it is mentioned?

A. While limited communications expenses will be allowable, communications costs should not be considered as a core activity in the budget. Further guidance regarding eligible costs for communications is included in the Applicant Handbook

Q. If the project is selected, what is the disbursement mechanism to the leading implementer? Is it necessary for the IP to provide the necessary resources for the start of activities?

A. Typically payments will be made quarterly in arrears by bank transfer to the lead organisation.

Q. Are executing organizations within the consortia other than the leader organization allowed to include administration and overhead cost as part of its budget?

A. Yes. 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.

Q. Are there any limitations related to our annual turnover to participate?

A. There are no limitations regarding annual turnover to participate. However, consortia and/or organisations submitting must be able to cashflow the project they have proposed. Typically, grant payments will be made quarterly in arrears. Financial information relating to selected organisations will be assessed as part of the due diligence stage.

Q. Do the requirements on audited accounts apply to any type of organisation that applies. I work for the OECD (thus an IGO) and I am not sure if this also applies in this case.

A. Yes, the requirements on audited accounts apply to all organisations applying for UK PACT funding.

Q. Can we add rows to the budget in order to specify indirect costs besides the overhead?

A. Applicants are able to add as many lines as they need to cover cost categories within the budget. However, it should be noted that eligible costs are likely to only be costs directly linked to the project. Other indirect costs should be considered as an overhead.

Q. Could you please define a reasonable percentage for communication costs associated to the project?

A. Budgets should reflect the needs of the project and include eligible costs only. The proportion of communications costs will be dependent on the type of project and the types of communications activities planned so there is no set percentage for this. It should be noted that there is a limited available budget for communications and branding within UK PACT. Wherever possible, applicants should seek to minimise these costs and/or ensure value for money and economies of scale are achieved.

Q. If a project requires field work, can these costs be included in the budget? Example of field work could include counts or surveys.

A. Applicants should submit costs in the budget that are directly related to the delivery of the capacity-building project, including the achievement of project intermediate outcomes.

Q. Although the project will start in 2021, the costs (man-hours) to invest in the due diligence and co-creation processes should be included in the proposal even if these are paid by the applicant organization in 2020?

A. The costs for due-diligence and co-creation are not eligible project costs. The budget should not include any costs incurred before the project start date.

Q. Should the recipient have a dollar account in their country or can the resources be received in an a account in local currency?

A. Applicants should be able to receive grant funding in GBP (£) and should ensure they have an account that can receive GBP, or an intermediary bank account set up. Budgets should be prepared in GBP and all grants will be paid in GBP.

Q. Are the project resources required to be received in a bank account intended solely for the management of UK PACT funds?

A. No, the nominated bank account does not need to be solely used for UK PACT funds. However, applicants should make sure they have robust financial processes in place that allow them to manage and account for UK PACT grant funding that has been spent. Successful applicants will be expected to be able to separately report on and account for UK PACT funding and its expenditure throughout the lifetime of the project.

Q. Will an audit be required of the Project financed by UK PACT? If this is affirmative, can you tell us if it should be a third-party audit or is it carried out directly by the UK PACT? In the first case, it should be done by an accountant or an auditor? The cost of the audit should be considered in the project budget?

A. Implementing partners will be required to submit a reasonable assurance report from an independent accountant with the final claim for funding. This will not be an eligible cost.

Q. Can material contributions (such as equipped offices, transportation expenses and others) of the lead organization and its partner organizations be considered as cofunding? Are these (material contributions) indispensable, if so, how can they be proven?

A. Material contributions cannot be considered as co-funding. Co-funding figures should refer to the financial contributions of other donors to the project. Travel expenses required for the delivery of the project are an eligible cost.

Q. How is the expenses accountability going to take place?

A. Implementing partners will be required to submit breakdowns and (where applicable) supporting evidence of eligible expenditure to make a claim for grant funding.

Q. The UK PACT Call for IDEA NOTES document states: "UK PACT will expect that day rates are benchmarked and that this benchmarking can be evidenced to determine that day rates are in line with market rates and competitive." Could you please offer further clarity on how to comply with this?

A. 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.

Q. We understand that staff time that is required to deliver project activities is an eligible cost. These staff members may be employees and paid salaries by the Lead Organization, a Consortium Partner or another implementing partner, but their time can only be charged to UK PACT based on a day rate. Is this correct?

A. This is correct.

Q. Is compensation for travelling costs of beneficiaries attending to the project's meetings an eligible cost? We think this could be a way to incentive the participation of marginalized groups but are not sure it can be included in the budget. This is in no way a working wage and only aims at compensating transport costs incurred by participants in the form of a small fee distributed at the end of meetings for those who need it.

A. Compensation for the travelling costs of beneficiaries attending project meetings is not an eligible cost. Neither is the time of beneficiary staff members engaging with the project.

Q. Is compensation for the working day of beneficiaries engaging in field activities an eligible cost? Here also, we would like to give a chance for people that cannot afford to lose a working day to participate in the project's activities. For example, this would happen when we do field visits and activities so that the beneficiaries can accompany the technical staff to learn without the pressure of having to lose a whole day's worth of work. For women, it could be a way for them to have their children cared for and be free to participate. Here again, this would only be for the ones that need it and request it.

Note: The compensations would remain a very marginal cost in the overall budget (less than 5%).

A. As above, the time of beneficiary staff members engaging with the project is not an eligible cost.

Q. The Budget Template includes the list of personnel to be involved in the Project. Will there be flexibility to adjust our personnel once the Project begins?

A. Yes, it will be possible to adjust personnel once the project begins however, this will need to be approved on a case-by-case basis per clause 24.1 of the grant agreement. Wherever possible, personnel should be selected during the Proposal stage. The knowledge, skills and experience of staff proposed will be assessed as part of the project selection process.

Q. Will there be flexibility in the monthly allocation costs if, for example there is an adjustment on the timeframe and this has an impact in team resources?

A. Projects must be no longer than 12 months in duration. There will be some flexibility in monthly and quarterly allocation of costs, however, project forecasts should be as realistic as possible and every effort should be made to stick to forecasted activity and financial plans. Regular financial reporting with reforecasts will be required and variances against budget will need to be highlighted and clearly justified. Variations between budget lines will require justification.

Q. Will there be flexibility to adjust travel expenses if due to the pandemic, this budget is not used?

A. Yes, there will be flexibility to adjust travel expenses. We are aware that COVID-19 has created a challenging environment in which to predict budget for travel and expenses. Applicants should take care when considering their budgets, taking in to account the current context and the likelihood of travel being possible within the implementation period. An assessment about whether budgets are reasonable and realistic will be a key part of the selection process. We encourage applicants to be innovative in the ways that they can deliver certain activities within the current COVID-19 context that may also offer better Value for Money (VfM).

Q. For the Budget and Workplan template, is it permissible to include zero costs related to overhead? As a business we have the option to absorb overhead costs internally, or to include them in budget estimates for projects.

A. If no funding for overheads is required, this section can be left blank. In order to request funding for overheads organisations need to complete the separate overhead calculation so that the total percentage against the budget can be assessed. Overhead costs must be separated out and not absorbed into other budget lines.

Q. As a private company we may be able to co-fund a portion of this work through in-kind contributions of staff time and/or through discounting of staff daily rates. Do these activities count as a cost to co-funders in question 1.4 of the proposal? Specifically, can we as the applicant be considered as a co-funder if we are co-funding with in-kind contributions?

A. In-kind contributions are not counted as co-funding. Co-funding figures should refer to the financial contributions of other donors to the project.

Qa. What do you consider as a strong/robust rationale that justifies a payment in advance and what is the process? (i.e. in some grants we have, the funder allows us to bill costs in advance that relate to the next 6 weeks of work, provided the funding is spent in that time).

Qb. Can you please provide further clarification on the policy for making payments in advance? We would like to understand how to submit a special request using a strong rationale.

Qc. Could you advise on the formal processes for a request a payment in advance?

A. Our default position is to pay quarterly in arrears. Only in exceptional circumstances (for example where upfront investment is required which would be unaffordable for the recipient organisation to manage) would we consider accommodating a request for payments in advance. We will manage any requests for payments in advance on a case by case basis and a robust rationale would be required for any payments in advance to be considered. To request a payment in advance or discuss your individual circumstances further, please contact us. If you are requesting a payment in advance you will be required to present a robust rationale for this, which should take into account your organisation's cashflow (size

of organisation, level of funding from other sources) and the type of project you are planning and how that impacts on financial requirements (i.e. whether large investment needed up front). You should also indicate the value and timing of the payment(s) in advance you are seeking.

Q. Alt. Overheads tab, Table one, rows 13-20: The table makes reference to direct costs at the organizational level that have been incurred over the past 3 years. However, the guidelines clearly distinguish direct and indirect or overhead costs and define direct costs as “all the costs that are clearly and directly incurred to deliver the Project”. I am finding it difficult to identify which costs would be incurred at the organizational level, would have been incurred in the past and be classified as “eligible direct costs”. Can you clarify or provide examples?

A. Indirect costs are those costs related to the functioning of the organisation, which cannot be directly attributed to a project. We have indicated that the three categories this includes are administration/premises and office costs; support staff costs; governance costs. Direct costs are those costs related directly to a project, activity or service. In a grant agreement context this means costs directly related to the delivery of a grant agreement such as staff time of personnel working directly on a contract, travel and expenses related to project delivery etc. Costs in the past related to such activities would be considered eligible direct costs for inclusion in overhead calculations.

Q. Can the overhead include the cost of the independent accountant that will provide the reasonable assurance report at the end of the project?

A. Overheads should be calculated based on your organisation’s last three years of annual audited accounts, so shouldn’t include any costs associated with the UK PACT project you are applying for.

Q. Exchange rate Fluctuations: Is It possible to revise the stipulated contract values if local currency strengthens more than 10% against the GBP during project execution, as we are currently not permitted to make allowances for contingencies in the budget?

A. The risks associated with exchange rate fluctuations should be monitored as part of each grantee’s routine risk monitoring for their project. If exchange rate fluctuations are having a significant impact on budgets and/or project delivery, then this should be raised with the Grant Manager (Palladium). Decisions on how to manage this will be made on a case-by-case basis through discussions between the Grant Manager, the Grantee and BEIS.

Q. Where a company is using internal staff to provide consultancy and analytical work, can this be charged at the company's standard charge-out rates for donor/development projects?

- if yes, where standard charge-out rates already include all or most company overhead costs - is it still necessary to complete the overhead calculation or can a zero rate be used for overheads?
- If not, on what basis should daily fee rates be calculated?

A. Organisations need to complete the separate overhead calculation so that the composition of overheads and their total percentage against the budget can be assessed. Please refer to the Overheads Calculation tabs of the UK PACT Country Programmes Budget and Workplan Template.

Qa. Are we allowed to make amendments to the calculation with regards to some

Qb. The amount of overhead that can be funded by UK PACT should be an 'appropriate apportionment' and is calculated as the percentage of core overhead costs deemed necessary to support your organisation's ongoing business or activities. As such, an appropriate amount can be included in your proposed budget submitted with your application. – Can you expand on the highlighted text. Are the items listed in the Excel sheet deemed necessary?

A. Assuming you are referring to cells A45 to A58 in the tab "Overheads Calculation" within the UK PACT Country Programmes Budget and Workplan Template, these are indicative examples of the types of costs that might be included within Overheads and are necessary to calculate overhead costs. Please make sure to refer to the UK PACT Country Programmes Applicant Handbook which lists the ineligible costs that can't be included within overheads.

Q. Is it mandatory to have a separate bank account for the purposes of the grant funding payments?

A. It is not mandatory to have a separate bank account; however all payments will be made in GBP and therefore all implementing organisations/consortia must have a bank account which is able to receive GBP. All organisations receiving UK PACT funding must also be able to separately account for and report on UK PACT funding received.

Qa. Payment terms: If the payment terms being done in arrears is the Consultant required to submit an invoice at the end of each month / quarter stipulating the hours spent on the project and the expenses and the Grant Authority subsequently pays this invoice?

A. Yes, at the end of each quarter the implementing partner will submit a quarterly progress report and financial report. An invoice will be requested once this has been reviewed and confirmed as satisfactory. Invoices will be paid based on the total value of verified expenditure within that quarter. The narrative report should provide further details of activities undertaken that quarter and should link to the costs reported.

Q. The beneficiary has requested a marketing video summarising the findings of the [project] in order to attract investors and disseminate the outcomes widely and to a large audience that is largely not technical (e.g. in the political sphere). - Where would this specific cost be including in the fee sheet? - We have initially accounted for us to produce this material internally as we do have in-house capacity to do this. Is this acceptable?

A. Any in-house resource utilised for this should be presented as you would present other staffing costs and those staffing inputs should be linked to this activity/output in the budget. If there are any costs associated with this video that are not in-house resources these should be reflected as expenses. For information on what should or shouldn't be classified as communications expenditure and restrictions around this please refer to the Country Programmes budget guidance note.

Qa. A proponent of research or a technology considers that a field component has significant and desirable impact in delivery of the project. Can the proponent propose to carry the full costs (which would include CAPEX) of the field component?

Qb. What part of the field component might be chargeable to the project, i.e., administration over the duration?

Qc. Is there any precedent for a field component within past projects completed, i.e., in other countries?

Qd. Would a 3-month field component be acceptable within the 9-month overall duration?

A. Organisations are welcome to provide in-kind funding for parts of projects that cannot be funded by UK PACT for any reason. Costs that are eligible for UK PACT funding include any costs directly related to the delivery of TA, including personnel costs and travel and subsistence. For more details on cost eligibility please refer to the Applicant Handbook

UK PACT is unable to consider projects that are solely focussed on basic or scientific research. UK PACT does not fund infrastructure, construction or capital expenditure (CAPEX) projects. Field work, for example data collection or survey work could be eligible, but these should be clearly linked to the delivery of UK PACT objectives.

Q. Is Co-funding necessary for the grant application?

A. No.

Q. Budget development - what are the flexibility of budget lines during project implementation? Can we use the available funds for other budget lines? Any restrictions or procedures for such changes?

A. There will be some flexibility in allocation of costs, including between budget lines. However, budgets should be as realistic as possible and every effort should be made

to stick to forecasted activity and financial plans. Regular financial reporting with reforecasts will be required and variances against budget will need to be highlighted and clearly justified. Variations between budget lines will require approval.

Q. Does the research and evidence generation component include evaluation?

A. Proposals should not include costs of project evaluation in their proposals. Please refer to Section 3.7 of the Applicant Handbook.

Q. What are eligible costs? e.g. is full cost recovery allowed? or if not presumably direct costs and then some proportion of overheads/indirect costs - what level of indirect costs would be allowed?

A. Please refer to Section 3.7 of the Applicant Handbook to find out more about eligible costs on UK PACT Country Programmes projects. We are expecting applications from a wide variety of organisation types with different financial structures, and therefore we have not fixed overhead percentages. However, 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. Further guidance on budget development will be made available at the full proposal stage.

Q. How will the grant be disbursed? In one single payment at the outset or in stages?

A. For successful projects, UK PACT will disburse all project payments directly to the lead organisation; and consortium partners will receive UK PACT funding via the lead organisation. Our default position will be to make payments quarterly in arrears.

Q. Does this scheme cover the UK HEI Full Economic Cost methodology? It equates to a approx. 100% overhead on top of staff costs.

A. 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 FEC recovery model is an acceptable approach, although this will be determined on a case-by-case basis depending on the 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. Further guidance on budget development, including overheads is included in the applicant handbook.

10. MEL and GESI

Q. What are examples of MEL and GESI specific costs?

A. For MEL this might include costs such as: staff time required to carry out monitoring, evaluation and learning, travel required to carry out MEL activities and any other items or resources required to monitor and evaluate project progress and report on impact. For GESI this might include staff time required to carry out GESI activities and/or travel and resources required to complete GESI related tasks. Further information was provided to applicants during our workshop on the 13th October which covered expectations surrounding MEL and GESI.

Q. For MEL, would projects be expected to dedicate a certain percentage of the total project costs to MEL activities?

A. The ability to report the results of the UK PACT Country Programmes will be critical to the success of the project. Developing a robust MEL framework will be essential for capturing project impacts and building the evidence base for UK PACT interventions. Projects will be expected to carry out a number of activities related to this, including tracking project progress against the MEL framework, quarterly reporting, development of case studies etc. Applicants must ensure the capacity to carry out these activities is built into project budgets. There is no set percentage of the total budget expected to be allocated to MEL activities.

Q. Monitoring, evaluation and learning (MEL) costs – Please note that partners receiving grant funding will be asked to report on their activities, outputs, and outcomes through a reporting management platform. What platform will this be and what information can be shared in terms of time that is required to be spent on this and what frequency will the platform need to be updated e.g. monthly, weekly etc.?

A. We cannot specify an exact proportion of time that should be allocated to this however, it should be noted that reporting will be carried out at least quarterly and applicants will be expected to report both in terms of narrative and financial reporting to the Grant Manager, as well as inputting project results into UK PACT's results management system. Applicants are expected to be able to resource and deliver high quality information about project progress in a timely manner and this is a critical part of project work planning.

11. Due Diligence

Q. All consortium organisations/partners must carry out the due diligence process or is this process for the lead organisation only?

A. The due diligence process will be carried out on the lead organisation of the consortium. However, there may be some due diligence questions that require information relating to consortium partners and we may focus on specific policies/practices of consortium or downstream partners as appropriate to the context and nature of the project. The lead organisation must carry out thorough due

diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate.

Q. How should we handle the key documentation in a consortium? Would you only take into account the documents and policies from the lead organisation or from each consortium member separately?

A. Only key documentation of the lead organisation should be submitted on Touchstone Review, Palladium's due diligence self-assessment system. However, there may be some due diligence questions that require information relating to consortium partners and we may focus on specific policies/practices of consortium or downstream partners as appropriate to the context and nature of the project. The lead organisation must carry out thorough due diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate.

Q. Is the lead partner required to undertake an independent due diligence process for the partners, or does that fall under the Touchstone Review (Palladium's due diligence system)?

A. The lead organisation must carry out thorough due diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate. The Touchstone Review due diligence carried out by UK PACT will focus on the lead organisation.

Q. Must all due diligence documents be translated to English?

A. Documents for the due diligence can be submitted in other languages, where no English translation is available.

Q. Do you fail the due diligence if the applicant or any of the partners do not have this document – “Any certification for recognised standards (for example ISO 9000, ISO 14000, ISO 27000)”?

A. If you are not in a position to fulfil all the requirements set out in the due diligence assessment it does not necessarily prevent you from being a grantee on this programme. Where you are not compliant at this stage or if there is room for improvement, you should indicate your willingness to work towards full compliance and how you will achieve this in the “explanation” text box that is available for each part of the assessment in Touchstone Review. Palladium may make recommendations and, in some cases, provide template guidance for compliance on certain policy omissions where appropriate.

Q. Regarding the “Current public liability, professional indemnity, product and travel insurance”, we understand we must constitute this insurance once the grant agreement is signed. Which documents should be submitted for the Due Diligence process? Can you please specify this?

A. UK PACT will ask for proof of certain insurances as part of the due diligence process. If those insurances are not ready or available to share at that point in time you should explain this in the explanation text box in your self-assessment form so UK PACT can work with you towards the required compliance. If you have any specific concerns about insurance compliance please email us directly.

Q. Do we have to submit ALL of the documents listed for the Due Diligence? Some of the policies suggested include policies such as modern slavery and human trafficking. I was wondering if these are things we need to start preparing as they will be required later?

A. The first step is to complete the self-assessment in Touchstone (Palladium's due diligence system) and indicate which policies are currently available. Following the assessment and full proposal selection, the parties will agree on a plan for the organisation to take necessary actions and/or adopt relevant policies as required. This may form part of the milestone payment schedule which will be attached to your Grant Agreement or some actions may be required before a grant can be signed. UK PACT will be in touch shortly to support applicants to begin the due diligence process.

Q. Regarding Due Diligence, could you please mention if the Authority will make use of any international standards? If so could you please mention which ones?

A. The due diligence process followed is based on best practice in due diligence for the award of ODA funding. Further information on due diligence is available in the applicant handbook.

Qa. In the due-diligence, it is established to have some key documents such as: HMG Cyber Essentials or Cyber Essentials Plus certificates, and any certification for recognized standards (for example ISO 9000, ISO 14000, ISO 27000), are these mandatory in order to sign the grant agreement or is there any flexibility to have other documents that may replace them?

Qb. According with the key documentation to complete the due diligence process, in the knowledge that [organisation] is not certified by HMG Cyber Essentials or Cyber Essentials Plus, is it appropriate to submit an internal policy guideline to ensure the organization's cyber security level and to secure [organisation] IT against cyber-attacks?

A. If you are not in a position to fulfil all the requirements set out in the due diligence assessment it does not necessarily prevent you from being a grantee on this programme. Where you are not compliant at this stage or if there is room for improvement, you should indicate your willingness to work towards full compliance and how you will achieve this in the "explanation" text box that is available for each part of the assessment in Touchstone Review. Palladium may make recommendations and, in some cases, provide template guidance for compliance on certain policy omissions where appropriate

Q. In the guidance it is mentioned that the person completing the assessment should be duly authorised by the organisation to do it. In this regard, should this person have any specific qualifications/title within the organisation?

A. They do not have to have specific qualifications or title, but it should be someone within the organisation who has been authorised to carry out the Due Diligence process on behalf of the organisation.

Q. Concerning the policies required by your Due Diligence Process, our firm does not reveal our actual policy documents. When we are required to do so, we usually issue an affidavit stating that we do have (or not have) the required policies. We may include specific aspects in our affidavit, such as saying that our policy includes “a” or “b” or “c” aspects that are important for you. Will this be acceptable?

A. Organisations should complete the due-diligence self-assessment questionnaire as thoroughly as possible and responses will be assessed by Palladium on a case-by-case basis. In some cases, indicating that policy documents are in existence may be sufficient, whereas in others we may need to see the specific details of the policy in question.

Q. With regard to public liability, professional indemnity, product and travel insurance, during the due diligence process is it necessary to submit an Insurance Certificate? Given that the public liability and professional indemnity for the project needs to be tailored to the specific project, we won't be able to comply with this section until, and if, the grant is given.

A. If you are not in a position to fulfil all the requirements set out in the due diligence assessment it does not necessarily prevent you from being a grantee on this programme. Where a specific item is time conditional, this could form part of the milestone schedule and workplan for the project and this could, for example, be verified after the grant agreement has been signed but before the first payment is made. The milestone schedule and workplan will be an annex of the Grant Agreement.

Q. According to the key documentation to complete the due diligence process the Gender and Equality Policy (GEP) is not specifically requested. Nonetheless [Organisation] is to present the GEP for the purpose of evidence those requirements are to be met. Is there any objection with doing so?

A. There is no objection to this. Please submit the GEP as evidence as well.

Q. Will the due diligence process focus on the lead partner, or will policies and processes at consortium members also be assessed?

A. The due diligence process will focus on the lead partner. However, there may be some due diligence questions that require information relating to consortium partners and we may focus on specific policies/practices of consortium or downstream

partners as appropriate to the context and nature of the project. The lead organisation must carry out thorough due diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate.

Q. With regards to the Due Diligence process: “It is important that the person completing the assessment is duly authorised by the organisation to do this and so, if you are not that person, please provide details of the person who will be completing the assessment when we register you on the system.” Does this process need to be completed by a company Director?

A. This does not need to be the Company Director, but it should be someone within the organisation who has been authorised to carry out the Due Diligence process on behalf of the organisation.

Q. For Due Diligence - Submission of three years of audited accounts for firms registered over three financial years before the launch of the Call for Proposals and all available audited accounts for firms under three years old – Submission by project leader only? Do the consortium of project partners need to submit similar documents?

A. The due diligence process will focus on the lead partner and documents will be required from the lead partner. However, there may be some due diligence questions that require information relating to consortium partners and we may focus on specific policies/practices of consortium or downstream partners as appropriate to the context and nature of the project. The lead organisation must carry out thorough due diligence on all other consortium partners, downstream partners and/or sub-contractors, as well as cascading policies and requirements as appropriate.

Q. If a new local branch of a global organisation does not yet have all policies requested in the due diligence stage, can the organization present the documents of the global office as support?

A. The due diligence assessment is intended to assess the policies, practices and systems of organisations that could receive UK PACT funding. If you intend to adopt and use those global policies in the local branch then these could be submitted at due diligence stage. More guidance and advice on the documentation to be supplied to support the due diligence assessment will be provided at full proposal stage.

Q. How do we handle any items or information that we are not allowed to share in terms of our confidentiality?

A. Where you feel you cannot share items or information requested please flag this directly to UK PACT. Please email us to discuss your individual circumstances and, depending on which information this relates to, UK PACT may be able to advise on a solution or discuss the ramifications of not sharing certain information, i.e. if necessary for due diligence.

Q. Can you give more examples for Conflict of Interest declaration?

A. A conflict of interest could mean anything which could be reasonably perceived to affect a person's or organisation's impartiality, or to indicate a professional or personal interest in certain outcomes, for example, sources of funding received by an organisation or personal familial relationships.

12. Grant Agreement

Q. Who will the grant agreement be signed with?

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

Q. Is the contract a grant contract or commercial contract?

A. The agreement under which the funds will be distributed to implementing partners will be a Grant Agreement.

Q. Could you confirm Intellectual Property Rights terms under UK PACT?

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

Q. Article 5.13. If the grant recipient spends more money on the Funded Activities due to any unforeseen circumstance, would it be possible to increase the Grant amount?

A. The grant recipient should seek prior written approval for any increase in budget or in the grant amount, prior to incurring additional costs. UK PACT will not be able to disburse more funds than are stipulated in the grant agreement.

Q. Article 14.2.q. What United Nations (UN) clauses are mandatory for the project?

A. All clauses in the grant agreement are mandatory for UK PACT projects. The UN safeguarding rules that are mandatory for Grantees to comply with are referenced at clause 14.2.q. Please also refer to clause 30.2, which states that UK PACT adopts the UN's definition for Sexual Exploitation and Abuse and Sexual Harassment (SEAH), and related SEAH clauses 30.1-30.5. Please also refer to clauses 27.6 and 27.7 which require compliance with counter terrorist financing legislation and require the grantee to "seek to ensure that none of the funds or assets provided under this Agreement are made available or used to provide support to individuals, groups or entities associated with terrorism including those named on the following lists as updated from time to time:

- HM Treasury's Office of Financial Sanctions Implementation – Financial sanctions: consolidated list of targets

- UK Home Office – Proscribed terrorist groups or organisations
- European Union – Consolidated list of sanctions
- United Nations – United Nations Security Council Sanctions List
- World Bank – World Bank Listing of Ineligible Firms & Individuals”

Q. Article 16.2. What is considered as a reasonable cost?

A. This project is funded by the UK’s Official Development Assistance (ODA) budget and there is therefore an extremely strong focus on value for money (VfM). All bidders should take this into account when developing their projects, as well as - if selected - throughout the implementation of the programme. Economy is one the pillars of VfM, meaning purchasing the right resources, of the appropriate quality, at the right time and for the right price. Reasonable costs are also costs which are eligible and incurred in pursuit of the agreed project activities, milestones and outputs.

Q. Article 20.1. Regarding updating the risk register, must it be done by all contracts derived from this agreement?

A. Yes – all grantees will be required to maintain an up-to-date risk register.

Q. Article 25.2. II. Would it be possible to share with us the Funded Activity Specific IPR rights?

A. Please see Section 25 “Intellectual Property Rights” of the Grant Agreement, as well as Section 2 “Definitions and Interpretations”. The IPR applies to the deliverables of the project only and not to anything the grantee develops outside of the project. For project deliverables the IPR would reside with the “authority” (BEIS) under the Open Government Licence, which means the grantee can continue to use the know-how developed, as can anyone else.

Q. Clause 5.5 regarding payment (disbursement of grant and reporting), states that all costs incurred in foreign currency by the Grant Recipient should be changed to GBP using OANDA exchange rates. This process is for the reporting and reimbursement process? Could you please clarify this provision on the final version of the Grant Agreement?

A. Yes, this process is for reporting expenditures and for invoicing purposes.

Q. Could you specify what type of insurance we should acquire and up to what coverage?

A. Please refer to Clause 26.1 of the Grant Agreement. Grant recipients should ensure they have adequate insurances in place to cover any legal obligations as well as their potential risks and liabilities under the Agreement. This may include but not be limited to Employer’s Liability Insurance, Public Liability Insurance and Professional Indemnity Insurance.

Q. Article 26.1. In relation to insurance, should we constitute a guarantee in favour of the donor?

A. Please refer to Clause 26.1 that states “The Grant Recipient shall use reasonable endeavours to have the Authority as a named insured on any policy procured pursuant to this clause 26.1.” If the applicant feels that the best way to do this is to constitute a guarantee, then that is acceptable to the Authority. However, if following reasonable endeavours this is not possible, then that would be acceptable to the Authority.

Q. Clause 18.1 Project Completion Review: would it be possible to have 8 weeks for the submission instead of 4 weeks?

A. The grant agreement cannot be amended. The project funded activities should be completed in a 12 month period. After the completion of the funded activities, the grant recipient will have 4 weeks to submit the project completion report.

Q. Shall all reporting be produced both in English and Spanish? Or can we produce all the main reports in Spanish and then produce the executive reports set by the draft grant agreement in English? We estimate that the latter will be targeted to the donor and managing organization.

A. Deliverables and outputs may be produced in Spanish or English, depending on which language is most suitable for the target audience; however quarterly progress reports should be provided to the grant manager in English.

Q. Are there any specific procedures or requirements for project reporting by the grant manager or donor that we should be aware of for project planning purposes other than those included in the draft grant agreement?

A. Implementing partners will be asked to report on their project activities on a quarterly basis and provide evidence of their activities which include, but are not limited to, agreed outputs and surveys of beneficiaries. Reporting will be carried out at least quarterly and applicants will be expected to report both in terms of narrative and financial reporting to the Grant Manager, as well as inputting project results into UK PACT’s results management system.

Q. Please confirm whether the terms within the Grant Agreement are open to negotiations if we are successful, to be proportionate to the grant value. For example:

a) on 13.1: given our diverse range of activities, the grant may not be material or relevant to our core business to be specifically mentioned in our annual report and accounts.

b) on 19: the audit rights permitted to the Authority in the Grant Agreement may be disproportionate relative to the grant value.

A. No, the grant agreement terms are not open to negotiation. However, it should be noted that clause 13.1 includes the wording “where applicable”.

Q. In relation to Annex IV on data privacy, please confirm that bidders’ data and opinions will only be shared with parties on a need-to-know basis. For example, details bidders on individual bilateral country program should not need to be shared with other country teams, or with another delivery partner.

A. The circumstances under which your personal data will be shared is documented under “recipients” in the UK Pact Privacy Notice at: <https://www.ukpact.co.uk/privacy-policy>.

Q. Whilst agreeing to the terms of the Grant Agreement, there are some provisions that may need to be negotiated/ amended? Can these be reflected in the Grant Award Letter? E.g. cl 19.11 and 19.17 (Audit) and cl. 25.4 (IPR).

A. The aforementioned grant terms are non-negotiable. However, we would note that clause 19.11 stipulates the documentation that should be provided to auditors to allow them to prepare the reasonable assurance report, whereas clause 19.18 stipulates the frequency of reasonable assurance reports required.

Q. Does BEIS have a specific Procurement Policy for us to follow or can we use our own Procurement Policy but ensure we incorporate the terms outlined in the Grant Agreement?

A. BEIS 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.

Q. In relation to the Grant Draft Agreement we have the following questions:

a) According to the GDA, “the Grant Recipient will keep separate, accurate and up-to date accounts and records of the receipt and expenditure of Grant monies received from the Authority and any income generated from the Funded Activities”; could this be flexible if we are assuming that there will be expenditure reports delivered?

A. It is a requirement of funding that Grantees are able to track project income and grant expenditure. Grantees should be able to provide financial updates when requested to do so by UK PACT and will be required to report on expenditure and forecasts at regular intervals.

b) Could you please clarify point 4.1: The Parties acknowledge and agree that nothing in this Agreement or the provision of Grant monies gives or is intended to give rise to contractual relations.

A. This is a grant agreement and, as such, does not have the same legal implications as a contract.

c) Regarding Due Diligence, could you please mention if the Authority will make use of any international standards? If so could you please mention which ones?

A. The Due Diligence process is based on best practice in due diligence for the award of ODA funding and includes checks against international databases on Compliance Desktop (provided by The Red Flag Group). More information on the due diligence process and requirements will be provided to shortlisted applicants.

Q. Numeral 2.1 Regarding to the definitions of Downstream Partners (means any person, organization, company or other third party representative engaged by the Grant Recipient as part of this Agreement), we ask to clarify if these category includes “subcontractors”, “contractors” or if it refers only the Company whom is part of the consortia, but is not the leader firm.

We want to have clear this point in order to verify the compliance of the obligations set forth in clauses 4.8, 6.2, 20.2, 20.3., 20.4, 22.5, 28.4, especially 29.11 that establishes:

The Grant Recipient will use the following best practice when carrying out procurement and authorizing expenses to promote value for money and fairness:

- Use fair, open and objective competition to select Downstream Partners, to help ensure that the best value for money solution available in the market is used. Make sure that contract specifications are clearly expressed and output based so that Downstream Partners set out their proposals/solutions for meeting/delivering the requirements. Ensure all contracts within the EU above the threshold are appropriately advertised in the OJEU.
- Cash payments should be minimized and used as a last resort, as cash is the biggest single risk of fraud and theft. Payments should be made ideally as a bank transfer
- Manage contracts carefully to ensure that the Downstream Partners comply with it, outputs are delivered, and the price is reasonable. Contracts should be appropriate for local law. Make sure that the suppliers are real, that appropriate due diligence checks are undertaken and that the goods and services have been received before invoices are paid. Review long term contracts to ensure that competitiveness and value for money are still being achieved.
- Ensure all contracts run for a clearly specified and limited period of time, ideally no more than three years. Do not automatically re-new contracts when they expires, but instead competitively re-tender them. (...)

A. A downstream partner is an organisation who delivers part of the grant-funded project on behalf of the lead organisation or as part of a consortium with the lead organisation. The agreement between the lead organisation and the downstream partner might take the form of a grant, sub-agreement, contract or another legitimate format. A sub-contractor is an organisation that is sub-contracted under this grant

agreement to deliver a specific set of services and has limited, if any, strategic input into the grant-funded project.

Q. Numeral 5.14: According to this clause, the Authority must approve the bank before payments can be made. We want to be sure which are the requirements that will be evaluated by the authority in order to accept de Bank.

A. Before payments are made, UK PACT will check that the bank, bank details and account details are correct and legitimate. Accounts must be able to accept payments in GBP.

Q. Clause 10.1: 10.1 We kindly request to clarify what it means “special payments” in order to have clear in which events the Grant Recipient has to ask for Authorities approval.

A. A special payment is a payment that is outside the normal activity of the organisation and which the organisation does not have a legal obligation to pay, e.g. special severance pay over normal terms.

Q. Clause 12.1: Please confirm which kind of changes may request the Authority to Funded Activities. We understand those modifications will not have impact in the Project’s budget. Is it correct our understanding?

A. UK PACT is a flexible and demand-led programme and, as such, sometimes it might make sense for projects to adapt and amend their strategies or project activities to respond to changes in context or priorities. Any changes suggested or requested would be discussed with grant recipients in advance and tested for deliverability and strategic fit with UK PACT objectives, amongst other criteria, before being agreed and implemented.

Q. Clause 19.8: If the Grant Recipient doesn’t count with an internal auditor, is it possible that this cost may be included as funded activities? This comment also applies for the assurance report from an independent reporting accountant set forth in clause 19.17.

A. Any costs associated with running internal audit functions or carrying out external audits cannot be included as a funded activity within budgets.

Q. Clause 26.1: [Organisation] currently has global insurances, however, due to their nature it is not possible to introduce modifications or changes to them including “additional insured”. For this reason, in order to comply with numeral 26.1 we suggest to eliminate the following text: The Grant Recipient shall use reasonable endeavours to have the Authority as a named insured on any policy procured pursuant to this clause 26.1.

A. This clause will not be amended, however, the clause does include language around “reasonable endeavours”.

Q. Clause 28.3: Please give us details about the following obligation: 28.4. The Grant Recipient will publish to the International Aid Transparency Initiative (IATI) standard on all its funding from the Authority within six months of the start of this Agreement.

The Authority expects the Grant Recipient to publish to the IATI standard on all its ODA funding from other sources and for Downstream Partners to publish to the IATI standard on their funding. The intention of this commitment is to allow traceability throughout the delivery chain. For more details on IATI standards see: <http://www.aidtransparency.net>

A. For more details on this please visit the website link included in the clause.

Q. We have reviewed the draft contract agreement and would like to highlight the clauses that [organisation name] will be unable to fulfil should our application be successful:

- 13.1 - we do not show grants in our accounts so will not be able to adhere to this clause.

A. Clause 13.1 says “where applicable...” therefore if this does not apply the clause does not need to be adhered to.

- 19.8 – [Organisation name] does not have an Internal Audit function so we will not be able to adhere to this clause.

A. An internal audit function does not have to be a dedicated department but simply appropriate assurance processes/systems in place around risk management, governance etc.

Q. We expect to be able to negotiate a variation in the Grant Agreement of either: (1) Payment monthly in arrears or (2) Payment in advance (subject to BEIS agreement of our submitted justification).

Are these options still possible?

- In 5.6 of the "draft Grant Agreement" we are told that "justification will be required for any payment prior to Grant Recipient disbursement",
- and on page 11 of the "China UKPACT FAQ" it is stated that monthly milestone payments are possible "where [they are] demonstrably critical to the project". Also, that "requests for monthly payments should be flagged at full proposal stage".
- But in Sect 5 (Grant Agreement) of the "Clarification questions for China" it is stated that "grant agreement terms are not open to negotiation"

Please provide further clarification about the scope for negotiation on the terms of the Agreement.

Q. Will proposal selection and Agreement negotiation be carried out by Palladium or BEIS?

A. Proposal selection will be carried out in collaboration between Palladium and BEIS. Palladium will carry out grant agreement finalisation on behalf of BEIS and the Grant Agreement will be signed between the implementing partner and BEIS.

Q. Numeral 8: We understand that the Conflict on Interest is a situation in which the personal or private interests of an individual or organization affect their ability to make a fair decision. Notwithstanding, we want to know what “personal and finance” situations considers the Authority could be constitute a conflict of interest.

A. A conflict of interest could mean anything which could be reasonably perceived to affect a person’s or organisation’s impartiality, or to indicate a professional or personal interest in certain outcomes, for example, sources of funding received by an organisation or personal familial relationships.

Q. Clause 22.10 – providing copies of annual reports and accounts 5 days after filing - can we clarify if there is any flexibility to remove this clause.

A. This clause is relevant for companies and charities registered in the UK. The timeframe specified in the clause is non-negotiable.

Q. Clause 27.1 – Again given the size of [our organisation] can the declarations re conflicts of interest be restricted to staff working on the project, or if that isn’t possible the department that the team are part of rather than the entire [organisation]

A. Declarations of conflicts of interest should focus on the core project team, however, any organisation-level potential conflicts of interest should also be noted and mitigation measures outlined.

Q. Clause 29 – can the freedom of information clauses be made mutual as the university is also subject to these regulations

A. Yes – where organisations are subject to freedom of information regulations these clauses would be mutual.

Q. Is it possible to restrict each party’s liability to direct losses only and to cap liability at the value of the grant?

A. A liability cap would be contrary to the nature of the document as a grant. There are no indemnities in favour of the UK Government.

Q. Can you please also clarify the intellectual property rights related to documents and materials produced for this project? For example, if we develop a document that systematizes our methodology or presents a case study, would the rights to this document remain with our organization and allow for us to share and replicate in the future, or would this be considered property of UK Pact? If it is property of the UK Pact, can you provide additional information about our ability to use and reproduce the document or other material after the conclusion of the project?

A. For information on intellectual property rights please see clause 25 of the grant agreement and, particularly, clause 25.4.

Q. According to the GDA, “the Grant Recipient will keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of Grant monies received from the Authority and any income generated from the Funded Activities”; could this

be flexible if we are assuming that there will be expenditure reports delivered?
Regarding 13.1 Do organisations specifically need to identify the funding for this project in their annual reports?

A. All organisations receiving UK PACT funding will be required to be able to separately track and account for UK PACT funds and how they are spent. Organisations will also be expected to report at least quarterly to UK PACT on their latest expenditure and forecasts.

Q. Could you please clarify point 4.1: The Parties acknowledge and agree that nothing in this Agreement or the provision of Grant monies gives or is intended to give rise to contractual relations.

A. This is a grant agreement and, as such, does not have the same legal implications as a contract.

Q. Regarding 5.10: Will there be an expected timeframe after the submission has been approved?

A. The Grant Manager, Palladium International Limited, will make payments to organisations who are delivering UK PACT on behalf of BEIS. Palladium will aim to make payments within 30 days of the receipt of a correct invoice and supporting documentation.

Q. In reference to section 29.11 of the Draft Grant Agreement, are Consortium Partners that will be subcontracted by the Lead Organization to implement project activities considered to be “Downstream Partners”? If so, is it necessary to have a competitive selection process for their activities even when they are part of the Consortium that designed the proposed project?

A. UK PACT distinguishes between consortium partners/downstream partners and subcontractors. Consortium partners must be indicated in the Idea Note and Full Proposal for UK PACT Country Programmes Funding and must hold a legally binding agreement with the lead organisation that reflects the terms of the lead organisation’s Grant Agreement with UK PACT. They do not need to be selected competitively but lead organisations must carry out thorough due diligence on consortium partners before a consortium partner agreement is signed. Sub-contractors may be used for specific services to be delivered as part of the contract and must be procured in line with clause 29.11 of the grant agreement. Procurement approaches and policies are asked about in both the full proposal template and the Due Diligence process.

Q. Following up on the previous question, how about additional implementing partners that are not considered to be a part of the core Consortium? Are they considered to be “Downstream Partners”? Is it necessary to have a competitive selection process for their activities?

A. Please see response above.

Q. We have reviewed the grant agreement, we understand that it is geared towards UK not for profit entity, we are a for profit organization, and given our size we do not have an internal audit function. We have the following questions regarding the draft agreement

Qa. Section 19.8 – We do not have an internal audit function, could you describe what is required to meet this requirement? Could this section be removed from the agreement?

A. An internal audit function does not have to be a dedicated department but simply appropriate assurance processes/systems in place around risk management, governance etc. The grant agreement applies equally to not-for-profit and for-profit organisations.

Q. Section 19.17 and Section 19.18 - Are we required to engage an independent reporting accounting to comply with this requirement? Is it possible to meet this requirement in a different way? Could this requirement be removed?

A. Yes, all implementing partners are required to engage an independent reporting accountant. Clause 19.18 provides further detail on the timing and frequency of reasonable assurance reports.

The terms of the Grant Agreement are non-negotiable.

Q. Section 22. Given that we are a for profit entity, can this section be removed?

A. The grant agreement cannot be amended. Section 22 is relevant to both for-profit and not-for profit entities.

Q. I would like to understand what you mean by the possible termination of the agreement by the counterpart in case of receiving funds from a third party, since in the future we might have co-funding for this specific project.

A. Assuming you are referring to Clauses 14.2.f, termination may occur if it were to be found that any funding received from a third party was duplicate. This means that the funding was being used to pay for the same activities and outputs that UK PACT has agreed to fund as part of the Grant Agreement. Alternatively, as per clause 14.2.g, termination may occur where the Grant Recipient obtains funding from a third party which, in the reasonable opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute. Applicants are required to submit details of any third-party funding/co-funding within their full proposal forms. If third party funding/ co-funding is sought during project implementation, implementing partners must notify UK PACT “in advance of its intention to do so and, where such funding is obtained, it will provide the Authority with details of the amount and purpose of that funding” - please see Clause 4.5 and 4.6 of the Grant Agreement.

Q. Is it an obligation to have insurance during the 6 years following the termination of the agreement?

A. Clause 26.1 states “The Grant Recipient will during the term of the Agreement and for 6 years (or such shorter period that the Parties may agree) after termination or expiry of this Agreement, ensure that it has and maintains, at all times adequate insurance with an insurer of good repute, with a level of cover sufficient to cover claims under this Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with this Agreement, taking into account the activities that the Grant Recipient intends to undertake, or procure the undertaking of, using the Grant.” The wording “or such shorter period that the Parties may agree” means that the Authority can agree a shorter period for this requirement where it is not possible to secure insurance for 6 years. If you feel this applies to your organisation and you would like to request that a shorter period is applied to this clause please email us.

Q. Clause 5.4 states that grantees are responsible for managing and monitoring exchange rate fluctuations. Where significant exchange rate losses or gains are accumulated, provision is made for grantees to agree with BEIS how they are managed. Please can PACT confirm what this means in practice, and will grant agreement wording be updated to reflect conditions under which exchange rate fluctuations will be mitigated?

A. The Grant Agreement will not be amended. The risks associated with exchange rate fluctuations should be monitored as part of each grantee’s routine risk monitoring for their project. If exchange rate fluctuations are having a significant impact on budgets and/or project delivery then this should be flagged to the Grant Manager (Palladium). Decisions on how to manage this will be made on a case by case basis through discussions between the Grant Manager, the Grantee and BEIS.

Q. We note BEIS accepts no liability for losses incurred due to late payment of the grant money and that under clause 5.10, ‘time not being of the essence’. Will BEIS/PACT nevertheless commit to some payment timetable as per the budget and workplan template?

A. A payment schedule will be agreed with each grantee ahead of signing the grant agreement and this payment schedule will be annexed to the grant agreement. The Grant Manager will endeavour to make payments within 30 days of receiving a completed, correct invoice from Grantees.

Q. Clauses 18, 19 and 22 detail the reporting, audit and accounts and record requirements. We note that BEIS expects annual accounts to be provided within 5 days and that further, BEIS be listed in our annual accounts which isn’t something we would ordinarily do (despite many years of UK government grant contracts). Can the timeframe for provision of annual accounts be lengthened to [30] days, and the requirement for listing be suspended.

A. Clause 13.1 states “Where applicable, the Grant Recipient will acknowledge the Grant in its annual report and accounts, including an acknowledgement of the Authority as the source of the Grant.” If this clause is not applicable to your

organisation it therefore does not need to be adhered to. Clause 22.10 is non-negotiable and states “The Grant Recipient must provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner (or equivalent).” As organisations will have already filed their annual return, UK PACT assumes that this can be sent on to the Authority within 5 days.

Q. The Grant Recipient may not, without the prior written consent of the Authority, assign, transfer, subcontract, or in any other way make over to any third party the benefit and/or the burden of this Agreement Would we be permitted to cede the agreement over to the new legal entity if the current entity is changed due to merger/acquisition activity of the contracting company?

A. Clause 14.5 in the Grant Agreement states “The Grant Recipient shall notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.” Any such situations should be flagged to the Authority and decisions will be made on a case by case basis.

Q. For the purposes of Section 7.5 of the agreement, can it be assumed that consent has been provided for the lead contractor to subcontract the other consortium members to enable project delivery?

A. Yes – if you are awarded a grant on the basis of a full proposal that included consortium or sub-contracting arrangements then this constitutes written confirmation from the Authority to do this, unless UK PACT asks for further information and assurances on these arrangements. Where this is the case, the lead organisation must ensure it has undertaken suitable due diligence on its consortium members, subcontractors and/or supply chain members.

Q. Confidential Information – we would wish to clarify that the standard exceptions to confidential information (Grant Agreement page 4)

A. The Grant Agreement makes no provision for standard exceptions in relation to confidential information. Some areas where confidentiality is or isn’t applied are mentioned in clause 27.3 in relation to reporting fraud, clause 28.1 in relation to transparency and clause 29.1 in relation to data protection.

Q. Funded Activity Specific IPRs – we would wish to tie the assignment of IP rights to deliverables only and at the very least retain the right to use any know-how developed through the provision of our services. This should be achievable within the context of the terms and conditions of the GA (Grant Agreement page 5)

A. The IPR would apply to the deliverables of the project only and not to anything the Grantee develops outside of the project. For project deliverables the IPR would reside with the Authority under the Open Government Licence, which means the Grantee can continue to use the know-how developed, as can anyone else. For further information please see clauses 25.1 and 25.4.

Q. Project Quarterly Work Plan – the Authority can amend it unilaterally. Whilst the likelihood of this might be low risk, our strong preference is that any such change is mutually agreed between the parties. (Grant Agreement Clause 5.8, Page 10)

A. Clause 5.8 also states “The Authority will consult the Grant Recipient before making such changes”.

Q. Changes to the Authority’s Requirements – we would wish to tie Clause 12 to reasonableness (Grant Agreement Clause 12, Page 13)

A. The Grant Agreement cannot be amended, however, clause 12.2 does state “the Grant Recipient will endeavour to accommodate any changes ...”.

Q. Termination – either party may terminate on 6 weeks’ notice. The Authority may terminate for a number of reasons, most of which are reasonable. However, please note that we would wish to clarify that we will be entitled to payment for spend up to the date of termination where it is not due as a result of our breach. We may also wish to terminate/suspend for non/significantly delayed payment (Grant Agreement Clause 14, Page 14)

A. Clause 14.1 states “Either Party may terminate this Agreement at any time by giving at least 6 weeks written notice to the other Party.” This means the Grantee is also entitled to terminate the agreement with at least 6 weeks written notice and the grant agreement does not specify or put limitations on the rationale that need to be provided for this termination.

Further, clause 16.2 states “If the Authority terminates this Agreement in accordance with clause 14.1 the Authority may pay the Grant Recipient’s reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs will be identified by the Grant Recipient and will be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the decision as to whether to pay reasonable costs and the amount of reasonable costs payable will be determined solely by the Authority.”

Q. Injunctive Relief – it is our preference to delete clause 17.4 (Grant Agreement Clause 17.4, Page 17)

A. The terms of the Grant Agreement are non-negotiable and this clause will not be removed.

Q. 24. Grant Recipient Personnel - we wish to tie this clause to key personnel only (Grant Agreement Clause 24, Page 22)

A. Clause 24.1 states “The Grant Recipient will seek the Authority’s prior written approval before creating or replacing staff in posts where they are responsible for delivery of the Funded Activity.” This means this clause applies to staff responsible for delivering the funded activity.

Q. I wondered if you had any further information about the mechanism for procuring services. Would successful applicants be contracted through a contract for services?

A. Successful applicants will be awarded funding through a Grant Agreement, the form of which is provided on <https://www.ukpact.co.uk/country-programmes/guidance> for your review and reference.

Q. May I know who owns the IP/rights to the project?

A. For information on intellectual property rights please see clause 25 of the grant agreement and, particularly, clause 25.4.