

# NGOTips

A Legacy of Strong NGOs and Networks

October 2011

## Identifying Grantees to Deliver Results

**Q. How do donors and implementers select local partners with the capacity to create meaningful change, deliver results and meet accountability standards?**

**A.** The benefits of working in partnership with local NGOs to achieve development objectives are numerous. In addition to greater local expertise, connections and stronger constituencies than internationals, local NGOs typically bring a commitment and dedication to working on local problems. Yet, not all local NGOs are well-positioned to be effective partners. To achieve programmatic objectives, donors need to select partners with sufficient technical and organizational capacity. Experience shows that an up-front investment of time and effort in carefully assessing prospective partners pays off in terms of better project implementation and increased impact.

This paper focuses on one of the most commonly used mechanisms to help local NGOs achieve program objectives—grants—and the tools for developing a proficient process and criteria for selecting grantees. These not only apply to competitive grant programs, but can easily be adapted and applied to other types of partnerships.

This *NGO Tips* paper is divided into three parts:

1. Soliciting proposals,
2. Developing eligibility and evaluation criteria, and
3. Selecting grantees.

### 1. Soliciting Proposals

Identifying partners and projects for support depends on the ability to solicit strong and relevant proposals. Choosing an appropriate mechanism to solicit proposals—among them RFA, RFP and APS—can be an important factor in achieving a desired outcome. (For more information, see *NGO Tips* #7, *Solicitation Mechanisms and their Impact on Program Design and Outcomes*.) The actual solicitation should provide: an introduction to the funder; a description of the opportunity; its objectives and desired outcomes; basic eligibility and award information; evaluation criteria; and submission guidelines. In addition, funders must decide how widely to cast the net when soliciting proposals and the kinds of proposals they would like to receive from interested applicants.

*Open or Closed Solicitation?* In most cases, a competitive grant program is open to

all interested applicants that meet the basic eligibility criteria through a public call for proposals. In other cases, program objectives are better met by inviting proposals from a specific subset of organizations through a closed call for proposals. The best choice depends on the goals and objectives of the initiative. For example, a closed call for proposals may be useful for supporting follow-on grants or providing targeted support to NGOs in a particular network or coalition.

The mechanism employed to publicize the grant opportunity flows from the choice of approach. While an open call for proposals will benefit from wide advertising on Web sites and the traditional media, invited proposals can easily be distributed directly to a pre-determined set of potential applicants.

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*Up-front investment of time and effort in carefully assessing prospective partners pays off in terms of better project implementation and increased impact.*

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## Open vs. Closed Solicitation

	Pros	Cons
<b>Open Call for Proposals</b>	<ul style="list-style-type: none"> <li>Increases transparency of the grant process</li> <li>Allows an opportunity for NGOs unfamiliar to the donor to apply and demonstrate their potential</li> </ul>	<ul style="list-style-type: none"> <li>Potential for less familiarity with applicants' work and values</li> <li>Labor-intensive process that requires a fair amount of administrative oversight</li> </ul>
<b>Invited or Closed Call for Proposals</b>	<ul style="list-style-type: none"> <li>Builds on in-depth knowledge of and established relationship with potential grantees</li> <li>Useful for supporting follow-on grants or providing targeted support</li> </ul>	<ul style="list-style-type: none"> <li>Excludes unfamiliar NGOs that might make good partners</li> <li>Can be perceived as a predetermined (unfair) selection process which rules out some qualified applicants</li> </ul>

**Application Format**

There are three broad types of applications: detailed application forms, more general concept papers and open submissions where the applicant determines the format. Grant makers should take into account what type of application will allow them to best judge proposals against evaluation criteria. Regardless of the type of application, grant makers must decide what information is required of all grantees.

There may be times when it is beneficial to begin with a request for a concept paper

or brief proposal to allow for an initial review of an applicant's ideas before asking them to spend time and energy on the preparation of a full-fledged proposal. Then, the grant maker can either provide guidance or get directly involved in the development of the most promising concepts. Such an approach can help ensure that full proposals better meet the key objectives of the grant program. However, this tends to be more time consuming and, therefore, may best used for larger grant amounts and longer programs.

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*The best eligibility criteria are those that can be objectively verified.*

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## Types of Applications

	Pros	Cons
<b>Detailed Application Form</b>	<ul style="list-style-type: none"> <li>Ensures that specific information is provided</li> <li>Allows proposals to be more easily compared against evaluation criteria</li> </ul>	<ul style="list-style-type: none"> <li>May limit creativity</li> <li>May not allow applicants to share all aspects of their plans</li> </ul>
<b>Concept Papers/ Two-stage Application Process</b>	<ul style="list-style-type: none"> <li>Reduces the time spent preparing and evaluating proposals that do not match priorities or expectations</li> </ul>	<ul style="list-style-type: none"> <li>Raises expectations of the applicants invited to submit full proposals</li> <li>Not typically suitable for small, short-term projects</li> <li>More time-consuming</li> </ul>
<b>Open Application Structure</b>	<ul style="list-style-type: none"> <li>Provides space to develop and share creative ideas and innovative approaches</li> </ul>	<ul style="list-style-type: none"> <li>Makes proposals more difficult to evaluate using the same set of criteria</li> <li>Increases the possibility of receiving proposals that are unclear, too detailed or not detailed enough</li> </ul>

### 2. Developing Eligibility and Evaluation Criteria

The program's objectives and requirements should translate into a logical set of selection criteria that can be used to evaluate proposals. Well-defined criteria can also be used to explain funding decisions, thereby increasing transparency. In general, there are two types of criteria:

- **Eligibility criteria**

Eligibility criteria lay out the basic requirements that organizations must meet in order to be considered for funding. They can include a range of factors relevant to the program's goals or the type of applicant being targeted. Eligibility criteria should be characteristics that can be objectively verifiable. For example, if successful achievement of a program's goals requires a sophisticated and well-developed organization, criteria may include having a certain number of years of experience in a given field or having a certain number of full-time employees.

#### Sample Eligibility Criteria

Applicants must:

- > Be registered as a nonprofit organization under applicable law and be philanthropic or public service-oriented;
- > Have been active for a maximum of X years;
- > Have at least X full-time staff;
- > Have had an annual budget in Year 20XX of at least US\$XX,XXX; and
- > Have experience in the target issue and/or geographic area.

- **Evaluation criteria**

Evaluation (or selection) criteria are the basis upon which the quality of proposals should be judged and decisions about funding made. The weight of evaluation criteria should reflect their relative importance in the decision-making process.

Evaluation criteria tend to be subjective and usually include assessing the potential impact of the proposed activity, the budget, cost effectiveness and the applicant's ability to carry out the project successfully. Ratings for each criterion may be quantitative (e.g., rating each factor with a score of 1 through 10) or qualitative (e.g., rating each factor with a poor/fair/good/excellent scale), or based on another agreed-upon method that is clear to all the reviewers.

#### Sample Evaluation Criteria

##### A. Technical Approach

###### *Project Design*

- To what extent does the proposed approach respond to the program objectives?
- To what extent is the proposed approach clear, logical, well-conceived, technically sound and/or creative?
- To what extent does the proposed approach accurately and comprehensively identify and respond to local realities?
- Are stated goals, objectives, and key activities/results connected and mutually reinforcing?
- Are the activities and results realistic?
- How significant is the expected project impact?

Does the proposed approach incorporate lessons learned and best practices from prior projects? *Monitoring and Evaluation*

- Does the proposal include an appropriate system for monitoring and evaluating project activities?
- Does it include a feedback loop for using the data collected to strengthen the project?

###### *Replicability*

- Will the project establish a model, technique or approach that can be replicated by other groups or institutions? How will the model be disseminated?

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**Grant makers should take into account what type of application will allow them to best judge proposals against evaluation criteria.**

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### *Sustainability*

- How likely is it that the project activities will continue after the life of the grant?

### *Gender Considerations*

- To what extent does the proposed approach address gender considerations?

## **B. Institutional Capacity**

### *Organizational Capacity/*

### *Past Performance*

- To what extent do the applicant's institutional capability and experience demonstrate an ability to promptly launch and effectively implement the proposed activity and achieve project goals?
- Does the applicant have a demonstrated track record of implementing similar activities in comparable environments, including the capacity to manage (technically, administratively and financially) a project of similar type and complexity and to deliver the required results within the specified time period?
- Does the applicant have the necessary skills, reputation, experience and potential to achieve program goals, as evidenced by:
  - Previous project experience?
  - Level of active participation in relevant networks, coalitions or forums? Demonstrated cooperation with other institutions/sectors?

### *Personnel and Staffing*

- Do Key Personnel have appropriate academic backgrounds, relevant field and management experience, expertise in their respective functional areas and experience working on similar activities?
- Does the staffing plan demonstrate an ability to promptly launch and effectively implement the proposed activity?

### *Partnership*

- If the project proposed is a partnership, are the roles and responsibilities of each partner clearly defined? Do partner organizations have the necessary skills and capacities to successfully implement project activities?

## **C. Cost**

- How reasonable is the budget in terms of the expected results and impact?
- How reasonable are the budget items?
- How effective are proposed cost control systems?
- If required, are cost sharing, matching funds or in-kind contributions provided?

## **3. Selecting Grantees**

The proposals and budgets submitted will serve as the basis for making decisions about funding. But, who will make these decisions, and how will they do so? The options on the following page may be considered.

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*The weight of evaluation criteria should reflect their relative importance in the decision-making process. Evaluation criteria tend to be subjective and usually include questions about the potential impact of the proposed activity, the budget, cost effectiveness and the expertise of the applicant to carry out the project successfully.*

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### Review Committees

Review committees are frequently engaged to evaluate proposals for conformity with program goals and the selection criteria outlined in the solicitation. They may be tasked with making final funding decisions or be limited to making recommendations and advising the final decision-makers about which organizations or projects to fund. Review committees can consist entirely of representatives of the donor organization, of external experts or a mixture of the two, depending on the objectives of the program and other factors, including the level of in-house expertise. While more demanding in terms of logistical arrangements, the use of outside experts helps to increase transparency of the selection process and introduces expertise or perspectives that may not be available in-house.

#### Transparency

Transparency in selecting local partners or grantees is critical. A lack of transparency in how decisions were made can lead to charges of favoritism and corruption that can absorb a great deal of staff attention and discredit a program.

### Pre-award Management Questionnaires

While initial decisions will be made on the basis of proposals that outline who, what, when, where and how the work will be undertaken, it may also be prudent to confirm or assess the adequacy of the financial management and accounting systems of prospective grantees prior to awarding a grant. Design a Management Questionnaire to elicit information about the organization's accounting, administrative and financial structures, current program capacity, and governance and accountability mechanisms that does not come through in a proposal narrative. Management questionnaires can also help identify areas where the organization may need technical assistance to ensure accountability if a grant is awarded.

#### Sample Management Questions

- *General Information:* What are the section criteria for your Board? How is the staff structured?
- *Internal Controls:* How often do you compare inventory records to actual equipment?
- *Accounting System:* Do you keep invoices and receipts for all payments made from grant funds?
- *Funds Control:* Will a separate bank account registered in the name of your organization be established for grant funds?
- *Audit:* Does your organization have regular independent audits which you contract and pay for?
- *Subrecipient Monitoring:* How frequently does your organization check the costs incurred by subrecipients and review their financial and narrative reports?
- *M&E System:* How does your organization monitor program results, evaluate impact and use that information for future planning.

### Pre-award Site Visits

A site visit is a useful means to verify the information provided in the proposal or Management Questionnaire and assess the organization's technical and institutional systems or capacities in greater depth. It can be particularly beneficial when considering funding an organization with which the donor may be unfamiliar. Specifically, a site visit may be used to examine key functions, like those on the following page.

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## Identifying Grantees To Deliver Results

*Financial, accounting and administrative systems*, including the NGO's ability to keep proper and accurate financial reports, appropriate control measures on cash and funds disbursement, safe keeping of petty cash and assets, and administrative and financial policies, including auditing and staffing.

*Current program capacity*, including the technical skills of program staff, current projects and activities, and the capacity for

scaling up, as well as program linkages, referrals and partnerships on the ground that demonstrate the potential for collaboration and community ownership.

*Governance and accountability mechanisms*, including the division of authority and responsibility between staff and board, existing mechanisms for ensuring accountability in terms of administration, planning and resource development.

### Types of Review Committees

	Pros	Cons
<b>External Committee</b>	<ul style="list-style-type: none"> <li>• Greater objectivity</li> <li>• Greater expertise (potentially)</li> <li>• Open to new ideas (potentially)</li> </ul>	<ul style="list-style-type: none"> <li>• Possible conflicts of interest</li> <li>• Arm's length knowledge of the program goals and objectives</li> <li>• More labor intensive to recruit reviewers and facilitate review process</li> </ul>
<b>Internal Committee</b>	<ul style="list-style-type: none"> <li>• Good understanding of the goals and organizational procedures</li> <li>• Easier to organize and facilitate review process</li> </ul>	<ul style="list-style-type: none"> <li>• More limited expertise (potentially)</li> <li>• Less open to new ideas and more likely to overlook innovative approaches (potentially)</li> </ul>
<b>Mixed External-Internal Committee</b>	<ul style="list-style-type: none"> <li>• Good combination of understanding of program goals and external views and expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Consensus may be more difficult because of different perspectives</li> </ul>

## NGOTips

### For more information:

This NGO Tips brief is available online at [www.NGOConnect.NET](http://www.NGOConnect.NET). This dynamic and interactive site is dedicated to connecting and strengthening non-governmental organizations (NGOs), networks, and support organizations worldwide.

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