ADDENDUM 2

Date: 8 September 2017   **Pages: 3**

Subject: Addendum 2 to the Competitive Grant Guidelines – Water for Women Fund (Civil Society
             Organisation Component) of 18 August 2017

Applicants are advised of the following:

Questions Raised in Writing by Interested Applicants

Q1.   Will DFAT require an audit at the end of the project period?

A1.   The Fund Coordinator, in consultation with DFAT, may request an audit during project
       implementation or at project end. CSO applicants should include audit costs as a budget line item
       to cover such an eventuality.

Q2.   Can you clarify whether the AUD100,000 limit for the inception period applies only to DFAT costs
       (as stated in the grant guidelines) or to total costs inclusive of CSO contributions (as calculated in
       the SmartyGrants form)?

A2.   The AUD100,000 limit for inception grants refers only to DFAT contributions. The SmartyGrants
       form has been updated to reflect this, as noted in the SmartyGrants Amendments section of this
       Addendum 2.

Q3.   The SmartyGrants form implementation budget includes a question on *"Estimated proportion of
       project funding related to Head Office costs that are not used for direct implementation of the
       project."* Is this the same as CSO Administration Costs listed in the budget?

A3.   The estimated proportion of these costs includes the 'CSO Administration Costs' listed in the
       budget and defined in Section 10.1 of the ANCP Manual ([http://dfat.gov.au/about-
       us/publications/Pages/australian-ngo-cooperation-program-manual.aspx](http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx)) plus any other
       headquarters costs for staff or activities not covered in that section of the ANCP Manual. An
       example of other headquarters costs is M&E, WASH or other technical advice provided
       specifically to headquarters based management.

Q4.   Budget notes in the Draft Design Annex indicated that CSOs should budget for Fund-wide K&L
       events, the Inception Phase workshop and annual face-to-face Fund Steering Group meetings.
       There is no similar guidance in the Fund Competitive Grant Guidelines. Can you confirm that
       CSOs should budget for these processes?

A4.   It is confirmed that CSOs should budget for these processes.

Q5.   How should CSOs account for foreign exchange gains or losses in the budget?

A5.   CSO's should budget accordingly for exchange rate gains and losses as far as practicable. DFAT
       and the Fund Coordinator will not be responsible for costs incurred by the CSO as a result of
       exchange rate variances; however, during implementation, budget adjustments may be made, in
       consultation with the Fund Coordinator, to allow for unforeseen circumstances.

Q6.   Can you provide clarification on the level of detail you would like to see included in the
       Implementation budget? Regarding Activity costs; are the four budget lines in the SmartyGrants
       template illustrative, or are these the categories that CSOs should use to summarise their
       budget? Is there is scope, or indeed a preference, for CSOs to provide more detail? If so, would
       you like a full activity level budget and should this be summarised by output or outcome?

A6.   There is no scope for greater detail than what is already requested in the template budget. There is a narrative field at the end of the implementation budget section, designed for applicants to explain their budget approach. Please also refer to Addendum 1, Question 1.

Q7.   How does DFAT view repayable contributions such as a revolving fund for WASH loans? Is this an allowable cost?

A7.   Yes, this would be an allowable cost.

Q8.   While it is clear that applicant contributions are not mandatory but must be declared, does DFAT have any expectations around applicant contributions? Will projects that include a co-contribution be assessed as being more competitive?

A8.   DFAT has no expectations around CSO Project Contributions. Co-contributions, among a range of other factors, will be considered in an overall value for money assessment of the proposal.

Q9.   Do CSO contributions to budgets have to be from Australian CSO budgetary sources or can they be an allocation from within a global INGO federation budget?

A9.   The CSO contributions to the proposed budget can be from any other source nominated by the applicant.

Q10.   How should the Partner Organisations section in the budget be used? Should we represent all the costs of our partners in this section so that this represents a specific sub-set of the budget for each partner, e.g., all staffing costs, travel costs, and activity costs specific to each partner?

A10.   The Partner Organisations section of the budget does not need to replicate all the cost items of the Applicant budget. However, it is suggested that all partner costs are represented in this section of the proposed budget (both inception and implementation budgets). You may use the main budget headings where relevant (Personnel, Travel, Local Office, Activity, Monitoring and Evaluation / Knowledge and Learning, and Administration costs).

Q11.   Can you provide guidance on how the Asset Procurement Plan should be presented, including the level of detail required?

A11.   The Asset Procurement Plan should itemise assets intended to be procured that have a value of at least AUD2,000. The plan should include the asset description, value in AUD, approximately when it will be procured and where it will be located. A more detailed Asset Procurement Plan may be developed during the Inception Phase.

Q12.   Is it acceptable to include members of the current CS WASH Fund Management Facility or the MERP as referees for the Past Experience Form, since they are not DFAT employees?

A12.   It is acceptable to DFAT. This is at the discretion of the Fund Management Facility or MERP if they are willing to act as referees for each CSO that seek their support.

Q13.   What is the distinction between a consortium partner, a local NGO partner, and an organization that is subcontracted?

A13.   A consortium partner is bound formally through a signed Consortium Agreement to work towards the outcomes of the proposed project and would tend to have a greater role in the development of the proposal than a sub-contracted organisation. For a project, DFAT sees the difference between a Consortium partner and a sub-contractor being that Consortium members are involved in the overall management and control of the project whereas sub-contractors perform an agreed body of work for an agreed price and have no involvement in the rest of the project. A local NGO may be a sub-contractor or a Consortium partner depending on the arrangements in the proposal.

Q14. Considering the design documents' emphasis on using an adaptive approach, how is it suggested that we use the proposal to describe activities and outcomes that may change over the life of the project?

A14. Proposed outcomes and activities need to be clearly stated in the application, particularly in the Project Details section and consistent with the Project Theory of Change and Theory of Action in the Project Concept section. This would be the case whether or not they will be adjusted over time during implementation.

Q15. Do the rules around conflict of interest prevent us from naming as Lead Manager anyone still working on the current CS WASH 2 project – in particular, the CS WASH 2 Lead Manager? Will it be considered a conflict of interest if the same Lead Manager is named for multiple proposed projects, as long as a manageable workload for this person is envisaged? (Refer to page 5 of RFP, where it says "DFAT may reject any proposal which does not disclose the fact that a proposed team member has an existing and continuing commitment to another DFAT project or activity.")

A15. This will not be considered a conflict of interest. The Proposal should provide some explanation of how the workload of the Lead Manager (in this case) will be managed. Also see A26 and A27 of Addenda 1.

Q16. Can you provide further clarification around the 'Statement of similarities' question in SmartyGrants (Section 5: Project support information, under 'Past Experience' heading). For example, is this around similarities of past projects to the current submission, or is this similarity of the past projects to each other?

A16. The "Past Experience" section of the application form is an opportunity for the applicant to describe up to two activities that demonstrate its ability to fulfil the objectives of the Fund. The "Statement of the similarities" question prompts the applicant to explain why the activities are relevant to the submission.

Q17. Four (4) prompts in the SmartyGrants form are similarly worded, or seem to be asking for similar information. Can you provide clarification on the distinction between the following prompts:

- Section 3, Understanding of the WASH sector: Description of the CSO's understanding of the WASH sector context which includes effective, gender and socially inclusive programming approaches as well as the CSO's overall philosophy and approach to WASH.

- Section 3, Understanding of the WASH sector: Description of CSO's previous contributions to the broader WASH sector, such as mechanisms whereby the CSO engages at country, regional and global levels, in sector debate, networks, and contribution of evidence and demonstrated innovative practice to advance WASH sector thinking and practice.

- Section 6, Project Concept details: Analysis undertaken and understanding of key aspects of the WASH sector context, including existing capacity and other strengths, gender and social inclusion and cross-sectoral issues.

- Section 8, In-country CSO Capacity Statement: iii) Evidence of active national WASH sector engagement and influence.

A17. Section 3 is about the CSO's understanding of, and experience in, the WASH sector in general while Section 6 is about the specific project being proposed with a focus on the country situational analysis and the project theory of change. Section 8 also refers to the specific project being proposed with a focus on the capacity of the applicant. Applicants are encouraged to be succinct and use clear language while at the same time avoiding repetition.

SmartyGrants Amendments

1. **Proposed Inception Phase Budget**

   Budget Notes

   Applicants are reminded that:

   - A maximum of AUD100,000 per proposal (this refers only to the DFAT Contribution and does not include the CSO Project Contribution).
   - CSO Project Contributions are not mandatory but must be declared.

2. **Proposed Implementation Budget**

   Partner Organisations

   Costs associated with project implementation by consortia partners, other partners and significant sub-contractors. Enough information should be given in the line item title to determine what is the activity.

All other information as set out in the Water for Women Fund Competitive Grant Guidelines dated 18 August 2017 remains unchanged.