



*This document presents FAQs for applicants to the UK PACT Green Recovery Challenge Fund.*

## UK PACT Green Recovery Challenge Fund

Frequently Asked Questions (FAQs)

Last update 1 December 2020

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# What is the UK PACT Green Recovery Challenge Fund?

## What is UK PACT?

UK PACT (Partnering for Accelerated Climate Transitions) is a £60m capacity building programme under the UK's International Climate Finance (ICF) portfolio.

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

The programme supports countries eligible for Official Development Assistance (ODA) to implement and increase their ambitions for carbon emissions reductions in line with their Nationally Determined Contributions (NDCs) and the long-term goal of the 2015 Paris Agreement to limit dangerous climate change. The UK PACT programme consists of three core components:

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

This FAQ document refers to the Green Recovery Challenge Fund only.

## Who is UK PACT governed by?

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

The programme activities are being delivered by BEIS' delivery partners. The Green Recovery Challenge Fund is being delivered by ICF Consulting Services Ltd.

## How is UK PACT related to COP26?

UK PACT works with partner countries to implement and increase their ambitions for carbon emission reductions in line with their Nationally Determined Contributions (NDCs)

and the long-term goal of the 2015 Paris Agreement to limit 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, and in 2020 if possible. In this context, UK PACT will support partner governments to put forward greater ambition.

The UK PACT priority sectors in the upcoming calls for proposals align with COP26 priorities, in particular: seizing the opportunity of the renewable energy transition; safeguarding ecosystems with nature-based solutions; accelerating the move to zero-carbon road transport; unleashing the finance that will power the shift to a low carbon economy. 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.

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

UK PACT responds directly to demand identified by partner governments. The programme has been designed to respond to this demand through three key mechanisms: Country Programmes; a Green Recovery Challenge Fund; and Skill-Shares and Secondments. The combination of these three mechanisms provides the programme with the flexibility to deliver capacity building support in the most effective and efficient way based on specific needs and 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.

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

UK PACT aims to accelerate domestic and international action and ambition on climate mitigation and deliver sustainable low-carbon economic development. As such, UK PACT has an important role to play in supporting Government, businesses and civil society in their efforts to achieve a 'green, clean and resilient recovery' post-COVID-19, and in supporting new policy, planning, investment and action to align with climate ambitions.

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

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

## What is the UK PACT Green Recovery Challenge Fund?

The Green Recovery Challenge Fund is a £12 million capacity building fund running from 2020-2 to support low-carbon transitions and a green, resilient and inclusive economic recovery in ODA-eligible countries, via open calls for proposals around specific challenges.

## What is the vision of the UK PACT Green Recovery Challenge Fund?

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

## What type of capacity building projects will be funded?

The programme will fund capacity development projects that support the acceleration of the low-carbon transitions in targeted ODA-eligible countries.

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

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

UK PACT does not provide a consortium building service.

## Who can apply?

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

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

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

Eligible organisations listed above can be based in any country and can apply alone or as part of a consortium with organisations from any country.

Applicants will also need to review and agree to the terms of the [Grant Agreement](#). Grantees are required to accept the terms of the Grant Agreement to participate in the Green Recovery Challenge Fund and any changes are unlikely to be accepted. Therefore, applicants should review these terms carefully as they will be expected to agree to them before they implement their project.

## Can an NGO apply in partnership with a Government agency?

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

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

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

Yes, past and current UK PACT grantees are eligible to apply for UK PACT funding again. The funding round for new UK PACT projects in 2020 will be run using an open and competitive process. Therefore, there is no guarantee that existing or previous UK PACT implementing partners will be successful or be allocated new funding and no advantage will be given to existing or previous UK PACT implementing partners.

## Where can projects be funded?

To apply for GRCF funding, projects must take place in and benefit at least one of the following [ODA eligible](#) countries:

1. Argentina

2. Bangladesh
3. Brazil
4. Ethiopia
5. India
6. Indonesia
7. Kenya
8. Nigeria
9. Peru
10. Thailand
11. Vietnam

The countries of focus vary according to each funding window and may not cover all of the above at one time.

## Can my project include countries other than the 11 countries covered by the Green Recovery Challenge Fund?

Only projects that are delivering in one or more of the listed countries are eligible to apply. The primary benefit of projects and the main project activities should remain within the 11 target countries.

Green Recovery Challenge Fund projects may have a regional impact, and as such, project activities can include UK PACT Country Programme countries (China, Colombia, Malaysia, Mexico, and South Africa) within a multi-country / regional project, however, the primary beneficiary must be one of the 11 target countries.

Please note that in China, UK PACT complements existing HMG programmes that are focused specifically on China's transition from high-carbon to low-carbon sources of energy by helping ensure China's financial system is well-placed to provide the capital needed for the transition. Therefore project activities in China will only be considered as part of a wider multi-country or regional initiative for the 'greening financial systems' window of the Green Recovery Challenge Fund, and not the other windows of the Fund.

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

implemented beyond the countries covered by the UK PACT Green Recovery Challenge Fund. These include: [The Climate Ambition Support Alliance](#)<sup>1</sup> and the [NDC Partnership](#)<sup>2</sup>

## I've got a project idea which includes Colombia, Mexico, China, South Africa and/or Malaysia, should I apply to Country Programmes or Green Recovery Challenge Fund?

For the GRCF, projects' primary benefit and main project activities must remain within at least one of the 11 target GRCF countries. Projects which include countries that are part of the [UK PACT Countries Programmes](#) (China, Colombia, Malaysia, Mexico and South Africa) and are part of a multi-country or regional initiative are welcome to apply for the GRCF.

Applicants will be expected to demonstrate how the majority benefit of the project is to at least one of the 11 target GRCF countries.

Projects which build upon the experience gained in the UK PACT Country Programmes are encouraged to apply for the GRCF, as long as the primary benefit of the project is to one of the GRCF 11 target countries.

Please note that in China, UK PACT complements existing HMG programmes that are focused specifically on China's transition from high-carbon to low-carbon sources of energy by helping ensure China's financial system is well-placed to provide the capital needed for the transition. Therefore project activities in China will only be considered as part of a wider multi-country or regional initiative for the 'greening financial systems' window of the Green Recovery Challenge Fund, and not the other windows of the Fund.

If the primary beneficiary of your project is one of the UK PACT Country Programme countries (China, Colombia, Malaysia, Mexico, and South Africa) you can find the relevant pages for UK PACT Country Programmes [here](#).

## Do multi-country projects need to cover countries within one region only, or could they for example be implemented in Asia and Latin America?

Projects are allowed to deliver in countries across different regions. However, the project must be able to demonstrate that it will be meeting the needs of the beneficiaries in each county and region covered.

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<sup>1</sup> The Climate Ambition Support Alliance (CASA) provides technical assistance to climate vulnerable country negotiators to increase their capacity and capability in order to engage more effectively within the international climate negotiations. CASA partners provide tailored support to the Least Developed Countries (LDC) Group, the Alliance of Small Island States (AOSIS), and the Republic of the Marshall Islands (as convenor of the High Ambition Coalition), as well as *ad hoc* training to individual negotiators from any developing country group. The CASA programme further aims to support climate vulnerable countries in the implementation of the Paris Agreement, with technical assistance for NDC development and enhancement, transparency and access to finance. For more information see: <https://casaclimate.org/>

<sup>2</sup> The UK is a member of the NDC Partnership, which supports developing countries to implement their NDC through improved planning and access to finance. Any country is able to become a member – see their website for more information about how to join: <https://ndcpartnership.org/members> If you are already a member, we recommend contacting the NDC Partnership's Support Unit through your government's NDC Partnership focal points to find out what support is available. Their website also has a Climate Finance Explorer that can signpost to sources of finance, which is available to everyone: <https://ndcpartnership.org/climate-finance-explorer>



The project team must also have the necessary knowledge, experience, and networks to allow effective delivery across every country that it plans to operate in.

## Are there any geographical priority areas within each target country?

There are no specific geographical priority areas. We welcome projects that operate at the regional, national and sub-national (regional, district and municipal - cities and towns) levels, as long as these clearly demonstrate impact potential and verified demand from beneficiaries. In many cases, capacity building needs and implementation support is most needed at the sub-national level.

## How does the Green Recovery Challenge Fund work?

The Green Recovery Challenge Fund is run in funding rounds, each consisting of windows on specific themes and regions. Application to the fund is a two-step process (expressions of interest and Full Proposal stages) run through competitive call for proposals. All relevant timelines and news announcements can be found on the [website](#).

## How is funding managed?

Funding is managed by the Green Recovery Challenge Fund delivery partner, ICF Consulting Services Ltd. Successful applicants will be required to submit regular reporting forms to ICF Consulting Services Ltd. Funding will be paid in arrears in GBP (£), at quarterly intervals as agreed in the grant agreement.

## How long does the UK PACT Green Recovery Challenge Fund programme run for?

The Green Recovery Challenge Fund is currently planned to run from August 2020 to April 2022.

Project funding through UK PACT is currently available for up to 12 months. For Funding Round 1 it is expected that all proposed project tasks will be completed by the end of January 2022, as payment milestones cannot exceed this date (for projects awarded as part of the first funding round). This excludes monitoring and evaluation activities beyond January 2022. For Funding Round 2 it is expected that all proposed project tasks will be completed by the end of April 2022. Co-funding to support longer-term projects is allowed.

The programme is currently split into two funding rounds. The first launched in August 2020 and the second launched in November 2020.

Subject to the extension of the UK PACT Programme, it may be possible for projects to receive funding beyond 12-months in the future. Currently, projects are only offered funding for up to 12-months.

## Is there an expected duration for projects applying to the UK PACT Green Recovery Challenge Fund programme?

Project funding through UK PACT is currently available for up to 12 months. For Funding Round 1 all proposed activities up to and including operation start up must be completed by January 2022 to ensure that all milestone payments can be claimed. For Funding Round 2 all proposed activities must be completed by April 2022. In addition to the project implementation time, applicants will need to factor in when they submit their application, the assessment windows and the decision time into their project duration planning.

Co-funding to support longer-term projects is allowed.

Following the end of project implementation, participants are expected to produce an exit report and case study for monitoring and evaluation purposes.

Subject to the extension of the UK PACT Programme, it may be possible for projects to receive funding beyond 12-months in the future.

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

Applicants that are offered grant funding will be funded for tasks which start from the date of signature of the grant agreement. For funding round one, this is expected to be mid-January 2021. For funding round two, this will be May 2021.

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

Project duration should fall within the defined 12 month time period, but it is not necessary to use the whole period and shorter projects will be considered.

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

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

## How many projects are you looking to fund?

The limitation is the allocation of funding, not the number of projects to be funded. Applicants may apply for up to £500,000 for the duration of the project.

## How much funding can I apply for?

Applicants may apply for up to £500,000 for the duration of the project.

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

There is no minimum funding allowance that UK PACT Green Recovery Challenge Fund projects can apply for. Projects are expected to apply for grant funding between £100,000 and £500,000 per project.

## When should I plan for my project to start?

Funding Round 1: Applicants to funding round 1 should plan for their projects to start mid-January 2021.

Funding Round 2: Applicants to funding round 2 should plan for their projects to start May 2021.

Dates for future funding rounds will be announced on the Green Recovery Challenge Fund [website](#) when they are available.

## Will there be any additional funding in the future?

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 call for proposals beyond the initial 12-month funding period. Please also note that any extension is not guaranteed, and would be subject to satisfactory performance, a detailed proposal for the subsequent phase and continued strategic fit with UK PACT priorities, as well as BEIS approvals for further funding for UK PACT.

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

## Is there any overlap with the Green Recovery Challenge Fund and the UK Government's Energy Catalyst?

The Energy Catalyst programme<sup>3</sup> supports UK and overseas businesses and organisations to develop highly innovative, market-focused energy technologies that primarily look to enable energy access in Sub-Saharan Africa and South/South East Asia.

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

## What is the expected role for institutions in the UK?

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

## Are you able to tell us how many applications you had for the previous funding round, and the number of projects you progress to the next stage?

We had almost 450 applications across both themes in the first funding round. There is not a set number of projects that will be taken through to the next stage. Rather than adhering to pre-defined limits or quotas, projects will be carefully selected to ensure a balanced and complementary portfolio. Distribution across countries will be considered.

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<sup>3</sup> <https://www.gov.uk/guidance/energy-catalyst-what-it-is-and-how-to-apply-for-funding>

## What is the difference between the UK PACT Green Recovery Challenge Fund and the Defra Green Recovery Challenge Fund?

The DEFRA Green Recovery Challenge fund announced on 30 June 2020, is the £40 million initiative from government for environmental charities and local organisations in England working on conservation and nature-based solutions. This is separate from, and should not be confused with, the BEIS funded UK Partnering for Accelerated Climate Transitions (PACT) Green Recovery Challenge fund which is part of the UK's commitment to International Climate Finance to tackle climate change, and therefore open to countries eligible for Official Development Assistance.

Applications for the DEFRA Green Recovery Challenge Fund opened in September 2020 and the funding will be distributed by the National Lottery Heritage Fund. For more information, the official press release for this fund can be found here: <https://www.gov.uk/government/news/government-announces-40-million-green-jobs-challenge-fund> and <https://www.heritagefund.org.uk/funding/green-recovery-challenge-fund>

# What is the Green Recovery Challenge Fund process?

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

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

## Who will the grant agreement be signed with?

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

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

All applications for funding should be submitted through the [application portal](#). All enquiries should be directed to the Green Recovery Challenge Fund Team through the website by email at [grchallengefund@ukpact.co.uk](mailto:grchallengefund@ukpact.co.uk).

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

## Is the contract a grant contract or commercial contract?

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

## Can multiple organisations apply with one project?

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

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

The lead implementing organisation applying to the Green Recovery Challenge Fund will be the recipient of the grant funding.

## Could you confirm Intellectual Property Rights terms under UK PACT?

Please refer to clause 25 of the [Grant Agreement template](#) for the full Intellectual Property Rights terms.

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

As per the terms set out in the Grant Agreement, any materials using funding provided can be used in accordance with an Open Government Licence. The Open Government Licence (OGL) is a simple set of terms and conditions under which information providers in the public sector can license the use and reuse of their information. Provided that the grantee complies with the terms, the grantee will have permission to use information anywhere in the world. The licence is also non-exclusive which means that the grantee will not be the only person able to make use of it. The Open Government Licence enables the grantee to use information for both commercial and non-commercial purposes.

Please see the [Grant Agreement template](#) for further information.

## Can I also apply to other programmes within UK PACT e.g. UK PACT Skill-Shares and Secondments?

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

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

After the launch of the funding round, there will be the opportunity to ask clarification questions by email on [grchallengefund@ukpact.co.uk](mailto:grchallengefund@ukpact.co.uk). It will be possible to ask questions for two weeks after the launch of the funding round.

Answers from clarification questions for the first funding round are now available in this document.

For the second funding round EO1 stage, the deadline for clarification questions is 24<sup>th</sup> November. Answers will be published by 20<sup>th</sup> November and will be available on the Green Recovery Challenge Fund website.

Deadlines for future funding rounds will be announced on the Green Recovery Challenge Fund [website](#) when they are available.

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

One to one support is not provided for the UK PACT Green Recovery Challenge Fund. However, applicants can access guidance material on the UK PACT website and email clarification questions to [grchallengefund@ukpact.co.uk](mailto:grchallengefund@ukpact.co.uk)

## What is the Return on Investment to UK PACT?

The Green Recovery Challenge Fund administers grants, not investments or loans, so no financial return is expected for the programme.

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



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

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

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

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

## Do applicants need to submit policy and legal documents?

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

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

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

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

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

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

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

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

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

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

Grantees are required to accept the terms of the Grant Agreement to participate in the UK PACT Green Recovery Challenge Fund and the grant terms are non-negotiable.

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

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

# Call for Proposals

## What are the themes of the funding rounds?

You can find information on the themes of the funding rounds on the [website](#).

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

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

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

## Which call for proposals will include Sub-Saharan Africa?

The demand in various regions was considered during the scoping of the themes for the call for proposals. Sub-Saharan Africa is included the second funding round for both the “Nature Based Solutions” and “Clean Energy Transition” windows.

## Which call for proposals will include Asia?

The demand in various regions was considered during the scoping of the themes for the call for proposals. Asia was included in the first funding round, in the ‘Electrifying Urban Mobility’ and ‘Greening Financial Systems’ windows.

## Which call for proposals will include Latin America?

The demand in various regions was considered during the scoping of the themes for the call for proposals. The first funding round included Latin America in the ‘Greening Financial Systems’ window. The second funding round includes Latin America in the “Nature-based Solutions” theme.

## Is there a funding limit per funding round, per country or per window?

All projects for the Green Recovery Challenge Fund are selected on a competitive basis. Rather than adhering to pre-defined limits or quotas, projects will be carefully selected to ensure a balanced and complementary portfolio. Distribution across countries will be considered.

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

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

Applicants should check the region and the theme of a funding window before applying.

## Can a project include target countries in different regions?

An application for a specific theme can include any country eligible in that window. The countries don't have to be in the same region.

## What type of impact is expected within a 12 month project?

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

Applicants are also asked to provide details on how their projects may incentivise further action from wider stakeholders; what pathways for further scaling or replication of project activities exist; and how projects aim to create impact beyond the period of UK PACT funding.

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

In the application form, applicants will be asked to comment on the short term actions, and outcomes which are expected to come from the adoption of their project outputs.

Applicants can use this section to describe the short and long-term change expected from the adoption of their outputs. For example, the outcome from the adoption of a policy recommendation should be described in the application form.

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 call for proposals beyond the initial 12-month funding period. Please also note that any extension is not guaranteed, and would be subject to satisfactory performance, a detailed proposal for the subsequent phase and continued strategic fit with UK PACT priorities, as well as BEIS approvals for further funding for UK PACT.

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

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

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

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

We will not be able to provide feedback on specific ideas or the strength of proposals applying for the Green Recovery Challenge Fund. We advise all applicants to review the information provided as part of the window descriptions for each theme, that is available on the [website](#). We have laid out what will be in scope under each of the windows. Examples have been highlighted, but this is not an exhaustive list and we will welcome ideas beyond this, as long they are within the scope of the funding window and meet the objectives of UK PACT.

## Are projects focussed on resilience and adaptation eligible?

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

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

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

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

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

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

## Where can I find more information about future funding rounds?

The Green Recovery Challenge Fund is currently planned to run from August 2020 to April 2022. Subject to an extension of the UK PACT Programme, future fundings rounds may be possible to include more than two funding rounds, however this is not confirmed. In the event that more funding rounds are confirmed, dates and themes will be announced on the Green Recovery Challenge Fund website when they are available.

## Call for Proposals – Funding Round 2

### Do projects applying to the Clean Energy Transition window have to include both grid and off-grid components?

Projects under the Clean Energy Transition window do not have to include both grid and off-grid components. However, if they focus on one they must also consider how it will affect the other. For example, a project focussed primarily on off-grid or mini grid components must consider the effect on grid components, and how the two can be integrated.

For more information on the scope of the funding windows, visit the [UK PACT website](#).

### Is clean mobility in scope of the Clean Energy Transition window?

Clean mobility is not in scope of the Clean Energy Transition window. Clean mobility/transport was part of the Electrifying Urban Mobility window in Funding Round 1.

For more information on the scope of the funding windows, visit the [UK PACT website](#).

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

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

For more information on the scope of the funding windows, visit the [UK PACT website](#).

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

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

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

For more information on the scope of the funding windows, visit the [UK PACT website](#).

### For the Nature-Based Solutions window, does the UK PACT Green Recovery Challenge Fund promote any particular approach to farming, such as agro-ecological approaches?

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

For more information on the scope of the funding windows, visit the [UK PACT website](#).



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

Yes this would be welcomed in the scope of this window, under development and implementation of promoting agroforestry practices and enhancing market demand of sustainable agricultural supply chains.

For more information on the scope of the funding windows, visit the [UK PACT website](#).

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

Ecological initiatives are not in the scope of this window, unless there is an evident link that this initiative promotes sustainable agriculture, or otherwise zero-deforestation commodities and supply chains (e.g. food, crops, sustainable wood). We welcome projects with a co-benefit towards social responsibility, however the primary objective must be in meeting climate mitigation through promoting sustainable agriculture and forestry practices in order to be eligible for the fund.

For more information on the scope of the funding windows, visit the [UK PACT website](#).

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

Yes this would very much be welcomed in the scope, as a part of developing and scaling up on supply chains linked to promoting sustainable agroforestry practice.

For more information on the scope of the funding windows, visit the [UK PACT website](#).

## Would sustainable agriculture programs whose aim is food security in the post-government context be within scope of Nature-Based Solutions?

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

For more information on the scope of the funding windows, visit the [UK PACT website](#).

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

The scope is open to reforestation projects providing that they incorporate the promotion of sustainable agriculture practices, such as through Silvopastoral practices, this is in either urban or rural context. Ideally for urban scenarios, eligible programs should also seek broader enhancement of sustainable agricultural supply chains linked to zero deforestation commodities, (e.g. food, crops and sustainable wood).

For more information on the scope of the funding windows, visit the [UK PACT website](#).

# Key eligibility criteria

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

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

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

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

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

At the EOI stage, any proposed partnership or sub-contracting arrangements should be identified and partners should be committed to working together on the project. Full details on the agreement between consortia can be found in the [template Grant Agreement](#).

## Must the implementing team be able to speak English?

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

## Do projects need to have a UK Partner?

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

In the case of China, it is however a requirement for projects to have an international partner.

## Is my project relevant for the programme?

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

## What is ODA?

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

According to the OECD, Official Development Assistance is defined as financial support to eligible countries and to multilateral development institutions which are: 1) Provided by official agencies,

including state and local governments, or by their executive agencies; and 2) Is administered with the promotion of the economic development and welfare of developing countries as its main objective. More information about ODA can be found on the [OECD website](#).

## Is my project ODA compliant?

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

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

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

The DAC list of ODA-eligible countries can be found [here](#). The Green Recovery Challenge Fund Projects are expected to benefit at least one ODA eligible country from the following:

1. Argentina
2. Bangladesh
3. Brazil
4. Ethiopia
5. India
6. Indonesia
7. Kenya
8. Nigeria
9. Peru
10. Thailand
11. Vietnam

## What are the accounting requirements?

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

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

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

The template Grant Agreement can be viewed [here](#). Grantees are required to accept the terms of the Grant Agreement to participate in the Green Recovery Challenge Fund and any changes are unlikely to be accepted. Therefore, grantees should review these terms carefully as they will be expected to agree to them before they implement their project.

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

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

## What due diligence checks will there be on my organisation?

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

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

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

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

Existing initiatives are eligible to apply to the GRCF, however the project activities should be distinct there should be no duplication.

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

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

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

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

Full information can be found in the draft Grant Agreement.

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

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

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

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

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

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

All projects must be demand-led and must be able to demonstrate demand and engagement with relevant stakeholders and beneficiaries. Potential applicants should also check the list of eligible organisations and the terms of the [Grant Agreement](#).

## What if my project is not eligible?

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

The UK Government is committed to supporting the low-carbon transition across the world and there are a number of similar programmes available, which may be suitable for capacity building initiatives that are beyond the scope of the UK PACT Green Recovery Challenge Fund. These include: [The Climate Ambition Support Alliance](#)<sup>4</sup> and the [NDC Partnership](#)<sup>5</sup>

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

Organisations and consortia need to be sure that they are structured and registered in a way that allows them to deliver the project they have proposed. This does not necessarily mean all team members

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<sup>4</sup> The Climate Ambition Support Alliance (CASA) provides technical assistance to climate vulnerable country negotiators to increase their capacity and capability in order to engage more effectively within the international climate negotiations. CASA partners provide tailored support to the Least Developed Countries (LDC) Group, the Alliance of Small Island States (AOSIS), and the Republic of the Marshall Islands (as convenor of the High Ambition Coalition), as well as *ad hoc* training to individual negotiators from any developing country group. The CASA programme further aims to support climate vulnerable countries in the implementation of the Paris Agreement, with technical assistance for NDC development and enhancement, transparency and access to finance. For more information see: <https://casaclimate.org/>

<sup>5</sup> The UK is a member of the NDC Partnership, which supports developing countries to implement their NDC through improved planning and access to finance. Any country is able to become a member – see their website for more information about how to join: <https://ndcpartnership.org/members> If you are already a member, we recommend contacting the NDC Partnership's Support Unit through your government's NDC Partnership focal points to find out what support is available. Their website also has a Climate Finance Explorer that can signpost to sources of finance, which is available to everyone: <https://ndcpartnership.org/climate-finance-explorer>

need to be provided with work visas. It is acceptable for some of the project staff members to be operating on the project remotely, hence having work visas from their country of residence not the project target country. We require organisations and/or consortia to make sure they have confirmed their own ability to deliver their proposed project in-country.

### Is compulsory that the lead implementing organisation is legally registered in the respective country(ies) of delivery?

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

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

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

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

### Are UN agencies eligible to apply?

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

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

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

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

For the GRCF, projects' primary benefit and main project activities must remain within at least one of the 11 target GRCF countries. Projects which include countries that are part of the UK PACT Country Programmes (China, Colombia, Malaysia, Mexico, and South Africa) and are part of a multi-country or regional initiative are welcome to apply for the GRCF.

Applicants will be expected to demonstrate how the majority benefit of the project is to at least one of the 11 target GRCF countries.

Projects which build upon the experience gained in the UK PACT Country Programmes are encouraged to apply for the GRCF, as long as the primary benefit of the project is to one of the GRCF 11 target countries



# What are the eligible costs that can be funded?

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

A list of eligible activities which can be claimed as part of the grant funding, can be found in Annex 1 of [the Guidance Document](#).

## Can I get funding for my project that is developing a low-carbon technology?

The Green Recovery Challenge Fund will only fund capacity building projects, so directly funding technology development is not in scope. However, for example, projects that facilitate the uptake of low-carbon technologies may be eligible.

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

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

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

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

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

## Will the grant funding be subject to VAT?

If the awarded organisation is based in the UK and they are claiming for UK based services they should invoice on a 0% VAT basis. If Grant Conditions have been met, the UK company should not charge BEIS for UK VAT provided the grant money for abroad use does not change from the original intention.

The grant conditions for not attracting VAT are:

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

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

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

Applicants will be paid in GBP and must be prepared to manage the risk of exchange rate fluctuations during the lifetime of the project. If exchange rate fluctuations become unmanageable, i.e. could



prevent the project from being able to complete activities and deliver outputs within the agreed budget or agreed timeframes, this should be flagged to UK PACT.

## What is project 'co-funding'?

Co-funding is money for the project that comes from another source than UK PACT Green Recovery Challenge Fund. For example, a project proposal might include funding from UK PACT Green Recovery Challenge Fund and another donor e.g. Department for International Development.

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

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

## Is it possible to use this funding for software development?

A list of eligible costs can be found in Annex 1 of the [Guidance Document](#).

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

Expenses for stakeholders who are neither lead nor partner implementing organisations are not eligible costs; this includes travel and accommodation expenses from stakeholders attending consultations with the implementing partners.

A list of eligible activities which can be claimed as part of the grant funding, can be found in Annex 1 of [the Guidance Document](#).

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

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

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

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

Applicants can apply for up to £500,000 per project.

## What is considered an eligible overhead cost, and can staff costs include an overhead element?

Overheads are those costs incurred by an organisation that are not specific project costs but that support the delivery of the project and other projects that the organisation is delivering. For example,

human resources, space and premises costs and other costs that are not project specific, but which are required to keep the organisation functioning.

We are expecting applications from a wide variety of organisation types with different financial structures, and we will allow organisations to submit budgets including overheads that are well constructed and represent good value for money. This means that costs are reasonable; that costs which should be included as direct project costs are not included in overheads; that overheads can be linked back to an organisation's financial accounts, and that organisations are transparent in demonstrating how overheads have been constructed. Contingency and exchange rate fluctuations are not eligible overhead costs.

## If staff costs include an overhead element, would that be considered separate to the overall administrative/overhead costs for the project?

Where possible overheads should be split out and these split out overheads should be less than 5% of overall project value.

However, if overheads are already included in day rates and these rates fall within the rate bandings provided as part of the call for proposals then this is acceptable. If overhead costs are included in the day rates, a detailed breakdown of the individual overhead items and costs, and the percentage (%) of the day rate it represents, will need to be included in the notes column of the budget file. If included as part of the day rate GRCF will accept overheads of more than 5%, however, *all proposals will be assessed on the grounds of overall value for money as stated in the call for proposals*. A profit margin or sustainability margin is not an eligible cost under this funding window.

## Do overheads have to be supported by relevant documentation for audit purposes?

Yes, an explanation of how overheads are calculated, and any relevant documentation to support this, will need to be made available to the authority on request for assessment of Value for Money or for audit purposes.

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

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

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

Guidance on cost ranges will be provided for applicants shortlisted to the Full Proposal stage.

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

The ineligible expenditures quoted in the Grant Agreement and Guidance Document, such as office rental, IT and equipment costs etc. refer to new purchases for the purpose of the project. Normal operating costs relating to these categories are allowed to be included as overheads. Where possible, administration or overheads should be split out and included as a separate line in the budget. If operating costs relating to these categories are already included in day-rates, this is also acceptable although a breakdown of the overhead and salary cost will need to be included in the notes so that we can see what the overall indirect cost charged to the project is.

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

Administration or overhead costs can include those costs incurred in the day-to-day delivery of the proposed project (normal operating costs) that have not already been detailed separately in the budget (such as personnel costs and expenses). Examples include office supplies. Where possible administration or overheads should be split out and expensed. If operating costs relating to these categories are already included in day-rates, this is also acceptable although a breakdown of the overhead and salary cost will need to be included in the notes so that we can see what the overall indirect cost charged to the project is.

## Is it correct that any overhead / normal salary on-cost must not be more than 5% of total budget?

Administrative costs / overhead should be minimised and no more than 5% of the total budget. Below this level, organisations can 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.

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

We are aware that different types of organisations will be applying for UK PACT funding and this will mean organisational costs need to be structured in different ways. In principle, the full economic costing (FEC) recovery model may be a reasonable approach, although this will be determined on a case by case basis depending on the project and type of organisation applying. The key principle is that consortia and/or organisations applying should be able to clearly articulate how their project and proposed budget demonstrates value for money.

## Can universities claim overheads?

The budget constraints are the same for all eligible organisations.

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

## What is the rationale for the requirement of max 5% overhead?

The GRCF has assigned a maximum level of overhead to ensure application comparison can be made purely on merit and the value for money offered for direct delivery of the project outputs.

## Is the 5% overhead limit specific to the GRCF or will it be applied as a blanket requirement in the future? If so, starting when?

All ODA funding is subject to a high level of scrutiny to ensure Value for Money is being delivered. As such it is a requirement that all HMG funded projects construct overheads that are reasonable and justified. The cap of 5% is specific for the GRCF and does not reflect on any other ODA funding.

## Is there any flexibility to negotiate the 5% overhead limit?

The 5% overhead limit is non-negotiable.

Where possible overheads should be split out and these split out overheads should be less than 5% of overall project value.

However, if overheads are already included in day rates and these rates fall within the rate bandings provided as part of the call for proposals then this is acceptable. If overhead costs are included in the day rates, a detailed breakdown of the individual overhead items and costs, and the percentage (%) of the day rate it represents, will need to be included in the notes column of the budget file. If included as part of the day rate GRCF will accept overheads of more than 5%, however, *all proposals will be assessed on the grounds of overall value for money as stated in the call for proposals*. A profit margin or sustainability margin is not an eligible cost under this funding window.

## Is there a percentage of the funding that needs to be spent within countries?

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

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

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

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

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

## Does the GRCF allow procuring day basis labour for a twelve-month period without charging other costs such as rent?

If external contractors are procured on a day basis, it is at the discretion of the applicant to decide how to structure the associated overhead costs.

## Is a deviation permitted in the budget estimates from EOI to the full proposal stage?

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

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

# How do I apply?

## What is the application process?

Prospective applicants are invited to register [here](#) to be added to a mailing list for relevant news on UK PACT and the Green Recovery Challenge Fund.

Applicants are invited to register to apply for the Green Recovery Challenge Fund on the dedicated [application portal](#) when the funding windows are launched. Applications should be submitted electronically via the portal. The application is a two-step process using the application portal:

1. Complete and submit an expression of interest
2. Complete and submit a full proposal\*

\*only selected applicants will be invited to submit a full proposal

## How long do I have to complete my application?

After the launch of the funding round, prospective applicants will have to complete and submit their Expression of Interest application via the portal. Details of the timing for this are available on the [Green Recovery Challenge Fund website](#).

Applicants who are successful in the first stage of the application, will be invited to submit a full proposal. Details of the timing to complete this are available on the [Green Recovery Challenge Fund website](#).

## When will I hear about the outcome of my application?

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

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

All applications must be submitted in English.

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

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

## Am I allowed to include links in our application?

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

## Where can I find guidance information on how to apply?

[The guidance document](#) provides more information on how to apply. You can also contact the delivery team by email on [grchallengefund@ukpact.co.uk](mailto:grchallengefund@ukpact.co.uk)

## Can I submit multiple applications?

The same applicant can submit multiple applications, whether as the lead implementing organisation or a partner implementing organisation within a consortium.

There are also no restrictions on the type of applications submitted by an organisation, this could include multiple projects for the same window, for multiple projects in one country, for projects in different regions and for different funding rounds. There is also no restriction on organisations applying for both the Country Programme and the GRCF.

## To submit multiple project ideas, does one have to submit separate applications or bundled in one?

Each distinct project idea should be submitted with a separate application.

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

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

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

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

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

If a project is unsuccessful in a certain funding round, the applicant can reapply in the next funding round, however the project application must be relevant to the region and theme of the funding round.

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

For help using the application portal, please contact [grchallengefund@ukpact.co.uk](mailto:grchallengefund@ukpact.co.uk)

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

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

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

Only one partner is required to make an account on the [application portal](#). In the online expression of interest form, all partners will be requested to provide their contacts details. CVs from key team members delivering the project will be required at full proposal stage.



More information on the contact details required from consortium partners can be found in the downloadable EOI template from the [UK PACT website](#).

## Is there a template of the full proposal available to download, in addition to the EOI template?

The expression of interest (EOI) template is available to download on the [UK PACT website](#). The template for the full proposal will be shared directly with applicants who are successful at EOI stage, and invited to submit a full proposal.

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

The EOI template and other resources can be downloaded from the [UK PACT website](#). Unfortunately, we are unable to disclose a copy of a successful EOI at this stage in the programme.

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

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

# How will applications be assessed?

## How will my application be assessed?

Potential projects will be assessed on several criteria, as detailed in the Expression of Interest and Full Proposal forms and [guidance document](#).

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

## What feedback will I get on my application?

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

## I was unsuccessful in my EOI, what feedback can you give me to improve?

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

The level of interest for this funding round was extremely high and therefore extremely competitive. We received over 450 applications in the first funding round. A number of applications were deemed ineligible. The most common reason for ineligibility was failing the criteria for relevant and strategic fit, i.e. applicants needed to demonstrate that the proposed projects will operate within eligible countries and are within the scope of the defined theme for each funding window. Projects must contribute to the programme's intended outcome of enhanced and sustained actions on emissions reductions. In the wake of Covid-19, projects must also demonstrate how they will contribute to a green, inclusive and resilient recovery.

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

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

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

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

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

One key consideration in the design and delivery of this programme, as mandated by law for all UK ODA programming, is the extent to which it complies with the Gender Equality Act 20143, which makes consideration of gender equality a legal requirement. Grant selection will be made on a minimum “do no harm” basis but we strongly encourage grant applicants to mainstream gender and inclusion (G&I) opportunities into their grant activities. This will form a key part of the screening criteria as such projects which demonstrate a higher degree of G&I ambition will score more highly. Where opportunities have been identified during the selection process, implementing partners will be supported to develop and embed G&I processes into delivery planning.

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

This programme aims to achieve transformational change, and we recognise that this entails taking some risks. There is a high-risk appetite for innovation. However, there is zero tolerance to fraud and corruption (including potential conflicts of interest) and stringent requirements regarding safeguarding. Applicants need to demonstrate a good understanding of the key risks to delivering the project and appropriate proposals for the management of these risks. Applicants will need to complete a risk register indicating the top risks to the delivery of the project including the probability and severity of each and an appropriate mitigation strategy.

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

## Who will be involved in proposal review and selection?

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

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

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

## Where can I find more information about the assessment criteria?

More information about the different criteria that the applications will be assessed on and their relative importance can be found in the [guidance document](#).

## Will UK PACT Green Recovery Challenge Fund consider all the information available in my application form, when scoring a specific question?

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

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

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

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

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

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

## How important is the question on Gender and Inclusion?

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

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

Gender equality and social inclusion are distinct but overlapping concepts. For some groups, exclusion is based on gender while for others, it is based on other factors, such as age, disability, ethnicity, caste, or migrant status. However, for most people, exclusion is based on several factors across various relationships and settings. Therefore, all aspects of social inclusion which you have considered when developing your project and assessing your operating context should be included in your proposal.

# Gender and Social Inclusion (GESI)

## What does GESI mean?

GESI comprises two closely related and equally important concepts:

- **Gender Equality:** It is the absence of any discrimination based on gender, with equal rights, responsibilities, and opportunities for everyone, without distinction depending on their gender. This means that women's and men's rights, responsibilities, and opportunities will not depend on whether they are born male or female. It means ensuring that everyone has equal access to socially, economically, and politically valued goods, resources, opportunities, benefits, and services.
- **Social Inclusion:** it is the process of removing institutional barriers and the improvement of incentives to increase the access to development opportunities for all individuals and groups; it is essentially making the 'rules of the game' fairer where there are imbalances. Social exclusion occurs when certain groups are systematically disadvantaged based on social characteristics, such as gender, age, particular risk factors (e.g. disability, ethnicity, caste, migrant status), type of household (e.g. one-person household, single parent), the level of education and literacy, employment status, or housing status. This results in different social, political, and economic inequalities and can result in individuals being discriminated against and denied recognition and resources.

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

## Why is GESI a consideration for UK PACT GRCF?

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

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

## What does Do-No-Harm mean?

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

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

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

## What is GESI mainstreaming?

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

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

## How is GESI considered in the GRCF applications?

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

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

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

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

The GRCF is setting clear expectations for all applications to clearly show how they are building GESI into their design and programming.

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

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

- Integrating gender and inclusion into the design, implementation and monitoring of climate projects and programmes;

- Systematically taking women's and marginalised groups' differentiated needs, knowledge, experiences, and priorities into account in all climate responses;
- Ensuring women's and marginalised groups' meaningful participation, access to and influence over decision-making on climate change at all levels.

## What is GRCF's approach to mainstreaming GESI and Do-No-Harm?

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

Throughout project implementation, grantees are responsible for:

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



# Clarification Questions – Funding Round 2

As published on our website and explained during the Regional Webinars, we have taken clarification questions for a period of 2 weeks after the launch of the funding round on 10th November 2020. This period closed on 24th November 2020. This section compiles all the clarification questions received during that period. Any further questions received after this date have not been responded to. In some cases, clarification questions have been collated and summarised for clarity. Some questions have been edited to remove any identifying information.

According to the grant contract 19.8, throughout the Grant Period, the Grant Recipient will maintain an internal audit function which will operate in accordance with the International Standards on Auditing (UK and Ireland) or the generally agreed accounting practices as they apply from time to time. Does this mean that we should appoint a staff member to conduct regular audit functions? Or is this something that our accounting department can overtake?

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

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

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

Our accounting is done by internal Staff, but according to Clause 19.18, the Grant Recipient shall provide a reasonable assurance report from an independent reporting accountant. Does this mean that we need to hire the services of an external accountant? Would this external accountant be in substitution of the external auditor? Or are both required?

All grantees will be required to engage an external independent qualified auditor to provide a reasonable assurance report. This cannot be provided by an internal accountant.

## For the auditing purposes: is the Grant Recipient the only organization that should be covered? Or should partner organizations be covered as well?

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

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

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

## When do the case studies need to be submitted?

Grantees shall submit a case study upon request at the end of the project and within four weeks of the project completion.

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

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

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

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

## Is local tax and eligible cost?

Applicants should consider that they are not eligible to claim grant funding for value added tax (VAT) on expenditure which originated in the UK if the lead organisation is UK based. If the organisation is based in the UK, they should invoice on a 0% VAT basis. If organisations are based outside of the UK, they will need to provide a budget based on their local tax laws and it is up to the organisation in question to deal with their local tax duties. Where local taxes apply these are eligible costs. HMG (through UK PACT) does not recover this tax and it is up to the organisation in question to deal with their tax duties locally.

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

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

## Is it possible to allocate funds for the development of a working method in a priority country, and add other non-priority countries (with country programmes) as small pilots to validate and improve the methodology?

For the GRCF, projects' primary benefit and main project activities must remain within at least one of the 11 target GRCF countries. Projects which include countries that are part of the UK PACT Country Programmes (China, Colombia, Malaysia, Mexico, and South Africa) and are part of a multi-country or regional initiative are welcome to apply for the GRCF.

Applicants will be expected to demonstrate how the majority benefit of the project is to at least one of the 11 target GRCF countries.

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

## Could you please provide further guidance around your expectation of a robust financial management strategy and your expectations on how to demonstrate cost reasonableness please?

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

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

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