



# Community-based Climate Change Action Grants Application Guidelines

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Annex 2: Community-based Climate Change Action Grants Invitation to Submit a Concept Paper

Annex 3: Engaging Not-for-Profit Organisations - Statement of International Development Practice Principles

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## Section 1: Introduction and background

### 1.1 Community-based Climate Change Action Grants

Community-based activities can play an important role in helping developing countries respond to climate change, while also contributing to poverty reduction and enhancing livelihoods. By working directly with communities and using local knowledge, activities can be targeted to address community priorities and build the capacity of communities to respond to climate change challenges and development needs.

In recognition of the important role that non-government organisations (NGOs) play in developing and implementing community-based climate change responses, the Australian Government is committing up to AUD\$30 million over two years (2011-12 to 2012-13) to Community-based Climate Change Action Grants to support community-based adaptation and mitigation activities in developing countries.

Grants are available for Australian and international NGOs to work with local organisations to scale up current successful community-based climate change activities or to build a climate change component into existing community development activities in the Pacific and South East Asia. The fund is open to NGOs with expertise in the implementation of community-based adaptation and/or mitigation activities.

The grants fall into two main categories:

- a) **Community-based adaptation grants**, which will help build the resilience of communities to the impacts of climate change; and
- b) **Community-based mitigation grants**, which will help communities reduce or avoid greenhouse gas emissions, while also addressing key development priorities.

Organisations are invited to submit concept proposals for the grants program. AusAID will co-fund the detailed design of activities for successful organisations.

Applications of \$1-3 million in South East Asia and \$1-2 million in the Pacific will be considered, but proposals must demonstrate value for money. Activities are expected to commence implementation by mid-2012 and be completed by 31 December 2014.

Preference will be given to proposals where the organisation has an established relationship with communities. The program will therefore focus on opportunities to scale-up and build on existing efforts to help communities respond to climate change, or to build a climate change component into existing community development activities. New projects will also be considered.

### 1.2 Relationship of the grants program to Australia's climate change support

Australia is investing \$599 million in 'fast-start' finance over three years (2010-11 to 2012-13) to assist developing countries to respond to climate change. More than half of this funding is for adaptation – to assist developing countries to plan for and respond to the unavoidable impacts of climate change, focusing on the poorest and most vulnerable countries. The remainder is for mitigation – to help developing countries reduce their greenhouse gas emissions and pursue cleaner development pathways.



Australia's adaptation assistance is primarily delivered through the International Climate Change Adaptation Initiative (ICCAI). Australia is investing \$328.2 million over five years (2008-09 to 2012-13) through the ICCAI to meet high priority climate change adaptation needs in vulnerable countries.

The ICCAI is working closely with partner countries to enhance understanding of climate change impacts, build capacity to effectively plan and implement adaptation strategies and to implement priority adaptation actions. Australia is also providing adaptation assistance through contributions to multilateral funds, such as the Kyoto Protocol's Adaptation Fund, the Least Developed Countries Fund and the Pilot Program for Climate Resilience. More detail about the ICCAI is included at Annex 1.

Australia's mitigation funding aims to help developing countries build capacity to deliver greenhouse gas emissions reductions, while continuing their development and growth. It includes \$146 million for reducing emissions from deforestation and forest degradation in developing countries (REDD+) and \$144 million for low emissions growth.

Further information about Australia's climate change support to developing countries can be found at <http://www.aisaid.gov.au/keyaid/envt>.

Australia provides a range of funding to assist other nations to mitigate and adapt to climate change. This program will support community-level climate change action to complement AusAID's bilateral programs, support to regional organisations, and contributions to multilateral agencies. The grants program fulfils an important role in the Australian Government's climate change support program by:

- a) providing an effective channel for Australian funding to reach communities, particularly those that might not otherwise easily access climate change finance;
- b) building the capacity of communities to respond to climate change;
- c) generating tangible results that can be replicated at a larger scale in the future; and
- d) helping to address the country-specific priorities of AusAID's bilateral programs in the Pacific and South East Asia.

The grants program will also complement Australia's support for small-scale community-based work through the Global Environment Facility's Small Grants Program.

The grants program builds on Australia's previous support for community-level adaptation activities in developing countries. In 2009, Australia provided \$2.7 million for Community-based Adaptation Partnerships in the Pacific and East Timor. This Community-based Climate Change Action Grants program reinforces Australia's commitment to community-level responses by extending the geographic scope of support beyond the Pacific to South East Asia; significantly increasing the funding allocated to the grants program, and supporting both adaptation and mitigation projects.

## Section 2: Objectives

The key objectives of the Community-based Climate Change Action Grants are to:

- a) increase the resilience of communities in developing countries to the unavoidable impacts of climate change; and
- b) reduce or avoid greenhouse gas emissions while also contributing to development priorities in the target communities.

## Section 3: Development Priorities

Organisations should consider the following guiding principles when developing their applications. The proposed activities should:

- a) Promote local community ownership, improve coordination of responses, align with local and national development, adaptation and mitigation priorities, and harmonise with other international, regional and donor work in the country, community and/or sector.
- b) Use existing community structures, involve local organisations acceptable to national and local authorities and be consistent with local and national development policies, particularly relating to climate change and disaster risk reduction.
- c) Ensure members of the community understand and support the purpose of the activity and actively contribute to its development and implementation.
- d) Encourage partnerships between a variety of stakeholders – including, where possible, sub-national governments – that strengthen and build on local/regional and traditional knowledge, expertise and networks.
- e) Ensure that the specific needs of men, women, children and people with a disability are addressed and that opportunities exist for women and people with a disability to participate as decision makers in determining objectives and types of activities.
- f) Aim to strengthen capacity within communities and community-based organisations and/or local NGOs to enhance sustainability of outcomes at the conclusion of the project.
- g) Ensure a rigorous approach to monitoring and evaluation, including capturing a broad range of outcomes and including mechanisms for continuous reflection, learning and adjustment.
- h) Have clear learning objectives and strategies for communicating the outcomes of the activities to stakeholders.
- i) Demonstrate a commitment to development effectiveness, sustainability, tangible outcomes, quality, applying lessons learned and sharing lessons with other stakeholders.

Proposed **adaptation** activities should also:

- j) Aim to build resilience to key climate change-related impacts on vulnerable communities.

Proposed **mitigation** activities should also:

- k) Provide credible estimates (and the approach/methodology used) of emissions that will be reduced or avoided annually and over the lifetime of the project (in tonnes of CO<sub>2</sub>-e). Where data is unavailable at the concept stage, the proposed approach/methodology for estimating emissions should be provided.

## Section 4: Funding

Up to AUD\$30 million in funding is available to non-government organisations through the Community-based Climate Change Action Grants. The available funding by region is detailed below:

| Focus                   | Region                       | Country specific or regional | Size of individual grants (AUD) | Total funding available (AUD) |
|-------------------------|------------------------------|------------------------------|---------------------------------|-------------------------------|
| Adaptation              | Pacific <sup>1</sup>         | Regional or single country   | \$1-2 million <sup>3</sup>      | Up to \$10 million            |
|                         | South East Asia <sup>2</sup> | Single country               | \$1-3 million                   | Up to \$15 million            |
| Mitigation <sup>4</sup> | Vietnam                      | Single country               | \$1-3 million                   | Up to \$5 million             |

1. Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Republic of Palau, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.
2. East Timor, Philippines and Vietnam, with a focus on Vietnam. Preference will be given to larger proposals for Vietnam. This does not, however, rule out smaller innovative proposals.
3. Smaller values may be considered under special circumstances.
4. Only Vietnam is eligible for mitigation funding for this grants program. However, adaptation proposals for other eligible countries can include a mitigation component. The mitigation component of these projects must not exceed 20% of the total activity.

In applying for support, applicants should note the following funding criteria:

- a) Funding support will cover activities beginning by mid-2012 and finishing on or before 31 December 2014. All funding will be disbursed in the 2011-12 and 2012-13 financial years.
- b) Funding must be proportional to the work entailed and demonstrate value for money. A project budget must be included as an annex to each application.
- c) AusAID will fund up to 70 percent of the detailed design of activities for successful applicants. Design should be undertaken in consultation with AusAID in the first half of 2012. Organisations should include an estimate of the design costs in their proposals. The grants awarded to organisations will be inclusive of design costs.
- d) Proposal budgets should include the costs of monitoring and evaluation. 100 percent of these costs will be eligible for funding.



- e) Funding for mitigation activities is focused on low emissions growth, such as energy efficiency, sustainable transport, the promotion of clean technologies and land use management. REDD+ activities are not eligible for funding.
- f) Funding must not be used for purposes other than for the activity outlined in the application.

AusAID recognises that longer-term collaborations are desirable for increasing the effectiveness and sustainability of community-level responses. Organisations that are successful in gaining funding through this grants program may be eligible for project extensions beyond 2014 (building on funded activities), subject to an independent assessment of the organisation's performance and project outcomes, support from partner country stakeholders, and availability of funding. Extensions of up to 2.5 years will be available.

Applicant organisations should be aware that, as the grants program is likely to receive proposals for funding significantly in excess of the funds available, it is likely that not all eligible proposals will receive funding support.

## Section 5: Activity proposal format and submission requirements

Applications must use the Proposal Template provided in the *Community-based Climate Change Action Grants: Invitation to Submit a Concept Paper* attached as Annex 2 to these Guidelines. Organisations must submit a separate application for each proposal.

Applications must be submitted in electronic format (MS Word 2003 compatible) by email to [climategrants@ausaid.gov.au](mailto:climategrants@ausaid.gov.au) by **5pm (Australian EDT) on 10 February 2012**. Documents and attachments must not exceed 5MB. Late applications will not be accepted.

The application must:

- a) Meet the Eligibility Criteria as specified in Section 6.
- b) Address each of the Selection Criteria listed in Section 7 and demonstrate alignment with the Development Priorities in Section 3.
- c) Use the Template attached at Annex 2 and comply with page limits specified in the Proposal Template.

## Section 6: Eligibility Criteria

### 6.1 Organisation eligibility

To be eligible for funding, organisations must comply with the following criteria:

- a) The lead organisation is an Australian or International NGO with knowledge and technical skills of relevance to community-based climate change adaptation and/or mitigation. Applications from organisations that have established working relationships with local partners are encouraged.
- b) The organisation(s) is accredited by AusAID and/or agrees to the Statement of International Development Practice Principles at Annex 3 to these Application Guidelines.

Note: If an organisation is not accredited by AusAID or has not previously received AusAID funding, the organisation will be asked to provide other documents to help AusAID assess the organisation's management capacity, systems and operations. These documents include:

- i) a copy of the organisation's constitution or articles of association;
- ii) an audited annual financial statement certified by a public accountant who is not a member of the organisation;
- iii) a copy of the organisation's annual report, or a similar document; and
- iv) an outline of its work program.

These documents should not be provided when submitting a concept paper; AusAID will separately request this information from relevant organisations. If organisations are unable to provide these documents when requested, then adequate explanation must be provided. If neither documentation nor adequate explanation can be provided, the proposal will be considered non-compliant and will not be eligible for funding.

- c) The organisation(s) manages activities and relationships with other organisations in a way that reflects good practice in developing countries. Among other things, the organisation(s):
  - i) has systems to assess and manage financial risk (including those associated with in-country partners) appropriate to the level of expenditure; and
  - ii) demonstrates capacity to meet standard AusAID funding agreement obligations on matters such as child protection, fraud and terrorism financing, and reporting obligations under the Environment Protection and Biodiversity Conservation Act 1999.
- d) Applicant organisations must declare all other proposals or sources of funding (including Australian Government funding) that is related, or may impact, on the activity.
- e) Consortia applications must be accompanied by a separate letter from each partner providing information about the organisation, noting the relationship between the lead and partner organisations and intent to collaborate on the proposed activity.
- f) All organisations seeking AusAID funding must comply with the relevant category in Attachment 1 of AusAID's Child Protection Policy (available at [http://www.ausaid.gov.au/publications/pdf/child\\_protection.pdf](http://www.ausaid.gov.au/publications/pdf/child_protection.pdf)).

## 6.2 Activity eligibility

To be eligible for funding, proposed activities must comply with the following criteria:

- a) Proposed activities must be consistent with the Australian aid program's strategic goals and development objectives, as outlined in *An Effective Aid Program for Australia: Making a real difference – Delivering real results* (available at <http://www.aisaid.gov.au/publications/aidreview-response/effective-aid-program-for-australia.pdf>).
- b) The proposed activities must comply with AusAID's safeguards, as described in Annex 4.
- c) The proposed activity is to be implemented in one or more Pacific Island countries or in a single country in South East Asia. A list of countries eligible for community-based adaptation funding is below.

| Region          | Eligible countries |
|-----------------|--------------------|
| Pacific         | Cook Islands       |
|                 | Fiji               |
|                 | Kiribati           |
|                 | Marshall Islands   |
|                 | Micronesia         |
|                 | Nauru              |
|                 | Niue               |
|                 | Palau              |
|                 | Papua New Guinea   |
|                 | Samoa              |
|                 | Solomon Islands    |
|                 | Tonga              |
|                 | Tuvalu             |
|                 | Vanuatu            |
| South East Asia | East Timor         |
|                 | Philippines        |
|                 | Vietnam            |

- d) Organisations proposing to run activities in Vietnam are eligible for mitigation funding for this grants program. However, adaptation proposals for other eligible countries can include a mitigation component. The mitigation component of these projects must not exceed 20 percent of the total activity.
- e) Proposals for integrated adaptation and mitigation activities may be accepted for Vietnam. The proposals should clearly indicate the relative proportions of adaptation and mitigation components.

- f) The proposal must be consistent with the relevant policies of partner countries and address priorities at the community level. Organisations are encouraged to develop proposals in consultation with partner country governments. Host government endorsement will be required prior to commencing implementation (and while not required at the application stage, organisations are encouraged to consult with partner country governments when developing their proposals).

### 6.3 Ineligible activities and ineligible costs

Support will NOT be provided for applications that seek funding for:

- a) Activities that are determined reasonably to be contrary to the interests of the Commonwealth of Australia.
- b) Activities that do not clearly demonstrate a commitment to the participation of partners in programming and implementation.
- c) Recurrent costs, unless there is a convincing plan to ensure the recipients will be able to take over those recurrent costs within the life of the activity.
- d) Retrospective activities.
- e) Management overheads that exceed 10 percent of total project costs.
- f) Travel expenses that exceed 20 percent of total project costs.
- g) Activities that cannot clearly demonstrate an ability to generate “on-the-ground” benefits for target communities.
- h) REDD+ projects.

## Section 7: Assessment

### 7.1 Assessment Criteria

#### 7.1.1 Organisation / consortia criteria

Organisations will be assessed against the following criteria:

- a) The organisation(s) has proven ability to generate positive, measureable development and climate change adaptation or mitigation outcomes at the community level, and demonstrates capacity to scale-up and build on current successful operations.
- b) The organisation(s) has demonstrated extensive and relevant in-country experience in target country(ies) with established relationships with local partners, organisations and governments in target country(ies).
- c) The organisation(s) has the ability to build the capacity of partner NGOs/community based organisations and communities in target country(ies) to respond to climate change.

### 7.1.2 Activity criteria

Activities will be assessed against the following criteria:

- a) The activity has clear objectives and outcomes that will help to meet:
  - i) the objectives of the Community-based Climate Change Action Grants program (Section 2 of these Guidelines);
  - ii) the priorities of Australia's aid program for the relevant partner country(ies) (Annex 5 of these Guidelines);
  - iii) the climate change and development priorities of the national government of the intended partner country(ies); and
  - iv) the objectives of the International Climate Change Adaptation Initiative (Annex 1 of these Guidelines; for adaptation proposals only).
- b) The activity replicates or scales up existing successful climate change projects and/or integrates climate change considerations into existing successful sectoral projects (for example agriculture or water projects) in the target country(ies). New climate change projects will also be considered when the applicant can demonstrate an ability to achieve tangible results in the program timeframe.
- c) The activity focuses on:
  - i) key climate vulnerabilities and adaptation priorities at the community level (activities incorporating sustainable livelihoods outcomes, disaster risk reduction, and/or environmental co-benefits are strongly encouraged); and/or
  - ii) opportunities to reduce or avoid greenhouse gas emissions at the community-level, while also contributing to development priorities in the target community (activities incorporating sustainable livelihoods outcomes, low-emissions growth, 'green growth', pragmatic low emission technology transfer, and/or environmental co-benefits are strongly encouraged).
- d) The activity includes a prominent role for local NGOs, community-based organisations and/or partner country governments (national or sub-national) in development and implementation and includes capacity building within the community to assist in achieving sustainable adaptation outcomes.
- e) The activity integrates gender equality, environmental sustainability, disaster risk reduction and social inclusion including people with a disability.

- f) The activity includes adequate monitoring and evaluation arrangements to effectively measure and report on progress towards project objectives and, for adaptation proposals, ICCAI objectives<sup>1</sup>.

### 7.1.3 Value for money

Applications will be assessed against the following criteria:

- a) The funds requested, and detailed in the project budget as part of the proposal, are reasonable and proportional to the intended work to be undertaken.

Note: Cost will not be the only determining factor in assessing value for money. The assessment of proposals will consider:

- (i) fitness for purpose - that a grant would add value by achieving something worthwhile that would not occur without grant assistance (derived from the outcomes and objectives outlined in the activity proposal);
- (ii) the performance history of the applicant;
- (iii) the relative risks within the proposal, and risk analysis and management plan outlined; and
- (iv) financial considerations, including all relevant direct and indirect benefits and costs over the proposal cycle.

## 7.2 Assessment process

- a) Applications received by the deadline will first be checked to ensure the organisation and proposed activities meet the Eligibility Criteria detailed in Section 6.
- b) Eligible applications will be assessed on their merits by a Selection Panel appointed by AusAID. The Selection Panel will comprise representatives from AusAID's United Nations, Climate Change and Environment Branch, AusAID's Pacific and Asia Bilateral branches, the Department of Climate Change and Energy Efficiency, a representative from an NGO and an independent technical expert. Relevant AusAID country programs will be invited to consider proposals relating to their country and provide advice to the Panel.

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<sup>1</sup> Successful applicants will be required to develop robust monitoring and evaluation frameworks during the detailed design phase of the project. Reporting may be required to align with any AusAID knowledge management processes on community-based adaptation.

- c) The Panel will assess the quality of each proposal in terms of the following criteria:
  - i) **Capacity of the applicant organisation** to deliver proposed activities (refer Section 7.1.1) (weighting 20%).
  - ii) Extent to which the proposed activities demonstrate **technical merit** and an ability to address the **objectives and outcomes** of the grants program, the intended partner country(ies), and Australia's climate change support programs (refer Section 7.1.2) (weighting 45%).
  - iii) Extent to which the proposal demonstrates good **value for money** (refer Section 7.1.3) (weighting 10%).
  - iv) Extent to which the proposal aligns with the **development priorities** of the grants program (refer Section 3) (weighting 25%).
- d) The Panel will also take into account the need to ensure an overall balance in the range and geographic spread of funded activities.
- e) Organisations may be asked to provide other documents (such as those outlined in Section 6 of these Guidelines) to assess an organisation's management capacity, systems and operations if deemed necessary.
- f) The Panel's recommendations, including the outcome of the assessment process and a recommended list of suitable applications, will be submitted to an AusAID Delegate for approval.
- g) Organisations will be advised of the outcome and successful organisations will be contacted to commence negotiation of funding agreements.
- h) AusAID will co-fund the detailed design of successful proposals. Partner government endorsement of the applications will be sought at this stage if not previously secured.
- i) Final activity designs will be submitted to the AusAID delegate for approval. Designs will be assessed to ensure they are consistent with their proposal, and will not be separately assessed against the Assessment Criteria in Section 7. Organisations will be required to submit a full project plan (including timeframes), an itemised budget, and a monitoring and evaluation plan.
- j) The responsibilities of all parties, the outputs and reports required to be produced, and payment details will be outlined in funding agreements, which are expected to commence by March 2012.

- k) An indicative timeline is provided below:

| Date                   | Competitive Grants                                                                                                   |
|------------------------|----------------------------------------------------------------------------------------------------------------------|
| 16 December 2011       | Request for applications issued                                                                                      |
| 10 February 2012       | Applications close (17:00 Australian EDT)                                                                            |
| February to March 2012 | Selection process                                                                                                    |
| March 2012             | Notification of grant outcomes                                                                                       |
| Late March 2012        | Funding agreements negotiated                                                                                        |
| April to June 2012     | Detailed design of projects                                                                                          |
| Late June 2012         | Implementation commences (depending on time taken to negotiate and finalise funding agreements and undertake design) |
| December 2014          | Activity completed and final report due                                                                              |

- l) Feedback on unsuccessful applications will be made available to applicants. The level of detail of this feedback will be dependent on the number of applications received.
- m) Organisations should refer to [AusAID's Complaints Handling Procedures Relating to Procurement and Grant Funding Administration](#), updated 3 December 2010, for any disputes regarding the selection process.

## Section 8: Detailed activity design for successful applicants

Successful organisations will be expected to undertake the detailed design of activities in consultation with AusAID's climate change program and relevant country programs in the period April to June 2012. AusAID will fund up to 70 percent of the detailed design of activities for successful applicants (see Section 4 of these Guidelines).

AusAID will provide further guidance on design requirements to successful organisations.

## Section 9: AusAID contact

Any inquiries should be addressed to:

Kellie Raab  
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*\* AusAID's Vietnam Program is planning to hold an information session on their climate change engagement for interested INGOs based in Hanoi. Please register for this event by emailing Ms Le Minh Nga ([minh-nga.le@ausaid.gov.au](mailto:minh-nga.le@ausaid.gov.au)) by 9 January 2012 in order to receive details on when this will be held.*