

*This English translation of the MFS-policy regulations can be used as a tool for writing the MFS-grant application. However, only the published MFS-policy regulations in Dutch are legally binding. In the event of any divergence of interpretation between the Dutch and English texts, the Dutch text shall prevail. Divergence of interpretation due to the use of the English translation are at the applicants risk.*

## **Policy Framework Dutch Cofinancing System II 2011-2015**

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## 1. Introduction

This document is the Policy Framework Dutch Cofinancing System II 2011-2015 (MFS II). It provides guidelines for the assessment of applications for grants under MFS II. Together with the compulsory model application form (see appendix 1) it forms the basis for drawing up applications for the 2011-2015 period.<sup>1</sup>

MFS II is the grant framework for Dutch civil society organisations (CSOs) that work systematically to achieve a sustainable reduction in poverty. Alongside multilateral and bilateral cooperation and partnerships with the private sector, the civil society channel has long formed an important pillar of Dutch development policy. The objective of this policy is to support poor countries and poor people in their efforts to create a better quality of life, to reduce their vulnerability and create scope for self-betterment; in short, to provide structural scope for development. In this context, CSOs largely focus on strengthening a civil society that is diverse and geared to the local situation. Strong civil society in developing countries contributes to sustainable development. The principles of this policy are set out in the policy memorandum on civil society organisations *Cooperation, Customisation and Added Value*<sup>2</sup> (14 April 2009).

With MFS II, the Minister for Development Cooperation has created scope for financially supporting Dutch CSOs in their work. The sum of €2.125 billion has been earmarked for the provision of grants within the framework of MFS II between 1 January 2011 and 31 December 2015.<sup>3</sup>

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<sup>1</sup> The appendices to this Grant Policy Framework can be found at: [www.minbuza.nl/mfs](http://www.minbuza.nl/mfs).

<sup>2</sup> Parliamentary Papers II 2008/09, 31 933, no.1.

<sup>3</sup> The minister may decide to increase the amount of funding available for MFS II to a maximum of €2.5 billion if the quality of the submitted applications justifies such a move.

Chapter 2 of the Policy Framework Dutch Cofinancing System II starts out by sketching the policy principles underpinning MFS II. These stem from various policy memoranda and have been translated into conditions under which grants may be awarded within the framework of MFS II: the threshold criteria. Assessment criteria were then drafted on the basis of the policy principles. These relate to the applicant (including co-applicants belonging to a consortium) and the proposal for which a grant is being applied for, and are elaborated in this Policy Framework Dutch Cofinancing System II. The assessment criteria form the basis for the assessment of grant applications by CSOs.

Before explaining the assessment criteria in more detail, chapter 3 of the Framework outlines the grant application procedure, including the weight assigned to the various checks. The assessment process spans two consecutive stages, and entails checks comprising the various assessment criteria.

In addition to the threshold criteria check, the first stage of assessment entails evaluating the quality of the internal management, operational capacity and policy of the organisation applying for a grant (organisational check). In the case of applications from consortia, a check is carried out to assess the capacity and added value of such a partnership (consortium check). The first stage also includes a brief check of the quality of the outline proposal (outline proposal check). All these checks are described and explained in more detail in chapter 4, and the weight attached to their individual components is indicated. The second assessment stage entails assessing the quality of the comprehensive programme proposal using a programme check. This is discussed in chapter 5, together with the weight attached to the various components of the check.

A number of appendices are attached to this Policy Framework Dutch Cofinancing System II. They are the model application form (appendix I), a glossary (appendix II) and country lists (appendix III).<sup>4</sup>

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<sup>4</sup> The annexes to this Grant Policy Framework can be found at [www.minbuza.nl/mfs](http://www.minbuza.nl/mfs).

## **2. Policy principles of MFS II**

### **2.1. Objective and policy themes of MFS II**

The overall aim of MFS II is to contribute to the establishment and strengthening of civil society in the South as a building block for structural poverty reduction. To qualify for a MFS II grant, CSOs should have strategic partnerships with Southern partners and must work efficiently and effectively to establish and strengthen civil society. To this end they may use one or more of the following strategies,<sup>5</sup> which must be diverse and have the potential to be mutually reinforcing:

1. Promoting sustainable economic development and achieving direct poverty reduction geared to strengthening people's ability to be self-reliant.
2. Building civil society (including peace initiatives and conflict prevention) by strengthening pluralist, locally tailored democratic institutions and organisations with the aim of establishing a more equitable distribution of power.
3. Influencing policy by giving ordinary people a voice in order to bring about change in processes and structures that perpetuate poverty and inequality.

However, a strategy must not become a straitjacket and the three listed above do not necessarily have to be used in order to qualify for a grant: alternative strategies may be adopted.

The following themes, based on priority themes within Dutch development policy, are central to the MFS:

- Sustainable economic development
- HIV/AIDS
- Education
- Health care
- Human rights, including socioeconomic rights
- Democratisation
- Good governance
- Water and sanitation
- Sport and culture

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<sup>5</sup> See also appendix II: Glossary.

MFS provides grants to both broadly-based CSOs whose work straddles many themes and to CSOs of varying sizes whose work focuses on a single policy theme, or a few themes.

## **2.2. Enhanced policy and country profiles**

The policy letter *Our Common Concern; investing in development in a changing world*<sup>6</sup> (17 October 2007) sets out the policy intentions of the Minister for Development Cooperation. Based on an analysis of the rapidly changing situation in the world, which naturally impacts on development cooperation, this policy letter stresses the importance of modernising the development agenda. It mentions four enhanced policy focuses:

1. Growth and equity, with a view to bridging the gap between rich and poor.
2. Equal rights and opportunities for women and girls, with a special focus on sexual and reproductive health and rights.
3. Security and development, including Development, Diplomacy and Defence (the 3D Approach), especially in fragile states.<sup>7</sup>
4. Climate, sustainability and energy.

The above policy letter also divides the countries, with which the Netherlands has development ties, into three groups with different policy profiles that require a tailor-made approach by donors and international organisations. The profiles are as follows:

1. Profile I countries: the focus is on accelerated achievement of the MDGs. These are countries that, to a large extent, are politically stable and have established institutions, but in which poverty is persistent and widespread.
2. Profile II countries: the main problem faced by these countries is fragility, inequality and susceptibility to conflict. They have a pressing security problem.

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<sup>6</sup> Parliamentary Papers II 2007/08, 31 250, no. 1.

<sup>7</sup> The Netherlands is currently using the 3D Approach in Afghanistan. It involves the combined deployment of diplomacy and development aid by the Ministry of Foreign Affairs, with the Ministry of Defence providing the defence element in the form of military missions, backed by efforts by Dutch CSOs in Afghanistan. The Dutch government determines in which countries or regions this approach will be used. CSOs cannot themselves develop initiatives within this approach. Programme proposals that tie in with the 3D Approach can qualify for grants under MFS II.

3. Profile III countries: countries with which the Netherlands has a broad-based relationship. They are on target to achieve the Millennium Development Goals and are increasingly capable of tackling poverty issues independently.

For an overview of the countries that fall under these profiles, see appendix III: Country lists.

### **2.3. Key concepts**

In the policy memorandum on civil society organisations *Cooperation, Customisation and Added Value*<sup>8</sup> (14 April 2009), the Minister for Development Cooperation sketches the policy principles for modernising partnerships with civil society organisations. They are informed by a wish to focus more on structural social change that will benefit development, to provide a customised approach, to combine forces, to make development cooperation more effective and to combat fragmentation. Other aims include closer alignment of programmes with local problems, focusing more clearly on partner countries and achieving a more transparent accountability to all stakeholders.

The policy memorandum links these features to a number of key concepts which are important to MFS II and are consequently reflected in the assessment criteria. The following areas of emphasis are particularly significant:

- Partnership between individual CSOs and, in the shape of innovative initiatives, between CSOs and actors outside civil society and the development sector, to combat fragmentation and add value.
- Contextual analysis as a valuable instrument for shaping activities by CSOs.
- A customised approach based on differentiation according to country profile.
- Planning, monitoring and evaluation (PME).
- Coordinating and aligning activities with a view to achieving harmonisation and complementarity.
- Good governance, as stressed in the Wijffels Code.<sup>9</sup>

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<sup>8</sup> Parliamentary Papers II 2008/09, 31 933, no. 1.

<sup>9</sup> Committee for a Code of Good Governance for Charities (Wijffels Code): recommendations for a code for the members of the Association of Fundraising Organisations (VFI), Amsterdam: Lenthe Publishers, 2005, see [www.minbuza.nl/mfs](http://www.minbuza.nl/mfs).

The above policy memorandum also sets certain financial requirements that in turn prompted some of the threshold criteria in this Policy Framework Dutch Cofinancing System II. This is explained in more detail in chapter 4.

#### **2.4. For whom are the grants intended?**

MFS II grants are intended for programmes established by independent, not-for-profit CSOs whose seat is in the Netherlands and that work in a result-oriented way to strengthen civil society in the South with a view to contributing to structural poverty reduction. In doing so, they may focus on one or more policy themes, as specified in 2.1 and 2.2. An application within the framework of MFS II may cover one or more programmes. CSOs can independently submit a grant application or form part of a consortium in a joint application. In the latter case, a consortium representative (known as the 'lead party') submits the application for the programme or programmes on behalf of the consortium as a whole.

Within the framework of MFS II, a positive view is taken of applicants forming consortia to implement joint programmes. This is reflected in the points that can be scored in the consortium check, which assesses consortia in terms of their capacity and their strategic added value (see the explanation of the assessment criteria in 4.3). Moreover, if the grant ceiling is too low to award full grants to all satisfactory applications, a differentiation is made, when allocating funds, between independent applicants and consortia.

MFS II does not cover emergency aid, activities designed to foster public support<sup>10</sup>, municipal partnerships or research. Alternative scope for grants for these activities is provided for by the Ministry of Foreign Affairs Grant Regulations 2006. Organisations that will be receiving core funding<sup>11</sup> from the budget of the Ministry of Foreign Affairs during the MFS II grant period do not qualify for an MFS II grant. They cannot apply either individually or as lead party, nor be represented in an application as part of a consortium. This does not apply to organisations receiving core funding due to terminate no later than 31 December

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<sup>10</sup> See Parliamentary Papers 31 250, no. 58, of 11 May 2009. NB: Activities designed to foster public support do not qualify for funding under MFS II. In contrast, campaigning activities geared to global citizenship and private initiatives that are directly relevant to development cooperation do qualify. Both should constitute a logical component of an MFS II programme proposal. The funding awarded to private initiatives may not exceed 4% of the grant applied for.

<sup>11</sup> See appendix 2 for a definition of the term 'core funding'.

2012. They can apply for an MFS II grant, either independently or as part of a consortium, with respect to the years for which they will no longer be receiving core funding, for programme(s) running up to 2016. Non-Dutch CSOs do not qualify for MFS II grants.



### **3. Assessment procedure**

#### **3.1. Assessment criteria**

CSOs applying for grants under MFS II must meet certain criteria in order to qualify for a grant. There are five types of criteria:

1. Threshold criteria: criteria which all applications must meet. An application must meet all of the threshold criteria. If it does not, it will be rejected.
2. Criteria relating to the quality of the applying organisation or the lead party of a consortium (organisational check).
3. Criteria relating to the capacity and added value of consortia (consortium check).
4. Criteria relating to the quality of the outline proposal (outline proposal check)
5. Criteria relating to the quality of the comprehensive programme proposal (programme check). NB: The programme check relates to the proposal, which may consist of one or more programmes. If a proposal consists of more than one programme, the programme check relates to all the programmes.

These criteria are explained in more detail in chapters 4 and 5.

#### **3.2. Assessment in stages**

The assessment of grant applications for MFS II takes place in two stages, after which a decision is made whether or not to award a grant.

The first stage consists of checks of the threshold criteria and the organisation (and, in the case of applications submitted by consortia, the consortium) and of the outline proposal.

In the second stage, a maximum of 30 applicants whose applications meet the criteria of the checks in the first stage and who have emerged from that stage as the most promising applicants are invited to submit a comprehensive programme proposal for assessment. If fewer than 30 organisations meet the criteria of the checks in stage 1, fewer than 30 organisations will be selected.

Selection after stage 1 does not necessarily mean that an MFS II grant will be awarded in stage 2. Whether a grant is awarded depends on the results of the assessment of the programme proposals in stage 2.

### **3.3. Stage 1 and stage 2 checks and the distribution of available resources**

#### **3.3.1. Checks in stage 1**

The threshold criteria are criteria that applications for MFS II grants must meet. No points are awarded; applications that fail to meet all of the threshold criteria are rejected and will not be processed further.

The organisational check contains criteria relating to the quality of the internal management, operational capacity and policy of the applicant CSO. A maximum of 60 points can be scored. Chapter 4 (4.2) shows how the points are distributed among the various assessment criteria. Organisations should score at least 40 points, or the application will be rejected and will not be processed further.

The consortium check applies to applications from consortia. It is designed to appraise the consortium's capacity and added value. A total of 15 extra points can be scored in this section. Chapter 4 (4.3) shows how the points are distributed among the various assessment criteria.

The outline proposal check is designed to appraise the quality of the outline proposal submitted with the application in the first stage. A total of 25 points can be scored in this section. Chapter 4 (4.4) shows how the points are distributed among the various assessment criteria. Applications should score at least 18 points or they will be rejected and will not be processed further.

In total, these three checks represent a potential top score of 100 points. The consortium check does not apply to applications submitted by a single CSO, so such applications cannot score more than 85 points (organisational check and outline proposal).

#### **3.3.2. Check in stage 2**

Stage 2 involves screening the quality of the comprehensive programme proposal of a maximum of 30 applicants. A maximum of 100 points can be scored for this check. Chapter 5 indicates how these points are distributed according to the various assessment criteria.

Applicants must score at least 60 points for this check.

### **3.3.3. Allocation of available funds**

Allocation of the available funds takes place at the end of stage 2, i.e. on the basis of the results of the qualitative assessment of the applications following the above check.

To qualify for a grant within the framework of MFS II, applicants must first meet the applicable criteria (see the minimum points to be scored as referred to in 3.3.1. and 3.3.2).

If the available resources are not sufficient to provide a full grant for all satisfactory applications, funds will be allocated to these applications according to their ranking on the basis of the programme proposal check, with consortia being awarded a number of bonus points depending on their score in stage 1 for the consortium check. When allocating resources, the extent of the grant will depend on the extent to which criteria have been met.

If in the above case the amount to be allocated would exceed the ceiling, all applications will be reduced by the same percentage.

## **3.4. Application procedure**

### **3.4.1. Applications: stage 1**

Applications for grants must be submitted, using the model application form as stipulated and made available by the minister (see appendix I), by 17.00 on 1 December 2009 at the Ministry of Foreign Affairs, Bezuidenhoutseweg 67, The Hague. This is stage 1 of the application process. Applications should be complete and without reservations, and should be submitted in quintuplicate on paper and on CD-ROM. It is not possible to submit a provisional application. Applications should be submitted in Dutch or English.

### **3.4.2. Applications for stage 2**

The minister will decide no later than 1 April 2010 which CSOs to select from those that submitted MFS II grant applications. The selected CSOs will then be invited to submit a comprehensive programme proposal no later than 1 July 2010 for assessment in stage 2. Just as in the previous stage, programme proposals must be submitted using the model application form.

### **3.5. Decision-making process**

The assessment of the threshold criteria, organisational check and consortium check, and the assessment of the outline proposal will be carried out by ministry officials on the basis of the legislation governing ministerial grants and the Policy Framework Dutch Cofinancing System II (stage 1). The same applies to the comprehensive programme proposals (stage 2). An external, non-civil service advisory committee will monitor the quality, consistency and objectivity of the assessments in stages 1 and 2. The external advisory committee has the right to see all documents in order to be able to carry out its monitoring duties properly. It will lay down its findings regarding the due care exercised in the civil service assessment in the form of two reports (stage 1 and stage 2) which it will submit to the minister. The minister will decide on grant applications no later than 1 April 2010 (stage 1) and 1 November 2010 (stage 2), taking account of the findings of the external advisory committee.

As much account as possible will be taken, when allocating grants and implementing grant decisions, of the new framework for the financial management of government grants, which is to be introduced on 1 January 2010.<sup>12</sup>

### **3.6. Legislation governing the assessment process**

The provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 are of course fully applicable to the assessment of applications and subsequent award of grants within the framework of MFS II.

This Policy Framework Dutch Cofinancing System II supplements the above legislation. All other relevant documents (as referred to in the Framework) other than the legislation

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<sup>12</sup> Parliamentary Papers II 2008/09, 31 865/31 031, no. 5.

mentioned above are subordinate to it. The compulsory model application form (see appendix I) is also based on the Framework. In the event of any discrepancy or difference of interpretation, the Framework takes precedence.

## **4. Stage 1: Threshold criteria, the organisational check, the consortium check and the outline proposal check**

### **4.1. Threshold criteria**

Applications that fail to meet all of the threshold criteria will be rejected and will not be processed further. These criteria are listed below and explained where necessary.

The threshold criteria for MFS II grant applications are:

Criterion 4.1.1. The applicant (and co-applicants: members of a consortium on whose behalf an application is being made) must be a not-for-profit CSO whose seat is in the Netherlands and possesses legal personality according to Dutch law. The organisation must enclose its constitution proving this.

Criterion 4.1.2. The applicant (and co-applicants) must actively work to achieve a structural reduction in poverty in DAC countries by supporting not-for-profit civil society organisations in these countries by means of cooperation, the provision of expertise, financial sponsorship or in some other way. This should be clear from the objectives of the organisation as set out for example in its constitution.

Criterion 4.1.3. The applicant (and co-applicants) must have a demonstrable support base in the Netherlands and be anchored in Dutch society. This means that the organisation has a stable interactive relationship with Dutch society, as evidenced for example by its having either Dutch volunteers or Dutch donors.

Criterion 4.1.4. The applicant must demonstrate that as of 1 January 2011, at least 25% of its annual income will derive from sources other than Ministry of Foreign Affairs grants. MFS II grants never exceed 75% of an organisation's annual income. If the applicant is a lead party, this criterion applies to the whole consortium. Consequently, if a single one of the organisations represented in the consortium derives less than 25% of its annual income from independent sources, this can be compensated by another party in the consortium. Funding that is directly or indirectly obtained from the budget of the Ministry of Foreign Affairs (for instance a grant or contribution from a Dutch embassy) does not count when determining the size of the own contribution.

Criterion 4.1.5. A CSO may submit only one MFS II grant application and only one MFS II grant is awarded per CSO, whether it is a lead party or an independent applicant. However, a CSO can be represented as a co-applicant in more than one consortium for which another CSO is submitting the application.

Criterion 4.1.6. The grant application may not exceed 25% of the total annual MFS II grant funding (€425 million a year), based on an application for a five-year grant (or a maximum of €106,250,000 per year). This maximum sum per year also applies if the application covers a period of less than five years (i.e. between three and five years).

Criterion 4.1.7. An application for an MFS II grant must apply to one or more programmes with a duration of at least three and no more than five years between 1 January 2011 and 31 December 2015.

Criterion 4.1.8. Applications involving a CSO (whether as an independent applicant, lead party or co-applicant) which, in combination with other applications involving a CSO in one of the above capacities, could lead to an organisation receiving more than €106,250,000 in the form of an MFS grant, will be rejected. This means that if the total grants applied for (whether as an independent applicant or lead party) and MFS II funding to be allocated to the organisation as a co-applicant in a consortium exceed the said maximum, all applications in which the organisation in question is involved, in any of the above capacities, will be rejected. Equally, consortia may not receive more than €106,250,000 a year. If an application submitted by a consortium is for more than this amount, it will be rejected.

Criterion 4.1.9. Grant applications must be for at least €10,000,000 where the duration is five years. If the duration is less (for instance the minimum of three years) this minimum sum is reduced proportionally.

Criterion 4.1.10. Programmes for which funding is applied must attain a minimum size in financial terms in each country. If a programme's strategy in a given country is largely geared to sustainable economic development and direct reduction of poverty, the minimum level of spending per year is set at €500,000 for that country. In the case of programmes with different strategies, that level is set at €200,000. These minimum levels represent an

average during the grant period. That is to say, it is possible to go under or over this level in a single year if the under- or overspending is compensated in other years.

Criterion 4.1.11. The proposal may not concern initiatives that have proselytising as an objective.

Criterion 4.1.12. The proposal may not concern initiatives primarily geared to study or research.

Criterion 4.1.13. The proposal may not concern the financing of commercial services, investment or commercial activities. Companies may however qualify as a partner.

Criterion 4.1.14. The proposal must concern activities in two or more DAC countries.

Criterion 4.1.15. With effect from 1 January 2011, the gross salary of employees of the applicant organisation and consortium members (management and board) must not exceed the salary of a director-general in the civil service. This is calculated on the basis of the gross salary of a full-time position at salary scale 19 according to the Civil Servants' Pay Decree (BBRA).<sup>13</sup> No salary of any member of staff within the organisation of the applicant (whether applying independently, as lead party or as a co-applicant) may exceed this norm.

## **4.2. The organisational check**

The organisational check is part of the assessment in the first stage. The aim is to enable the minister to judge the quality of the internal management, policy, operational and managerial capacity of the applicant CSO so as establish whether it is capable of carrying out the proposed programmes and, in the event that it is acting as lead party, whether it is capable of handling the responsibility for the consortium and the programmes to be carried out by it.

The check is divided into seven sections, with the maximum number of points per section indicated in brackets:

- the quality of the administrative organisation (10 points)

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<sup>13</sup> The BBRA can be found on the Ministry of the Interior and Kingdom Relations' website at [www.minbzk.nl](http://www.minbzk.nl).



- the organisation's efficiency (10 points)
- application of the Wijffels Code (5 points)
- policy on Southern partners (10 points)
- track record over the last five years (10 points)
- contextual analysis (5 points)
- planning, monitoring and evaluation (PME) (10 points)

Applicants can score a maximum of 60 points on the organisational check. If they score below 40 points the application will be rejected and will not be processed further.

The seven sections of the organisational check are explained in detail below. Each contains a number of criteria used to assess the applicant's score on that section.

#### *4.2.1. The quality of the administrative organisation*

Criterion 4.2.1a. The quality of the applicant's financial and administrative processes, including their anti-corruption policy and policy on sanctions. The applicant must be able to account for the spending of funds.

Criterion 4.2.1b. The quality of the applicant's planning and control cycle.

Criterion 4.2.1c. The quality of the applicant's accounting cycle. The focus is on the use of narrative and financial reporting (nature and frequency) as a means of fine-tuning operations.

Criterion 4.2.1d. The quality of the system for financially monitoring the Southern partners with whom the applicant maintains a financial relationship.

Criterion 4.2.1e. The applicant must possess a code of conduct regarding internal rules and practices (including integrity policy and diversity policy), both within the organisation itself and with regard to the Southern organisations.

#### *4.2.2. The organisation's efficiency*

Criterion 4.2.2a. The applicant must seek to be efficient and have made this aim part of its organisational policy.

Criterion 4.2.2b. The overhead costs incurred by the applicant must be in reasonable proportion to the total size of the amount applied for and the total budget of the programme or programmes for which the grant is being applied.

#### *4.2.3. Application of the Wijffels Code*

The minister has declared the following applicable to MFS II (2011-2015): the Wijffels Code on the governance of charities of June 2005<sup>14</sup> (hereafter: Wijffels Code) and the advisory rules on the remuneration of directors of charities of 7 December 2005 (hereafter: Advisory Rules on Remuneration). This code of conduct sets standards on matters such as internal organisation and quality of governance, and requires proper separation of management, supervision and accountability. It also sets a norm-based, transparent system of remuneration for managerial posts.

The applicant must have adopted the Wijffels Code and the Advisory Rules on Remuneration and apply the former according to the principle of 'apply or explain'. The explanation given by the applicant regarding the criteria for this section is taken into consideration during assessment.

Please refer to threshold criterion 4.1.15 for details of the application of the Wijffels Code and the Advisory Rules on Remuneration to remuneration.

Criterion 4.2.3a. The applicant must show how executive and supervisory functions are separated.

Criterion 4.2.3b. The applicant must have rules on dealing with complaints and indicate how complaints from individuals or organisations in the South regarding the organisation and/or its activities are dealt with internally.

#### *4.2.4. Policy on Southern partners*

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<sup>14</sup> The Wijffels Code can be found on the Ministry of Foreign Affairs' website at [www.minbuza.nl/mfs](http://www.minbuza.nl/mfs).

Bearing in mind the objectives of MFS II, it is important that the applicant's policy on its Southern partners is characterised by participation, strategic selection and capacity development.

Criterion 4.2.4a. Partner organisations or representatives from the South should have substantial influence on the applicant's policy.

Criterion 4.2.4b. The applicant's selection policy on partners must be geared to the organisation's own objectives. Assessment of this policy includes its screening and selection criteria, its anticorruption policy and policy on sanctions.

Criterion 4.2.4c. The applicant must pursue a policy of promoting the capacity development of its Southern partners that is geared to their independence (sustainable partner policy).

#### *4.2.5. Track record over the past five years*

Criterion 4.2.5a. The applicant must provide a track record showing the results that have been achieved over the last five years through its efforts. This should include the performance of all the actors involved: the CSO, the partners with which it has worked (particularly the Southern partners) and the target groups that have been reached.

#### *4.2.6. Contextual analysis*

Criterion 4.2.6a. Contextual analyses must be part of the applicant's work processes.

Criterion 4.2.6b. Contextual analyses must be carried out using professional methods.

#### *4.2.7. Planning, monitoring and evaluation (PME)*

Criterion 4.2.7a. Planning, monitoring and evaluation (PME) must be embedded in the organisation to the extent that cohesion exists between vision, objectives, activities, results and PME. A distinction needs to be made in this context between the various levels of scale (project, programme and organisation). Scrutiny will also be given to efforts to ensure that the context of PME is relevant, i.e. in relation to the problem, the objectives and the adopted strategy.

Criterion 4.2.7b. Capacity for learning must have been built into and between project level, programme level and organisational level, and the lessons learnt must be accessible to peers and partners.

Criterion 4.2.7c. The organisation must provide accountability towards stakeholders, both downwards (for instance towards Southern partners or target groups and upwards (for instance towards its support base, donors and grant providers).

Criterion 4.2.7d. The PME system must generate usable and valid data. The way in which data is generated will be scrutinised.

### **4.3. The consortium check**

In the case of applications by consortia, grants must be applied for by a single representative of the consortium, acting as lead party. There can only be one applicant/lead party per consortium, and that organisation will receive the grant, if one is awarded. The other parties in the consortia are designated as co-applicants.

Like the lead party, co-applicants must be independent, not-for-profit civil society organisations whose seat is in the Netherlands and that strive to achieve structural poverty reduction in developing countries by strengthening civil society in the South.

A consortium carries out a proposal consisting of one or more programmes. The lead party and each co-applicant must be involved in at least one programme.

In the case of applications from a consortium, both the lead party and co-applicants must meet the MFS II threshold criteria (see 4.1). If any one of the co-applicants fails to meet all the threshold criteria, the application is rejected.

The lead party, who is the grant recipient, is fully accountable to the minister for complying with all the obligations attached to the grant, even if the grant has been partly awarded to fund the activities of co-applicants in a consortium or the activities are partly to be carried out by a co-applicant or co-applicants. The decision awarding the grant will specify that the grant recipients must make part of the funds available to their co-applicants.

In the event of changes to the consortium, e.g. parties joining or leaving the partnership, or the dissolution of the entire consortium, the lead party remains the contact and the party accountable to the minister as the grant provider. The lead party should submit proposed changes to the consortium to the minister for approval. The minister reserves the right to reclaim some or all of the grant from the lead party.

If a grant application from a consortium is approved, the lead party receives the grant and becomes responsible for implementing the programme proposal. Since the lead party is dependent on the co-applicants for implementing the programme and complying with the obligations attached to the grant, their partnership must be specifically laid down in an agreement. A written partnership agreement signed by all the participating parties must guarantee the cooperation of all parties and compliance with the agreements that have been made. The agreement must at a minimum cover certain specific topics (see criterion 4.3.1).

The consortium check consists of an assessment of the capacity of the consortium and the value that it adds. Applicants can score a maximum of 15 points (10 for the consortium's capacity, and 5 for its added value).

The two sections of the consortium check are looked at in more detail below. Each contains various assessment criteria.

#### *4.3.1. The capacity of the consortium*

When assessing the capacity of the consortium, the capacity of the various co-applicants is important. The co-applicants, after all, need to have sufficient capacity (internal management, policy, and operational and management capacity) in order to successfully carry out the activities for which they are responsible and to account for them. If the minister judges such capacity as wanting, the application will be rejected. Since the lead party is responsible to the minister for the consortium, the lead party must guarantee the quality of the consortium and their co-applicants. An agreement to this effect should be contained in the partnership agreement (see 4.3.1c).

Criterion 4.3.1a. The consortium must have adequate financial management and be able to guarantee that the programme or programmes will be carried out in an efficient and

effective way as a result of its expertise regarding the activities for which a grant is being applied.

The objective of this check is to allow the minister to judge the quality of the organisation's internal management, policy, and operational and management capacity, with a view to establishing whether the consortium is capable of carrying out the proposed programmes. To this end, the lead party must provide insight into the results of the assessment of the quality and capacity of the co-applicants and the way in which the assessment has been made. This takes the form of a screening report per co-applicant. The assessment should take sufficient account of each of the seven sections referred to under 4.2 (organisational check). On the basis of this information, the minister can obtain more information from the lead party about the co-applicants.

Criterion 4.3.1b. The consortium is based on a feasibility analysis. The analysis must at any rate cover the added value of the consortium in terms of both strategy and substance, as well as the success and risk factors or the strengths/weaknesses of the consortium. The feasibility analysis identifies risks and contains concrete measures to limit such risks.

Criterion 4.3.1c. CSOs jointly submitting an application must lay down their partnership in a partnership agreement signed by the lead party and co-applicants. In the agreement, the parties concerned must state that they are concluding the agreement with a view to implementing a joint proposal with (a) programme exceeding objective(s).

The agreement must at least cover the following elements:

- Scope and objectives of the partnership.
- The way in which each of the parties is to contribute to the consortium's activities, the nature of the partnership and representation, and the way in which decisions are to be made in the consortium.
- Commitment by the co-applicants to the lead party (who will act on behalf of the parties in the consortium and function as contact and representative), both as regards implementing the programme or programmes as described in the grant application, and as regards complying with obligations attached to the award of the grant.
- Planning, monitoring and evaluation. The PME systems of co-applicants must be consistent with each other.

- Contextual analyses. These must be carried out jointly and in a coordinated manner in line with the provisions of section 4.2.6 of the organisational check.
- Joint partner policy. Parties must harmonise and specify how the selection of Southern partner organisations is to take place and the shape given to the relationship with such organisations.
- Financial agreements, including the distribution of funds, administrative costs/overhead costs (rates and distribution), prepayments and final settlements.
- Miscellaneous provisions, including systems for settling disputes and dealing with complaints, anti-corruption policy, sanctions policy and an exit strategy.

#### *4.3.2. The added value of the consortium*

If the application is submitted by a consortium, it is important that the lead party indicates that the consortium will jointly carry out a proposal – consisting of one or more programmes – that is also to be jointly reported on. A proposal should not be a collection of unconnected programmes with no substantial added value. The proposal must show why and how the partnership will give more value than individual applications by the parties.

Criterion 4.3.2a. The consortium must have a strategic added value (for development-related and MFS II objectives). That may lie in different factors: economies of scale (more of the same), synergy (thematic specialisation), efficiency gains (internal functioning of the consortium), innovation in some area or a different kind of advantage.

Criterion 4.3.2b. The lead party and/or one of the co-applicants must belong to one of the following categories: a migrants' organisation and/or a 'young and innovative' organisation. Points are awarded in the case of partnership with organisations belonging to one of these two categories. See appendix II for the definitions of these concepts.

#### **4.4. The outline proposal check**

The outline proposal check is also part of the assessment in the first stage. The aim of this check is to enable the minister to form an opinion of the quality of the programmes that the applicant (and if applicable their co-applicants) intend to carry out. NB: A proposal can contain more than one programme.

The following three sections are important for the outline proposal check. Maximum scores are indicated in brackets:

- Consistency of strategic choices (5 points)
- Policy relevance of the proposal (10 points)
- Substance of the proposal (10 points).

Applicants can score a maximum of 25 points for the proposal check. They must score at least 18 points, otherwise the application will be rejected.

The three sections of the proposal check are outlined and explained in more detail below. Each section contains different criteria which are used to assess the degree to which the applicant meets the requirements of that particular section.

#### *4.4.1. Consistent strategic choices*

Criterion 4.4.1a. The applicant's vision of development cooperation and its mission form the basis of the programme proposal. In other words, they must provide a logical basis for strategic choices regarding topics such as contextual analysis, activities and partner organisations. At issue here is logical coherence.

#### *4.4.2. The proposal's policy relevance*

Criterion 4.4.2a The extent to which the intended results of the programme proposal are achieved using the adopted strategies (specified in 2.1 and in the glossary in appendix II). The choice of strategy should be related to the results, themes and country selection of the programme proposal and to relevant background factors.

Criterion 4.4.2b The extent to which the programme proposal ties in with the minister's four enhanced policy focuses.

Criterion 4.4.2c. The programme's geographical reach (the distribution of activities across partner countries and non-partner countries): 60% of the grant amount should have been spent in the partner countries no later than 31 December 2015 (appendix III). The 60% criterion does not apply to global programmes (see appendix II for what is meant by this term) such as global programmes of network organisations in the field of trade politics, environmental degradation and food supply problems or global AIDS programmes. The



60% criterion applies to the total amount in 2015 to be allocated to countries. When assessing the geographical reach of the programme proposal, the degree to which the proposal is carried out in countries on the OECD/DAC list of Least Developed Countries (LDCs; list in appendix III) is also assessed. Proposed spending in these countries scores points, in so far as these are not partner countries.

Criterion 4.4.2d concerns the extent to which the programme proposal ties in with one or more country profiles. This is assessed in relation to the themes to which the application relates, the selection of countries and relevant background factors.

#### *4.4.3. The substance of the proposal*

Criterion 4.4.3a concerns the proposal's logical structure. A logical connection must exist between problem analysis, objective, activities, resources to be deployed and intended results (specified using quantitative and qualitative variables). This should also be visible in the budget attached to the programme proposal. The risks involved in the programme's implementation should also be clearly outlined, together with proposed measures to restrict risks.

Criterion 4.4.3b concerns the proposal's feasibility. The intended results at programme level should be underpinned using SMART indicators, possibly including a description of previous experience, together with a risk analysis.

Criterion 4.4.3c concerns partnership with Southern partner organisations. The focus of assessment here is on partner policy, particularly ownership, and a partnership of equals.

Criterion 4.4.3d concerns partnership with businesses and/or research and academic institutions. Applications can score points here if proposal implementation involves partnership with businesses/knowledge institutions (see appendix II).

## **5. Stage 2: The programme check**

NB

1. A proposal may consist of one or more programmes. The programme check relates to the proposal. If a proposal consists of more than one programme, the programme check relates to all the programmes.
2. For 'programme' read 'programme or programmes'.

### **5.1. Comprehensive programme proposal**

The group of applicants that score best on their application in stage 1 (not exceeding 30 applicants, including those that are the lead party in a consortium) are invited to participate in stage 2 by submitting a comprehensive programme proposal for 2011-2015. Assessment of applications during the second stage takes the form of the programme check. The objective of the check is to enable the minister to form an opinion of the programme's quality on the basis of an elaborated version of the outline proposal submitted in stage 1.

### **5.2. Sections of the programme check**

The following seven sections are important in the programme check. Maximum scores are given in brackets:

- Contextual analysis (20 points)
- Objective and strategy (15 points)
- Monitoring, accountability and evaluation (10 points)
- Harmonisation and complementarity (15 points)
- Programme efficiency (15 points)
- Programme sustainability (10 points).

Applicants can score a maximum of 100 on the programme check. They must score at least 60 points to qualify for a grant.

The seven sections of the programme check are outlined and explained in more detail below. Each section contains different criteria used to assess the degree to which the applicant meets the conditions of that particular section.

### *5.2.1. Contextual analysis*

Criterion 5.2.1a. The programme proposal must contain a contextual analysis for each country for which a grant is being applied for. The programme must be drawn up and implemented in a way that is context specific. Contextual analysis is also specified according to theme and country.

Criterion 5.2.1b. Per country, the contextual analyses must contain a target group analysis, a problem analysis at micro/meso/macro level and a background analysis of the social, economic and political factors in relation to one another. The contextual analyses must also contain a multi-actor analysis.

Criterion 5.2.1c. The findings of the contextual analyses must result in a tailor-made programme or coherent tailor-made programmes, geared to other programmes of the applicant or of other donors in the same themes and/or countries.

### *5.2.2. Objective and strategy*

Criterion 5.2.2a. Objective: the programme proposal must contribute to the strengthening of civil society in the South.

Criterion 5.2.2b. The objective or objectives of the programme must follow on logically from the contextual analysis and be in line with the applicant's vision and mission.

Criterion 5.2.2c. The programme's strategy must derive logically from the objective or objectives and assume ownership on the part of the target group or target groups. Ownership is based on the premise that the approach has at least been drawn up in consultation with the target group and that it ties in with the needs/wishes of that group.

Criterion 5.2.2d. The strategic approach must be partly based on lessons learnt in the past.

### *5.2.3. Intended results*

Criterion 5.2.3a. The programme should indicate the intended results and should be effective. It must contain a detailed list of intended results (based on SMART indicators) at

output and outcome level and specify key indicators to be used to measure the extent to which results have been achieved.

Criterion 5.2.3b. A logical connection should exist between the programme's strategy and intended results.

Criterion 5.2.3c. The programme must contain a baseline measurement.

Criterion 5.2.3d. The programme must tie in with the applicant's (and co-applicants') capacity. The intended results must be realistic and achievable, bearing in mind the applicant's (and co-applicants') human and financial capacity.

#### *5.2.4. Monitoring, evaluation and accountability*

Criterion 5.2.4a. The intended results must be monitored, ensuring contextual relevance.

Criterion 5.2.4b. The programme must be evaluated and the evaluations are of good quality. The evaluation should show the extent to which the intended results have been achieved. The applicant must demonstrate that by the end of the grant period, (a) representative programme evaluation(s) will take place of 75% of the activities carried out with the aid of the grant. The evaluation(s) must be of good quality (valid, reliable and usable).

#### *5.2.5. Harmonisation and complementarity*

Criterion 5.2.5a. Geographic and thematic harmonisation must exist between the applicant (and, if applicable, the co-applicants) and other Dutch and non-Dutch civil society organisations.

Criterion 5.2.5b. The programme must be relevant within the context of national government policy.

Criterion 5.2.5c. The programme should be harmonised with Dutch bilateral aid efforts and/or with important donors in the countries where the programme is being implemented.

#### *5.2.6. Programme efficiency*

Criterion 5.2.6a. Investment in the programme should translate into benefit for the target group (added value for target group) and not cost more than necessary (the programme must be efficient, overheads must be in reasonable proportion to direct programme costs).

Criterion 5.2.6b. It must be possible to verify the programme's efficiency during implementation, if necessary leading to cost-reducing measures.

Criterion 5.2.6c. The programme must contain a realistic timeline.

#### *5.2.7. Programme sustainability*

Criterion 5.2.7a The programme results must be of a sustainable nature. The programme/programmes must contain measures to ensure the independent continuation of the programme by partners and/or target groups.