

Guidelines for use of the mini-grants facility

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INTRODUCTION

Background

It is acknowledged that Denmark has a unique opportunity to support strategically important development activities, in countries that are no longer priority countries for Danish development cooperation or, where development programmes are currently being phased out. Therefore, a “mini-grant facility” was established in 2015 to enable selected embassies to support small, short term and clearly defined interventions.

In connection with the Ministry of Foreign Affairs (MFA) “leaning process” it was decided that the number of small projects and grants should be decreased to ensure increased efficiency in the administration of development cooperation. For that reason, the mini-grant facility is designed and intended for one-off interventions not for small projects requiring continuous follow up and monitoring.

Objective

The overall objective is to provide a flexible instrument, allowing embassies to respond promptly to opportunities, which can profile Denmark as a relevant partner by supporting small, clearly defined strategically important development initiatives in the host country. The supported development initiatives could, among others, promote economic diplomacy, foreign and security policies and cultural cooperation.

Embassies included

Eligible entities are Danish embassies in growth and transition economies, where Danish development cooperation has been, or is being, phased out, and who no longer have access to Local Grant Authority funds. Currently, Cairo, Delhi, Jakarta, Hanoi, Islamabad and Pretoria have access to the facility.

General authority

The Head of the Embassy is overall responsible for the effective and appropriate use of the funds.

Purpose and types of activities

The activities should be in accordance with the priorities in the strategy for Denmark’s development cooperation and humanitarian action “The World 2030”.

The embassies may grant funds for the following purposes and types of activities:

- Assist local partners in organisation of workshops, seminars, conferences, and studies. This can be done to strengthen the profile of particular priorities of Danish

development cooperation and could contribute to widening the representation's network and connections to the local resource base. Moreover, it could be used to put emphasis on particular development themes important for Denmark.

- Travel expenses (economy class) for local partners (government officials/civil servants/civil society representatives) for participation in strategically important local/international meetings.

Importantly, only activities that qualify for DAC reporting can be supported. This means that all activities must have a focus on the promotion of economic development and welfare of the population of the developing country as its main objective.

Partners/beneficiaries

The embassy may conclude agreements on activities with the following partners:

- **National authorities**, i.e. authorities of national and local governments, as well as semi-governmental bodies, including universities;
- **Local non-profit civil society organisations** (NGOs, associations, research institutes, foundations, etc.). The organisation must be rooted in the country concerned, i.e. its registered office and activities are in the country. As a general rule, in order to be eligible for support, the organisation should have been in existence for at least one year, articles of association must have been drawn up for the organisation, and its accounts be subject to audit.

The following partners are **not eligible** for support:

- Local representations of **Danish NGOs, multilateral organisations and private companies and individuals.**

GENERAL INSTRUCTIONS

Annual budget allocations

With effect from 2018 each of the eligible embassies will be allocated an initial frame of DKK 2 million by 1st of January each year provided the number of not completed are not exceeding three ref. below. When the initial allocation of funds have been committed, it will be possible to apply for additional allocations.

The grants - size, duration and quantity

The grants must be in DDK and each grant can have a maximum value of DKK 300.000.

The funds are intended for short term, specific interventions. All activities under a mini-grant including presentations of accounts has to be concluded (accounts received and finalised in GRAM) within 6 months from signing of the activity document/agreement.

Embassies are only allowed to have a maximum of 5 grants open at the same time during the year. However, at the end of the year only a maximum of 3 grants must be open. To facilitate a simple overview the embassies should include an updated version of a Gantt Chart - indicating open projects and also indicating a clear timeframe for their 'life span' and closure (ref annex 3) – whenever a new commitment is sought approved at KFU level. This will make it clear for all parties how many projects are open and their timeframe.

General monitoring

It is the embassies responsibility to ensure proper management of the activity including disbursements and that invoices/vouchers/accounts are received and processed timely. However, a **local consultancy company** may be contracted to manage an intervention on behalf of the embassy or local partners.

ADMINISTRATIVE GUIDELINES

Preparation and appropriation

The preparation of the individual grant shall result in an activity document/agreement, which constitutes the appropriation note and the agreement with the partner. The activity document/agreement shall describe the activity and the conditions for support. A standard activity document/agreement is set out in Annex 1.

The grant must be created in PDB based on the activity document/agreement.

The activity document/agreement shall be approved and signed by the Head of Embassy and the implementing partner.

All documentation must be filed by the Embassies as well as uploaded in PDB.

Registration in FMI

The embassies are responsible for registration of the engagement in FMI. This includes undertaking the following steps in FMI:

- creation of commitment and disbursement budget

- linking the commitment budget in FMI to the grant in PDB
- creating the partner as a creditor (and as organisation in case of advance payments)
- creating a new job ID
- registration of commitment (based on the activity document/agreement)

More information about FMI can be found in these [guidelines](#).

Disbursement in FMU

The disbursement is initiated as a bank transfer (central payment) in FMI based on the payment request from the partner including bank account details.

As a general rule, due to the small size of the grants, the partner should be reimbursed based on documented expenses after the event has taken place (see more in the below section about Accounting), however, the Embassies can also make direct payments to suppliers (e.g. to travel agents, conference facilities etc.).

Only in exceptional cases where it is assessed impossible for the partner to defray the expenses an advanced payment can take place. Advance payments must to be registered using the “standard specification 64”. Any balance will be disbursed after the receipt and approval of the financial statement (see more in the below section about Accounting). FMI requires an acknowledgement of receipt of funds from the recipient partner when standard specification 64 is used. Further, it should be noted that when an advance is paid, then it is required to follow-up on outstanding advances in [GRAM](#). It is recommend to contact KFU before choosing the option of advance payments.

Accounting

Due to the purpose of the mini-grant facility being a simple and short term intervention, it is expected that the partner presents a management authorised financial statement indicating the amount received, amounts spent according to budget and balance if any. In the case of larger workshops or similar activities with many transactions, it is recommended to either contract a professional auditor or accounting company to manage the accounts and provide the Embassy with a certified financial statement. The original payment documents must be attached to the financial statements.

Corruption

The MFA’s anti-corruption clause must be a part of the activity agreement with the partner.

”No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practise, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward

in relation to activities funded under this agreement, incl. tendering, award or execution of contracts. Any such practise will be grounds for the immediate cancellation of this agreement/ contract and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Danish Ministry of Foreign Affairs, a further consequence of any such practise can be the definite exclusion from any tendering for projects, funded by the Danish Ministry of Foreign Affairs”.

Completion

The recipient has fulfilled the obligations when final accounts including original vouchers, as applicable, and a simple project completion sheet have been received and approved by the Embassy (see annex 2 for a template).

In order to finalise the grant administratively, it is the responsibility of the Embassy to:

- Register the accounts received and finalised by the Embassy in GRAM in accordance with the guidelines.
- Settle the remaining balance of the disbursement in FMI to close accounts
- Approve accounts (some Embassies will have an agreement with KFU about approval)
- Complete the standard project completion sheet as stipulated in annex 2.
- Ensure that all documents have been uploaded in F2 and PDB/GRAM and close the individual grant to the project by typing the completion date on the grant page.
- Terminate the remaining balance of the commitment/provision in FMI, if any.

Annex 1: Standard activity document/agreement

Text in italics contains instructions and should not be included in the activity agreement.

ACTIVITY DOCUMENT/AGREEMENT

Regarding
State Activity Title

Date:

F.2. Number:

1. Parties to the activity:

State name and address of implementing partner, contact person and contact details (hereafter referred to as (state short name)

and

The Danish Embassy

address

contact person and contact details

2. Purpose code:

State DAC purpose code.

3. Description of the activity:

Describe briefly the activity and the expected outputs of the activity.

4. Grant amount:

Present the total grant amount. Must be in DKK.

The total grant amount is DKK XX. The grant amount must be spent according to the budget. Expenditure beyond the total grant cannot be reimbursed to the *[implementing agency]*.

5. Total budget:

Describe and cost the agreed activities

Budget:

	DKK	Local currency
1) Activity xxx		
2) Activity yyy		
Sub-total		
Contingencies (<i>max. 10%</i>)		
Grand total (DKK)		

The commitment will be the DKK equivalent of the total budget only.

Funds cannot be transferred between the above budget lines without prior written approval from the Embassy.

6. Time schedule

State expected starting and finishing date (month and year).

7. General conditions:

7.1 Procurement of goods and services

Specify procurement arrangement to be applied, e.g. that flight tickets are on economy class and per diem is based on Danida standards.

7.2. Transfer of funds

Specify procedure for release of funds. (Note that funds will be transferred from the MFA through FMI)

The funds may be transferred upon receipt of financial reporting or, if relevant, an advance transfer of up to 75% of the grant can be made upon receipt of the signed agreement, by which the partner accept the terms and conditions, including disbursement request and bank details.

[*Implementing Partner*] must return a letter or email with acknowledgement of receipt of funds.

Any loss due to the variation of exchange rates between the grant in DKK and the national currency must be covered within the grant.

7.3 Accounting requirements

Accounts shall be kept in accordance with internationally accepted accounting principles and the organisation must follow the basic four-eye principles for all payments. The accounts shall at all-time be kept updated and available for inspection by the Embassy of Denmark. The total DKK budget cannot be exceeded and shall be used for the agreed purposes only.

7.4 Financial reporting requirements

A final statement of accounts including original vouchers shall be submitted by *(date, maximum 3 months from start of activity)*.

Statement of accounts shall be drawn up to the same level of detail as is done in the budget (reflecting any agreed changes made). The statements shall clearly state if an advance has been received from the Embassy, the expenditure incurred as well as the outstanding balance at the time of reporting. The statements shall be signed by the responsible authority.

7.5. Unspent funds

In case of advances, any unspent balance of funds shall be returned to the MFA to the following bank account:

Danske Bank

Sort Code: 0216

Account no.: 4069172962

Swift code: DABADKKK

IBAN: DK62 0216 4069 1729 62

The refund should refer to the F.2 Number of this agreement.

7.6. Obligation to report on changes and irregularities

[The implementing agency] is obliged to inform the Embassy immediately if any changes, incl. overspending of budgeted activates, or irregularities in the management of funds are foreseen or have occurred.

7.7. Progress reporting requirements

A project completion sheet shall be submitted to the Embassy no later than *(end date of project)*.

7.8. Anti-corruption clause

No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award, or execution of contracts. Any such practise will be grounds for the

immediate cancellation of this agreement and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Royal Danish Embassy, a further consequence of any such practise can be the definite exclusion from any projects funded by the Danish Embassy.

7.9 Child labour clause

The authority, organisation and/or consultant shall abide by the local laws and by applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organisation conventions.

The authority, organisation and/or consultant shall ensure that no one under 14 years of age or the age of the end of compulsory schooling in that area, whichever is lower, is engaged by the authority, organisation and/or consultant or anyone working or acting under the authority of the authority, organisation and/or consultant.

	On behalf of Implementing Partner	On behalf of The Royal Danish Embassy
Place and date	-----	-----
Signature	-----	-----
Name/title	-----	-----

Annex 2: Project completion sheet

1. BASIC PROJECT DATA:

Country	
Name of project	
PDB file	
Purpose code	
Project period	Planned: Actual:
Total contribution (DKK)	Planned: Actual:
Date of agreement	
Date of project end	
All national partner organisations	
Other development partners (donors)	

2. RESULTS

Briefly assess the extent to which the project has achieved its objectives as defined in the project documentation.

ENDORSEMENT

Head of Representation

Annex 3: GANTT - Chart

