

2009 Project Selection, Review, and Approval Guide

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Review Guidelines for 2009 Funding

Process Overview

Table 1 - Project Funding Review Process Summary

Activities	Timing	Materials
Application Screening		Initial Application
RPD Approval for Design	Start	Application Form and Documents, Site Visit Report
Project Design	Up to 120 days	Updated Application, Supporting Analyses, All Compliance Docs
Compliance Review	2+5 days	Folder Prep, Clearance Sheet Cover Sheet, Ambassador Notification, Appendix A, Budget, Narrative, ESR, Financial Assessment Form
	2 days	Final RPD Updates and Decision Memo
Grant Authorization	1+1+1 days	Final Grant Package (Amb Letter, T&C, Appendix A, Budget) prep, RPD review/GC Clearance, President Signature

Project Selection and Design Summary¹

ADF 's mission is to provide direct support to community organizations and enterprises that benefit underserved and marginalized communities in Africa. All projects that ADF funds in FY 2009 should support that mission. Underserved and marginalized communities are groups of people or populations that are largely being underserved by existing government, NGO and international development programs.

For fiscal year 2009 the new [Project Application Form](#) , rather than the a formal "project paper", will be the primary document ADF uses to evaluate and determine if an ADF grant proposal will be awarded to the applicant. The application form contains detailed information about the applicant's organization, who will benefit from the grant, what is the primary problem that must be addressed, what the proposed solution is to the problem, and what activities and inputs are needed to implement the solution. The application helps ensure the project is community driven and has significant social benefits.

Once an application is received, the designated ADF field representative will do an initial screening of the application form, have discussions with the Regional Program Director (RPD) to determine if the application request meets ADF criteria (*See Appendix 1*) and warrants a site visit to gather additional information. With an RPD's concurrence, the field team will conduct a site visit, complete the [Site Visit Report Form](#), and submit it along with the application form to the RPD.

The RPD will conduct an initial review of the original application and the site visit report form to determine whether or not the application fully meets ADF requirements. If RPD determines that the project application meets these criteria the RPD will formally authorize the Partner Organization to begin design work with the client. This formal step begins the timed project design period, and formally registers the project in the RPD's project pipeline. All ADF pipeline activities are tracked during bi-weekly program review meetings scheduled to begin in January 2009. The RPD will ensure that the Partners Organizations follow project design guidelines and standards established in the *2009 Design Guidance Document*. These guidelines replace the current project paper format. The design document guides the Partner Organization's work with the applicant in four major areas:

- A) Update the application to ensure that it is complete.
- B) Conduct additional supporting analysis and update the application as needed .
- C) Collect and review supplemental compliance information.
- D) Develop project summary documentation.

Project design activities should not exceed 120 days. During the project design period the RPD, or designate, will consult with compliance review officers to identify and address any major compliance concerns associated with the project proposal. This is a critical step needed to avoid compliance review delays and ensure that compliance related concerns are being addressed as a component of the project design activity. This step is especially important to ensure that all

¹ See the 2009 Project Design Guidance Document for additional information.

legal, financial management, and environmental issues or concerns are addressed within the context of the project proposal.

Once the final project application package documents are complete and reviewed for quality, the RPD will submit a single package containing each component to business operations to begin the compliance review process.

FY 2009 Project Documentation Tables

The following table summarizes the documents² required by ADF for the final compliance review and grant authorization to be completed.

Table 2 – Project Compliance Documents to be Sent to Business Operations

NEW EEI	GRADUATING EDI	EDI	SOCIAL ²
Completed Project Application	Signed Project Cover Page	Completed Project Application	Completed Project Application
Site Visit Report Form (to include social and economic impact justifications)	EDI Summary Report	Site Visit Report Form (with recommendations and rationale for changing from an EEI request to an EDI)	Site Visit Report Form (to include social impact justifications)
Due Diligence Documents	Due Diligence Documents	Due Diligence Documents	Due Diligence Documents
Final Application w/ Signatures	EDI generated Business Plan per ADF standards	Final Application w/ Signatures	Final Application w/ Signatures
Market Review ¹	(in business plan)	Market Summary ¹	Market Review ¹
Technology Assessment ¹	(in business plan)	Technology Summary ¹	Technology Assessment ¹
Financial Review w/ Assumptions excel template (or BPP)	(in business plan)	Basic 3 year profit and loss projections (excel)	Re-occurring Cost Analysis
Completed ESR Form	Completed ESR Form	Completed ESR Form	Completed ESR Form
Financial Assessment Document	Financial Assessment Document	See questions in Site Visit Report Form	Use questions in Site Visit Report Form, or if over \$100,000 use Fin Assmt Doc.
Appendix A	Appendix A	Appendix A	Appendix A
Budget and Narrative	Budget and Narrative	Budget and Narrative	Budget and Narrative
Grant Processing Memo	Grant Processing Memo	Grant Processing Memo	Grant Processing Memo
Disclosure Document	Disclosure Document	Disclosure Document	Disclosure Document

(click on link to access file)

Notes:

¹See 2009 Project Design Guidance Document for additional information.

² Non income generation focus, all ADF grants are to contain elements of social impact such as training, nutrition, education, etc.

² For additional details on each document please refer to the 2009 Design Guidance Document.

Compliance Review 2009

Once the design documents are complete (see listing in table 2 above) the RPD will initiate a project compliance review. It is essential that the RPD ensures ADF compliance requirements are thoroughly addressed during the design period. The purpose of the Compliance Review is to ensure that the proposal project formally meets USADF statutory requirements and is ready for the final grant authorization step.

The Compliance Review is a paper-based review process that involves three steps – (1) the distribution of the compliance folder and ambassador notification, (2) the reviewers sign off, noting any unresolved issues, and (3) resolution of sign off issues.

Step 1 – Distribution of Compliance Folders

The RPD will collect and review all project documentation materials as listed in Table 2. Once the materials are complete, the RPD will prepare a [Grant Processing Memo](#), clearly label and group all project documentation materials and transmit as attachments in one or two emails to Business Operations Unit (BOU). BOU has up to 2 days to prepare compliance folders for circulation to compliance reviewers. The content for each compliance folder (CFO, Audit, Environmental, and General Counsel) is listed in tables 3 below. Each reviewer will complete their review within 5 working days of receipt of the file. Please note, for all steps, folders submitted after 5 pm are counted as received the following work day.

Ambassadorial Notification

This step also involves sending out the Ambassador Notification letter. The RPD prepares draft ambassadorial notification for BOU to process and send on to the country ambassador. This step should be initiated at least 2-3 weeks before the expected obligation date.

Table 3 – General Compliance Folder Document Content List for Reviewers

CFO* and Audit	Environmental	General Counsel
Clearance Cover Sheet	Clearance Cover Sheet	Clearance Cover Sheet
Due Diligence Documents List	Due Diligence Documents List	Due Diligence Documents List
	Final Application w/ Signatures	Final Application w/ Signatures
	Market Review	Market Review
	Technology Assessment	Technology Assessment
Ambassador Letter	Financial Review w/ Assumptions excel template (or BPP)	Financial Review w/ Assumptions excel template (or BPP)
Financial Assessment Document (or page from site report for EDIs)	Completed ESR Form	Award letter, terms and conditions Appendix A
Appendix A	Appendix A	Budget and Narrative
Budget and Narrative	Budget and Narrative	Disclosure Document

*The CFO folder comes to RPD first to indicate source of funds and sign and give to CFO,
—BOU distributes other folders

Step 2 Compliance Review

The reviewer indicates either approval or rejection on the clearance signature cover page. If a reviewer fails to clear the proposal, they must note the specific issue(s) or requirement(s) raised at the bottom of the clearance page. Reviewers have 5 working days to complete a review. Reviewers are requested to identify significant issues early in the 5 day review period to avoid unnecessary delays.

- The CFO verifies funds availability.
- The Internal Auditor reviews the completed financial assessment forms, associated action plans, and budget.
- The Environmental Officer reviews the ESR form and project expenditures and activities to ensure compliance with policy standards.
- The General Counsel notes any required adjustments to the Terms and Conditions, Appendix A, and drafts the desired language for any required conditions precedent, or grant covenants.

Step 3 Collect Clearance Sheets and Finalize Grant Agreement

The RPD is responsible to work with each reviewer to resolve any noted issues within the 5 day period and will collect the clearance sheets. If a compliance reviewer fails to clear, the RPD may elect to move the package forward to grant authorization, but is required to note any outstanding issues in the final grant authorization [Decision Memo](#) to the President.

When modifications to the grant agreement document are necessary, the RPD has up to 2 days, to incorporate the requested changes into the grant documents and return the updated package along with a [Decision Memo](#) to BOU to prepare the final grant agreement document.

Business Operations tracks the progress dates of the compliance folder for status reporting purposes.

Grant Authorization

Grant authorization is the final phase of the review and approval process and results in a legal agreement to obligate and disburse federal funds. Final grant authorization involves three steps: (1) preparation of final grant agreement documentation, (2) a final review of the grant authorization folder by the RPD and GC clearance, and (3) an authorization review and approval signature by the President/CEO. Note, the President / CEO may waive any part of this review process in order to facilitate USADF priorities provided such waiver is in writing and is in compliance with applicable laws and external regulations.

Step 1

BOU has 1 day to prepare the grant authorization folder once they receive the [Decision Memo](#) and all final grant agreement documents from the RPD. The grant authorization folder is returned to the RPD. The grant authorization folder contains:

- [Decision Memo](#), to include resolution / or discussion of all issues arising from the compliance review.
- Completed Clearance signature cover sheets from the GC, CFO, Auditor, and Env Officer
- Final Grant Agreement Package (Award letter, Terms and Conditions, Appx A, Budget, and boilerplate)
- Copy of Ambassadorial Notification

Step 2

The RPD receives the folder from BOU and is responsible for a thorough quality check on all the documents in the grant agreement folder. Once the review is complete, the RPD delivers the final package to the GC for clearance. The GC has 1 day to provide clearance and return the package to BOU to forward to the President. If the GC elects not to clear, the issue(s) are to be noted on the clearance page, and the package is returned to the RPD for handling. The RPD may either address the issue(s) by making adjustments to the grant agreement documents, or elect to move the package forward to the President for grant authorization with an amended [Decision Memo](#) that includes the RPD's respond to the remaining GC issue(s).

Step 3

Upon receipt of the grant authorization folder the President / CEO has 1 day to sign off on final grant authorization, or send the project back to the RPD for clarification or additional information. If further clarification is needed the RPD is responsible to satisfy the information request, update documentation as appropriate, and repeat the grant authorization steps noted above. The authorized grant agreement is returned to BOU for transmittal to the field office with a copy to the CFO (to update funding budget amounts).

Business Operations tracks the progress dates of the grant authorization folder for status reporting purposes.

Appendix 1 - Project Selection Criteria and Guidance

Project applications that have cleared the initial in country screening and site visits are then passed forward by the country team and the RPD for final design eligibility and development approval. Each screened application will be assessed on the group eligibility profile (table 4) and with selection criteria (table 5).

Table 4 - Groups Types

AGRICULTURAL COOPERATIVES and SMALL-SCALE PRODUCER GROUPS	An organization formed by a group of small-scale farmers, artisans, or producers to achieve some or all of the advantages of large-scale marketing and production.
COMMUNITY-BASED ORGANIZATIONS (CBOs)	An organization made up of a group of people who come together to accomplish a common goal or a set of goals tailored to meet the development needs of their community.
AFRICAN INTERMEDIARY ORGANIZATIONS (AIOs)	An organization that works directly with very low-income people and marginalized groups.
SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)	A registered privately held enterprise that has annual sales revenues not to exceed \$0.5 million, and has a business plan that has positive social impacts on a community either directly within their enterprise, or indirectly through supply-chain linkages.

Selection Criteria

USADF’s mandate directs USADF to give priority *“to projects which community groups undertake to foster their own development and in the initiation, design, implementation and evaluation in which there is the maximum feasible participation of the poor.”* Additionally, USADF mission includes the responsibility to ensure that the selection, design, and implementation of funded projects focus on providing maximum benefit to marginalized populations.

Table 5 - Selection Criteria

Organization Eligibility Requirements:
1. The organization must be 100 percent African-owned and managed.
2. The organization must be a legally recognized African entity (or in the process of becoming legally registered. Registration must be completed before any funding may be provided)
3. The organization must demonstrate that it has successfully worked together and has the potential to productively utilize development funds.
4. The ownership and management must be in agreement on the problem to be addressed and have a commitment to benefit their community.
5. The organization must have basic functional management and controls to use and account for ADF funds.
Benefit Requirements:
1. The proposed project should represent both the applicant’s and targeted beneficiaries identified needs.
2. The outcome of the project must provide real (measurable) benefits to the community. Benefits include job creation, increased incomes levels, improved market access, and quality of life improvements.

The final project proposal and associated ADF funding assistance should result in the organization’s ability to satisfy the following criteria:

Other Considerations:
1. The project is consistent with ADF’s host country strategies and partnerships.
2. The goals of the project can be implemented realistically with ADF funds.
3. There are sufficient management, technical and financial resources available for project success.
4. The organization can demonstrate long-term viability after ADF funding ends.
5. The organization can meet all licensing/regulatory and environmental requirements.
6. The project has potential for broader replication.
7. The level of funding from self and other sources (local, foreign, donors) committed to or available to the organization.

Review Guidelines

1. Target Populations – *“The outcome of USADF projects should result in significant benefits for marginalized population groups that may include an underserved geographic locations, gender based needs, persons with disabilities, and / or youth oriented needs.”*
2. Target Poverty Levels – *“The outcome of USADF projects should result in significant benefits for community members that have incomes below the national per capita income levels.”*
3. Target Project Locations – *“USADF projects can be either rural or urban based provided they fit USADF selection criteria, but should not be exclusively urban based.”*
4. For-Profit Enterprise / Business Projects -- *“Valid USADF projects may involve funding for closely-held Small- Medium Sized Enterprises and Businesses provided they fit within USADF selection criteria and fall within the following guidelines:*
 - a. *Size: The Enterprise/ Business annual revenues should not exceed \$500,000 per year.*
 - b. *Ownership: Principal owner(s) should be members of the local community and not recently returning nationals, not members of government, and not wealthy individuals.*
 - c. *Benefit: The enterprise/business project should show clear benefit to poor community members by providing measurable improvements in income levels, increased job stability through better market access, stronger supply chain linkages, skills training, and where possible improve conditions of employment. Note all enterprise projects may include a Re-investment Commitment provision.*
 - d. *Beneficiary Involvement: The project design should clearly show that targeted beneficiary community have been engaged during the design process, and that they are in general agreement with the outcomes of the proposed project and will support its implementation.”*