UPHOLD
Grants Strategy

April 8, 2003

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Executive Summary

The grants strategy of Uganda Programme for Human and Holistic Development (UPHOLD) is committed to USAID's Strategic Objective 8 of increasing the human capacity of Ugandans through increasing the number of real choices people have to improve their health, lives and productivity, and by empowering people to make the most of these choices. As a tool for fostering positive social change, UPHOLD's grants strategy is also ultimately linked with USAID's Strategic Objective 9 of more effective and participatory governance.

The vision of UPHOLD's grants strategy is a strengthened civil society that positively contributes to people-centred governance in Uganda. Within this arrangement, it is envisaged that strong and productive partnerships, especially those between public and private (state and non-state) actors, will advance the objectives of decentralization. Furthermore, it is anticipated that these partnerships will foster the advancement of an enabling environment for increased use of better quality social services by more Ugandans.

The main goals of UPHOLD's grants strategy are to a) expand people's access to and use of better quality social services, b) foster the concept of integrated social services at decentralized levels of government by promoting effective synergies between the education, health and HIV/AIDS sectors, c) increase the capacity of indigenous civil society organizations (non-governmental organizations, community-based organizations, and faith-based organizations) to constructively utilize grants for social development; and d) develop the capacity of Local Councils and civil society organizations to give grants and monitor them in a manner consistent with high standards of transparency and accountability.

Based a set of explicit assumptions, UPHOLD proposes to award six types of grants totalling 810 during the life of the program. Each of these grant types will serve the needs various niches in the social sector based on need and institutional capacity. In practice, these grants will be multi-year awards and thus will be received by less than 300 grant recipients.

UPHOLD will work closely with other key stakeholders in the grants making enterprise, notably AIM Project and World Bank through its Northern Uganda Social Action Fund. Finally, seven key indicators are proposed to measure progress towards the fostering of public-private partnerships within the context of Uganda's vibrant and thriving decentralization process.

I.   Introduction

This document describes the overall strategy to be employed by the Uganda Programme for Human and Holistic Development (UPHOLD), to administer grants totalling $15 million. Funded by the United States Agency for International Development (USAID), UPHOLD is a five-year (2002-2007) programme designed to contribute to the Government of Uganda's goal to eradicate poverty in Uganda by 2017. UPHOLD's grants strategy supports USAID's Strategic Objective 8 of increasing the human capacity of Ugandans through increasing the number of real choices people have to improve their health, lives and productivity, and by empowering people to make the most of these choices. As a tool for fostering positive social change, UPHOLD's grants strategy is also ultimately linked with USAID's Strategic Objective 9 of more effective and participatory governance.

Throughout this document, a grant is defined as an award of funds based upon a time-bound agreement on a purpose and approved activity (or set of activities) with complimentary technical support from UPHOLD to a grant recipient. Grants will be made to support the attainment of UPHOLD's results in the sectors of education, health and HIV/AIDS (Box 1) as well as the overall vision of the grants strategy.

Box 1: Illustrative Results of UPHOLD

- Increased quality of and use of key services in the public and private sectors.
- Reduced total fertility rate and increased contraceptive rates.
- Reduced HIV prevalence among adolescent men and women and among pregnant women.
- Reduced under-five mortality rate and increased immunization.
- Increased secondary school qualification rates.
- Increased average test scores for P3 and P6 (Math/English).
- Increased quality of teaching through teacher training.
- Promotion of Child Friendly Schools and girls' education.
- Reduced AIDS-related morbidity and mortality, including reduced HIV prevalence among adolescent men and women and among pregnant women.

Source: JSI submission to USAID, May 2002

UPHOLD's grants strategy entails a strong vision, goals, conceptual framework, and a purposeful approach that includes eligibility criteria, a step-by-step process leading to funding, and monitoring. The following sections of this document provide a vision statement, a description of the goals that will guide all aspects of the grants making process, and a conceptual framework around which the grants making process is organized. A description of the proposed approach, with key lessons learned from other grants programs, and an overview of the types of grants products to be awarded and their distinguishing features are also presented. The key actors involved in the grants strategy are listed with an explanation of their principal roles and responsibilities. This document also provides a description of the eligibility criteria by grant type and the steps leading to a grant. The final sections of this document provide a detailed description of how the overall grants strategy will be managed to ensure transparency in procurement and financial accountability. These sections include an overview of how monitoring for results in the post award phase will occur, with a description of the indicators used.

It is important to note that a number of operational assumptions underlie the conceptualisation of UPHOLD's grants strategy. These assumptions are explicitly stated in the relevant sections of this document. While remaining consistent with USAID protocols for transparent grants making, UPHOLD's grants strategy is subject to adaptations in management approaches should the underlying assumptions prove to be no longer true or pertinent, so as to remain consistent with the attainment of people-level results. Specific grants-related activities are described in UPHOLD's Annual Work Plan for Year 1.

II.   Vision

The vision of UPHOLD's grants strategy is a strengthened civil society that positively contributes to people-centred governance in Uganda. Within this arrangement, it is envisaged that strong and productive partnerships especially those between public and private (state and non-state) actors advance the objectives of decentralization. Furthermore, it is anticipated that these partnerships will foster the advancement of an enabling environment for increased use of better quality social services by more Ugandans. UPHOLD will pursue strong collaboration and synergy with programs specifically working within USAID's S09 framework to secure focused technical support for effective and participatory governance within the scope of the grants strategy.

III.   Goals

The main goals of UPHOLD's grants strategy are to:

- Expand people's access to and use of better quality social services;

- Foster the concept of integrated social services at decentralized levels of government by promoting effective synergies between the Education, Health and HIV/AIDS sectors;

- Increase the capacity of indigenous civil society organizations (non-governmental organizations, community-based organizations, and faith-based organizations) to constructively utilize grants for social development; and

- Develop the capacity of Local Councils and civil society organizations to give grants and monitor them in a manner consistent with high standards of transparency and accountability.

IV.   Conceptual Framework

The conceptual framework for the grants strategy posits that grants are a vital means to attain the vision of a strengthened civil society and institutions that routinely practice people-centred governance in the delivery of social services. The three intermediate results of the grants strategy are: i) expanded provision and use of better quality services, ii) increased institutional capacity of grant recipients whether government or non-governmental, and iii) emerging strong and functional public-private partnerships. All three intermediate results are interconnected and interdependent. Grants to achieve these intermediate results will be made along a continuum of strategic attributes of civil society strengthening, ranging from less strategic to more strategic. Figure 1 on the following page depicts the conceptual framework for the grants strategy.

Figure 1. Conceptual Framework for UPHOLD Grants Strategy
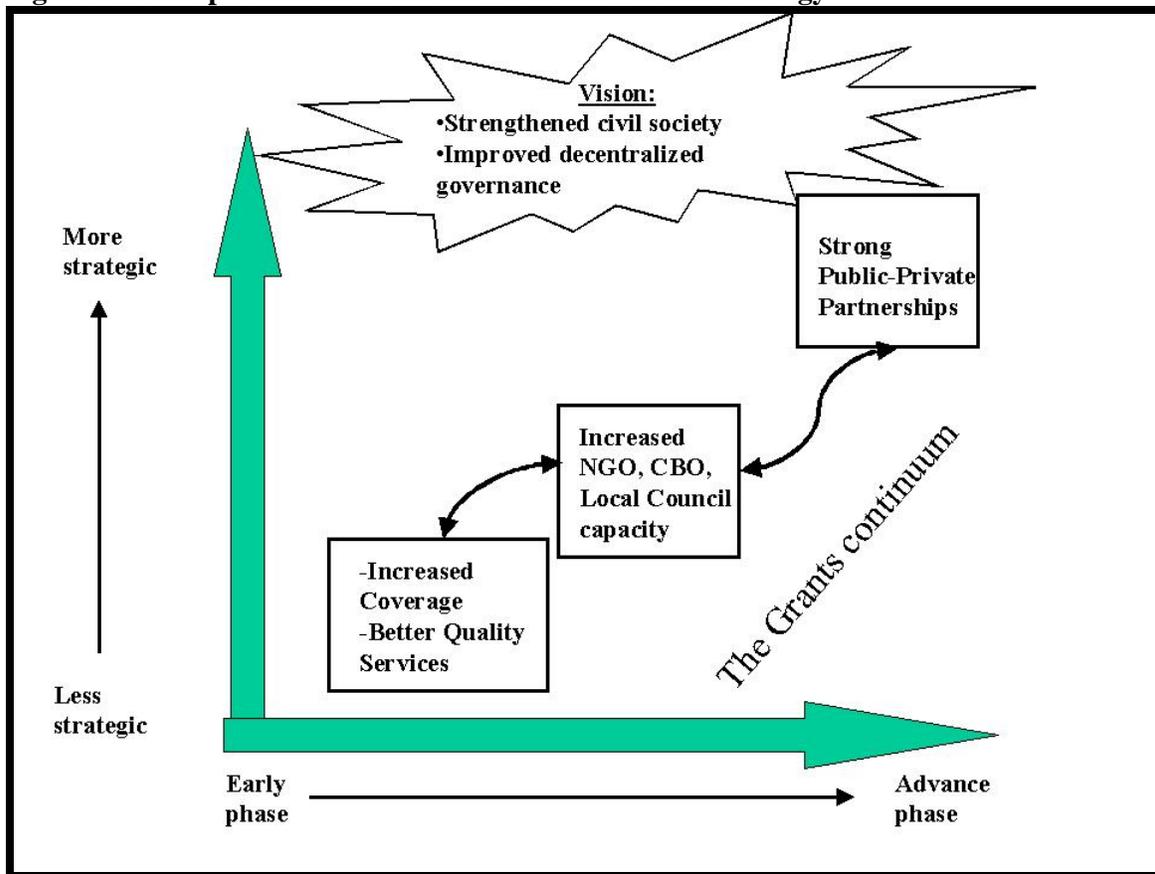
Illustrative examples: For illustrative purposes, less strategic grants for achieving the intermediate result of expanded delivery of quality social services could focus on increasing access, coverage and quality among vulnerable and/or hard-to-reach populations. More strategic grants to achieve this intermediate result would focus on empowering the same populations to become actively involved in determining the type and location of services, defining and monitoring standards of quality, and reducing their vulnerability to disease, decreased productivity, and poverty reduction.

To achieve the intermediate result of increased capacity of institutions, less strategic grants would be those that focus on building institutional technical capacity to deliver better quality services, while more strategic grants would be those that seek to build institutions' financial sustainability or foster community ownership. Yet another example of a more strategic grant for capacity building is one explicitly designed to increase the ability of an institution, whether public or private, to transparently award and monitor grants to third party organizations for results.

Promoting positive social change: The grants strategy will serve as a catalyst for positive social change towards the vision described in the previous sections. Grants will facilitate a transition in grantees' roles from being less oriented towards strengthened civil society and improved decentralized governance to being more aligned with this vision. Grants will be made along a strategic continuum that simultaneously pursues all three intermediate results with phased shifts in its focus. It is understood that the transition from less strategic to more strategic grants may require a gestational period whose duration will vary from institution to

institution depending on institutional maturity. More mature institutions will require less time for grants to move from a primarily functional focus (e.g. expanding the coverage of quality services) to one that is more strategic (e.g. empowering communities to become actively involved in the planning and monitoring of quality services). The converse is the case for less mature institutions.

Phases of grants: In the early phase of UPHOLD's grants strategy, most grants will focus on achieving the intermediate results of improved quality, coverage and use of social services. Even when grants are awarded for service delivery, attention will be given concurrently to building institutional capacity and, to a lesser extent, public-private partnerships. As indicated in the distance between the intermediate results, a focus on capacity building will be more immediate relative to the formation of public-private partnerships. Institutions with more organizational maturity may also receive grants during the early phase.

In the middle phase of UPHOLD's grants strategy, most grants will focus on achieving the intermediate result of increased capacity of institutions, including NGOs, CBOs, and Local Councils. Grants to increase quality, coverage and use, as well as grants to strengthen public-private partnerships will also be awarded during this phase, but will receive less attention than those focusing on institutional capacity building.

In the advanced phase of UPHOLD's grants strategy, most grants will focus on achieving the intermediate result of emerging strong public-private partnerships. Once again, grants for the other intermediate results will continue to be awarded, but will have less emphasis during this phase of the strategy. In order to achieve strong and functional public-private partnerships, the abilities of grantees to deliver better services are necessary but not sufficient. Grantees must interact both across and within the public and private sectors at appropriate levels of decentralization. Grants can and will explicitly facilitate these interactions through the adoption of a few principles of practice, which include:

- Grants shall be focussed on community-inspired priorities and articulated by decentralized levels of government;

- Evidence-based approaches will govern the choice of interventions to be funded;

- The transactions related to the exercise of mutual obligations shall be transparent and based on mutual trust;

- The public-private partnerships promoted through the grants strategy should be recurrent, predictable, and foster a spirit of interdependence and cooperation in the medium to long-term.

To achieve a strengthened civil society and improved decentralized governance, the conceptual framework for the grants strategy fosters institutional capacity building and the adoption of individual, group and institutional behaviours that promote public-private partnerships. The grants strategy is also conceptualised to foster the emergence of fiscal as well as results-related accountability, and innovations for long lasting improvements in the delivery of client-friendly social services.

V.   Core Principles for Grants Process

Stakeholder participation at the core of all activities

Key stakeholders shall have substantive involvement in all aspects of the grants making process. Given that grants shall advance work in geographical areas under the jurisdiction of Local Government Councils, Local Governments (LGs) are considered primary stakeholders. In this respect, LGs' priorities shall form the basis of awards. LGs approval is considered a precondition for the subsequent execution of grant awards. LGs shall participate in defining the grants' application process, reviewing grant proposals, and selecting grant recipients. Finally, LGs shall also be expected to play key roles in the monitoring of grants. The District Planning Team under the direction of the Chief Administrative Officer shall play a lead role in facilitating the participation of LGs. This principle also applies to government representatives at the sub-county level.

Process for granting as important as the awards

For grants making to succeed in the short term as well as in the medium to long-term, particular attention will be given to the process used to ultimately make and monitor the awards. Through a careful focus on how each of the steps of the process is executed with the active participation of stakeholders, UPHOLD will be able to contribute to a culture of accountability and trust. By emphasizing that the process for granting is as importance as the award itself, it will be possible to convey the underlying rationale for the approaches and methods adopted, and in turn contribute to a sense of ownership of the process.

Conflict Areas need flexible products and approaches

The stark realities of undertaking work in areas affected by and/or currently experiencing conflict warrants a careful consideration of methods and approaches used to achieve the objective of effective grants making. While the end goals remain the same, UPHOLD will explore and adopt flexible grants instruments to suit the situation. The same flexibility will be applicable in the choices and approach used to monitor progress towards the attainment of results. Should a situation arise where certain interventions are no longer feasible in a particular area, or if different needs emerge, the grant types in use will of necessity have to change in order to effectively adapt to the new situation. If, in exceptional circumstances, it is impossible to carry out any interventions at all, a stop work order will also be executed as applicable.

Coordination with Systems, AIM, and other Grantors

While supporting decentralization at the district and sub-district level, UPHOLD will concurrently pay attention to complimentary initiatives at the national level. This focus on national level activities will be achieved through active collaboration with the Systems Programme, a USAID-funded programme in waiting. Similarly, mindful of its active role in systems work at the national level, UPHOLD will cooperate with AIM. Through these interactions, synergies will be built, and duplication of efforts will be significantly minimized.

Still other indications for a close working relationship with AIM are evident. AIM manages a grants programme of US $10 million to support work in HIV/AIDS prevention and control. UPHOLD will work closely with AIM to ensure that the efforts of the two programmes are complimentary. UPHOLD will actively share information and experiences with AIM through a technical working group on public-private partnerships. It is anticipated that a potential outcome of this cooperation will be the formation of a unified strategy for grants making that Local Councils may adapt for Council-wide coordination of grants regardless of their source.

The World Bank recently announced the launch of a new Northern Uganda Social Action Fund (NUSAF) of US $100 million. Given that significant portions of the NUSAF will go towards community-based grants, it is imperative that UPHOLD coordinate its grants process in the North with this programme to avoid redundancy. UPHOLD will also work closely with other key granting organizations such as UNICEF and the European Union.

Mindset of Iterative learning essential for effective innovation

UPHOLD is committed to the spirit of experimentation in the crafting, testing and revision of the present grants strategy. Given that several assumptions governing this strategy have yet to be fully tested, a mindset favourably disposed to continuous learning is essential to determine the best approaches.

VI. Lessons learned from other programmes

UPHOLD reviewed in over twenty grants programmes to guide the preparation of this grants strategy. Successful grants programmes in Uganda, the East Africa region, and elsewhere in the world were examined. A number of key lessons were common to most of the grants programmes reviewed, and are described below:

- **Foster ownership and sustainability.** Established partnerships with district local governments to plan, manage and implement programme activities produce good results, and promote district ownership and sustainability of programmes and activities beyond the life of the project.

- **Build Capacity.** Creating alliances with international and national PVOs/NGOs to offer technical assistance in key programmatic areas and to build capacity of district partners to plan and implement effective component programmes is a cost-effective way to introduce new skills and achieve programme objectives, while simultaneously promoting public-private partnerships, sustainability and synergy between programmes.

- **Have a substantive role for local partners.** With appropriate guidance, technical assistance and applicable financial support, local NGOs, community-based organizations (CBO), and civil society organizations (CSO) can be developed to play key roles in programme implementation and the provision of basic social services at the community level.

- **Empower communities.** With appropriate guidance, technical assistance and applicable financial support, communities' potential can be effectively tapped, and communities can be successfully empowered to identify and effectively address priority needs and problems.

These key lessons have been incorporated into the overall approaches adopted by this grants strategy. As new lessons emerge in the course of implementation, they too will be assimilated into the overall strategy.

VII. Roles

The following table outlines the roles and responsibilities of some of the key actors in the grants process.

Table 1: Roles and Responsibilities of Key Actors

Actors	Principal roles and responsibilities
Local Government Councils	- Main partner in grants process (plan for and request applications and proposals) - Participate in proposal review, selection criteria, and approval process - Contribute and verify priority needs for grants making - Monitor work progress
Regional UPHOLD offices	- Main coordinating function - Involve stakeholders in grants process - Define grant priorities in their regions - Through technical task managers involve technical staff at headquarters as needed - Coordinate capacity building training for district government and partner organizations - Request transfer of funds from UPHOLD Headquarters
UPHOLD Headquarters	- Overall management of grants strategy - Train regional office in grant process - Provide technical assistance through technical task managers to assure the technical soundness of proposals - Participate in technical monitoring of grants - Plan for and participate in capacity building activities for grantees - Transfer funds to regional offices - Disburse funds to grant recipients
USAID	- Approve overall grants strategy - Participate in monitoring of grant goals - Approve grants beyond a threshold of $50,000 (approval for this threshold pending)
Grant Recipients or Partner organizations	- Work with UPHOLD staff and local government councils to create and implement a work plan that incorporates the policies and priorities of both - Utilize grants for purposes and priorities for which they were awarded. - Provide and share results (financial information and outputs/outcomes) of work to applicable actors

VIII. Grant Types

UPHOLD has identified 6 types of grants designed to respond to the articulated needs of partners and communities.

1.   *Operational grants*

Operational grants are awarded to partner organizations to implement work plans that improve service delivery within a district. This type of grant will be used to fund regional or district level groups which are currently operational at the district or regional level. UPHOLD will contribute grants to support their operations and a technical work plan that furthers the objectives of the districts and UPHOLD. These grants are expected to be the base for our technical service work. It is expected that these organizations will mentor and collaborate with smaller organizations working at the grassroots to help build capacity. NGOs, CBOs, and FBOs working at the district level will be given training to help them mentor and collaborate with local organizations that provide services.

The organizations funded through operational grants will be the focal point of contact for UPHOLD's work in the districts and in the communities. It is imperative that the organizations chosen can work successfully with local government councils and will operate in a manner consistent with UPHOLD's mission.

Operational grants will be sub-divided into two types of organizations. The first type of organization, which would be an Operational Grant A recipient, will be Ugandan based NGOs who have experience in the districts, but need capacity building to handle a grant by UPHOLD. One of the goals for working with Operational Grant A recipients is to build their capacity to a level where they will be able to manage other grants. The second type of organization, which would be an Operational Grant B recipient, is an international PVO that already has experience working in one or more of UPHOLD's twenty districts. Operational Grant B recipients will not need capacity building, and UPHOLD will be able to manage community grants more efficiently through them.

It is important to note that in Uganda, the education sector has limited experience in implementing activities through grant making programmes. Most primary education programmes are directly implemented through Ministry of Education and Sports structures, and only a limited number of civil society organizations (PVOs, NGOs, CBOs, and FBOs) implement non-formal or complementary basic education programmes at the district level through grants. Relative to the health and HIV/AIDS sectors, the education sector also has fewer NGO/CBOs partners. This dearth of experience in grant making in the sector, combined with fewer possible implementing partners from the NGO/CBO sector, may necessitate some degree of flexibility in choosing the agencies, institutions and actors to receive and manage education related grants in some districts. For example, Primary Teachers Colleges and District Education offices could serve as strong partners for grant implementation, while Education NGO and or CBO networks may warrant special attention in terms of institutional strengthening.

Box 2: Criteria for Operational grants

- Registered with the national NGO board.
- Letter of introduction to UPHOLD from the district. The letter should be signed by the Chief Administrative Officer and include a recommendation based on the reliability or proven record of transparency and accountability of the NGO/CBO/FBO and its Directors.
- Established office and substantial experience in the district/region where they are applying.
- NGO mandate supports the national development interests and priorities.
- Experience in health, HIV/AIDS, education and/or substantial experience in working with communities and building local ownership.
- *Operational B grants-* Must have proven grant management capacity, preferably with USAID funded grants.

2. *Technical Assistance grants*

Organizations will be awarded grants to support a specific technical area where UPHOLD requests assistance. For example, UPHOLD may award a grant to an organization to develop Behaviour Change Communication materials. Technical Assistance grants could be awarded at the national level or they could also be awarded by a regional office to address a particular issue that is not applicable to all of the regions. This category of grants would be spearheaded by a regional office with significant support from the technical team in Kampala to address the needs that have been identified. Essentially, the organizations receiving these grants would support the technical expertise of UPHOLD's staff.

Box 3: Criteria for Technical Assistance grants

- Not necessarily an NGO- could be a consulting firm, association, etc.
- Established office and substantial experience in Uganda.
- Organization's mandate supports the national development interests and priorities.
- Extensive previous experience in the area of specialization where UPHOLD is requesting technical assistance.
- Experience in receiving grants from international organizations and well-established financial and administrative systems.

3. *Community grants*

Community grants will be awarded to local community-based organizations or groups such as parent-teachers associations, women's groups, or local CBOs, to improve the delivery and utilization of social services at the community and family level. These grants are offered to organizations or groups that will provide services directly to the target populations.

The recipients of community grants will have already received training and support from one of UPHOLD's partner organizations. The recipients will also have received training on creating an action plan, defining priorities, and solving problems within the community. In some instances, the same partner organization that has acted as a mentor will also award and monitor the grant.

Although community grants require the most training and mentoring, community-based groups are the ultimate target of the grants strategy.

Box 4: Criteria for Community grants

- Registered with the appropriate level of local government.
- Established support in the proposed community where activities will be implemented.
- Active in the target community for at least 1 year.
- Documented list of members and activities.
- Written mandate supports the national development interests and priorities.
- Expressed desire to work in health, HIV/AIDS and/or education fields.

4.   Innovation grants

These grants will be open to any organization to carry out a new and innovative approach to reach UPHOLD's target populations (communities and families in the 20 districts supported by the programme). This grant could also be used to expand funding for a successful creative approach to solving social service issues in Uganda. Innovation grants offer the opportunity to fund good ideas and practices which may not correspond with the eligibility criteria of the other types of grants.

Box 5: Criteria for Innovation grants

- Activity supports grant mission and objectives.
- Activity complements existing efforts.
- Activity reflects expressed needs of target populations.

5.   Special Area grants

Social sector work in areas of conflict and unrest will require skills and strategies that differ from those used in areas of peace and stability. Even areas that have not been directly targeted by fighting have experienced instability caused by an influx of displaced populations and a military presence. This type of grant is for organizations with experience in these special areas to continue working to improve the quality, coverage and utilization of social sector services. In order to assure responsiveness to the unique challenges of mitigating the deleterious effects of crisis and a constantly changing environment, Special Area grants have the flexibility to allow for modifications to the initially agreed work plan, and are also flexible in the way the grants will be monitored. Nevertheless, the quest for results will not be compromised.

Box 6: Criteria for Special Area grants

- Established office and substantial successful experience in the area of proposed work.
- Experience in health, HIV/AIDS and education fields.

6.   Local Council grants

UPHOLD works to increase the capacity of decentralized government working at the district, health sub-district, sub-county, parish, and community levels to assure the delivery, utilization and sustainability of quality services in education, health and HIV/AIDS. Local Council grants are one of the tools to accomplish this goal. Local Council grants will be used to compliment the funds that decentralized levels of government are currently receiving from the central level.

Local Council grants are awarded to local government groups to carry out specific tasks in their district plan, such as trainings, special activities, or events, as appropriate.

Box 7: Criteria for Local Council grants

- Proposal is for a specific event or project that is realistic, manageable, and time-bound.
- Money is not currently being received by government to fund the proposed activities.
- No money will be given to cover government salaries, recurrent costs, or perdiems/honorariums.

Table 2: Grant Types

Grant Type	Basic Description	Target Recipient	Features
Operational Grants	Support the operations of existing organizations, while training them to conduct technical work directly related to UPHOLD's interventions	NGOs, CBOs, FBOs working at district or regional level	• Increase capacity of organizations for service delivery • Represents UPHOLD at local level
Technical Assistance Grants	Awarded to engage technical assistance for specific interventions	National or district level organization-either profit or not-for-profit	• Increase technical capacity of UPHOLD interventions • Expand technical resources of the programme
Community Grants	Support for local community-based organizations to improve the delivery and utilization of social services	Community groups, NGOs, CBOs, CSOs, FBOs	• Target population defines their needs • Capacity building exercise for recipient
Innovation Grants	Awarded to pilot or expand innovative approaches to reach UPHOLD's target populations.	Any type of organization	• Encourage creative innovations in strengthening civil society
Special Area Grants	Support for organizations working in areas of conflict and instability, for example, Northern Uganda	Organization with prior successful experience in working in these areas	• Provide funding to increase program area • Flexibility in enabling changes to the initial work plan to increase responsiveness • Flexible monitoring plan
Local Council Grants	Funding for specific event or project to be carried out at the district or local level	Government institutions	• Support activities that are part of the district plan

VIII. Grant Request Processes

Due to the wide range of organizations in the public and private sector who will be eligible for grants, UPHOLD has a flexible grant request process that meets the different needs of potential grant recipients. This process may either be a simple one-step process of submitting a proposal directly to UPHOLD, or a three-step process of: i) submitting a simple application to UPHOLD; ii) receiving technical assistance from UPHOLD to develop a proposal; and iii) submitting a proposal to UPHOLD for funding.

1.   One-Step Process for Grant Requests

The one-step grant request process will be used for Technical Assistance grants, Innovative grants, Special Area grants and Local Council grants. The groups receiving these grants are not expected to need the level of capacity building that is built into the three-step process. Box 8 below describes the steps UPHOLD's regional offices will follow to support the one-step grant request process.

Box 8: Checklist for use by UPHOLD Regional Offices to support the One-Step Grant Request Process

> ☐ In consultation with Local Council officials, identify needs and write Terms of Reference.
> ☐ In accordance with UPHOLD headquarters and Local Council, request proposals from groups to work on a specific technical area with UPHOLD. Proposals will include a draft work plan, budget, and a monitoring and evaluation plan.
> ☐ Regional offices and the technical task managers from UPHOLD headquarters, review the proposals with appropriate Local Council members.
> ☐ Award grant to NGO or consultant group based on a review of the proposals and occasionally a follow up interview.
> ☐ Facilitate development and signing of Memorandum of Understanding between grant recipient and Local Council.
> ☐ Coordinate dispersal of money.

Criteria for Proposal

- Approaches and activities are consistent with UPHOLD policies, values, and mission statement.
- Activities compliment existing efforts.
- Plan is logically consistent, with clear and measurable objectives and targets.
- Proposed strategies/approaches are consistent with the identified gaps and problems.
- Clear activity monitoring and evaluation plan presented.
- Solid financial management and reporting process in place.
- Successful implementation of similar or related activities demonstrated.
- Proposed budget is consistent with planned activities.

2.   *Three-Step Process for Grant Requests*

Box 9: Three-Step Process for Grant Requests

Step 1: The group or organization submits an application form (Appendix 1) and proof of meeting the eligibility criteria for the type of grant to be awarded.

Step 2: If the application is approved, the group or organization receives technical assistance from UPHOLD to develop a full proposal.

Step 3: A formal grant proposal is submitted to UPHOLD.

UPHOLD uses a three-step grant request process to offer more organizations and groups working at the most decentralized levels of civil society the opportunity to receive a grant. The goal of this process is to reach those organizations and groups who are doing good work within their communities, but who do not have a lot of experience writing proposals. The three-step grant request process is used with Operational grants and is slightly simplified for use with Community grants. While groups or organizations requesting a Community grant will also be provided with technical assistance to help them apply for and manage a grant, they will not be required to write detailed proposals. Community grant recipients would instead have simple guidelines that they would follow to receive a grant.

Box 10 on the following page presents a checklist of steps that UPHOLD regional offices will follow to implement the three-step process for requesting a grant. The major strength of this process is that less experienced but highly motivated groups or organizations can be considered for grants without having to submit a proposal with a detailed work plan or budget. The major strength of the three-step process could at the same time become the major challenge, as this process will entail significant investments of time and capacity building by UPHOLD regional offices and partners to help these groups and organizations to obtain and manage a grant.

Box 10: Checklist for use by UPHOLD Regional Offices to support the Three-Step Grant Request Process

☐ Meet with Local Council at the appropriate decentralized level to discuss the priorities and how UPHOLD and the grants strategy can support these priorities.

☐ Determine how many partner groups/organizations (grant recipients) UPHOLD's regional offices will need within the region.

☐ Using a participatory manner, hold further discussions with Local Council to establish criteria for the evaluation of grant applications.

☐ Send out request for applications to partner with UPHOLD and Local Council

☐ Evaluation of applications based on the determined criteria at district level - include technical task manager, regional staff, and Local Council members.

☐ If necessary, short listed candidates for grants are invited for interviews

☐ Partner groups/organizations (grant recipients) selected and formally informed.

☐ UPHOLD provides technical assistance to partner groups/organizations assist in developing a formal proposal, including a work plan, budget, and monitoring and evaluation plan.

☐ Proposals submitted and reviewed at regional level. Proposals should be approved by Local Council, the regional coordinator, and the technical task manager.

☐ Approved proposals are sent to UPHOLD Headquarters for funding.

☐ Facilitate the development and signing of Memorandums of Understanding between the partner groups/organizations and the Local Council representative.

☐ Conduct an organizational assessment of the partner groups/organizations as part of the work planning process. This same assessment will be conducted throughout the life of the grant.

☐ Train partner groups/organizations in technical areas and also in capacity building for their own organization.

IX. Monitoring Plan

Most grants will be monitored by UPHOLD regional offices. Each regional office will have a technical task manager assigned to the region. The technical task manager is a technical specialist based in Kampala who will help review proposals and monitor the grant recipients. The technical task manager is expected to coordinate the technical aspects of the grant. Technical task managers are not expected to be experts in all the technical domains, but they are expected to coordinate the necessary inputs and guidance from technical specialists for each grant.

Financial advances are disbursed on a quarterly basis from the Kampala office. When money is wired or a check is written, the grant recipient, the regional office and the Local Council are informed of the transfer of funds. For most grants, financial reporting is required on a monthly basis. Operational grants are the exception to this rule; they produce financial reports on a quarterly basis. Financial reports are reviewed by the regional office and if necessary, returned to the grantees for corrections or omissions. Once the reports are finalized, they are forwarded to headquarters to be reconciled with the accounting system.

Programmatic reporting is expected on a quarterly basis. It is assumed that the grant recipient will be monitored on a regular basis through technical support visits. Program reports are sent to the regional office and the technical task manager. The technical task manager may forward the reports to an appropriate technical specialist for review.

X.   Grant Management

1.   Illustrative Grant Distribution by Potential Region

Table 3 on the following page summarizes the proposed grant award distribution for UPHOLD. The list of regions and their geographical configurations, presented in the two left columns of the table, are based on the proposed districts. The proposed grant awards are based on the number of villages in that region and the number of other organizations that are currently working or have recently worked in the proposed districts.

The regional configurations range in size from the West which has only 2 districts with an estimated 1109 villages, to the Northeast which has 4 districts and has an estimated 4170 villages. It is assumed that districts will vary in the amount and types of grants they will receive. The proposed grants shown in Table 3 are estimates based upon the estimated population and the level of interventions either previously or currently implemented by organizations working in the same sectors in which UPHOLD will be working.

The process guiding UPHOLD's distribution of grants will be sensitive to expressed needs and will be oriented to avoid redundancy in funding efforts. For example, if AIM, TASO and AIC are all working within the same region that is also supported by UPHOLD, UPHOLD will limit its funding of HIV/AIDS activities and will focus on funding activities in the sectors of education and health. Similarly, if a region already has a large amount of money for activities in the health sector, UPHOLD would prioritize grants to support activities in the sectors of education or HIV/AIDS.

Assumptions
- The proposed regions and district remain the same.
- The estimated level of funding support and coverage proves true.
- The situational assessment of the districts confirms the current coverage levels.
- The current funders continue to work within the sectors in which they have previously worked.
- New donor funding does not replicate UPHOLD's activities.
- District plans are in line with UPHOLD's grants strategy.
- NGO activities are included in the district plans.
- USAID funding to UPHOLD will continue without interruption.
- Grants can be awarded without significant delays in signing agreements.
- The political situation in most of the country remains stable.
- Districts and communities are receptive to the mission and goals of UPHOLD.
- The district selection is not delayed and a situational analysis can be conducted within the next few months (by July 2003).
- Competent organizational partners will be found in the districts to receive the first grants and to assist UPHOLD in carrying out its work plan.

Table 3: Illustrative Proposed Grant Distribution by Potential Region

Regions	Proposed Districts	Est. no. of villages	Sectors	current coverage	proposed grant awards	Current and Past Interventions
North	Arua, Yumbe, Gulu, Kitgum	3597	Education	low	$530,000	ActionAid, NUSAF
			Health	medium	$530,000	Basics, NECDP, Unicef, NUSAF
			HIV/AIDS	low	$530,000	AIM, UACP, Unicef
Northeast	Lira, Katakwi, Nakapiripirit, Soronko	4170	Education	low	$1,605,000	ActionAid, NUSAF
			Health	medium	$1,230,000	Basics, UHSSP, NECDP, NUSAF
			HIV/AIDS	medium	$630,000	AIM, UACP, Unicef
East	Bugiri, Pallisa, Kamuli	2528	Education	low	$1,200,000	ActionAid,
			Health	medium	$925,000	UNFPA, Unicef, NECDP, DISH
			HIV/AIDS	low	$750,000	AIC, AIM,
Central	Wakiso, Luwero, Mubende, Rakai	3838	Education	low	$1,205,000	ActionAid,
			Health	medium	$930,000	Basics, NECDP, Unicef, EU-RHP, DISH
			HIV/AIDS	medium	$485,000	Unicef, AIM, TASO, AIM
South	Mbarara, Bushenyi, Rukungiri	5098	Education	low	$1,555,000	Unicef
			Health	medium	$1,015,000	NECDP, EU-RHP, DISH, UNFPA-RH
			HIV/AIDS	high	$260,000	ActionAid, AIM, AIC, TASO, UACP,
West	Bundibugyo, Kyenjojo	1109	Education	low	$540,000	
			Health	low	$540,000	NECDP, GTZ
			HIV/AIDS	low	$540,000	ActionAid, Unicef
Total		20340			$15,000,000	

2. *Illustrative Grant Distribution by Grant Type*

UPHOLD will award an estimated total of 810 grants by 2007. Given this large number of expected grant awards, the grant process must be managed at the regional level and not be under a daily control by headquarters. Table 4 on the following page details the number and size of grant awards that UPHOLD proposes to fund over the next 5 years. The type of grant is presented on the horizontal row at the top of Table 4, while the sector is presented on the left column of the table. The estimated grant amounts for each sector are based on the information provided in Table 3 on the previous page.

Table 4 also provides an estimate of the average grant amount for each grant type. The average amount is based on a one year budget. While all grant budgets will be evaluated individually, the estimation of the average budget is derived from information gathered from similar grant programs.

It is important to note that the number of grants does not reflect the number of partners (grant recipients). UPHOLD anticipates that, after successfully going though the selection process and demonstrating their ability to effectively manage grants for results, many of the same partners will receive three or four operational grants over the life of the program. Assuming an average of a 2½ to 3 year grant, the number of potential recipients is less than 300.

The estimates of the amount of Local Council grants were based on an average of one grant of US $20,000 per sub-county. Nevertheless, it is possible that smaller grants will be awarded on a multiple year basis. The number and amount of Local Council grants awarded will be determined when UPHOLD begins its work with Local Councils and can assess their financial and management capacity. The size of the grants will also depend upon the details elaborated in the project proposals submitted to UPHOLD.

As indicated in Table 4, eight hundred and ten (810) grants totalling US $ 15,000,000 will be awarded over the five years of the program.

Assumptions

- The situational analysis reveals the same needs in funding as the preliminary findings presented on Table 3.
- The average award size is similar to the size of the proposal budgets.
- Local Councils can appropriately manage the additional funds awarded through UPHOLD's grants strategy.
- The NGOs working in the districts have the capacity to handle the level of funds offered through the grants.
- The number of local grants awarded in areas of conflict, insecurity and/or instability will remain low given that the present situation in these areas will continue and that it will not be safe to work with local community organizations.
- HIV/AIDS funding continues at its current rate.
- Education funding remains low in many parts of the country.
- Operational grants B are larger than Operational grants A since UPHOLD anticipates being able to sub-contract the management of local grants to the type B NGOs (international PVOs with proven grant management capacity).

Table 4: Illustrative Grant Distribution by Type

Regions	Sectors	Operational A		Operational B		Technical Assistance		Community		Innovative		Special Area		Local Council	
		no. of grants	$50,000	no.	$150,000	no.	$25,000	no.	$10,000	no.	$25,000	no.	$50,000	no.	$20,000
North	Education	1.0	50,000	0.5	75,000	1.0	25,000	10	100,000	2.4	60,000	4	200,000	1.0	20,000
	Health	1.0	50,000	0.5	75,000	1.0	25,000	10	100,000	2.4	60,000	4	200,000	1.0	20,000
	HIV/AIDS	1.0	50,000	0.5	75,000	1.0	25,000	10	100,000	2.4	60,000	4	200,000	1.0	20,000
Northeast	Education	4.0	200,000	3.0	450,000	3.0	75,000	80	800,000	2.4	60,000	0		1.0	20,000
	Health	3.0	150,000	3.0	450,000	2.0	50,000	50	500,000	2.4	60,000	0		1.0	20,000
	HIV/AIDS	0.0	0	2.0	300,000	2.0	50,000	20	200,000	2.4	60,000	0		1.0	20,000
East	Education	3.0	150,000	3.0	450,000	3.0	100,000	42	420,000	2.4	60,000	0		1.0	20,000
	Health	2.0	100,000	2.0	300,000	1.0	25,000	42	420,000	2.4	60,000	0		1.0	20,000
	HIV/AIDS	1.0	50,000	1.0	150,000	2.0	50,000	42	420,000	2.4	60,000	0		1.0	20,000
Central	Education	3.0	150,000	2.0	300,000	3.0	75,000	60	600,000	2.4	60,000	0		1.0	20,000
	Health	2.0	100,000	2.0	300,000	2.0	50,000	40	400,000	2.4	60,000	0		1.0	20,000
	HIV/AIDS	0.0	0	0.0	0	1.0	25,000	40	400,000	2.4	60,000	0		0.0	0
South	Education	3.0	150,000	3.0	450,000	3.0	75,000	80	800,000	2.4	60,000	0		1.0	20,000
	Health	1.0	50,000	2.0	300,000	1.0	25,000	56	560,000	2.4	60,000	0		1.0	20,000
	HIV/AIDS	0.0	0	0.0	0	0.0	0	20	200,000	2.4	60,000	0		0.0	0
West	Education	1.0	50,000	1.3	200,000	2.0	50,000	16	160,000	2.4	60,000	0		1.0	20,000
	Health	1.0	50,000	1.3	200,000	2.0	50,000	16	160,000	2.4	60,000	0		1.0	20,000
	HIV/AIDS	1.0	50,000	1.3	200,000	2.0	50,000	16	160,000	2.4	60,000	0		1.0	20,000
Total		28	$1,400,000	28	$4,275,000	32	$825,000	650	$6,500,000	43	$1,080,000	12	$600,000	16	$320,000
	TOTAL GRANTS AWARDED		**810**												

3.   Management of Operational Grants

The first grants awarded will be the larger operational grants. Working in conjunction with Local Councils, the UPHOLD regional office will assess the NGOs that are currently working within the districts. Based on the realities of each district, the regional office will decide the type and number of operational partners they will need. Applications for work with UPHOLD will be requested at the regional and district level. Applications from the private sector will be reviewed by the UPHOLD regional team and by technical specialists from headquarters. Each region will have a team of people from headquarters who will help with the grant review process.

It is probable that there are already competent international Private Voluntary Organizations (PVOs) with solid experience and good relationships with District Team and/or Local Government Council already working in the districts supported by UPHOLD. These organizations will also be considered for operational grants. The main advantage of working with this type of non-government organization is that they already have experience and proven expertise and will be able to work with UPHOLD with a minimum of capacity building. UPHOLD is committed to identifying competent Ugandan based NGOs that will be able to partner with the programme as well. These organizations may need more capacity building but have the advantages of being more likely to work closely with UPHOLD's primary target populations (families and communities) and, as Ugandan institutions, more aligned with the grant strategy's vision of strengthening civil society and participatory governance in Uganda. The assumption is that these organizations will exist long after UPHOLD has finished working. Capacity building for these organizations will directly strengthen the civil society sector.

It is anticipated that UPHOLD will sub-contract the management of some of its Local Council and Community grants to other PVOs. In order to reach the communities, UPHOLD will need to work with other actors who already have community experience. This is in line with UPHOLD's strategy of building upon the experiences of other organizations that are currently working in the three sectors (Education, Health, HIV/AIDS), and avoiding redundancy.

4.   Management of Technical Assistance Grants

Technical Assistance (TA) grants will vary widely by district and even region. TA grants will be used to compliment the strong team of technical specialists among UPHOLD's staff. The particular needs of each district will be determined by the Local Councils and by UPHOLD regional staff. UPHOLD wants to avoid the unfortunate experience, anecdotally reported, in which district officials resent the technical assistance being offered because they don't feel they need it. The decision to provide technical assistance must be reached through a participatory process where the type of assistance, and its timing, is agreed by all stakeholders. Once the priorities for technical assistance have been determined, a request for proposals can be sent forth nationally. Technical Assistance proposals must all follow the same format and be reviewed by a committee at the regional or district level. If technical assistance is only being sought in one district, it will only be reviewed by the appropriate Local Council members in that district. If the technical assistance is for more than one district, all implicated Local Councils and districts will be involved. The proposal review committee will also include two people from UPHOLD's headquarters and two from UPHOLD's regional office. The type of technical assistance will determine the composition of the technical review team from UPHOLD headquarters.

Once grants are awarded, they will be managed by the UPHOLD regional office but monitored with the help of local government officials. Local Councils will play a key role in assessing

the achievements of a grant recipient. It is crucial to the success of the programme and the sustainability of the work, that Local Councils are able to properly manage the grant recipients in their districts. UPHOLD will provide training and other support to districts needing help in monitoring the activities of a grant recipient.

5.   Local Council Grants

Local Council Grants will always be managed directly by the UPHOLD regional office. The proper management of US government funds is a key concern. In order to assure absolute transparency, UPHOLD will directly handle reporting requirements with the local government. UPHOLD will work to assure a high degree of professionalism and fiscal responsibility in the management of Local Council grants. All grants awarded to the Ugandan government or its institutions will be exclusively managed by the programme.

6.   Summary

Grant management will constitute an important training activity in which all UPHOLD staff will participate. Most of the management functions will take place at the regional offices with support from staff at headquarters. It will be the Grants Manager's responsibility to ensure that there is transparency and coordination at all levels. The Grants Manager will be involved in the proposal and award process, but primarily to offer capacity building for UPHOLD staff. Technical issues will be answered by the appropriate technical specialists within the UPHOLD staff. Grants will be a unique tool with the power to bring together all members of UPHOLD's multi-disciplinary team to work with its partner organizations and grant recipients in a participatory process.

XI.   Indicators for Grant Programme

The following are illustrative examples of some of the indicators that will be used in the monitoring and evaluation plan to gauge the progress of the grants strategy within the framework of the entire programme. The veracity and applicability of these indicators are subject to further confirmation.

- Number of grants awarded (disaggregated by social sector and district).
- Percentage of total grants awarded by a Ugandan granting organization.
- In kind contributions generated by government that is attributed to public-private partnerships.
- Percentage increase in partnership index scores.
- Percentage increase in performance in 6 technical areas of capacity building (as determined by the Performance Improvement Review).
- Number of districts that allocate 2% of recurrent costs with costs associated with public-private partnerships.
- Number of grantees that report activities to the government at least 2 times a year.

XII. Conclusion

UPHOLD reaffirms the strategic imperative and the unique opportunities inherent in UPHOLD's grant strategy as a catalyst to advance Uganda's decentralization and the strengthening of an emergent civil society. With a focus on iterative learning, new and better ways of effectively using grants to foster social change will be captured, documented and shared with all interested parties. Given Uganda's leadership role in social development, a grants strategy that empowers Local Councils and civil society to manage and coordinate financial resources represents an invaluable tool.

XIII. Documents used in strategy

- AIM Grants Management Guidelines, January 2003.
- AIM Grant Strategy, March 2003.
- Summary analysis of grants-making programmes in Uganda, March 2003, consultancy by Sandra Erickson.
- JSI submission to USAID for Uganda Integrated Social Service Program, May 2002.

APPENDIX A

DRAFT APPLICATION FORM
FOR THREE-STEP GRANTING PROCESS

Organizational Details:

Name of Organization: _____

Physical Address: _____

Mailing Address: _____

Telephone No: _____

Fax No: _____

Email Address: _____

Chief Executive Officer:_____
(Name and Title)

Contact Person: _____
(For Questions about this Application)

Organizational Profile:

1. When was the organization established?

2. Is the organization registered with the local counsil, if so, when?

3. What are the organization's principle aims and objectives?

4. What services does the organization offer? (Training, technical assistance, grants management, other). Please describe those services.

5. How long has the organization been offering each of those services?

6. How do you evaluate the effectiveness and the impact of the organization's services?

7. In what geographic area(s) does the organization provide services?

8. How many full-time staff are employed by your organization and what are their roles?

9. In what areas does the organization have the greatest impact?

10. In what networks or alliances is your organization currently a member?

11. How is the organization governed, and what role does the governing body play in the organization? (Please attach a list of board members/trustees and indicate their occupation/skills, if applicable.)

12. What are the organization's principle source(s) of funding? Please provide a list of contacts at funding organizations.

13. What % of last year's revenue were grants and donations? _____ %

14. What % of last year's revenue were membership fees, other fees or interest income? _____ %

15. Please attach a financial statement for the most recent complete fiscal year including name and address of bank.

Client Profile:

16. Who are the clients or beneficiaries with whom the organization works?

17. Approximately how many clients or beneficiaries does the organization work with?

Reasons for Applying to UPHOLD:

18. Please state, in 100 words or less, the reason(s) why the organization is applying to become an UPHOLD Partner NGO. Specifically, what value would the NGO bring to UPHOLD, and what value do you think UPHOLD can offer the NGO?

19. What other information about the organization would it be important for UPHOLD to know?

Thank you!

_____

REMEMBER!
DEADLINE FOR RECEIPT OF APPLICATION
__DATE__

Send Applications to:
UPHOLD
Regional office

APPENDIX B

MORE DETAILED ROLES AND RESPONSIBILITIES
WITHIN THE GRANT PROCESS:

Grant Manager-
- Coordinate strategic document
- Facilitate discussions on the grant ideas
- Set policy for grant uses- aligned with USAID regulations
- Train UPHOLD staff on grant process
- Participate on application process for operational grants
- Coordinate lessons learned from different regions
- Continue discussions on coordinating AIM and UPHOLD grant processes, management and reporting
- Facilitate the drafting of an MoU (with lawyer)
- Determine training needs of UPHOLD staff on application and proposal process
    - If needed, conduct appropriate training or find the right person/group
- Design application to be used at the regional level for operational grants
- Help regional staff support proposal writing process
- Review submitted operational grant proposals, send to finance for funding
- Create grant reporting instruments
- Train regional staff on use of grant reporting instruments
- Revise grants strategy document as necessary
- Design proposal format for proposal funding process

Regional staff-
- Conduct discussions with district government
- Explain the grants strategy to district government
- Conduct analysis of current NGO/private sector involvement in the district
- Determine how many partner groups/organizations (grant recipients) UPHOLD's regional offices will need within the region
- Create criteria for partner organizations with government
- Request applications from organizations
- Review applications in a participatory manner with government
- Send the final list to UPHOLD Headquarters for review
- Inform final group of success and invite to workshop
- Conduct workshop which discusses role of partner organization, UPHOLD mission and core values, priorities for districts, proposal writing instructions.
- Provide technical assistance to partner groups/organizations assist in developing a formal proposal, including a work plan, budget, and monitoring and evaluation plan.
- Proposals submitted at regional level- approved by Local Council or representatives
- Send approved proposals to Headquarters
- Determine if grantees need training to conduct parts of their work plan- tech information, background in education sector, participatory approaches etc.
- Facilitate HQ-tech staff or other people to provide training (could also be a TA grant)

- Receive monthly financial reports from grantees
- Correct the reports and work with the grantees to make them more accurate
- Forward approved reports to Headquarters-finance
- Receive quarterly programmatic reports- with support from technical task manager correct omissions or answer questions with grant recipient
- Forward approved programmatic reports to HQ-tech
- Determine if there are training needs for grantees and facilitate how they will receive the training

Technical Task Manager
- Participate in the grant review process at regional level
- Coordinate technical input when needed
- Review programmatic reports with grant recipients

Finance-Headquarters
- Disperses money for grants
- Inform regional office, Local Council and grant recipient when money has been sent
- Receives finalized financial reports to enter into accounting system

Chief of Party
- Signs Memorandum of Understanding with grant recipient
- Overall management of the programme, including the grant component

APPENDIX C

SAMPLE CHECKLIST FOR OPERATIONAL GRANTS IN REGIONS

- Set up offices in regional areas
- Discussions with district government regarding district priorities, UPHOLD and the potential for grants to help
- Analysis on the current actors within the district for social services
- Determine how many/what type of partners will be needed- specific in technical areas? More community development experience? Large group of international PVOs available? Umbrella groups available?
- Set up criteria for evaluating partner applications with appropriate government officials
- Send out request for applications for work with UPHOLD at district level
- Group reviews applications
- Finalists invited for interviews, if necessary
- Partners determined and formally informed
- Training set up for partners with government participation
  - Core values
  - Mission
  - Goals
  - Priorities for district- review plans
  - Expectations for partner organizations
  - How to write a proposal
  - Objectives
  - Set up of a work plan
  - Budget set up
  - M&E plan
- Partners work on proposals with support from UPHOLD
- Proposals reviewed by regional office and task manager. If necessary, other technical specialists are included.
- Proposals reviewed by finance department
- Memorandum of understanding drafted
- Proposal approved
- MoU signed, money for first quarter dispersed
- Work begins with support from UPHOLD and monitoring by government
- Monthly financial reports and quarterly programmatic reports reviewed by regional office
- Once they are approved, get sent to the central office
- Money dispersed by central office and therefore reconciled at that level