

Support mechanism for Civil Society Organisation (CSO) initiatives

METHODOLOGY GUIDE FOR CO- FUNDING OF “FIELD” AND “PUBLIC INTEREST” PROJECTS AND PROGRAMMES

2016



This methodology guide is intended as a guide for CSOs wishing to submit a project to the Agence Française de Développement (AFD) as part of the “NGO Initiatives” funding programme, from project review to implementation.

This methodology guide sets out all rules and procedures that CSOs must follow for submission of applications, as well as prior to signing the funding agreement and during project execution.

It includes appendices and information sheets to guide CSOs through the different steps.

All information presented in this methodology guide, as well as all reference documents, can be consulted and downloaded on the AFD website at the following address:

(<http://www.afd.fr/home/AFD/nospartenaires/ONG>)

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PART 1: AFD AND CIVIL SOCIETY ORGANISATIONS

I. THE DIFFERENT FORMS OF COLLABORATION BETWEEN AFD AND CIVIL SOCIETY ORGANISATIONS (CSOs)



Agence Française de Développement (AFD) funds and advises projects designed to improve the living conditions of populations, reduce inequality, fight climate imbalance and preserve biodiversity. A public financial institution with activities in 75 countries, it implements the policies defined by the French government. In 2015, AFD provided €8.3 billion to fund projects in developing countries and French overseas territories.

Over the years, AFD has begun to work with CSOs in new and diverse ways. Today, relations between AFD and CSOs are multifaceted: cooperation extends beyond project and activity funding to include knowledge production and mobilisation of expertise.

CSOs work together with the various departments within AFD, particularly the Operations Department (FISONG funding, crisis/post-crisis funding, competitive procurement) and the CSO Partnership Division ("CSO Initiatives" funding). The different forms of collaboration and associated tools are laid out in the diagram below:



* CSO innovation facility (FISONG), created in 2007 and managed by the AFD Operations Department, is a call for proposals (2 calls per year) based on topics defined together with CSOs to promote the development of innovative practices (technical, methodological, social, etc.). The priority is on knowledge management to ensure that development organisations learn about outcomes and methods.

*** Calls for crisis/crisis recovery projects (APCC) allow AFD to directly fund French, international and/or local CSOs, based on calls for proposals in crisis, crisis recovery or post-disaster contexts. Projects last between 18 and 36 months. The system is geared towards projects concerning delivery and/or re-launch of basic services by CSOs, particularly with an eye to preparing implementation of development projects by local actors and institutions once stability has returned.*

Note:

This methodology guide concerns only funding of “CSO Initiatives” projects

II. CSO PARTNERSHIP DIVISION (DPO)

For more information on how the CSO Partnership Division (SPC/DPO) works, please see the [CSO page](#) of the AFD website.

A. Transfer of the “CSO Initiatives” funding activity to AFD

On 1 January 2009, the French Ministry of Foreign Affairs and International Development (MAEDI) decided to transfer to AFD responsibility for funding projects championed by French non-profit civil society organisations (CSOs) working in the field of international solidarity (excluding French language, cultural initiatives, academic cooperation, emergency humanitarian assistance and support for volunteerism).

Since then, the MAEDI has provided AFD with a grants budget intended to co-finance such projects. AFD has been exercising this activity on its own behalf since 2010. In this context, AFD's role is as follows:

- establish a specific dialogue with its supervisory ministries and representatives of civil society (strategic dialogue, joint intellectual production, organisation of meetings, etc.),
- co-finance projects or programmes led by French CSOs to fight poverty, reduce inequality, achieve sustainable development goals and structure and strengthen the capacities of local CSOs in the countries in which they work,
- co-finance public-interest initiatives by French CSOs, particularly in the fields of structuring French civil society (SMA) and development and international solidarity education initiatives (EAD-SI), particularly in France.

This activity is managed within AFD by the **CSO Partnership Division (DPO)**, part of the Executive Directorate in charge of AFD Strategy, Partnerships and Communication (SPC).

AFD's relationships with CSOs, as well as the objectives and arrangements governing them, are set out in a Framework for Cross-cutting Action (CIT-OSC), which is submitted to the Board of Directors for approval. The current CIT-OSC covers the years 2013-2016 and will be updated in 2017 ([Click here](#) to read the 2013-2016 CIT-OSC).

What is the role of the SPC/DPO Division? The SPC/DPO Division manages the strategic partnership between AFD and CSOs. It also pre-selects, examines and monitors projects designed and implemented by French CSOs both in France and in developing countries.

What CSOs are eligible? French CSOs active for over three years and which implement projects in developing countries (full eligibility criteria are specified in the second section of this guide).

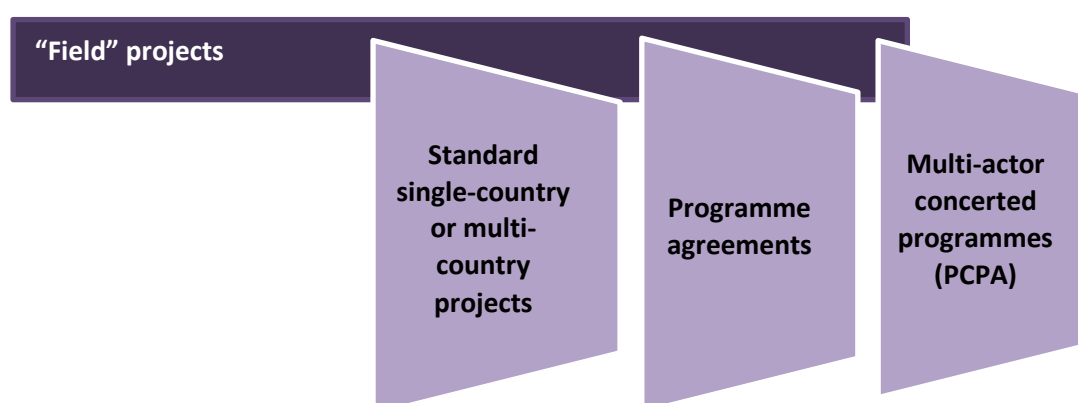
Which countries? All countries eligible for Official Development Assistance according to the list drawn up by the OECD Development Assistance Committee (DAC) and France for projects in the fields of development and international solidarity education (EAD-SI), advocacy and structuring of civil society (SMA).

Which sectors? All sectors within AFD areas of expertise (agriculture, urban development, water and sanitation, education, vocational training, health, energy, governance, etc.) as well as projects related to human rights, development and international solidarity education (EAD-SI), advocacy and structuring of civil society (SMA).

B. The different categories of “CSO Initiatives” projects

1. “Field” projects

“Field” projects are implemented in one or more developing countries in partnership with clearly identified local actors. They include three categories of initiatives: development projects in one or more countries, programme agreements and multi-actor concerted programmes (PCPA).



- **Single- or multi-country “field” projects**

These projects contribute to achieving sustainable development goals, in one or more countries, and are based on the principle of partnerships between a French CSO and one (or more) actors in developing countries, who work together to design and implement concrete actions in the field. They must contribute first and foremost to strengthening civil societies and local capacities.

“Field” projects may be submitted by a French CSO or a formal consortium made up of several CSOs from France and developing countries. A French CSO must act as lead partner. AFD strongly encourages this type of partnership to strengthen sharing and consultation among development organisations.

Note:

AFD's contribution is capped at **50% of projects' total budget**; maximum project duration is three years, renewable twice.

- **Programme agreements**

These programmes aim to develop the actions and skills of French international solidarity organisations and their local partners; they focus on a clearly defined theme central to the strategy of the French CSO and for which the latter demonstrates substantial added value. They are led and implemented by the CSO in one or more defined geographic areas.

Within the selected theme, programme agreements must put forth a coherent set of coordinated field-based actions (strengthening of partners' capacities, networking of actors) and cross-cutting actions including knowledge management, advocacy, communication, evaluation. Knowledge management is intended to widely disseminate insights acquired through the actions among associations in the developed world and partners in developing countries.

These programmes also aim at developing the CSO and its local partners' skills regarding a theme of action central to the French CSO strategy. Finally, programme agreements also aim to further the partner relationship between AFD and a CSO regarding the themes in question.

Note:

Maximum duration of three years, renewable twice, programme agreements may receive AFD co-funding for a maximum of **60% of the total programme budget**. Prior to submitting a funding application for a programme agreement, CSOs are requested to send notice of intent to the SPC/DPO Division.

- **Multi-actor concerted programmes - PCPA**

A multi-actor concerted programme (PCPA) is a coherent set of development actions grounded in a bilateral relationship between France and a partner country, bringing together institutional (public sector) and non-governmental actors (associations, foundations, unions, cooperatives, universities, regional Governments) from both countries within a strong collective strategy. They aim to ease multi-actors' dialogue about public policies and reinforce CSOs' skills and structuring.

Based on a concerted multi-actor approach, PCPAs are designed to strengthen individual and collective skills in civil society, particularly to reinforce its capacity to participate in the implementation of local public policies in one or more sectors in a given country.

Note:

Maximum duration of three years, renewable twice or three times maximum, PCPAs may receive AFD co-funding for a **maximum of 75% of the total project budget**.

2. “Public interest” projects

“Public interest” projects are led by French CSOs with the primary objective of implementing activities to take place primarily in France, in the fields of development and international solidarity education (EAD-SI) as well as structuring and capacity-building for French CSOs (SMA).



- **Development and international solidarity education projects (EAD-SI)**

These programmes aim to promote understanding and recognition in France of issues linked to international solidarity and international development. They may be grounded in initiatives led by a single CSO or a collective. Programmes aim to enhance understanding of these issues among various audiences (general public, professionals, young people, students, etc.) and inspire people to get involved in the fields of solidarity, cooperation and development assistance.

EAD-SI projects must contribute to achieving specific goals regarding awareness-raising and education focused on development and international solidarity. They must include actions designed to disseminate information, raise awareness or provide guidance to project leaders, stakeholders and/or citizens (one or more categories of citizens) and/or advocacy actions. They may take one of the following forms: education and training programmes and actions (with a formalised institutional framework or as a CSO initiative), production of educational tools and resources (reception centres, games, digital media and tools, document files, educational packages, etc.), events organisation (festivals, street events, contests and awards, etc.), awareness-raising campaigns targeting the public at large or select segments of the population, advocacy campaigns, training and guidance for project leaders.

Projects must be nationwide in scope and have a substantial impact (national or European). Insofar as possible, they must bring together different types of actors.

Activities and anticipated impacts must be primarily and mainly carried out in France.

Projects must not compete with similar initiatives, but rather offer proven added value.

Note:

AFD contributions to EAD-SI projects are capped at **60% of the total project budget**. Maximum project duration is three years, renewable.

- **Civil society structuring projects (SMA)**

SMA projects must contribute to achieving precise civil society structuring objectives (creation of or support for platforms or collectives, support funds or any durable collective initiative). They aim to strengthen the capacities of French CSOs, increase the coordination and overall effectiveness of association-based initiatives, and improve cooperation and participation of CSOs in major international events.

They must have a nationwide or Europe-wide impact on one or more of the following three pillars: i) Structuring, closer ties, convergence of CSO initiatives and integration; ii) Professionalization and creation/dissemination of innovations in and beyond the immediate environment; and iii) Contribution to CSOs collective action to strengthen dialogue regarding public action and the positioning of the public sector on national / international issues.

The proposed structure must bring together a substantial number of members and reflect civil society; if membership is limited, the project must provide evidence that its actions would have a structural scope and impact for French civil society. Projects must not compete with similar initiatives, but rather offer proven added value.

Projects must not be limited to an overly specific issue or affect an overly narrow audience.

Note:

SMA projects are eligible for maximum co-funding of **60% of the total project budget**. Maximum project duration is three years, renewable.

III. PROJECT SELECTION AND REVIEW PROCESS

The project review process consists of three phases: **pre-selection**, **selection** and **review**.

Following these three phases, the project is submitted to AFD bodies to decide whether or not to award co-funding.

A. Pre-selection phase

Project pre-selection is carried out on the basis of a **call for expression of project proposals (AMI)** launched once per year by AFD on its website for the following year. The AMI lasts two months.

Note:

If the call for project proposals is closed, the CSO may not submit any projects the following year. It must wait for the next AMI to be launched.

To respond to an AMI, CSOs must verify that their structure and project meet the pre-selection criteria set out in the call. **The CSO then informs the SPC/DPO Division via electronic means of its intention to submit one or more projects** in accordance with the timeline set out in the AMI and provides the documents requested in the call. This list mainly includes the following:

- **A description** of each project that the CSO wishes to submit to the SPC/DPO Division, indicating the following: whether the request concerns a “field” or “public interest” project, a recurring project (already having benefited from SPC/DPO co-funding in phase 1 or 2) or a new project. For new projects, the CSO must indicate the level of priority (importance) of each project. The format for the description form to be filled out is specified upon the launch of the AMI.
- **A simplified administrative application** including: the association's most recent audited financial statements, the most recent activity report/progress report and the information sheet regarding the French CSO.

Note:

Any incomplete or non-compliant applications will be deemed ineligible.

For project proposals to be pre-selected, CSOs and projects must meet the **pre-selection criteria** attached to the AMI and specified in the second section of this guide.

The SPC/DPO Division will only make contact with the CSO during this phase if it requires clarification regarding the documents submitted by the latter.

Following review by the SPC/DPO Division, the CSO will be informed by email no later than three months after the end of the call whether its project(s) have been pre-selected for the following year.

B. Selection phase

The CSO whose project has been pre-selected for the following year sends the completed co-funding application to the SPC/DPO Division. The application consists of a comprehensive administrative record and a completed project description (NGO Initiative Proposal - NIONG). The application is then assessed by the SPC/DPO Division according to the **selection criteria** specified in the second section of this guide

Following review by one of the selection committees, which meet five times a year, the SPC/DPO Division informs the CSO by post whether the project has been selected and, where applicable, explains the reasons for rejection. Projects not selected following this phase are not reviewed by the SPC/DPO Division. If they so desire, CSOs may resubmit non-selected projects upon the AMI the following year.

Specific information concerning new programme agreements: notice of intent ([click here to download the document](#)).

For all new pre-selected programme agreements, CSOs must submit to the SPC/DPO Division notice of intent for the programme prior to submitting the detailed NIONG.

This requirement will be reiterated in the letter confirming pre-selection of the project.

The memo must explain the coherence and quality of the strategic, thematic and geographic choices made regarding the programme as a whole and its various phases. It should present the overall strategic vision and the final results and/or final changes expected; it should further indicate the anticipated timeline for each phase and explain in detail why strengthening local civil society actors is crucial. It should also highlight the evaluation/knowledge management approaches the CSO intends to focus on as well as how outcomes will be disseminated.

This memo will serve to initiate a dialogue between the CSO and AFD which may, if necessary, request that the former adjust the project even before declaring it eligible for selection and beginning the review process.

Once the memo is approved by the SPC/DPO Division, the CSO must complete the co-funding application (administrative record and project description).

C. Review phase

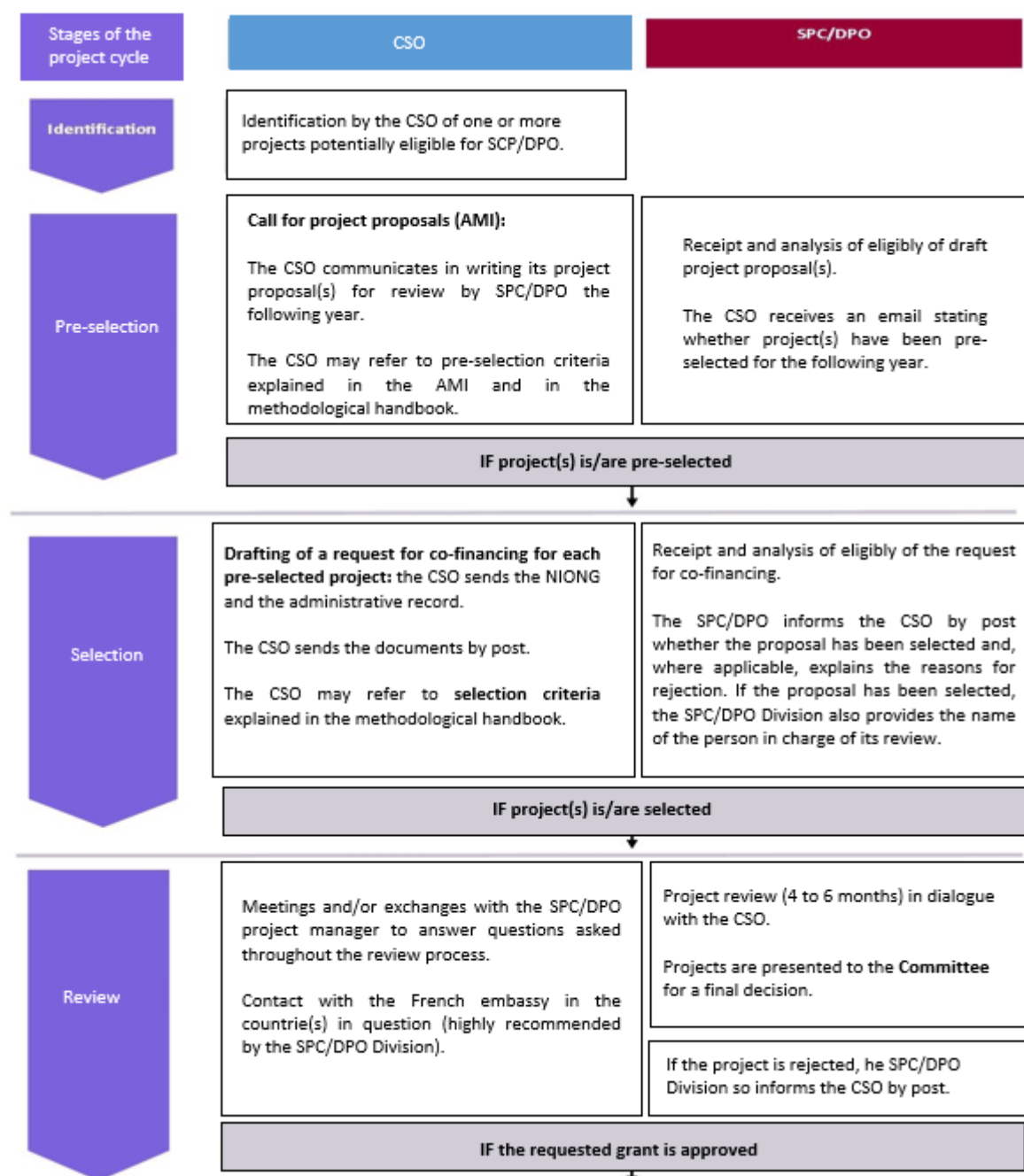
All selected projects will undergo an in-depth review by the SPC/DPO Division to determine whether projects may be submitted to AFD decision-making bodies. **The average time for project review by the SPC/DPO Division is four to six months.** During this phase, the SPC/DPO Division is the CSO's interlocutor and may contact the latter to request additional information and contribute to improving the project, particularly with regard to recommendations formulated (by AFD and the MAEDI).

Following the review phase, all selected projects are presented to the Committee specialised in supporting CSO initiatives, known as the NGO Committee, for a final decision regarding co-funding (acceptance or rejection).

The NGO Committee is an arm of the AFD Board of Directors and has been delegated the power to grant support to CSOs. Projects reviewed by the SPC/DPO Division are presented to this committee five times per year for co-funding decisions. Meeting dates are published on the AFD website.

If the requested grant is approved by the NGO Committee, a funding agreement is signed between AFD and the CSO.

Review cycle for “field” and “public interest” projects



Stages of the project cycle	CSO	SPC/DPO
Financing agreement and lifting of conditions precedent	<ul style="list-style-type: none"> - Preparation of the administrative record required for lifting of conditions precedent to signature of the financing agreement and initial payment. - Sending of the administrative record, the activity programme of the first tranche and the transparency memorandum with the signed copies of the financing agreement. 	<ul style="list-style-type: none"> - Preparation and sending of the financial agreement to the CSO in order to be signed. - After validation of the administrative record, activity programme, financial agreement signature, lifting of conditions and payment of the first tranche.

<p>Beginning of the project</p> <p>Execution of the financial agreement / monitoring and supervision</p>	<ul style="list-style-type: none"> - Implementation of foreseen project activities - Drafting of the interim report mentioned in the financial agreement. - Sending of a payment request for the second tranche including the activity programme for the second tranche. - If the project is modified, the CSO must request a no-objection notice (NON) and/or amendment. 	<ul style="list-style-type: none"> - Project monitoring. Supervision missions on the field. Dialogue with the CSO on project implementation. - Validation through NON of the interim report. - Payment of the second tranche. - SPC/DPO reviews change requests.
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End of the project

Final report /
evaluation /
financial
audit

- Drafting of a **final execution report**.

- Management of:

Evaluation:

Compulsory: at the end of each stage for multi-phase projects (field and public interest projects),
Recommended: regular field projects, single-phase public interest projects (SMA, EAD).

Knowledge management:

Compulsory: programme agreements, PCPA.
Recommended: regular field projects, public interest projects (SMA, EAD).

Project financial audit:

Compulsory in the following three cases:

- First project co-financing application submitted to the SPC/DPO Division.

- Projects for which SPC/DPO funding is equal to or greater than €500,000.

- Projects for which SPC/DPO funding is less than €500,000, if no external audit was carried out and/or reported to the SPC/DPO Division for the last two projects co-financed by the Division.

Validation of final documents sent by the CSO and dialogue on the completion of the project

PART 2: ELIGIBILITY CRITERIA FOR “CSO INITIATIVES” PROJECTS

Eligibility criteria concern the two phases described above:

- **pre-selection phase:** eligibility criteria are grounds for rejection.
- **selection phase:** eligibility criteria are not grounds for rejection; they are used to assess admissibility of the application. Failure to satisfy one or more criteria may lead the SPC/DPO Division to judge the application inadmissible. No review will be carried out.

For each phase, eligibility criteria are divided into two categories:

- **applicant CSO eligibility criteria,**
- **project eligibility criteria.**

The term “project” is used in its generic sense and includes all project categories mentioned above (single- or multi-country “field” projects, programme agreements, PCPAs, EAD-SI and SMA projects). Criteria specific to each of these categories are specified in specific boxes.

These criteria are evaluated with regard to the information in the administrative records and project documents submitted to the SPC/DPO Division by the CSO through the two phases (pre-selection and selection).

I. PRE-SELECTION PHASE ELIGIBILITY CRITERIA

Pre-selection eligibility criteria are specified on the AFD website upon the launch of an AMI, along with information regarding the duration of the call and procedures for submitting project proposals. An SPC/DPO Division pre-selection committee assesses the eligibility of co-funding requests on the basis of a review of the project description(s) submitted.

Following the pre-selection phase (approximately three months following the launch of the AMI), the CSO receives a letter announcing whether the project was deemed eligible.

A. Pre-selection criteria for applicant CSOs

These criteria concern the CSO’s articles of association, structure and governance, as well as its community spirit, activities and financial situation.

The SPC/DPO Division assesses the CSO's eligibility by comparing the documents submitted to the criteria laid out in this methodology guide. The SPC/DPO Division reserves the right to use its full discretion in assessing the eligibility of the CSO.

1. Articles of association

AFD co-funding is available to French CSOs organised under the following legal forms:

- Association governed by the law of 1901, or non-profit association governed by the local law of Alsace Moselle;
- Trade union governed by French law (law of 21 June 1865) and involved in development actions;
- French foundation with recognised public-benefit status and primarily engaged in activities including international solidarity, defence of human rights and strengthening of civil society in developing countries. Such foundations must directly participate in international solidarity actions.

Note: The following structures are not eligible: foundations providing financial support for initiatives with no direct involvement in international development measures, corporate foundations, hospital foundations, university foundations, partnership-based foundations, foundations working to advance scientific cooperation, and endowment funds.

2. CSO structure and governance

- The applicant CSO must have been created at least three years prior to the date of submission of the application (NIONG) to the SPC/DPO Division, as evidenced by announcement of such creation in the French *Journal Officiel*; this requirement may potentially be waived for structures having modified their name or articles of association over the preceding three years, but which have been carrying out the same missions with the same resources for at least three years.
- No public entity of any kind (ministry, public institution, public corporation, devolved State services) must exert majority control of the Board of Directors and/or the General Assembly of the CSO.
- No local government or representative thereof must have exerted majority control of the Board of Directors of the CSO.
- No private company(ies) or representative of for-profit private companies thereof must exert majority control of the Board of Directors of the CSO. Only cooperatives and mutual funds, falling under the social economy, are not included in this category, but, neither together nor alone, will they exert a majority control of the Board of Directors of the CSO.
- Qualified persons participating in CSO governance bodies who act as representatives of one or more public entities, local governments or private entities of any kind, will be recognised in the category of public entities, local governments or private entities.
- Regarding hybrid CSOs, the structures representing public institutions (excluding local governments) and those representing private companies (excluding mutual funds and cooperatives), taken together, must not exert majority control of the Board of Directors and/or the General Assembly of the CSO.
- No authorised representative of AFD or its subsidiaries must sit on the Board of Directors.

- The CSO's headquarters and management must be located in France. The CSO must exhibit true autonomy (independent governance and management, strategic orientations, etc.) with no influence exerted by the public and/or private entities supporting the structure.

3. Life of the CSO

The internal function of applicant CSOs must meet the following criteria:

- The CSO regularly holds General Meetings and meetings of governing bodies in accordance with its articles of association.
- The CSO produces annual documentation, including financial reports, and such documents are approved by the General Meeting in accordance with its articles of association (the minutes of the most recent General Meeting and the most recent report of the Chairman, Treasurer and/or Statutory Auditors must be supplied).

4. Activities of the CSO

- The primary missions of the CSO must include the goal of implementing actions in the fields of development assistance and international solidarity, particularly focused on sustainable development, defence of human rights, gender equality, development education or strengthening of international solidarity actors.
- CSOs whose primary missions consist of international dialogue and influence initiatives, studies or intellectual production are not eligible.
- CSOs must be able to demonstrate that they have carried out activities of substantial scope and duration for at least three years, implementing projects focused on development, civil society structuring or development education.

5. Financial situation of the CSO

- The CSOs financial and accounting information must be approved in accordance with the French law governing such establishments, particularly with regard to review of the association's financial statements by a Statutory Auditor. This information is included in the application and verified during the project pre-selection process.
- To ensure diversity among CSOs receiving "CSO Initiatives" funding, a cap of €6 million in SPC/DPO co-funding over three consecutive years has been established as of 2016. As such, any application that would cause the CSO to cross this alert threshold will automatically be rejected by the SPC/DPO Division. Exceptions may be made for duly justified applications discussed prior to submission and accepted by the SPC/DPO Division.
- The CSO must exhibit the financial and managerial capacity to carry out the project for which it requests co-funding. Particular attention will be paid when comparing the annual budget of the project and that of

the CSO, as well as assessing the latter's capacity in terms of human resources. As such, the SPC/DPO Division will ensure that the average annual cost of the project does not exceed 70% of the CSOs annual budget, except in duly justified circumstances. The SPC/DPO Division will also examine the number of projects currently being funded with the CSO in question.

Additional criteria for CSOs submitting a programme agreement

Annual budget of the CSO:

- The CSO's annual budget must be at least €1.5 million.
- The annual budget of the programme agreement must not exceed one-third of the CSO's total annual budget.
- A single CSO must not have more than two programme agreements underway.

Threshold of CSO dependence on public funds:

- Over the past three years, the average proportion of grants provided by AFD (SPC/DPO, FFEM, FISONG, APCC) must not exceed 35% of the CSO's annual budget.
- Over the preceding six years, the CSO must have received at least two co-funding grants from AFD (SPC/DPO, FFEM, FISONG) for a total of more than €600,000 and must implement projects of considerable size.

B. Project pre-selection criteria

The project eligibility criteria presented below concern: i) project objectives and activities, including the list of ineligible activities, and ii) the amount, duration and limits on co-funding for different types of projects.

1. Project objectives and activities

- The project must be coherent with AFD's strategic and geographic orientations in terms of support for CSO initiatives, as specified in the Framework for Cross-cutting Action regarding CSOs (CIT-OSC). For more information, please see the AFD website.
- The project must contribute to achieving precise development and international solidarity goals and reflect the Sustainable Development Goals adopted by the United Nations in 2015 (SDGs). The project description (NIONG) must specify the nature of actions to be undertaken and determine the feasibility of said actions as regards the human resources and the material and financial means they would require.
- The project must not include any religious proselytism or political propaganda.
- The project duration must be no longer than three years (renewable), except in duly justified circumstances.
- "Field" projects must aim primarily to strengthen local civil society actors and not only central or local government departments in the country where the project is to be carried out, although such

government departments must be involved in the project (except when impossible due to the local context).

- The local partner(s) may be CSOs based in the country in question who contribute to identifying, designing and carrying out the co-funded project in partnership with the leading CSO. The notion of partnership implies shared objectives, joint responsibility for carrying out actions, a mutual commitment and clear accountability.
- Local partners may be formal or informal structures. They may include:
 - locally structured CSOs whose actions in the context of the project promote the common good in the field of economic, social and cultural development;
 - grass-roots organisations representing the direct beneficiaries of the project.

Specific criteria for EAD-SI projects

- EAD-SI projects must contribute to achieving specific goals regarding awareness-raising and education focused on development and international solidarity. They must include measures designed to disseminate information, raise awareness or provide guidance to project leaders, stakeholders and/or citizens (one or more categories of citizens) and/or advocacy actions. They may take one of the following forms: education and training programmes and actions (within a formalised institutional framework or as a CSO initiative), production of educational tools and resources (reception centres, games, digital media and tools, document files, educational packages, etc.), events organisation (festivals, street events, contests and awards, etc.), awareness-raising campaigns targeting the public at large or select segments of the population, advocacy campaigns, training and guidance for project leaders.
- The activities developed and their anticipated impacts must be primarily and mainly carried out in France. They may also promote harmonious coexistence in French society.
- Projects must be nationwide in scope and have a substantial impact (national or European). Insofar as possible, they must bring together different types of actors.
- Projects must not compete with similar initiatives, but rather offer proven added value.

Specific criteria for SMA projects

- SMA projects must contribute to achieving specific goals in terms of civil society structuring. They must have a nationwide impact in France on one or more of the following three pillars: i) structuring, closer ties, convergence of CSO initiatives and integration within the sector; ii) professionalization and creation/dissemination of innovations in and beyond the immediate environment; iii) contribution to the collective actions of CSOs to strengthen dialogue regarding public action and national / international issues related to international development and solidarity.
- The structure leading the project must bring together a substantial number of members and reflect French civil society; if membership is limited, the project must provide evidence that its actions would have a structural scope and impact for civil society.

- Projects must not be limited to an overly specific issue or affect an overly narrow audience.
- Projects must not compete with similar initiatives, but rather offer proven added value.
- Representativeness and added value will be examined particularly closely for projects aiming to create a new structure or entity, be it formal or informal.

2. Ineligible sectors and activities

Projects primarily or exclusively focused on the following sectors of activity and/or actions are not eligible for SPC/DPO co-funding:

- ineligible sectors: academic and scientific exchange programmes, youth exchange programmes, cinema, culture, audio-visual, archaeology, promotion of the French language.
- ineligible actions:
 - creation of a CSO in a developed country;
 - running of a CSO in a developed country;
 - research projects when focused entirely on research;
 - training programmes when the project is focused entirely on training;
 - individual or group travel for CSO members;
 - projects focused on logistics operations (transport, containers, vehicles, etc.);
 - projects involving private collection or dispatch of equipment (medication, books, etc.);
 - projects involving construction or renovation of infrastructure or heavy equipment when such activities account for more than 40% of the project's estimated budget (except in duly justified contexts);
 - organisation of conferences or seminars when the project is focused entirely on such activities;
 - one-off emergency response or volunteer projects, which fall under the responsibility of the MAEDI;
 - publishing activities, when the project is focused entirely on such activities;
 - one-off actions limited to a specific geographic area may only receive support if they are components of more extensive processes and action programmes.

3. Amounts, co-funding caps and project duration

- **The total budget of the project must be at least €300,000**; projects with an overall budget of between €200,000 and €300,000 may be deemed eligible by the SPC/DPO Division only when addressing specific and justified sectors and/or geographic areas.
- **Co-funding caps for “field” projects supported by French public funds**, including AFD, the French World Environment Fund (FFEM), French ministries (central and devolved departments, establishments under state supervision) are as follows: (i) a maximum of 50% of the overall budget for single- or multi-country projects, (ii) a maximum of 60% of the overall budget for programme agreements and (iii) a maximum of 75% of the overall budget for PCPAs.

- **The co-funding cap for “public interest” projects (EAD-SI and SMA) supported specifically by AFD funds** (excluding other ministries or public institutions) is a maximum of 60% of the overall project budget.
- **Maximum project duration is three years for “field” and “public interest” projects, except in duly justified circumstances.**
- “Field” projects may be renewed no more than twice. Each phase must exhibit a stable geographic and thematic scope; work in additional countries must reflect the project's overall strategy and be justified in the project description (NIONG). Each phase must last a maximum of three years.
- Budget caps for phases 2 and 3 of “field” projects are as follows:
 - Phase 2: any requested increase in AFD co-funding must be justified and may not represent an increase of more than 20% over phase 1, except in duly justified circumstances.
 - Phase 3: AFD co-funding may not be increased from the previous phase, except in duly justified circumstances; the CSO must also present its exit strategy.
- In the case of “public interest” projects requiring long-term actions and thus justifying recurring projects, projects may be renewed more than twice provided that the CSO clearly demonstrates and documents the necessity of continuing the actions in question. Furthermore, recurring “public interest” projects must undergo a specific evaluation procedure:
 - for EAD-SI projects, an external evaluation must be carried out at the end of each phase, and an impact assessment of the processes and changes introduced must be carried out every nine years (after each third phase);
 - for SMA projects, an external evaluation must be carried out at the end of every second phase (i.e. every six years absent specific requirements by the SPC/DPO Division); and an impact assessment of the processes and changes introduced must be carried out every nine years (after each third phase);
 - Between two evaluations, the CSO must submit a detailed and analytic recap of activities (different from the technical and financial report).

II. SELECTION PHASE ELIGIBILITY CRITERIA

Eligibility criteria for the selection phase apply to the complete co-funding application (administrative record and NIONG) submitted to the SPC/DPO Division by the CSO once the project has been pre-selected. Each application is examined by an internal AFD selection committee. Following the selection phase, the CSO receives a letter announcing whether the project was selected and, where applicable, explains the reasons for rejection.

Note:

All pre-selection phase eligibility criteria apply as well to the selection phase, considering the detailed information provided by the CSO in its co-funding application.

A. Selection criteria for applicant CSOs

CSOs must meet the following criteria regarding governance, financial situation and ability to adequately implement projects.

1. Governance

CSOs must submit a **letter vouching for the fact that they meet the following detailed criteria** ([click here to download the document](#)):

- **the CSO complies with the following rules regarding professional ethics:** i) fulfilment of the criteria set out in the Professional code of conduct for charitable organisations in France (*Comité de la Charte*), ii) granting of a label and/or certification/quality charter (AFNOR, EFQM or other labels), existence of an internal ethics charter or code of conduct within the CSO, iii) compliance with ILO (International Labour Organisation) rules, and iv) social audit report when required under French labour law.
- **the CSO demonstrates good governance practices and transparent decision-making procedures:** operation in accordance with the articles of association (calling on decision-making bodies - General Meeting, Board of Directors, association leadership - decisions made public, regular meetings), formalised relations between headquarters and delegations, implementation of a wage policy, volunteer charter, transparency and means of communicating information.
- **the CSO applies internal control and reporting rules:** existence and dissemination of activity reports and Chairman's reports; project and evaluation reports (or summaries) published on the website; existence of a finance committee, donor committee, independent internal control department, internal evaluation unit; existence of procedures to disseminate conclusions/results of such evaluations.
- **the CSO applies rules regarding external control:** audits and/or evaluations conducted by external actors (Statutory Auditors, *Comité de la Charte*, French Court of Auditors, EU or other competent organisations); existence of procedures to disseminate conclusions/results of such evaluations.
- **the CSO has and applies purchasing and procurement procedures in accordance with the principles of transparency and the rules in force regarding competition:** compliance with the French Public Procurement Code of the CSO is subject to Ordinance No. 2005-649 of 6 June 2005 (the CSO is required to comply with the Public Procurement Code if public resources account for one half or more of its total operating income); otherwise, internal adoption of procurement procedures. As a reminder, AFD's requirements in terms of procurement are laid out in the funding agreement.
- **the CSO applies a policy of transparency regarding financial information, and this policy is suited to the organisation's different audiences, e.g.:** certification and publication of annual financial statements, publication of summary documents (financial statements and results/balance sheet), implementation of an expenditure account for public resources, effectiveness of investments and any other financial information relevant to its activity.

2. Financial situation

- **The CSO must provide a budget estimate for the current year;** if the application is submitted in the second half of the year, a budget estimate for the following year must also be provided.
- **The CSO must have a sound financial situation.** If the CSO has recorded negative net results or equity over the previous three financial years, it must provide an explanation and lay out its strategy for recovery. In such cases, these items must be appended to the application in the form of a written memo signed by the head or legal representative of the CSO.
- **Over the previous three financial years, private funds must account for an average of at least 15% of the resources of CSOs applying for financial support for international solidarity actions.**
- **Should its annual budget fail to present a minimum of 15% of private funds (3-year average), projected private funds must represent at least 10% in the funding plan for the project in question (excluding in-kind contributions).**
- **Total in-kind contributions (private and public) are capped at 25% of the overall budget of the project and must be clearly identified as such in the detailed draft budget.**

3. Management capacity and quality of project implementation by the CSO

The CSO must demonstrate its management and project implementation capacity regarding the project submitted for co-funding, as well as the other projects currently being implemented by the CSO. In this regard, the SPC/DPO Division will analyse the following items:

- the ratio of project budget / annual budget of the CSO (an annual project budget accounting for 70% or more of the overall annual budget of the CSO will serve as an alert threshold, except in duly justified circumstances);
- outstanding payables (OP) on CSO projects co-funded by AFD (SPC/DPO, FFEM, FISONG) compared with the annual budget of the CSO;
- any delays in implementing current projects co-funded by AFD (any division);
- the quality of technical and financial execution reports and compliance with deadlines for submitting said reports, particularly to the SPC/DPO Division.

4. CSO compliance with procedures to prevent money laundering and terrorism financing

As a financial institution, AFD has adopted a mechanism to fight against money laundering and terrorism financing (LAB-FT) as well as corruption, fraud and anti-competitive practices. As such, AFD collects information from counterparties as of the project review phase.

These examinations continue throughout the execution of the project. If warranted, the SPC/DPO Division issues a no-objection notice (NON). Should AFD's Permanent Control and Compliance Division issue an unfavourable opinion regarding a project, review may be discontinued and/or the request for co-funding denied.

B. Project selection criteria

This selection phase concerns **the qualitative evaluation of the project**, on the basis of the information provided in the NIONG. The analysis is based on the project eligibility criteria as laid out for the pre-selection phase (these criteria apply as well to the selection phase) as well as a qualitative evaluation grid for projects, which is internal to the SPC/DPO Division.

1. Project quality evaluation criteria

The project will be assessed with regard to the following points:

- **Project size:**

Preference is given to projects of substantial scope and impact.

- **Experience and expertise of the French CSO:**

The expertise and added value of the French CSO are examined through the focus and/or geographic area of the project.

The NIONG must serve to assess the French CSO's added value in implementing the project (skills, expertise, experience), and particularly with regard to local partners, while avoiding any substitution. The analysis will also focus on verifying that the project is in line with the CSO's policy of international action. The CSO must specify the current phase of the project: introductory, consolidation or exit.

- **Coherence and relevance:**

The SPC/DPO Division will pay particular attention to projects' relevance with regard to the context and the needs that have been identified. These needs must be clearly expressed (an analytical summary would be welcome); likewise, the project's consistency with sector-specific local public policies will also be assessed, provided that such policies exist in the sector in question. When appropriate, the project must mention the country's political documents as well as any reforms currently underway. Reasons must be provided for any failure to specify such information.

Should no public policies exist for the sector in question, the CSO should refer to international best practices.

- **Partnership:**

The quality of partnerships with local civil society is a significant criterion for project pre-selection (see previous section). The project must aim to strengthen local civil society organisations and not only serve the central or devolved government service in the target country, although the latter must be involved in

the project (provided that the local context permits their inclusion). The partnership between the French CSO and local actors will be assessed through the following items:

- **the nature of involvement of local partners:** the NIONG must include all useful information on local partners and how they are involved in the project: references, levels of expertise, resources, management capacity, type of relations with the CSO leading the project, etc. To guarantee project longevity and potential transfer of leadership to partners and/or beneficiaries, attention will be paid to the ways in which the latter will be involved in identifying, designing, carrying out and assessing the project. These items must be presented and explained in detail. Partnership-based relations with the CSO leading the project must be described (partnership agreements, if any, should be appended to the NIONG),
- **the quality of the anticipated skill enhancement strategy:** the CSO must explain the strategy it intends to implement to enhance partners' capacities, the goals to be pursued, the resources to be dedicated to these initiatives and the indicators to be used for evaluation. It must also explain its positioning and its specific contribution to the process,
- **the quality of the strategy anticipated to ensure local autonomy:** the project must make a significant contribution to ensuring the institutional, technical and financial autonomy of local partners and the various stakeholders. The project description (NIONG) must present the procedures for transferring infrastructure, equipment, supplies, property ownership, contracts, agreements, etc. in cases where the French CSO plans to withdraw from the project, transferring leadership to partners or stakeholders,
- for multi-phase projects, expected developments in terms of partnerships (the roles of the different actors and the level of autonomy of local partners in the course of the project) will also be assessed.

- **Overall project quality, measured through the following items:**

- clarity and compliance of the project description (NIONG),
- overall project coherence and balance among anticipated project objectives, activities and resources,
- precise and consistent outcome and impact indicators, consistent with objectives and expected outcomes,
- recognition of lessons learned from previous initiatives and evaluations,
- consistency between the draft project budget and the initiatives planned, justification of unit costs,
- consistency of human and technical resources with project objectives.

- **Recognition of cross-cutting project objectives related to gender equality, youth issues, climate and the environment:**

It is highly recommended to include these issues, as they constitute priorities in the policies governing French development assistance and ensure an effective contribution to sustainable development. Methodological tips can be found in information sheets 2, 3 and 4.

A central focus on these topics will be a “plus” during the selection phase. When a CSO claims to address one or more of these topics, they should also appear in the logical framework of the project, particularly in terms of indicators.

Methodological tips can be found in [information sheets 2, 3 and 4](#).

- **A “bonus” will also be attributed to innovative projects during the selection process.**

- **Target groups:**

The NIONG must specify project beneficiaries, providing precise quantitative information on: the number and nature of beneficiaries, their structure, if applicable (e.g. village committees, professional associations, neighbourhood associations, etc.). A distinction must be made between direct and indirect beneficiaries, as well as information to explain what distinguishes them from non-beneficiaries/stakeholders. Finally, the level of involvement of the civilian population must be explained, as well as how beneficiaries will take ownership of the initiatives to be carried out.

- **Human and technical resources:**

The NIONG must explain and justify the human and technical resources to be applied, and specify the status and profile of expatriate (volunteers, employees, experts) and local staff, as well as the duration of their missions.

The CSO must describe how the human and technical resources to be applied correspond to the project’s goals, activities and duration. It must ensure that the technologies and techniques to be used are viable, sustainable and suited to the local context and to partners’ management and/or maintenance capacities.

- **Follow-up and evaluation method and procedure:**

The SPC/DPO Division will examine the quality of the method and procedure designed for evaluation and/or follow-up and/or impact studies.

External evaluation is strongly recommended for all projects, and compulsory at the end of each phase of multi-phase “field” projects. Related costs must be included in the draft project budget. An impact assessment and review of the process of change brought about is strongly recommended at the end of the third and final phase of projects.

For EAD-SI projects, an external evaluation is compulsory at the end of each phase, and an impact assessment and review of the process of change brought about is required every nine years (every third phase).

For SMA projects, an external evaluation is compulsory every second phase (i.e. every six years, absent specific requirements set out by the SPC/DPO Division); between evaluations, the CSO must submit a detailed and analytical activity review (distinct from the technical and financial report).

Methodological tips can be found in [information sheet 6](#).

- **Knowledge management:**

The SPC/DPO Division encourages CSOs to analyse lessons learned through projects and to disseminate information outside the CSO itself. Such exercises are compulsory for programme agreements and PCPAs.

Methodological tips can be found in [information sheet 5](#).

- **Sustainability:**

The NIONG must explain how actions and outcomes will be sustainable following the end of the project. The SPC/DPO Division will pay particular attention to the conditions of social appropriation of actions, as well as their economic and financial viability and institutional replicability, particularly the ways in which local partners, stakeholders and/or beneficiary communities take over such actions. A special focus will also be on the strategy in place to ensure financial autonomy for local partners and arrangements for the latter to sustainably bear the recurring costs associated with the project. Strategies in this regard must be explained in the application, e.g. in the form of a post-project draft budget highlighting costs and the origin of expected resources. Under certain circumstances, a business plan may also be submitted.

- **Anticipated exit strategy and timeline schedule for the French CSO:**

The notion of a timeline does not necessarily require precise exit dates, but involves putting forth a general schedule, even if the final exit takes place after the end of the project in question. This item must be presented in detail for multi-phase projects.

- **Financial resources used for the project:**

The CSO must ensure that budgets are coherent (expenditures = resources) and its funding plan viable. This plan must specify whether the expected resources have been applied for, granted or still need to be requested.

- **Message content:**

The CSO must ensure that the messages reflected in the project (publications, events, website, etc.) are in no way racist, discriminatory or intolerant.

2. Draft program budget and co-funding caps

Co-funding caps for “field” projects and the make-up of the draft budget, presented below, are identical to those of the pre-selection phase:

- **“Field” project:**

- **Maximum of 50%:** share of co-funding from French public funds (AFD, FFEM, French ministries, establishments under state supervision),
- **Maximum of 25%:** public or private in-kind contributions (with no allocation restrictions),
- **Minimum of 25%:** other French or foreign public or private funds (French or target country local governments, water agencies or similar bodies, public establishments not under state supervision, government authorities in the target country, international organisations, CSO own funds),
 - o/w a minimum of 10% of private funds (excluding in-kind contributions) for CSOs whose annual budget reflects less than 15% of private funds (average over the previous three years).

- **Programme agreement:**

- **Maximum of 60%:** share of co-funding from French public funds (AFD, FFEM, French ministries, establishments under state supervision),
- **Maximum of 25%:** public or private in-kind contributions (with no allocation restrictions),
- **Minimum of 25%:** other French or foreign public or private funds (French or target country local governments, water agencies or similar bodies, public establishments not under state supervision, government authorities in the target country, international organisations, CSO own funds),

supervision, government authorities in the target country, international organisations, CSO own funds),

- o/w a minimum of 10% of private funds (excluding in-kind contributions) for CSOs whose annual budget reflects less than 15% of private funds (average over the previous three years).

- **Multi-actor concerted programme (PCPA)**

- **Maximum of 75%:** share of co-funding from French public funds (AFD, FFEM, French ministries, establishments under state supervision),
- **Maximum of 25%:** public or private in-kind contributions (with no allocation restrictions),
- **Minimum of 25%:** other French or foreign public or private funds (French or target country local governments, water agencies or similar bodies, public establishments not under state supervision, government authorities in the target country, international organisations, CSO own funds),
 - o/w a minimum of 10% of private funds (excluding in-kind contributions) for CSOs whose annual budget reflects less than 15% of private funds (average over the previous three years).

- **“Public interest” project:**

- **Maximum of 60%:** share of co-funding from AFD alone, excluding other ministries,
- **Maximum of 25%:** public or private in-kind contributions (with no allocation restrictions),
- **Minimum of 15%:** other French or foreign public or private funds (French or target country local governments, water agencies or similar bodies, public establishments not under state supervision, contributions from government authorities in the target country, international organisations, CSO own funds),
 - o/w a minimum of 10% of private funds (excluding in-kind contributions) for CSOs whose annual budget reflects less than 15% of private funds (average over the previous three years).

PART 3: SUBMISSION AND REVIEW OF CO-FUNDING APPLICATIONS

I. SUBMISSION OF CO-FUNDING APPLICATIONS

Once the project has been pre-selected, the CSO sends the co-funding application by post to the following address:

Agence Française de Développement (AFD)
SPC/DPO – Division du Partenariat avec les ONG
5 Rue Roland Barthes
75598 Paris Cedex 12

The co-funding application must include the following items:

- **a dated letter addressed to AFD (SPC/DPO) announcing submission of the grant application**, specifying the nature of the application and the amount requested, signed by a duly authorised representative (President or Managing Director),
- **a single paper copy of the CSO's administrative record** (the different items printed in a single two-sided paper-backed document) along with a **PDF version saved to an electronic medium (flash drive, CD)**. Please submit only one complete file per year and per CSO. Any changes during the year (Board of Directors, governance, articles of association or management team) must be notified to the SPC/DPO Division by post,
- **a technical and financial project description, in one paper copy** (the different items printed in a single two-sided paper-backed document) and in **Word and Excel (for financial spreadsheets) formats, saved to the same medium as the administrative record**.

Once the co-funding application is received, the SPC/DPO Division confirms receipt electronically.

Note:

Any incomplete or non-compliance applications will be deemed ineligible.
Applications in formats required by other funding organisations (particularly the EU) are not accepted.
The CSO must submit the entire technical and financial file in the AFD format specified in this guide.

II. PRESENTATION OF ADMINISTRATIVE DOCUMENTS

The **administrative record** must be submitted **only once per year** (along with the first application) **in a bound paper document**. All items must be included in a single document, with the exception of annual activity reports, which may be presented separately.

In the event that a CSO submits a new co-funding application during the same year:

- the administrative record need not be resubmitted; the CSO must indicate in the cover letter the co-funding application with which it provided its administrative record (file reference, date of submission), **however**
- it must include any documents that have been modified or updated (composition of the Board of Directors, governance bodies, management team, activity reports, moral reports, financial statements, etc.) since the latest administrative record was submitted.

Items to be included in the administrative record can be found in **appendix 2**.

III. PRESENTATION OF TECHNICAL AND FINANCIAL DOCUMENTS

The technical and financial file includes:

- **the NGO project description (NIONG)**. The NIONG template is available in **appendix 2** of this methodology guide,
- **the detailed draft budget (expenditures/resources); the table of in-kind contributions and distribution table by country (for multi-country projects)**.

These project documents must be drafted by the CSO and submitted to the SPC/DPO Division for each co-funding application.

A. The NGO project description (NIONG)

Two models exist for the NIONG:

- **a single model for “field” projects**, whether single-country, multi-country, programme agreements or PCPAs. Nonetheless, specific information is required for programme agreements. This information is specified in the template ([click here to download](#)),
- **a single model for “public interest” projects**, whether SMA or EAD-SI projects ([click here to download](#)).

Note:

The file must be in Word and Excel format, font: Times New Roman 11, single-spaced, printed on both sides. No PDF.

The NIONG is made up of four parts:

- **transparency memorandum,**
- **project description,**

- **appendices,**
- **detailed draft budget (expenditure table/resource table); table of in-kind contributions and distribution table by country (for multi-country projects)** (see Excel documents with 4 tabs).

1. Project transparency memorandum

The project transparency memorandum is the document selected to meet the transparency requirements of the International Aid Transparency Initiative (IATI).

It is to be filled out upon submission of the NIONG; it consists of a project summary (objectives, outcomes, target groups, etc.) presented in a pre-established format specified in **appendix 2**.

The CSO authorises external dissemination of the transparency memorandum and validates the content thereof by post upon signing the co-funding agreement. CAFD then posts this document on its website and that of the French government (www.transparence-aide.gouv.fr), in accordance with the commitments made by France with regard to transparency of publicly funded projects.

2. Project description and indicators

This is the most important section of the NIONG. It must describe the project in accordance with the template in **appendix 2**.

It takes the form of a summary not to exceed 20 pages (excluding appendices) for single-country “field” projects and 25-30 pages (excluding appendices) for multi-country projects, programme agreements and PCPAs.

This section must describe in detail the different characteristics of the project.

The **aggregated indicators** to be filled out by the CSO fall into two categories:

- **aggregated indicators of French bilateral aid**, applicable to AFD and have been approved by the *Interministerial Committee for International Cooperation and Development (CICID)*. The CSO is strongly encouraged to fill out these indicators (only for “field” projects).
- **Specific aggregated indicators applicable to “NGO Initiatives” projects**. Filling out these indicators is compulsory.
 - **For “field” projects**, the CSO must specify the number of local partner CSOs involved in project implementation, specifying the number of partner CSOs benefiting from financial aid.
 - **For “public interest” (SMA) projects**, the CSO must measure:
 - the number of CSOs (whether or not they are members of the CSO leading the project) directly impacted by the project,
 - the number of natural persons within the CSOs who are directly impacted by the project.

- For “public interest” (EAD-SI) projects, the CSO must measure:
 - the number of individuals trained or assisted in the course of the project,
 - the number of individuals directly affected by or involved in development and international solidarity education (EAD-SI) awareness-raising campaigns implemented through the project,
 - the number of annual visits to web platforms (sites, applications, social networks, forums, blogs, etc.) dedicated to the project.

3. Appendices

CSOs must pay particular attention to several appendices to the NIONG:

- **Logical framework:**

The activities, expected outcomes and main indicators must be summarised in the logical framework, which will serve as a reference throughout the project implementation phase (including for implementation reports). Methodological tips can be found in [Information Sheet 1](#).

- **Applicant information:**

This document includes detailed information on the main characteristics of the CSO requesting funding from the SPC/DPO Division. It must be updated and attached to each co-funding application.

- **List of beneficiaries of financial retrocessions exceeding €5,000:**

The term retrocession refers to the transfer by the French CSO of part of the project funds to an identified partner or partners, either French or local. Such partners are always legal persons as opposed to natural persons. A formal contract must be drawn up between the French CSO and its partner(s) for any retrocession exceeding €5,000 in the course of the project (in one or more payments). The SPC/DPO Division does not issue a no-objection notice (NON) for retrocession agreements, which need not be submitted (such agreements may nonetheless be examined during an audit).

Retrocessions may take the following forms:

- **financial retrocession:** delegation of funds to the partner or partners intended to support project implementation. The partner(s) thereby become accountable for the retroceded funds, although legal responsibility towards the AFD concerning proper use of said funds remains with the French CSO. Such retrocessions may take place at any point in the project.
- **material retrocession:** assignment to the partner or partners of the rights to equipment acquired for the purpose of implementing the project (e.g. vehicles). Such retrocessions may take place at any point in the project.

Retrocessions may also be:

- **level 1:** retrocession carried out between the CSO and its main partner.
- **level 2:** retrocession carried out between the main partner of the French CSO and one or more secondary local partners.

Retrocessions, financial or material, **are not compulsory**. No minimum or maximum amount applies to retrocessions.

In accordance with provisions intended to fight the funding of terrorism and money laundering, (LAB-FT), AFD must perform LAB-FT investigations on beneficiaries of retrocessions exceeding €5,000, regardless of the number of payments and the origin of the funds involved (AFD or any other establishment).

- **In the event that beneficiaries of retrocessions exceeding €5,000 are identified during the project design phase**, the French CSO, when filling out the NIONG, must complete the list of partners or stakeholders benefiting from retrocessions (Appendix 4 of the NIONG) and the partner information form (Appendix 5 of the NIONG).
- **In the event that beneficiaries of retrocessions exceeding €5,000 are identified during the project implementation phase**, the CSO must so inform the SPC/DPO Division and submit the list of said partners electronically or by post, **to request a no-objection notice (NON)**.
- Information on beneficiaries of retrocessions (name, head office, identity of managing partners) is to be specified on the list of partners or stakeholders benefiting from retrocessions (appendix 4 of the NIONG) and the partner information form (appendix 5 of the NIONG).
After completing the LAB-FT investigation, the SPC/DPO Division will transmit its response (objection or no-objection) to the CSO within one month. The CSO may only retrocede funds to partners after obtaining a NON from AFD.

- **Partner Information form:**

This form contains information regarding the primary characteristics of the CSO's main partners. It may be transmitted following submission of the co-funding application in the event that new partners are identified during the project implementation phase.

If the CSO has more than five partners, it may fill out a summary Partner Information form for each additional partner (see template in Appendix 5 of the NIONG).

- **“Constituent country” form:**

For multi-country projects and programme agreements, the CSO must fill out one form per country of activity. This form includes a summary project description for each country (local context, beneficiaries, objectives, activities and outcomes). The CSO must therefore submit as many “constituent country” forms as there are countries involved in the project. These forms must be updated with information concerning project implementation upon submission of interim and final execution reports.

4. Detailed draft budget (expenditures/resources)

The draft budget must be detailed ([click here to download](#)). It must specify the **duration of each tranche (number of months)**.

Note:

To formulate the draft budget, see the instructions in **appendix 3** of this methodology guide.

Upon submission of the co-funding application, the budget must be:

- printed in A4 format and appended to the paper version of the NIONG,
- included in the electronic Word version of the NIONG,
- submitted as an Excel spreadsheet.

The CSO must fill in the provisional columns in all four tabs of the spreadsheet: “expenditures” / “resources” / “in-kind contributions” / “country distribution” (for multi-country projects). If necessary in the context of the project, the CSO may formulate a draft budget for each component or type of action; the summary budget must nonetheless reflect the expenditure headings put forth by AFD. Allocation of expenditures is estimated and may be modified during project implementation provided that budget modification requests are duly justified, submitted in writing and accepted by the SPC/DPO Technical manager in charge of the project in the form of a NON. In the “resources” tab, the CSO must ensure that the column specifying the status of resources (granted, requested, to be requested) appears in the printed version of the document to be appended to the NIONG.

- **Applicable exchange rate**

Unless otherwise agreed in writing between the CSO and AFD (SPC/DPO), costs incurred in currencies other than those used in the CSO’s financial statements for the project must be converted using an exchange rate that reflects the CSO’s customary accounting practice, provided such practices meet the following conditions:

- They are written accounting rules reflecting standard practices within the CSO;
- The rule is consistently applied throughout the project;
- The rule applies to all transaction types as well as to all sources of funding throughout the duration of the project;
- The CSO must provide evidence of use of the accounting rule upon request by the SPC/DPO Division;
- Exchange rates must be easily accessible for verification and made available to the SPC/DPO Division upon request.

- **Rules regarding retroactivity**

Eligibility of expenditures cannot pre-date the granting of AFD funding (date of NGO Committee meeting). However, retroactivity is accepted in three special cases:

- If the CSO chose to begin the project prior to receipt of AFD co-funding, using financial resources already in its possession (public or private) and accounting for more than 50% of the total budget. In this case, the CSO must provide evidence of the funding agreements obtained. Retroactivity of expenditures in such circumstances covers a **maximum period of 12 months** preceding the grant of AFD co-funding;

- In the event of a gap between the end of AFD funding of one phase of a project and the granting of funding for the following phase, AFD may retroactively fund essential expenditures by the CSO to ensure project continuity. Such retroactivity covers a **maximum period of 12 months** preceding the grant of AFD co-funding for the following phase; the CSO must affirm that the expenditures in question were essential;
- In the event that feasibility studies were carried out on the project prior to submission of the co-funding application to the SPC/DPO Division, expenditures related to such studies may be included in the draft budget, provided that they are duly justified and detailed. Such retroactivity covers a **maximum period of 12 months** preceding the grant of AFD co-funding.

Requests for retroactivity must be fully justified and discussed in advance with the SPC/DPO Division. Upon acceptance by the Division, the date of eligibility of expenditures will be specified on the memo submitted to the NGO Committee. The CSO must clearly explain in the NIONG the reasons behind its request for retroactivity. It must also provide detailed information on eligible expenditures and incorporate such expenditures in the total project budget included in the NIONG for submission to AFD. If necessary, the CSO must be able to justify any expenditures made prior to submission of its application to the SPC/DPO Division.

PART 4: CONTRACTUALISATION AND TRANSFER OF FUNDS

I. CONTRACTUALISATION

A. Signature of the funding agreement

1. Notification of grant of AFD funding

AFD funding is subject to the condition that the project and its environment have undergone no significant change from the situation described during the project review.

In the event of a crisis and/or natural disaster and/or coup d'état in the country or countries where the project operates, the SPC/DPO Division may take account of the impacts of such events on the timeline, the activities to be carried out and even the budget of projects already underway, should adjustments be necessary due to a temporary or permanent suspension of activities or new requirements in the form of reconstruction/rehabilitation or recovery work. The SPC/DPO Division will analyse the feasibility of requested modifications, issuing a NON if applicable, and ensure that any necessary amendments to the funding agreement are made. Should a disaster occur in the country or countries where a project is operating, the SPC/DPO Division will immediately inform the CSOs concerned of the degree of flexibility available.

Once funding is granted by the NGO Committee, the SPC/DPO Division so informs the recipient CSO by letter, together with two copies of the funding agreement.

The funding agreement comprises the contract itself, with the project description and funding plan attached as appendices. These appendices are legally binding.

The CSO must sign the contract within two months of the date of dispatch of the letter announcing the grant of funding.

Note:

Prior to returning the signed copies of the funding agreement, the CSO must ensure that:

- **The project description and funding plan** appended to the contract are updated if necessary, but should resemble the documents submitted to the NGO Committee by the CSO (list of countries concerned, duration, start and end dates of the project, components, participants and procedures).

In the event of significant modifications to the project required by the local context, the CSO must so inform the SPC/DPO Division as soon as possible. The latter will then examine and decide whether to accept such modifications prior to finalising the agreement.

- **The transparency memorandum**, completed by the CSO in the NIONG during project review and updated as necessary for publication on the AFD and MAEDI websites in accordance with IATI (International Aid Transparency Initiative) standards. Signature of the agreement implies written acceptance from the CSO of the publication of the transparency memorandum and project information.

2. Satisfaction of conditions precedent to signature of the funding agreement and the initial disbursement

2.1 Satisfaction of conditions precedent to signature

The CSO must return both copies of the agreement to the SPC/DPO Division, duly initialled, signed and accompanied by **the specific administrative documents required for satisfaction of conditions precedent to signature** (unbound paper copies only):

- an original copy of the letter of appointment of the President of the CSO, issued by a decision-making body of the organisation, dated, signed and certified as a “true and complete copy” by an authorised representative of the CSO (the representative must be an authorised representative of the CSO at the date of signature of the funding agreement),
- an original certificate of delegation of signature, designating the individuals authorised to sign the funding agreement, any and all payment requests and all official documents relating to the funding agreement on behalf of the CSO. Original signature samples (using the template below) and copies of the identification of each authorised individual must be sent along with the certificate,
- an original copy of the articles of association, dated, signed and certified as a “true and complete copy” by an authorised representative of the CSO (the representative must be an authorised representative of the CSO at the date of signature of the funding agreement),
- an original copy of the registration of the CSO (declaration of registration at the Prefecture and publication in the French *Journal Officiel*), dated, signed and certified as a “true and complete copy” within the preceding three months by an authorised representative of the CSO (the representative must be an authorised representative of the CSO at the date of signature of the funding agreement),
- the CSO’s bank account information for the account to which grants are to be paid,
- the CSO’s SIRET number (company registration number),
- an updated version of the transparency memorandum, if applicable,
- in the event that the geographic area or areas where the project is to be implemented have been classified as dangerous (“red zones”) by the French Ministry of Foreign Affairs, a copy of the letter setting out the security plan for the CSO at the French embassy in the country or countries in question.

2.2 Satisfaction of conditions precedent to the initial disbursement

The CSO must return the following documents to the SPC/DPO Division:

- A letter requesting that the conditions precedent be lifted (see Appendix 4 of the funding agreement) and payment of the first tranche be completed (specifying the amount in figures and spelled out), and providing the necessary information regarding the bank account to be credited.
- **the activity programme** for the first tranche ([click here to download](#)). The document must be sent as a paper version (two unbound copies) and electronically (Word and Excel, but not PDF),
- **the project communication letter** in Publisher ([click here to download](#)) or Word ([click here to download](#)) format for CSOs that do not use Publisher. This letter must be sent in electronic version only. This is a summary document to be drafted by the CSO. It presents the CSO leading the project, as well as its local partners. The document also specifies the objectives, actions and expected outcomes of the project. This document will help the SPC/DPO Division to inform AFD personnel and external audiences about CSO projects. In the email to which the letter is attached, the CSO must provide written permission to publish the document. Instructions for drafting a project communication letter are available on the AFD website ([click here to download](#)),

B. Contractual provisions of the funding agreement

1. Commitments and obligations of the CSO

The SPC/DPO Division informs the CSO that signing the agreement implies the following:

- The CSO must abide by all **commitments and obligations under the agreement, and ensure that local partners benefiting from retrocessions do likewise.**
- The CSO shall ensure that **commitments and obligations assumed under the funding agreement are mentioned in any and all retrocession agreements with partners.** Retrocession agreements may take any form decided by the CSO. The SPC/DPO Division is not able to issue a NON regarding such retrocession agreements. However, such agreements may be examined in the event of an audit or upon request by the SPC/DPO Division.
- The CSO undertakes to abide by all **local laws and regulations** to which it is subject and which apply to the project, particularly those concerning **protection of the environment, safety and labour laws (environmental and social standards).**
- The CSO undertakes to ensure the legal origin of funds invested in the project and to verify that **the project in no way gives rise to corruption, fraud or anti-competitive practices.**
- In the context of award of contracts for project implementation (consultancy, service, construction and supply contracts), the CSO undertakes to abide by the rules governing procurement. In the event that the CSO fails to honour its commitments, AFD shall be entitled to demand a partial or total reimbursement of funds.
- The CSO undertakes to meet the various deadlines set out in the agreement.

- The CSO undertakes to honour the disclosure commitments set out in the agreement (audit, evaluation, communication).
- The CSO undertakes to implement any potential personal commitments related to project execution as defined with the SPC/DPO Division during review and set out in the agreement. The CSO shall specify in its execution reports how such commitments are implemented.
- The CSO undertakes to implement a system to ensure the traceability of all resources and expenditures associated with the project.

2. Procurement rules and thresholds in the funding agreement

Regarding the award and execution of contracts concerning project implementation, the CSO undertakes to:

- abide by the principles of fair competition, equal treatment and transparency, in accordance with internationally recognised standards recommended by the OECD and the United Nations Convention against Corruption,
- comply with applicable national legislative and regulatory provisions regarding all aspects of the procurement process. The CSO shall apply the most restrictive among applicable laws and regulations, as well as the stipulations of this article,
- award contracts to companies offering adequate guarantees in all respects regarding their aptitude to perform such contracts,
- require that candidates provide a signed copy of the *Declaration of Integrity* included below (see Appendix 6 of the funding agreement), and include this signed document as part of the contract (including in the case of private agreements),
- maintain legal and accounting documents related to the award and execution of contracts for a period of 10 years from the payment deadline set out in the agreement, and submit said documents for verification by AFD or an auditor designated within the framework of the project.

Regarding the award and execution of contracts concerning project implementation, the CSO undertakes to comply with the following procedures:

For all service and consultancy contracts in an amount estimated at:

- **less than €5,000:** private agreements are authorised, provided that the price set is in line with market practices,
- **between €5,000 and €20,000:** consultation without publication is authorised. The CSO invites no less than three candidates of its choice to submit a bid, having previously verified that the companies in question are willing and able to carry out the work. The contract will be awarded to the lowest evaluated responsive bid, with the exception of consultancy services, for which the most attractive bid overall will be selected, with greater weight attributed to technical quality than to price,
- **more than €20,000:** limited tender procedure among a list of candidates for which the CSO has verified the interest and qualifications. The contract will be awarded to the lowest evaluated responsive bid, with

the exception of consultancy services, for which the most attractive bid overall will be selected, with greater weight attributed to technical quality than to price.

For all construction and supply contracts in an amount estimated at:

- **less than €10,000:** private agreements are authorised, provided that the price set is in line with market practices,
- **between €10,000 and €100,000:** consultation without publication is authorised. The CSO invites no less than three candidates of its choice to submit a bid, having previously verified that the companies in question are willing and able to carry out the work. The lowest evaluated technically responsive bid will be selected,
- **more than €100,000:** locally published open tender procedure. The tender will be published as widely as possible, in all other local media outlets (internet and print media) deemed relevant. The lowest evaluated technically responsive bid will be selected.

For the award or performance of contracts with a limited or open consultation procedure, the CSO must ensure that:

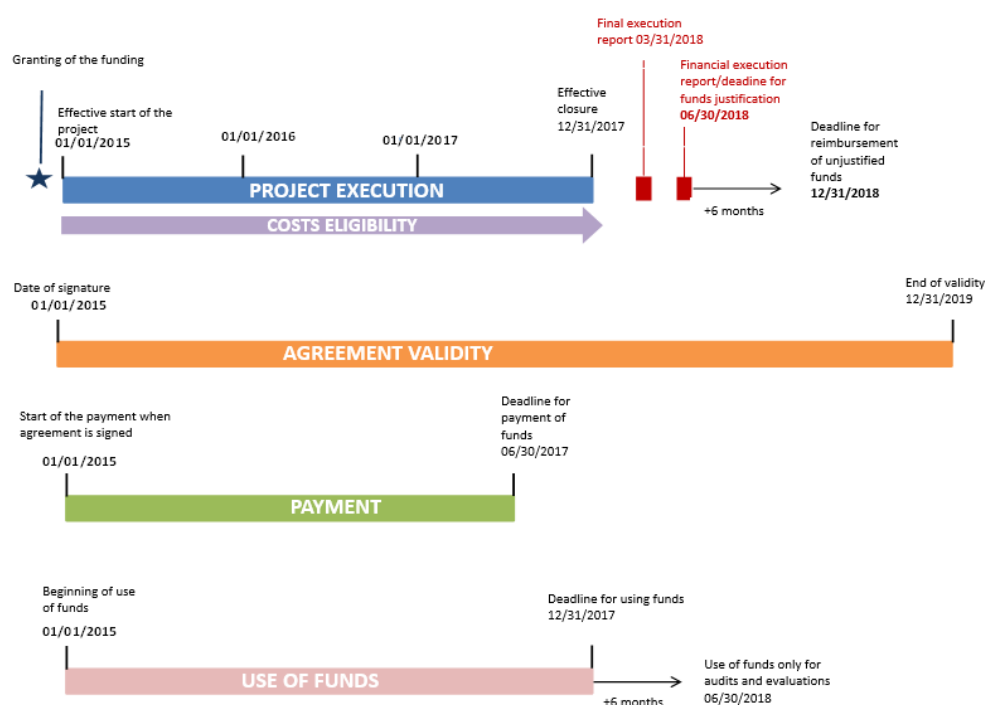
- the deadline for submitting bids is sufficient to allow candidates to prepare high-quality bids,
- bids are analysed by an evaluation committee based on pre-announced exclusion, qualification and award criteria. The committee must include at least three members possessing the technical and administrative capacities necessary to give an informed opinion on the different bids. Following the meeting of the committee, a record of decisions must be drafted and signed by the person in charge,
- the cumulative amount of amendments to a contract shall not exceed 20% of the initial contract.

3. Contractual dates of the funding agreement

The SPC/DPO Division informs the CSO that by signing the funding agreement it undertakes to abide by the following dates:

- **The date of signature of the agreement** may come before or after the effective start of the project.
- **The date of expiry of the agreement** is two years after the effective end of the project.
- **The start of the eligibility period for expenditure** generally corresponds to the effective start of the project (this date is mentioned in the NIONG and must also take into account any retroactivity requests, if applicable). It cannot be earlier than the date AFD funding is granted, except in the three retroactivity scenarios listed above (pages 32-33).
- **The end of the eligibility period for expenditure** corresponds to the effective end of the project. All expenditures must have been made by this date (i.e. incurred and paid), with the exception of expenses related to the final evaluation and audit.

- **The deadline for payment of funds** corresponds to the date beyond which no payment requests may be made to the SPC/DPO Division. This date is set six months prior to the effective end of the project.
- **The deadline for using funds** is the same as the effective end of the project. Beyond this date, no expenditures may be made (i.e. incurred and paid), with the exception of expenses related to the final evaluation and audit. Funds that have not been used or duly justified by this date, as well as those used without sufficient justification, must be returned to AFD.
- **The final technical and financial execution report** must be submitted to the SPC/DPO Division **no later than three months** following the effective end of the project.
- **The final evaluation report** must be submitted to the SPC/DPO Division **no later than three months** following the effective end of the project. This deadline is extended to six months if the project has no subsequent phase.
- **The final audit report** must be submitted to the SPC/DPO Division **no later than six months** following the effective end of the project.



4. Conditions precedent and specific commitments

The funding agreement may include **conditions precedent to project implementation**. To satisfy any such conditions precedent, the CSO must provide the requested documents as soon as possible. These documents may be highly varied in nature, e.g. (the following list is non-exhaustive):

- a letter from local authorities confirming their acceptance of the project and its implementation,
- submission of the evaluation or audit report of the previous phase,
- submission of the implementation report of the previous phase for validation by the SPC/DPO Division,
- a document certifying implementation of a monitoring/evaluation mechanism,
- submission of detailed outcome indicators and/or implementation of a monitoring/evaluation mechanism
- written confirmation that other expected sources of funding have been obtained,
- etc.

The funding agreement may also provide for **specific commitments related to project implementation**. The CSO must account for their performance of these specific commitments in execution reports. **Specific commitments**, if any, will be indicated in paragraph 6.16 of the agreement.

5. Security provisions

CSOs benefiting from AFD funding are responsible for the security of their employees during project implementation.

They are encouraged to follow MAEDI recommendations published on the “*Conseils aux voyageurs*” (Advice for Travellers) website and to report all expatriate staff to the French embassy in the country of activity.

The MAEDI “*Ariane*” website is particularly recommended for short-term missions by head-office staff or volunteers, as well as for travel by service providers (assessors, experts, etc.). In particular, this website lets staff staying in the country for less than six months register with the MAEDI easily and at no cost.

Since February 2014, CSOs have been required to systematically submit their security plans (or “Memoranda of Security Measures”) to the relevant embassies prior to the start of their project. Embassies can comment on these plans but cannot make any commitments or assume any responsibility (no official approval of

security measures). This document must allow for transparent communication and a constructive dialogue between CSOs and the MAEDI regarding security issues associated with projects.

No specific or pre-defined format is required for security plans; CSOs are free to elaborate their plans as they see fit. However, security plans must not be generic, but suited to the local context and controlled by the CSO.

When areas of project implementation are classified as red zones by the French Ministry of Foreign Affairs, the CSO must send the SPC/DPO Division a copy of the letter submitted along with its security plan to the embassy or embassies concerned. Providing this document is a contractual obligation for signature of the agreement.

The CSO must submit to the agency any document proving that it has duly taken into account the security of its employees and partners in the event of an incident indicating a deterioration of security conditions in the country of activity (specific commitment in the agreement).

The SPC/DPO Division accepts inclusion of security costs paid by CSOs in the project budget.

6. Communication provisions

CSOs benefiting from AFD funding undertake to ensure that AFD's financial support is visible in their communication (website, publications, audio-visual productions, brochures, newsletters, posters, banners, etc.). Guidelines in this respect can be found in [Information Sheet 7](#).

Such visibility, including a legal disclaimer, must also be ensured during public events organised for the project. In contexts of crisis or instability, as well as when addressing politically sensitive topics, the CSO may highlight its action in the most suitable manner – after discussing the case with the SPC/DPO Division as necessary.

II. TRANSFER OF FUNDS

A. Terms for transfer of funds

The project is divided into **two tranches (exceptions may apply)**, corresponding to the two transfers of funds made by the SPC/DPO Division to the CSO in the course of the project. Upon request by the CSO, the SPC/DPO Division shall judge the advisability of implementing an additional tranche in the case of special circumstances.

Note:

For three-year projects, the general approach is as follows: Tranche 1 (15 months) and Tranche 2 (21 months). However, the SPC/DPO Division is somewhat flexible regarding the duration of each tranche. Examples: Tranche 1 (12 months) and Tranche 2 (24 months) or Tranche 1 (18 months) and Tranche 2 (18 months).

In all circumstances, the CSO must systematically indicate the duration of each tranche (number of months) in its technical and financial documents.

The first tranche is an advance paid upon signature of the funding agreement. The amount is equal to 100% of AFD's financial contribution to the budget of the first tranche.

Conditions precedent to the initial payment are only lifted following signature of the agreement by both parties. The SPC/DPO Division reserves the right to cancel the funding granted in the event that conditions precedent to signature are not lifted within 18 months from the granting of AFD funding.

The second tranche represents the balance of the funding requested by the CSO, which must certify that 70% of total projected expenditures in the tranche 1 budget have been carried out. The amount is equal to 100% of AFD's financial contribution to the budget of the second tranche set out in the activity programme submitted by the CSO along with the interim technical and financial execution report for tranche 1.

A mid-term review must take place between the CSO and the SPC/DPO Division no later than 18 months after the effective start of the project. This meeting is based on the **interim execution report** submitted in advance to the SPC/DPO Division by the CSO (at least two weeks before the mid-term review).

It is noted that the second payment can only be made after receipt and approval by the SPC/DPO Division of the tranche 1 execution report and the tranche 2 activity programme, confirmed by way of a NON.

The SPC/DPO Division transfers the funds to **any bank account identified by the CSO and located in France. The CSO need not possess a specific bank account dedicated to the project, but it must carry out specific accounting practices for the project, making it possible to monitor resources and expenditures.**

Note:

The SPC/DPO Division reserves the right to **make the initial or subsequent payments conditional upon the effective collection of resources from the financial partners mentioned in the funding plan, or equivalent amounts provided by other partners which were not originally mentioned.**

B. Payment request and satisfaction of conditions precedent

For each payment request, the CSO must send an original letter requesting payment to the SPC/DPO Division, to the attention of the Head of the NGO Partnership Division. This letter must:

- be printed on CSO letterhead or feature the stamp of the CSO,
- be signed by an authorised person who has submitted a signature sample to the SPC/DPO Division.

The original letter must be dated, specify the subject, the number of the funding agreement in question, the amount of the payment requested (amount in figures and spelled out), and provide information regarding the bank account to be credited.

The letter must mention all documents attached serving to facilitate payment, including bank account information.

The CSO is also required to request that the conditions precedent be lifted when appropriate. This request may be made in the same letter as the payment request.

For conditions precedent to the initial payment to be lifted, the CSO must transmit to the SPC/DPO Division by post, along with the payment request, **the supporting documents specified in Appendix 4** of the funding agreement, particularly:

- **the detailed draft budget** (expenditures/resources) of the first tranche ([click here to download](#)), and
- **the activity programme** for the first tranche ([click here to download](#)).

For conditions precedent to the second payment to be lifted, the CSO must transmit to the SPC/DPO Division by post, along with the payment request, **the supporting documents specified in Appendix 4** of the funding agreement, particularly:

- **the interim technical and financial execution report** ([click here to download](#)), and
- **the activity programme** for the second tranche ([click here to download](#)).

PART 5: MONITORING OF PROJECT EXECUTION

The SPC/DPO Division follows different procedures to monitor implementation of the projects it supports: validation of interim and final execution reports submitted by CSOs; monitoring missions in the field carried out by AFD (SPC/DPO Division or local agencies); consultation of evaluation reports and the results of monitoring/evaluation procedures; mid-term meeting with the CSO for each project; participation in follow-up committees for multi-country projects, programme agreements and PCPAs; participation in project evaluation steering committees; audits, etc.

I. DISCLOSURE REQUIREMENTS VIS-A-VIS AFD

A. Transmission of documents

These documents must be sent to the SPC/DPO Division in the following cases:

Updating the CSO's administrative record	Documents concerning the project produced as part of the project	Final documents to be submitted at the end of the project
<p>Updates:</p> <ul style="list-style-type: none"> -The annual audited financial reports as approved by the General Meeting have been updated from the version submitted in the initial administrative record -The annual activity report as approved by the General Meeting has been updated from the version submitted in the initial administrative record -Flowchart (if modified) <p>Modifications:</p> <ul style="list-style-type: none"> -CSO name change -New or modified articles of association -New address -Modified CSO registration 	<ul style="list-style-type: none"> -A copy of the main publications funded for the project -Any reports by steering committees, follow-up committees and larger meetings organised as part of the project (particularly for PCPAs and programme agreements) -If the agreement sets out specific commitments, progress reports on the implementation of these commitments, to be specified in execution reports at a minimum 	<ul style="list-style-type: none"> -The final audit report, if applicable -The final evaluation report, if applicable

certificate -Individuals newly authorised to sign agreements, payment requests and/or execution reports. -Any change in the composition of the Board of Directors and the management team during project implementation, along with original signature samples for newly appointed authorised individuals (in such cases, the composition of the Board of Directors must be dated and signed, with the names of members specified in detail: first and last name and position on the Board)		
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Note:

So as to facilitate the reading of financial documents, in the event that the most recent financial statements (balance sheet and/or P&L statement) record a deficit or a negative trend, or where the CSO has been facing financial difficulties over one or more years, **the CSO is requested to provide information to clarify its financial situation during the preparation or updating of its administrative record**. Detailed comments will then be incorporated into the annual financial statements in question.

B. Cases requiring a No-Objection Notice (NON) from AFD

During project implementation, the CSO must request a NON ([click here to download](#)) in writing from the SPC/DPO Division in the following cases. NON requests must be sent to the SPC/DPO Division as early as possible, and not retrospectively. **The SPC/DPO Division reserves the right to require the preparation of an amendment to the funding agreement, in the event of significant modifications to the project.** In such cases, it will so inform the CSO by email. Cases requiring a NON from AFD are as follows:

1. CSO name change (without change in legal structure)

→ Documents to be submitted with the NON request: new articles of association, declaration of registration at the Prefecture and publication in the French *Journal Officiel*.

2. Significant modification of select aspects of the project (implementation timeline, areas of intervention, activities, etc.) that do not fundamentally affect the project. The NON request must be sent prior to submission of the interim execution report.

→ Documents to be submitted with the NON request: description and explanation of the proposed modifications.

3. **Significant modification of the overall project budget (expenditures and/or resources)** attached to the funding agreement. If the new overall project budget proposal is approved by the SPC/DPO Division, the new budget will be contractually binding and the CSO must report on the project on this new basis.

→ Documents to be submitted with the NON request: new budget proposal (expenditures/resources) with explanatory information.

A NON must be requested for the following modifications:

- any modification of the duration of the two payment tranches
- a NON must be requested for any change of more than 20% of the initial total of a budget item in the project's overall funding plan,
- any change in contractual ratios from those set out in the resource framework:
 - increase or decrease in the percentage of AFD funding
 - increase or decrease in the percentage of French public funds
 - addition/removal of one or more co-funders (public or private), accounting for 15% or more of the total budget of the project.

4. **Expenditures that may be carried out without authorisation by the SPC/DPO Division outside the scope of eligibility of expenditures** provided for in the funding agreement (timeline and geographical scope)

→ Documents to be submitted with the NON request: document explaining reasons for the request.

5. **Equipment funded for the project but not anticipated** in the initial co-funding application (amounts greater than €10,000 for “field” projects and greater than €5,000 for “public interest” projects). The CSO must specify the terms of retrocession of the equipment at project completion.

6. **Modification or addition of a significant local partner for the project.** Please specify the role of this new local partner in the project and whether it will benefit from retrocessions.

→ Documents to be submitted with the NON request: partner information form (Appendix 5 of the NIONG).

7. **Retrocession of funds in an amount greater than €5,000 to one or more new partners in the course of the project**, or gift in kind of more than €5,000 in value that was not anticipated in the initial co-funding application (appendix 4). The request must be made prior to finalising the contract with the new partner(s).

→ Documents to be submitted with the NON request: list of partners to receive retrocessions (Appendix 4 of the NIONG) and information forms for these new partners (Appendix 5 of the NIONG).

8. **Private agreements** in excess of the thresholds set out in the funding agreement.

9. **Evaluation:**

- **Terms of reference of the final evaluation** planned for the project

→ Documents to be submitted with the NON request: terms of reference printed on CSO letterhead.

10. **Audit:**

- **Terms of reference of the audit procedure** and process for selecting an auditor

→ Documents to be submitted with the NON request: terms of reference printed on CSO letterhead.

11. **Request for extension of deadline for submission of** interim and/or final execution reports.
12. **Request to extend the duration of a tranche or to postpone the date of effective completion of the project.**
13. **Early termination of the project.**

Note:

In cases 2, 3, 4, 8, 10, 11, 12, NON requests must be made only under exceptional circumstances and be duly justified.

In this regard, the CSO must submit the NON request by email to the technical manager in charge of the project (with the financial manager in copy), and attach a memo explaining the nature and reasons behind the desired modification. This NON request need not be signed by an authorised representative of the CSO. The signature of the SPC/DPO Division's usual contact for operational monitoring of the project is sufficient.

C. Mid-term review

The mid-term review is a key event between the CSO and the SPC/DPO Division.

This discussion and assessment is based on the **interim execution report**, submitted to the SPC/DPO Division no later than two weeks prior to the meeting. In the event that the CSO has not reached the minimum level of completion of tranche 1 (70%) and cannot supply an interim report, it must nonetheless submit an interim document (memorandum of no more than 5 pages) prior to the meeting.

To ensure a constructive and effective discussion, the **following subjects will be addressed** (the CSO may also propose to place on the agenda other subjects it deems necessary):

- potential development of the project context,
- degree of completion of the activities planned and the results obtained (interim measurement of indicators),
- description of support provided by the CSO and obstacles encountered, where applicable, to implement the activities and achieve the expected results, as well as a description of solutions anticipated to overcome the obstacles identified,
- state of the relation between the CSO and its local partner(s),
- evaluation procedure anticipated by the CSO (timeline, nature of the internal/external evaluation, indicators, key questions identified to date, etc.),
- knowledge management exercises planned by the CSO (targets, moments, actors, scope, etc.),
- key modifications, reorientations and/or new elements necessary for continued implementation of the project (e.g. review of activities, NON requests, new phase, etc.),
- state of relations with embassies and local AFD agencies,
- financial audit procedure, if applicable,
- anticipated communication initiatives, if applicable.

II. ACTIVITY PROGRAMME

The activity programme ([click here to download](#)) must be sufficiently detailed to provide a general idea of the preparation and implementation of the project's main activities. It must be submitted:

- At the start of tranche 1: an initial activity programme (for the upcoming tranche 1) is submitted along with the letter requesting that the conditions precedent to the initial payment be lifted.
- At the start of tranche 2: a second activity programme (for the upcoming tranche 2) submitted as a separate document, accompanies the tranche 1 interim technical and financial report and the tranche 2 payment request.

For easy reading, the activity programme for each tranche includes four separate documents to be bound but not stapled:

- **cover page including all necessary information** (tranche number and timeframe, CSO name, project title, agreement number, period covered in the report, date of drafting, name and contact information of the reference person),
- **chronogram (Word)**: this document provides information regarding the preparation and implementation of the main activities for the tranche in question,
- **action plan (Word)**: this document details the logical framework initially submitted with the funding application, for the tranche in question. The CSO must ensure complete consistence between the information provided in the NIONG (project description and logical framework), the funding agreement signed with AFD and the action plan provided for each tranche.
- **draft budget (expenditures/resources) (Excel)**: the draft budget for each tranche must also be consistent with the draft budget for the project as set out in the NIONG. Nonetheless, the CSO will be able to update and adjust its funding plan (expenditures and resources) compared to the budget annexed to the agreement. Any modification must be explained and, where applicable, will require submission of a NON request to the SPC/DPO Division (see point I.B. above).

All documents included in the activity programme are to be used as a reference and basis of comparison for the transmission and validation of the technical and financial reports for completed tranches.

The activity programme must be submitted to the SPC/DPO Division in paper format (two copies) and electronically (by email if less than 5 Mb or via a file transfer platform if necessary). For electronic transmission, financial documents must be transferred as Excel files, not PDF.

Note:

The activity programme submitted to the SPC/DPO Division must reflect the template available on the AFD website; otherwise, the file will be returned and payment will be delayed.

III. INTERIM AND FINAL EXECUTION REPORTS

A. General terms for transmitting execution reports

The execution report is sent at two specific points in time:

- At the end of tranche 1 or once 70% of total expenditures for tranche 1 have been realised: the **interim report** is sent along with the letter requesting that the conditions precedent to the second payment be lifted.
- At the end of tranche 2: the **final report** is submitted to the SPC/DPO Division no later than three months following the effective end of the project.

The final report addresses both the project as a whole and the second tranche.

Note:

The SPC/DPO Division reserves the right to request additional technical and financial reports if the project so requires.

- **chronogram (Word)**: this document provides information regarding the preparation and implementation of the main activities for the tranche in question,
- **action plan (Word)**: this document details the logical framework initially submitted with the funding application, for the tranche in question. The CSO must ensure complete consistence between the information provided in the NIONG (project description and logical framework), the funding agreement signed with AFD and the action plan provided for each tranche.
- **draft budget (expenditures/resources) (Excel)**: the draft budget for each tranche must also be consistent with the draft budget for the project as set out in the NIONG. Nonetheless, the CSO will be able to update and adjust its funding plan (expenditures and resources) compared to the budget annexed to the agreement. Any modification must be explained and, where applicable, will require submission of a NON request to the SPC/DPO Division (see point I.B. above).

The execution report comprises:

- **cover page including all necessary information** (CSO name, project title, agreement number, period covered in the report, date of drafting, name and contact information of the reference person),
- technical report **(Word) including the table summarising results and indicators**,
- **financial report** (Excel) (detailed budget - expenditures, resources, in-kind contributions, breakdown by country if applicable) signed by an authorised individual,
- **appendices** if necessary.

The execution report must not be longer than:

- 20 pages excl. financial tables + a maximum of 10/15 pages of appendices for single-country “field” projects and “public interest” projects.
- 30 pages excl. financial tables and country forms + a maximum of 15/20 pages of appendices for multi-country “field” projects and “public interest” projects.

Note:

The execution report submitted to the SPC/DPO Division must be consistent with the AFD format and have the requested number of pages. Otherwise, the report will be returned and payment will be delayed.

In the event that European co-funding has been acquired, the European technical report template may be used, but the financial report must be consistent with the template requested by the SPC/DPO Division. The technical report in the EU format (in French or English) will only be accepted if the activities co-funded by the EU and those co-funded by AFD have the same temporal and geographic scope.

The CSO sends an original letter signed by an authorised individual to the SPC/DPO Division:

- announcing the report
- requesting that the conditions precedent to the second payment be lifted (for the interim report). The amount of the expected payment must be specified,
- announcing the activity programme for tranche 2 of the project (for the interim report).

The report must be submitted to the SPC/DPO Division **in paper format (two paper versions, bound, not stapled) and electronically** (by email if less than 5 Mb or via a file transfer platform if necessary).

For electronic transmission, financial documents must be sent as Excel files, not PDF.

The interim execution report must be submitted no later than three months after the end of tranche 1. It may also be submitted once 70% of total tranche 1 expenditures have been carried out.

Payment for tranche 2 may only be made following receipt and validation of the tranche 1 report and the tranche 2 activity programme by the SPC/DPO Division,

The final report must be submitted no later than three months following the effective end of the project. The SPC/DPO Division can only close the project following receipt and validation of the final report.

A NON must be requested from the SPC/DPO Division by post for any delay in report submission. The SPC/DPO Division must respond within one month of receiving the written request.

B. General terms of presenting technical reports

1. Interim technical report

The interim technical report must describe project implementation during tranche 1. Project progress and realisations made in the timeframe of the instalment are to be presented quantitatively and qualitatively.

The CSO must provide a detailed account of activities carried out and results obtained (indicators) in the dedicated table, and comment on variations in relation to the initial logical framework (critical qualitative analysis). Measures taken to respond to such variations and, where applicable, to difficulties encountered must be explained (changes to the realisation of activities, organisational or budgetary modifications, etc.) The report outline provides instructions on how to complete each section ([click here to download](#)).

2. Final technical report

The final technical report must describe project implementation both for tranche 2 and for the project as a whole. Project progress and the realisations made during that period are to be **presented quantitatively and qualitatively**, but the exercise also focuses on **recognizing lessons learned during the project, undertaking an in-depth analysis and providing an overall impact assessment**.

The CSO must describe the post-project outlook (exit strategy adopted, transfer of equipment and facilities, measures taken to guarantee sustainability and replicability, etc.) ([click here to download](#)).

3. Technical report for multi-country projects

For programme agreements and multi-country projects, technical reports (both interim and final) must include the country forms as presented in the NIONG (one form per country of activity). Country forms, which are updated for technical reports, provide insight into how the project is organised and related developments in each country of activity. The other sections of the technical report serve to analyse cross-cutting project activities ([click here to download the multi-country interim technical report](#) / [click here to download the multi-country final technical report](#)).

C. General terms of presenting the financial report

The technical and financial reports must be submitted together. The financial report must be presented in a clear, accurate and coherent way.

When drafting the financial report, the CSO must refer to the detailed draft budget formulated for the NIONG ([click here to download](#)). **The detailed budget is the only financial document that must be gradually filled in throughout the project cycle.**

When applicable, in the narrative summary submitted along with the detailed budget, the CSO must:

- recall the NONs issued by the SPC/DPO Division to validate variations equal to or greater than 20% of the initial total of a budget item in the project's overall funding plan,
- systematically explain any variation in expenditures of more than 10% in either direction compared to the initial draft budget (or revised budget, if applicable)
- recall new funding obtained for the project (funder, amount, period in question if applicable).

Note:

Originals of the different budgetary tables must be signed by an authorised individual. If said person is not authorised to sign the agreement or payment requests, the CSO must include an authorisation form for the new signatory, as well as an original signature sample and a photocopy of his/her identification.

IV. FINAL EVALUATION, ANALYSIS OF LESSONS LEARNED AND FINANCIAL AUDIT

The SPC/DPO Division strongly encourages CSOs to carry out external evaluations and knowledge management initiatives for all projects.

A. Evaluation and knowledge management

AFD strongly encourages CSOs to adopt a voluntary evaluation process. Nonetheless, such a process is not compulsory:

- **AFD encourages calling on external experts.** External evaluation costs are eligible for co-funding in the funding plan submitted to the SPC/DPO Division. CSOs may choose a service provider following a call for tenders, or at the very least a restricted consultation (see procurement rules in point I.B.2).
- **AFD also encourages CSOs to implement a monitoring and evaluation mechanism** at the start of projects, particularly concerning complex and large-scale projects; this makes the final external evaluation more effective (without replacing it) and contributes to long-term steering of the project. Monitoring/evaluation costs are eligible for co-funding in the funding plan submitted to the SPC/DPO Division. The CSO must specify how this process will be articulated with the external evaluation.
- **A final external evaluation is compulsory for multi-phase projects** (single- and multi-country “field” projects, programme agreements and PCPAs): an evaluation must be performed at the end of each phase and before each new co-funding application.
- For **large-scale programmes (multi-country projects, programme agreements and PCPAs)** implemented over time (projects of more than six years), **an effect/impact study must be carried out** during the final phase. The CSO and the SPC/DPO Division will discuss the details of this study beforehand.
- The project budget must indicate the amount budgeted for evaluation, following a fair estimate based on the nature of the evaluation. This amount must not be underestimated.

Knowledge management is a collective initiative aimed at helping actors to strengthen their capacities and share knowledge with other stakeholders. The SPC/DPO Division strongly encourages such initiatives (which are compulsory in the framework of programme agreements and PCPAs) as they make it possible to learn from the actions undertaken, and allow CSOs and international solidarity establishments in general to benefit from these experiences. They also highlight the contribution of non-governmental action to development and international solidarity. Guidelines in this respect can be found in [information sheet 5](#).

B. Financial audit

An external financial audit of the project is compulsory in the following three cases:

- **First project co-funding application submitted to the SPC/DPO Division.**
- **Projects for which SPC/DPO Division funding is equal to or greater than €500,000.**
- **Projects for which SPC/DPO Division funding is less than €500,000, if no external audit was carried out and/or reported to the SPC/DPO Division for the last two projects co-funded by the Division.**

In this last case, audit costs must be included in the project budget, following a fair estimate based on the needs. If applicable, in the event that the CSO plans to carry out an audit for another funding organisation participating in the same project (provided that the scope and timeline are identical), no additional audit or specific tender rules will be requested; however, the CSO is expected to transmit the final report of the audit to the SPC/DPO Division.

The financial audit may be carried out either:

- at the end of the project, or
- each year (in this case, only the final external audit report summarising the different annual audits must be transmitted to AFD).

The financial audit must be carried out by an external and independent audit firm recruited in accordance with the procurement rules laid out in point I.B.2. The auditor must be selected in the first 12 months of project implementation. The financial audit may also be carried out by the CSO's Statutory Auditor.

The SPC/DPO Division issues a no-objection notice regarding either:

- the terms of reference of the audit, or
- the engagement letter sent to the auditor (in the event that the financial audit is entrusted to the CSO's Statutory Auditor).

The audit checklist (see [information sheet 6](#)) must systematically be annexed to the audit terms of reference or the engagement letter sent to the auditor. This audit checklist must be completed and signed by the auditor and sent to AFD together with the final audit report.

The funding plan must state the anticipated cost of the financial audit, based on fair estimates that must not be underestimated.

The SPC/DPO Division reserves **the right to impose a financial audit** for any new project submitted by a CSO whose previous project met with negative conclusions following an audit.

Any CSO may be subject to a **random financial audit** carried out at the initiative of the SPC/DPO Division and funded with SPC/DPO funds.

Guidelines in this respect can be found in [information sheet 6](#).

Appendix 1: Notice of intent

(only for programme agreements)

[\(click here to download\)](#)

- **Template:**

I. PROGRAMME INFORMATION

Geographic location
Subject
Duration

II. PROGRAMME CONTEXT AND ISSUES

- 2.1. Context of the programme
- 2.2. History of the programme and key results achieved during the previous phase, if applicable
- 2.3. Presentation of actors involved in the programme
- 2.4. External programme coherence

III. PROGRAMME CONTENT

- 3.1. Strategic programme vision
- 3.2. Main activity types planned
- 3.3. Internal programme coherence
- 3.4. Strengthening of partners' capacities

IV. OTHER IMPORTANT INFORMATION

V. FINANCIAL SET UP

Appendix 2: The NGO project description (NIONG)

[\(to download the “field” project NIONG, click here\)](#)

[to download the “public interest” project NIONG, click here\)](#)

- **Administrative record**

- Copy of current articles of association dated, signed and certified as a “true and complete copy” by the president or managing director of the CSO, or any other duly authorised individual;
- Copy of the declaration of registration at the Prefecture and publication in the French *Journal Officiel*.
- List of members of the Board of Directors and management team, as well as the identity and contact information of top managers, along with the date of the most recent elections, dated and signed by the president or managing director of the CSO or any other duly authorised individual;
- Dated flowchart;
- President’s moral reports and activity reports for the past three years (unless already provided to the SPC/DPO Division in a previous application, in which case the CSO must submit only the most recent report(s) not yet transmitted to the Division);
- Minutes of the most recent General Meeting (or at least the agenda and main resolutions of the most recent GM), as well as any document attesting to the activities underway and completed and the community spirit of the CSO;
- Balance sheet and operating statement for the past three financial years, highlighting the public and/or private origin of financial resources. This information must be updated each year, unless already provided to the SPC/DPO Division in a previous application, in which case the CSO must submit only the most recent accounting/operating document(s) not yet transmitted to the Division:
 - accounting documents (for CSOs with less than €153,000 in public funding);
 - certified or audited accounting documents (for CSOs with more than €153,000 in public funding)
- Draft budget for the current year, including the amount of public funding anticipated;
- List of private funders contributing more than 15% to the most recent approved annual budget of the CSO and/or the project and composition of their respective Boards of Directors;
- The CSO's strategy document, if any (this document is required for programme agreements);
- Explanatory memorandum signed by the CSO concerning the following points ([click here to download](#)):
 - The CSO's best practices concerning governance and transparency in decision-making;
 - Existence of rules of professional ethics;
 - Existence of rules governing internal control and reporting;
 - Existence of purchasing and procurement procedures.

- **Transparency memorandum**

CSO name	
Website	

Project name – short version	< 20 characters
Project name – long version	< 200 characters – This title must be clear and comprehensible to the general public
Geographic location	
Type of project	Field / public interest project
Subject(s)	

Key project partners	
----------------------	--

Project summary < 500 characters - This description must specify the content of the project and be comprehensible to the general public	
General objective: Project impact indicator(s): Specific objective(s): Expected results per specific objective:	
<u>SPECIFIC OBJECTIVE 1:</u>	
<u>Outcome 1</u>	
Quantified result indicators for specific object with target : Main activities planned: Quantified activities monitoring indicators with target	
<u>Outcome 2</u>	
Quantified result indicators for specific object with target Main activities planned: Quantified activities monitoring indicators with target	
<u>Outcome 3</u>	
Quantified result indicators for specific object with target Main activities planned: Quantified activities monitoring indicators with target	
<u>SPECIFIC OBJECTIVE 2:</u>	

<u>Outcome 1</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target <u>Outcome 2</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target <u>Outcome 3</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target	
<u>SPECIFIC OBJECTIVE 3:</u>	
<u>Outcome 1</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target:	
<u>Outcome 2</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target <u>Outcome 3</u>	
Quantified result indicators for specific object with Main activities planned:	
Quantified activities monitoring indicators with target	
Target group(s)	Detailed numerical values

Total project durationyear(s)
-------------------------------	--------------

Total cost	€.....	100%
AFD contribution	€..... %

• **“Field” project NIONG template:**

I. LOCATION OF PROJECT/PROGRAMME

II. PROJECT/PROGRAMME TIMELINE

III. PROJECT/PROGRAMME CONTEXT AND CHALLENGES (3 PAGES)

3.1. Project/programme analysis and challenges

3.2. Project/programme history and participation of partners/participants in delineating projects

3.3. CSO and partners/participants’ skills to carry out the project/programme

IV. EXTERNAL COHERENCE OF THE PROJECT/PROGRAMME (1 PAGE)

- 4.1. With public policies
- 4.2. Similar initiatives on the topic led by other actors (including AFD)

V. PROJECT CONTENT (8 PAGES - THIS SECTION MUST BE PARTICULARLY DETAILED)

- 5.1. General and specific objectives
- 5.2. Expected results
- 5.3. Aggregated indicators
- 5.4. Project content (activities only)
- 5.5. Strengthening of partners' capacities
- 5.6. Steering and governance
- 5.7. Attention to climate and the environment, gender issues, youth and other cross-cutting approaches in the project/programme

VI. FOLLOW-UP AND EVALUATION PROCEDURES (1 TO 2 PAGES)

- 6.1. Technical/financial monitoring and audit planned for the project/programme
- 6.2. Knowledge Management actions (if planned)
- 6.3. Visibility and communication actions planned
- 6.4. Final evaluation (internal or external)

VII. HUMAN AND TECHNICAL RESOURCES EXPECTED FOR THE PROJECT/PROGRAMME (1 PAGE)

- 7.1. Human resources mobilised
- 7.2. Significant material resources mobilised

VIII. IMPACTS OF THE PROJECT/PROGRAMME (1 TO 2 PAGES)

- 8.1. Economic and social impacts on beneficiaries
- 8.2. Institutional and organisational impacts on partners and other stakeholders
- 8.3. Impacts on the thematic issue targeted by the project/programme
- 8.4. Impacts on issues concerning gender, youth, climate, the environment and other cross-cutting issues

IX. PROJECT/PROGRAMME RISKS AND SUSTAINABILITY (1 TO 2 PAGES)

- 9.1. Identification of risks associated with the context and the project/programme
- 9.2. Prevention of identified risks and expected remedial action
- 9.3. Project/programme sustainability
- 9.4. CSO exit strategy and expected timeline

X. NOTES TO THE DRAFT BUDGET (1 PAGE)

- 10.1. Projected expenditures
- 10.2. Projected resources

• **“Public interest” project NIONG template:**

I. LOCATION OF PROJECT

- II. PROJECT TIMELINE**
- III. PURPOSE OF PROJECT (1-2 PAGE(S)), ANALYSIS AND MAIN ISSUES ADDRESSED (2 PAGES)**
- 3.1. Purpose of project/ (10-20 lines)
 - 3.2. Project analysis and issues addressed
 - 3.3. If this is a phase 2 or 3 of a project having already benefiting from funding, please specify the key results and achievements of the last phase, the lessons learned and innovations compared to previous steps:
- IV. PROJECT CONTENT (8 PAGES - THIS SECTION MUST BE PARTICULARLY DETAILED)**
- 4.1. General and specific objectives
 - 4.2. Expected results
 - 4.3. Description of project activities
 - 4.4. Aggregated indicators
 - 4.5. Methodology and principles for action
 - 4.6. Partnerships, steering and governance
- V. HISTORY OF THE PROJECT AND PARTICIPATION OF PARTNERS (3 PAGES)**
- 5.1. History of the project and participation of partners/participants in delineating the project
 - 5.2. CSO and partners/participants skills to carry out the project
- VI. EXTERNAL COHERENCE OF THE PROJECT (1 PAGE)**
- 6.1. With public policies
 - 6.2. Similar initiatives on the topic led by other civil society actors
- VII. ATTENTION TO GENDER ISSUES AND OTHER CROSS-CUTTING ISSUES IN THE PROJECT**
- 7.1. Attention to climate and the environment
 - 7.2. Attention to gender issues
 - 7.3. Attention to youth
 - 7.4. Attention to other cross-cutting approaches
- VIII. MONITORING AND EVALUATION PROCEDURES (1-2 PAGE(S))**
- 8.1. Technical/financial monitoring and financial audit planned for the project
 - 8.2. Knowledge Management actions (if planned)
 - 8.3. Visibility and communication actions planned
 - 8.4. Final evaluation (internal or external)
- IX. HUMAN AND TECHNICAL RESOURCES ANTICIPATED FOR THE PROJECT/PROGRAMME (1 PAGE)**
- 9.1. Human resources mobilised
 - 9.2. Significant material resources mobilised
- X. EXPECTED IMPACTS OF THE PROJECT (1-2 PAGE(S))**
- 10.1. Institutional and organisational impacts for partners and other stakeholders
 - 10.2. Educational impact(s) (EAD projects)

- 10.3. Impact(s) on project partners/participants
- 10.4. Impact(s) on direct/indirect beneficiaries
- 10.5. Impact(s) on issues concerning gender, youth and other cross-cutting approaches

XI. PROJECT RISKS AND SUSTAINABILITY (1-2 PAGE(S))

- 11.1. Identification of risks associated with the context and the project (operational, financial, partnership-based)
- 11.2. Prevention of identified risks and remedial action expected
- 11.3. Project sustainability
- 11.4. CSO exit strategy and expected timeline

XII. NOTES TO THE DRAFT BUDGET (1 PAGE)

- 12.1. Projected expenditures
- 12.2. Projected resources

• **NIONG APPENDICES:**

Appendix 1: Logical framework (**information sheet 1**)

Appendix 2: Detailed draft budget in Excel format (tabs corresponding to “expenditures”, “resources”, “in-kind contributions”, “breakdown by country”) (**appendix 3**)

Appendix 3: Applicant information form

Appendix 4: List of partners to receive retrocessions (>€5,000)

Appendix 5: Partner information form

Appendix 6: Summary of the most recent evaluation (if phase 2 or later) and comments by the CSO regarding the main conclusions and recommendations contained therein (2/3 pages). If no evaluation is available, a qualitative and quantitative statement on the previous phase will be requested (1 to 2 pages)

Appendix 7: “Constituent country” forms for multi-county projects (1 to 4 pages per “constituent country” form)

Appendix 8 (“field” project) / Appendix 7 (“public interest” project): Chronogram

Appendix 9: List of aggregated indicators of French bilateral aid for “field” projects

Appendix 10 (“field” project) / Appendix 8 (“public interest” project): Other document(s) the CSO deems relevant (maps, studies, diagrams, additional components for the technical file, etc.

Appendix 3: Detailed draft budget and notes

Project No. Tranche 1: XX months Tranche 2: XX months Headings	Tranche 1 Projected expenditures (agreement) (in €)*	Tranche 1 Expenditures incurred (in €)	(automatic) Tranche 1 Difference Incurred/expected (%)	Tranche 2 Projected expenditures (agreement) (in €)	Tranche 2 Revised expenditures (in €)**	Tranche 2 Expenditures incurred (in €)	(automatic) Tranche 2 incurred /revised (%)	(automatic) Cumulative Tranche 1 + Tranche 2 projected expenditures (agreement) (in €)	(automatic) Cumulative Tranche 1 expenditures incurred (column C) + Tranche 2 revised expenditures (column F) (in €)	(automatic) Cumulative expenditures incurred (in €)	(automatic) Difference revised total (column K)/ projected total (agreement) (column J) (%)	(automatic) Percentage of projected expenditures/total projected expenditures (agreement)	(automatic) Percentage of expenditures incurred / total expenditures incurred (as a %)	(automatic) Difference total incurred (column L)/ projected total (agreement) (column J) (%)	Calculation method (must fit on one line so as not to distort the table - 230 characters font 12)	
1-Local office operating expenses (field projects only)																
Subtotal 1 – Local operating expenses																
2-Human Resources																
- Expatriate staff																
- Local staff																
- Temporary support staff																
- Head office staff working on the project (in case of 10% option line D)																
Subtotal 2 - Human Resources																
3-Support, monitoring and verification																
Subtotal 3 - Support, monitoring and verification																
4-Investments in real estate, technical equipment and furnishings																
- Real estate investments																

- Investments in furnishings and technical equipment															
Subtotal 4 - Investments in real estate, technical equipment and furnishings															
5-Supplies / consumables															
Subtotal 5 - Supplies / consumables															
6-Funds / endowments															
Subtotal 6 - Funds / endowments															
7-Research and consultancy															
Subtotal 7 - Research and consultancy															
8-Activities															
- Training															
- Other activities (please specify)															
Subtotal 8 - Activities															
9-Knowledge management, evaluation, audit															
- Knowledge management															
- Evaluation															
- Audit															
Subtotal 9 - Knowledge management, evaluation, audit															
A-Subtotal of direct costs (1+2+3+4+5+6+7+8+9)															

B - Miscellaneous (maximum 5% of line A)															
C-Total direct costs (A+B)															
D-Head office operating costs															
- either maximum 10% of line C															
- or maximum 12% of line C															
OVERALL TOTAL (C+D)															

verification of "Resource" tab totals

DATE, NAME, TITLE and
SIGNATURE (authorised individual)
Insert SCO LOGO

* This column may also include modifications of expenditures approved by way of a NON issued by AFD following the signature of the agreement.

** This column may also include a modification of tranche 2 expenditures by way of a NON or amendment. NONs or amendments may be issued by AFD.

Project No.: Tranche 1: XX months Tranche 2: XX months Origin of resources (in €) (Provide detailed information and explain acronyms)	Tranche 1 Projected resources (agreement) (in €)	Tranche 1 Resources consumed (in €)	(automatic) Tranche 1 Difference consumed/planned (%)	Tranche 2 Projected resources (agreement) (in €)	Tranche 2 Revised resources (by amendment, or NON directly by the CSO) (in €)	Tranche 2 Resources consumed (in €)	(automatic) Tranche 2 Difference consumed/revised (%)	(automatic) Cumulative Tranche 1 + 2 projected resources (agreement) (in €)	(automatic) Cumulative Tranche 1 resources consumed (column C) + Tranche 2 revised resources (column F) (in €)	(automatic) Cumulative resources consumed (in €)	(automatic) Percentage of projected resources/total projected resources (agreement) (%)	(automatic) Percentage of resources consumed/total resources consumed (%)	(automatic) Difference total consumed/total projected (agreement) (%)	Status of resources (obtained, requested, to be requested)
1 - Contribution of AFD and French Ministries														
AFD subsidy														
Portion of the AFD subsidy received during Tranche 1 but not consumed during Tranche 1														
Ministries (please specify)														
Public establishments under state supervision														
...														
Subtotal 1 - Contribution of AFD and French Ministries														
2 - Other resources applied														
2.1 - Private resources														
Total private in-kind resources (see table of in-kind resources)														
Association equity														
Other private funds														
Local proceeds														
Local partners														
...														
Sous-total 2.1 - Private resources														
2.2 - French and foreign public resources														
Total in-kind resources from public sources (see table of in-kind contributions)														
French local governments														
Water supply agencies														
EU														
UN Agencies														
Public authorities in the country														
Bilateral cooperation														
Public establishments not under state supervision														
...														
Sous-total 2.2 - French and foreign public resources														
Sous-total 2 - Other resources applied														
OVERALL TOTAL RESOURCES														

verification of "Expenditure" tab totals

Calculation of remainder of AFD subsidy	
Portion of the AFD subsidy received in T1 (enter manually in T1)	
Portion of the AFD subsidy used in T1 (automatic)	0
Remainder to be used in T2 (automatic)	0
Portion of the AFD subsidy received in T2 (enter manually in T2 only)	
Portion of the AFD subsidy used in T2 (automatic)	
A mount of the subsidy to be returned to AFD at the end of the project in the event that the entire subsidy has not been utilised	0

This amount will only be taken into account by AFD at the end of the project, upon submission of the final financial report

DATE, NAME, TITLE and SIGNATURE (authorised individual)
Insert SCO LOGO

This table must be updated each time the budget table is submitted to AFD.

Description of in-kind resources and expenditures (for each item = description of expenditure + origin of resource)	Monetary value of resource (in €)	Monetary value of expenditure (in €)	CALCULATION METHOD
Private in-kind contributions			
Example			
Subtotal	0	0	
Public in-kind contributions			
Example : Loan of meeting room (Ile-de-France Departmental Council)			
	0	0	
Subtotal			
Volunteer work			
Subtotal	0	0	
OVERALL TOTAL	0	0	

Note : calculation methods for in-kind resources are explained on page 81 of the 2016 methodology guide

DATE, NAME, TITLE and SIGNATURE (authorised individual) Insert CSO logo

Only to be completed for field projects involving several countries

in €	Tranche 1 (projected)	Tranche 1 (incurred)	Tranche 2 (projected)	Tranche 2 (incurred)	Total Tranche 1 and Tranche 2 (projected)	Total Tranche 1 and Tranche 2 (incurred)
A- Breakdown of funds by country						
<i>Country 1</i>						
<i>Country 2</i>						
<i>Country 3</i>						
<i>Country 4</i>						
Subtotal						
B- Expenditures for cross-cutting actions						
C- Administrative costs						
OVERALL TOTAL (A+B+C)						

DATE, NAME, TITLE and SIGNATURE (authorised individual)
Insert SCO LOGO

a) General comments

The budget table is a single document (“field” and “public interest” projects) intended for detailed budget reporting at three points in the life of the project:

- upon submission of the NIONG → **Detailed draft budget (expenditures/resources) (section 3, point III.4 of the methodology guide),**
- upon submission of the interim technical and financial report → **detailed interim financial report (section 5, point III of this methodology guide),**
- at the end of the project, upon submission of the final technical and financial report → **detailed final financial report (section 5, point III of this methodology guide).**

The CSO must indicate the duration of each tranche in the budget table (number of months).

The budget table must be completed gradually throughout project implementation, ultimately becoming the final financial report upon termination of the project. The budget must always contain all items submitted to and approved by the SPC/DPO Division in the previous version (information on the initial funding agreement, any amendments and NONs confirmed by the Division).

At each step (NIONG, interim and final reports), the CSO transmits to the SPC/DPO Division an original copy of the budget table, dated and signed by an authorised individual (name and position with no abbreviations) by post. The logo of the association and the project number must feature on the document. The CSO must also send the table by email in Excel format. In the event that the individual signing the budget table is not the person having signed the funding agreement and payment requests, please include the decision to authorise him or her to sign, as well as an original signature sample and a photocopy of his/her identification.

The budget table template, in Excel format, comprises four tabs:

- “expenditures”
- “resources”
- “in-kind contributions”
- “breakdown by country” (only for “field” projects involving more than one country)

Please use the following colour code for columns:

- **yellow** for expenditures / projected resources (funding agreement),
- **orange** for expenditures / revised resources,
- **pink** for expenditures / resources incurred and consumed,
- **white** for variations.

Colour code for text:

- figures entered manually appear in blue,
- figures entered automatically appear in black (or in red in the event of a variation +/- 10% for the “expenditures” tab).

The budget table uses formulas to assist the CSO (automatic calculations are indicated in column headings); nonetheless, data coherence and consistency must always be verified. Each project is unique and may include specific cases which must be explained. A table alone is not always sufficient. When necessary, please include an explanatory note.

Printing the budget table (see tutorial below):

- Upon submission of the NIONG for project review: the detailed draft budget must appear in Appendix 2 to the NIONG (Word) in A4 format. The “calculation method” column must not appear in the printed budget appended to the NIONG (but must be completed in the electronic Excel spreadsheet),
- Upon submission of financial reports (interim and final): the budget is appended to reports in A3 format. The “calculation method” column must appear in the budget appended to reports and in the electronic Excel spreadsheet (when printing the file, the “calculation method” column will automatically be printed on the back). The CSO must specify the calculation method for each tranche of the project and indicate the tranche corresponding to each calculation.

b) “Expenditures” tab

General comments

- **Please ensure that total expenditures are identical to the corresponding total resources (See the overall total verification formula (line 104 of the table)),**
- **Figures must be in whole numbers with no decimals.**
- **Proposed formulas and column headings must not be modified. The same applied to fonts and colours,**
- **If no expenditure applies, leave the cell blank; do not enter 0,**
- **Expenditures must be entered in euros only. In the event of an expenditure in a currency other than euros, the CSO must convert the amount on the invoice into euros, using the accounting rules of its choosing for the conversion. It must comply with the following conditions:**
 - **Use written accounting rules reflecting standard practices within the CSO;**
 - **The rule is consistently applied throughout the project,**
 - **The rule applies to all transaction types as well as to all sources of funding.**

Budget items

- The content of the “Budget items” column must correspond to that of the overall budget appended to the funding agreement except in the case of new lines of expenditures initiated in the course of the project, which may be added (as a reminder, each budget item must contain a maximum of 5 lines),
- “Field” project budgets include 9 budget items compared to 8 for “public interest” projects (item 1, “local office operating costs”, need not be completed for “public interest” projects),
- Details subsections for items or sub-items must not exceed 5 lines as provided for in the spreadsheet,
- **The “miscellaneous” line** is not a budget item, but an optional lump sum (5% of the sum of the 8 or 9 preceding items). A NON is not systematically required to allocate funds to this line.

However, a NON must be issued in the event that the amount provided for on this line is allocated to another spending item in the course of the project.

- **The “Head office operating costs” line** offers the CSO a choice between two lump sums to finance expenditures of this type:
 - o Package 1: either 10% of total direct project costs; in this case, payroll costs of the project implementation team based in the head office may be included in the budget,
 - o Package 2: or 12% of total direct project costs; in this case, payroll costs may not be included in the budget, as they are deemed to be incorporated into the 12% lump sum.

For the project as a whole, a NON must be requested from the SPC/DPO Division at the earliest possible stage for any change of more than 20% of the initial total of each of 8 or 9 budget items in the course of project implementation.

If the variation can be anticipated, the request is submitted to the SPC/DPO Division by post and email addressed to the project officer (with the financial officer in copy), prior to presenting the interim report.

If the variation could not be anticipated before finalising the interim report, the request is submitted by post, along with the report. The SPC/DPO Division will then decide whether or not to approve the change, and if so, either by simple notification or by way of an amendment to the funding agreement.

In any case, the NON request must be detailed and explain the reasons for variations.

Column “Q” *Variation between actual total/estimated total (agreement)* in the expenditure table and column “Q” *Variation between total consumed/Total budgeted (agreement)* in the resource table are intended to help the CSO continuously monitor variations from the initial overall budget appended to the funding agreement.

The revised budget must be as realistic as possible. Indeed, in the event that the SPC/DPO Division accepts the interim report, the proposed revised budget becomes the new contractual budget of reference for which the CSO will be held accountable at the end of the project. If the budget is not revised, simply duplicate the information from the overall budget appended to the funding agreement.

“Expenditure” columns

- **Yellow “Projected expenditures” columns:**

- NIONG: these columns must be filled in upon project review for both provisional funding tranches,
- Reports: The draft budget must perfectly reflect the overall budget appended to the funding agreement signed with AFD or the amendments appended thereto, if applicable.

- **Pink “Actual expenditures” columns:**

- reports: these columns indicate actual expenditures at the end of each tranche (filled in gradually as the project advances),
- The CSO may request the second payment when 70% of total provisional tranche 1 expenditures have effectively been realised. The remaining 30% for tranche 1 must be included on the revised expenditure table for tranche 2 (column F “Tranche 2 Revised Expenditures”).

- **Orange “Revised expenditures” columns:**

- reports: these columns allow the CSO to update its draft budget at the beginning of tranche 2 by specifying:
 - the implementation rate for the previous tranche,
 - additional resources obtained, or anticipated resources that were not obtained in the course of project implementation,
 - amendments or NONs accepted by the SPC/DPO DivisionModifications must be explained in reports.

The CSO must fill in the revised expenditure column only at the start of tranche 2, even if the projected amounts of this tranche have not been revised and remain identical to the amounts indicated in the overall project budget appended to the funding agreement (in this case, simply copy/paste the tranche 2 projected amounts (column “E”) in the column corresponding to revised expenditures for tranche 2 (column “F”).

- **White “variation” columns** designate the ratio of actual expenditures/expenditures initially forecast (in tranche 1), and the ratio of actual expenditures /revised expenditures (in tranche 2). Any variation of +/- 10% in a budget item during implementation of a tranche automatically appears in red. These variations must be explained in a document appended to reports, but do not require a NON.

- **Details regarding eligible expenditures (“field” projects)**

Expenditures are broken down into 9 budget headings which must not exceed **5 lines** each. Only variations from the total amount of each of the items below require a NON from the SPC/DPO Division.

Item 1: Local office operating costs

- Purchase, lease and upkeep of offices, security, maintenance and similar costs, insurance, vehicle rental (temporary rentals, not leasing contracts), etc.
- Water, gas, electricity, internet, fuel.

These costs may be borne either by local partners or by the local branch of the French association.

Item 2: Human resources

➤ Expatriate staff (provided by the French association)

- Expatriates associated with the project/programme: employees, long-term volunteers, etc.;
- Expenses: wages, allowances, payroll taxes and other compensation provided for in employment contracts.

➤ Local staff (provided by local partners or by the local branch of the French association)

- Staff associated with the project/programme: managers, clerical staff, daily workers, drivers, security staff, etc.;
- Expenses: wages, allowances, payroll taxes and other compensation provided for in employment contracts.

➤ Temporary support staff

- Temporary support staff: external experts participating on an occasional basis (gender consultants, experts in the fields of microfinance, healthcare, feasibility studies, etc.); these experts may be employed either by the French association or by local partners. Volunteers (see appendix concerning calculation of in-kind contributions);
- Costs: compensation, wages, allowances, payroll taxes and other compensation provided for in employment contracts.

➤ Head office staff working on the project/programme (only if the 10% “administrative expenses” option is selected)

- Head office employees or volunteers working on the project/programme. Head office coordinating team;
- Expenses: wages, allowances, payroll taxes and other compensation provided for in employment contracts

Expenditures in this item refer exclusively to wages paid, payroll taxes or allowances related to exercise of the profession (e.g. allowances provided to long-term volunteers and/or interns are also included).

The status and working time of each in-house staff member participating in the project/programme must be specified (please indicate the proportion of working time devoted to the project on a monthly basis). Please list all human resources expenditures associated with implementation of the project/programme.

Certain human resources expenditures mentioned here contribute to effective implementation of the project/programme (Item 8 “Activities” must not include wages, payroll taxes or allowances).

Item 3: Support, monitoring and verification

- International travel (airfare, visas, etc.);
- Mission expenses for in-house teams of the French CSO and/or partners and/or volunteers for travel in the field, steering committee expenses, monitoring expenses including per diems, lodging, etc.

These expenses are not considered personnel expenses. They are internal mission expenses borne by the CSO and/or its partners.

Item 4: Investments in real estate, technical equipment and furnishings

➤ *Real estate investments*

- All construction/renovation of buildings, offices, schools, hospitals, hangars, etc.;
- Land intended for project/programme implementation;
- Economic infrastructure: airstrips, roads, bridges, irrigation systems, etc.;
- Purchase or lease of building facilities (excl. offices included in item 1 “Local office operating costs”);
- Vehicles (purchase or lease): passenger cars, specialised vehicles, 2-wheeled vehicles;
- Purchase or lease of other transport equipment: boats, fishing vessels, pirogues, etc.

➤ *Investments in furnishings and technical equipment*

- Equipment: microcomputers, printers, software, video projectors, cameras, etc.;
- Furnishings & appliances: refrigerators, air conditioners, office furniture, etc.;
- Craftsman and SME tools & equipment;
- Agricultural equipment: tools, harvest equipment, rototillers, tractors, etc.
- Industrial equipment: miscellaneous machines incl. civil engineering equipment;
- Equipment for vocational education establishments, radio-television centres, etc.;
- Medical/surgical equipment, small medical appliances;
- Other equipment directly related to the project/programme.

Item 5: Supplies/consumables

- Industrial inputs: all supplies intended for SMEs, SMIs or craftsmen, construction or services and not included in other items;
- Agricultural inputs: fertiliser, pesticides, phytosanitary products, seeds, veterinary medications and vaccines;
- Books, scientific documentation, audio-visual documents, films, exhibitions, etc.
- Spare parts and repair of vehicles and machinery necessary for the project/programme;
- Medications and medical consumables: all medications, vaccines, etc.;
- Office supplies (papers, writing utensils, toner, etc.);
- Activity supplies (if not included in item 8 “Activities”);
- Training supplies (if not included in item 8 “Activities”).

Item 6: Funds / endowments

- Endowments/retrocessions to partners (this amount must not represent a significant portion of the total budget (more than 30%), in which case it must be distributed among the different budget items);
- Funds for call for proposal
- Specific funds (e.g. legal aid fund for human rights projects);
- Loan implementation, equity investments. The CSO must provide for an anti-money laundering and terrorism financing mechanism (AML-CFT), particularly for loan implementation and micro-finance projects/programmes (see appendix regarding micro-finance projects on the AFD website).

Item 7: Research and consultancy

- Research and consultancy services performed by design offices, other CSOs or consultants outside the French CSO leading the project/programme and its partners (consultancy services of any kind, sociological, economic or institutional studies) prior to project/programme launch (in accordance with eligibility periods for expenditure as set out in the funding agreement) or during project/programme implementation;
- Technical or engineering studies;
- Feasibility studies carried out by an external service provider;
- Costs related to external analysis, consultancy or support (legal, accounting, assistance drafting terms of reference, etc.);
- one-off surveys

Expenditures mentioned in this item concern services rendered by international or local personnel outside the CSO and its local partners in respect for fees and/or transport costs for international and local travel and/or subsistence expenses and/or per diems. They may under no circumstances be considered personnel expenses within the French association or its local partners.

This item does not include services associated with evaluation or knowledge management initiatives, which must be mentioned in item 9.

Item 8: Activities

➤ *Training*

- Expenditures directly associated with implementation of training activities provided for in the project/programme and not covered by other budget items ("Human Resources", "Research and consultancy", etc.);
- Training courses and individual sessions, scholarships, internships, seminars, meetings, study tours, etc.;
- Logistics, room rental;
- Training supplies (if not included in item 5 "Supplies/consumables").

➤ *Other activities (please specify)*

- If possible, these activities should be listed in the same order as they appear in the logical framework;
- Communication expenses (drafting, translation, graphic design, printing, dissemination, services provided by agencies specialised in these fields, etc.);
- Activity supplies (if not included in item 5 "Supplies/consumables")
- Any other expenditure directly associated with implementation of activities provided for in the project/programme and not covered by other budget items ("Human Resources", "Research and consultancy", etc.).

Item 9: Knowledge management, Evaluation, Audit

➤ *Knowledge management*

- Costs associated with knowledge management and exchanges of knowledge and experience developed in the course of project/programme implementation.

➤ *Evaluation*

- Costs associated with project/programme evaluation (please specify the nature of the evaluation: monitoring/evaluation, final evaluation (internal/external)).

➤ *Audit*

- Costs associated with financial audit of projects/programmes.

Miscellaneous (optional)

This line is not a budget item but a lump-sum package. It is calculated by taking a maximum of 5% of the sum of the 9 direct cost items and may be used in the following cases: inflation, fluctuation of exchange rates, bank charges if not included elsewhere, all unforeseen expenses, etc.

Head office operating costs

Head office operating costs may include:

- Purchase, lease and upkeep of offices, security, maintenance and similar costs, insurance, etc.;
- Furnishings, computers, photocopiers, consumables;
- Water, gas, electricity, internet, fuel;
- Statutory auditors, research, recruitment costs, fundraising costs, wages and payroll taxes for select highly indirect support functions not included in direct project/programme costs (HR management, IT Department, administrative & financial management, etc.);
- Wages for permanent head office staff only in the 12% option.

These operating costs concern the head office of French association leading the project/programme.

Expenditures may also include operating costs for the head offices of more associations in the event that the project/programme is implemented by a consortium.

CSOs may choose funding in a lump sum capped at 10% or 12% of direct costs.

- **Details regarding eligible expenditures (“public interest” projects)**

Item 2: Human resources

➤ *Permanent staff working on the project (only if the 10% “administrative expenses” option is selected)*

- Head office employees or volunteers working on the project. Head office coordinating team;
- Expenses: wages, allowances, payroll taxes and other compensation provided for in employment contracts.

➤ *Temporary support staff*

- Temporary support staff: external experts participating on an occasional basis (experts in the fields of feasibility studies, etc.); these experts may be employed either by the French association or its partners. Volunteers (see appendix concerning calculation of in-kind contributions);
- Costs: compensation, wages, allowances, payroll taxes and other compensation provided for in employment contracts.

Expenditures in this item refer exclusively to wages paid, payroll taxes or allowances related to exercise of the profession (e.g. stipends paid to long-term volunteers and/or inters are also included).

The status and working time of each in-house staff member participating in the project must be specified (please indicate the proportion of working time devoted to the project on a monthly basis). Please list all human resources expenditures associated with implementation of the project.

Certain human resources expenditures mentioned here contribute to effective implementation of the project (Item 8 “Activities” must not include wages, payroll taxes or allowances).

Item 3: Support, monitoring and verification

- Mission expenses for in-house teams of the French CSO and/or partners and volunteers for local travel in the field, steering committee expenses, monitoring expenses including per diem allowances, lodging, etc.

These expenses are not considered personnel expenses. They are internal mission expenses borne by the CSO and/or its partners.

Item 4: Investments in real estate, technical equipment and furnishings

➤ *Real estate investments*

- All construction/renovation of buildings, offices, etc.;
- Land intended for project implementation;
- Purchase or lease of building facilities;
- Vehicles (purchase or lease): passenger cars, specialised vehicles, 2-wheeled vehicles.

➤ *Investments in furnishings and technical equipment*

- Equipment: microcomputers, printers, software, projectors, cameras, etc.;
- Furnishings & appliances: refrigerators, air conditioners, office furniture, etc.;
- Other equipment directly related to the project.

Item 5: Supplies/consumables

- Books, scientific documentation, audio-visual documents, films, exhibitions, etc.
- Office supplies (papers, writing utensils, toner, etc.).

Item 6: Funds / endowments

- Endowments/retrocessions to partners (this amount must not represent a significant portion of the total budget (more than 30%), in which case it must be distributed among the different budget items);
- Funds for calls for proposal, scholarships, “kick-start” funds, etc. (if not included in item 8 “Activities”);
- Loan implementation, equity investments. The CSO must provide for an anti-money laundering and terrorism financing mechanism (AML-CFT), particularly for loan implementation and micro-finance projects/programmes (see appendix regarding micro-finance projects).

Item 7: Research and consultancy

- Research and consultancy services performed by design offices, other CSOs or consultants outside the French CSO leading the project and its partners (consultancy services of any kind, sociological, economic or institutional studies) prior to project launch (in accordance with eligibility periods for expenditure as set out in the funding agreement) or during project implementation;
- Feasibility studies carried out by an external service provider;
- Costs related to external analysis, consultancy or support (legal, accounting, assistance drafting terms of reference, etc.);
- Point surveys.

Expenditures mentioned in this item concern services rendered by international or local personnel outside the CSO and its partners in respect for fees and/or transport costs for international and

local travel and/or subsistence expenses and/or per diem stipends. They may under no circumstances be considered personnel expenses within the French association or its partners. This item does not include services associated with evaluation and knowledge management initiatives, which must be mentioned in item 9.

Item 8: Activities

- *Training programmes and educational initiatives, network management and support*
- Network management and support for participants;
- Expenditures directly associated with implementation of training activities provided for in the project and not covered by other budget items (“Human Resources”, “Research and consultancy”, etc.);
- Training courses and individual sessions, scholarships, internships, seminars, meetings, study tours, etc.;
- Logistics, room rental;
- Training supplies (if not included in item 5 “Supplies/consumables”).
- *Communication expenses and educational tools*
- Audio-visual, electronic, web-based tools, etc.;
- Drafting, graphic design, printing, dissemination;
- Communication and graphic design agency fees;
- Press relations.
- *Network and internal organisation activities*
- Organisation of meetings, conferences, seminars, working groups, etc.
- Logistics, room rental;
- Travel expenses (if not included in item 3 “Support, monitoring and verification”);
- Supplies for meetings, working groups, etc. (if not included in item 5 “Supplies/consumables”).
- *Other activities (please specify)*
- Any other expenditure directly associated with implementation of activities provided for in the project and not covered by other budget items (“Human Resources”, “Research and consultancy”, etc.).

Item 9: Knowledge management, Evaluation, Audit

- *Knowledge management*
- Costs associated with knowledge management and exchanges of knowledge and experience developed in the course of project implementation.
- *Evaluation*
- Costs associated with project evaluation (please specify the nature of the evaluation: monitoring/evaluation, final evaluation (internal/external)).
- *Audit*
- Costs associated with financial audit of projects.

Miscellaneous (optional)

This line is not a budget item but a lump-sum package. It is calculated by taking a maximum of 5% of the sum of the 8 direct cost items and may be used in the following cases: inflation, fluctuation of exchange rates, bank charges if not included elsewhere, all unforeseen expenses, etc.

Head office operating costs

Head office operating costs may include:

- Purchase, lease and upkeep of offices, security, maintenance and similar costs, insurance, etc.;
- Furnishings, computers, photocopiers, consumables;
- Water, gas, electricity, internet, fuel;
- Statutory auditors, research, recruitment costs, fundraising costs, wages and payroll taxes for select highly indirect support functions not included in direct project costs (HR management, IT Department, administrative & financial management, etc.);
- Wages for permanent head office staff only in the 12% option.

These operating costs concern the head office of French association leading the project.

Expenditures may also include operating costs for the head offices of more associations in the event that the project is implemented by a consortium.

CSOs may choose funding in a lump sum capped at 10% or 12% of direct costs.

c) "Resources"

General comments

- Please ensure that total expenditures are identical to the corresponding total resources (See the overall total verification formula (line 35 of the table)),
- Figures must be in whole numbers with no decimals.
- Proposed formulas and column headings must not be modified. The same applies to fonts and colours,
- Funding organisations must be clearly identified and acronyms explained. Please specify whether each funding organisation is public or private.

"Resource" columns

- *"Origin of resources" column:*
 - o NIONG: Donors mentioned in the NIONG must be the same as those mentioned in the initial overall budget appended to the funding agreement; however, in the event that donors are added, withdrawn or replaced during the review phase, an updated resource budget may be taken into account when drawing up the funding agreement, provided that the CSO so informs the SPC/DPO Division in advance.
 - o Reports: should new donors appear during the implementation phase, they must be added. Donors mentioned in the initial overall budget appended to the funding agreement who in the end do not contribute to the project are to be maintained in project documentation. (See the section regarding NONs (section 5 I.B)).

In the event that a line is added to the spreadsheet to identify another donor, the CSO must duplicate automatic calculation formulas used in the previous lines. Donors mentioned in pre-existing these serve as examples; the CSO may, if it so wishes, replace these donors with others or delete any unnecessary information.

- *Yellow "Projected resources" columns:*
 - o NIONG: these columns must be filled in upon project review for both funding tranches,
 - o Reports: the draft budget must perfectly reflect the initial overall budget appended to the funding agreement or the amendments appended thereto, if applicable. Resources

identified in the NIONG and the funding agreement as “obtained” must appear in reports as having been effectively applied.

- **Pink “Resources consumed” columns** indicate actual resources effectively utilised at the end of each tranche (to be filled in gradually as the project advances). Unused resources must appear in column F “Revised resources”.
- **Orange “Revised resources” columns:**
Reports: this column allows the CSO to update its draft budget by specifying:
 - o the rate of utilisation of resources during tranche 1;
 - o additional resources obtained, or anticipated resources that were not obtained in the course of project implementation;
 - o amendments or NONs accepted by the SPC/DPO Division

Modifications must be explained in reports.

The CSO must fill in the revised resource column only at the start of tranche 2, even if the projected amounts of this tranche have not been revised and remain identical to the amounts indicated in the overall project budget appended to the funding agreement (in this case, simply copy/paste the tranche 2 projected amounts (column “E”) in the column corresponding to revised resources for tranche 2 (column “F”).

- **White “Variation” columns** designate the ratio of resources consumed/forecast resources (tranche 1), and the ratio of resources consumed/revised resources (tranche 2).
- **The “Status of resources” column** (obtained, requested, to be requested) must be filled in and updated each time the budget is submitted.

Calculation of remainder of AFD subsidy

- This table is only to be filled in when preparing reports;
- The portion of the AFD subsidy effectively received in tranche 1 must be entered manually (line 38; column “B”),
- The remaining portion of the AFD subsidy to be utilised in tranche 2 is calculated automatically (portion of the AFD subsidy received in T1 less portion of the subsidy utilised in T1). This remainder is automatically entered in the revised resources column (line 4; column “F”),
- The portion of the AFD subsidy received in tranche 2 must be entered manually (line 41; column “B”),
- The amount of the subsidy to be returned to AFD at the end of the project in the event that the entire subsidy has not been utilised automatically appears (line 44; column “B”),
- Please note that a partial repayment of the AFD subsidy may also be requested in the event that the rate of AFD co-funding provided for in the funding agreement has been exceeded (e.g. underutilisation or non-utilisation of other resources).

On the basis of a duly justified request on the part of the CSO, sent at the earliest possible stage of project implementation, the SPC/DPO Division may accept variability of up to 5 percentage points for

AFD's final co-funding rate provided that the maximum rate is not exceeded (e.g. for a "field" project initially 45% co-funded by AFD, the co-funding rate may rise to 50% (the maximum co-funding rate for "field" projects being 50%, the SPC/DPO Division would not accept a variation such as: $48 + 5 = 53\%$).

Should the SPC/DPO Division refuse such variability, repayment on a pro-rata basis would remain compulsory (by cheque made out to Agence Française de Développement).

d) "In-kind contributions" tab

The CSO must fill in a specific table with detailed information regarding in-kind contributions (resources and expenditures), specifying the calculation method (number of hours and hourly cost), as well as the name and status of the individuals concerned. If the identity of such individuals is not yet known, the CSO must provide information regarding the skills it intends to mobilise.

This table must be updated each time the detailed draft budget is submitted to the SPC/DPO Division.

Valuation of civic and volunteer commitments:

CSOs are encouraged to value civic-minded and volunteer initiatives within projects for which AFD co-funding is sought. This may include valuation of EAD-SI (Development Education-International Solidarity) initiatives (based on project content) carried out by volunteers, as well as any other initiative within the project that leads to or promotes civic and volunteer commitments on the part of association members.

In addition to the budget, this aspect must also be clearly indicated in the project description in item 5.4 "Project content". Naturally, volunteer initiatives outside the project will not be eligible for such valuation.

Contributions from AFD and French ministries must not include in-kind contributions. They may only be included in Other resources applied and are systematically capped at 25% of the total project budget (public and private in-kind contributions combined). They must be clearly provided for as resources and expenditures in the initial project budget.

Such contributions may take the form of material or manpower resources.

Material resources:

Monetary value cannot be attributed to material resources in the following two cases:

- If the resources were obtained in the context of a previous project co-funded by AFD or any other donor ("field" and "public interest" projects),
- If the resources are owned by the CSO implementing the project ("field" and "public interest" projects).

Manpower resources

- The CSO may attribute monetary value to its volunteer staff ("field" and "public interest" projects),
- Through platforms /collectives ("public interest" projects), CSOs may attribute monetary value to member associations' material/manpower resources,

- The origin of manpower resources must be specified: volunteers (indicate current status: retirees, students, active population), skill-based sponsorship (private sector actors), secondment (public sector employees).
- In this item, monetary value may be attributed to EAD-SI initiatives led by volunteers and intended to support project implementation.

General rule for “field” and “public interest” projects:

- Valuation of in-kind contributions at the head office level: single lump sum of €300/day per human resource valued (private or public sector actor or volunteer - head office or field mission) with a maximum of 10 days/month. Beyond this limit, resources are valued based on a fixed monthly rate of €3,000 per person.
- Valuation of in-kind contributions at the local level: the lump sum is determined on the basis of the average wage in the country in question, or on the basis of the CSO's wage grid, if any.

Participation of members of the Board of Directors in CSO bodies cannot be recognised as in-kind contributions.

Verification/formalisation of in-kind contributions:

The CSO must use the documents best suited to its situation (sign-off sheets / sworn statements / volunteer contracts / employer certificates, etc.); in the event of a financial audit, the documents used must precisely reflect the value recognised.

d) “Breakdown by country” tab

For projects involving several countries, the CSO must specify the distribution of funds among the different countries (forecast and actual).

Expenditures broken down by country + cross-cutting expenditures + head office operating costs must equal the total budget amount (forecast and actual).

This table must be updated each time the detailed draft budget is submitted to the SPC/DPO Division.

- **A4 layout of budget table (tutorial)**

Columns may be hidden as shown below (the same applies to the “resources” tab):

- A3 format (for insertion into interim and final reports):

Click on the icon to hide the column.

															Mod
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
Rubriques	Dépenses prévisionnelles (convention) - Tranche 1 (en I)*	Dépenses réalisées Tranche 1 (en I)	Variation réalisé/prévu Tranche 1 (en %)	Dépenses prévisionnelles (convention) - Tranche 2 (en I)**	Dépenses réalisées Tranche 2 (en I)**	Dépenses réalisées Tranche 2 (en I)	Variation réalisé/révisé Tranche 2 (en %)		Cumul dépenses prévisionnelles (convention) Tranche 1 + dépenses révisées Tranche 2 (en I)	Cumul dépenses réalisées (en I)	Variation total réalisé / total prévu (convention) (en %)		Part des dépenses prévues /total dépenses (convention) (en %)	Part des dépenses réalisées / total dépenses réalisées (en %)	
Sous total 6 - Fonds / Dotations	0	0	(automatique)	0	0	0	(automatique)		0	0	(automatique)		(automatique)		
7-Etudes et prestations intellectuelles															
71															
72															
73															
74															
75															
76															
Sous total 7 - Etudes et prestations intellectuelles	0	0		0	0	0			0	0					
8-Activités															
- Dont formations															
77															
78															
79															
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81															
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83															
- Dont autres activités (à détailler)															
84															
85															
86															
87															
88															
89															
Sous total 8 - Activités	0	0		0	0	0			0	0					
9-Capitalisation, évaluation, audit															
- Dont capitalisation															
90															
- Dont évaluation															
91															
- Dont audit															
92															
Sous total 9 - Capitalisation, évaluation, audit	0	0		0	0	0			0	0					
A-Sous-total coûts directs (1+2+3+4+5+6+7+8+9)	0	0		0	0	0			0	0					
B - Divers et imprévus (5% maximum de la ligne A)															
93															
C-Total coûts directs (A+B)	0	0		0	0	0			0	0					
D-Frais de fonctionnement du siège	0	0		0	0	0			0	0					
- soit 10% maximum de la ligne C															
94															
- soit 12% maximum de la ligne C															
95															
TOTAL GENERAL (C+D)	0	0		0	0	0			0	0					
96															
contrôles totaux onglet "ressources"	0	0		0	0	0			0	0					
97															
DATE, NOM et SIGNATURE (personne habilitée)	LOGO ONG à insérer														
98															
99	* Cette colonne peut intégrer également les modifications de dépenses validées par un AND accordé après la signature de la convention.														
100															
101	** Cette colonne peut intégrer également une modification des dépenses par AND ou avenant relatif à la tranche 2. Ces AND ou avenants peuvent être														
102															

- A4 format: (for insertion into the NIONG):

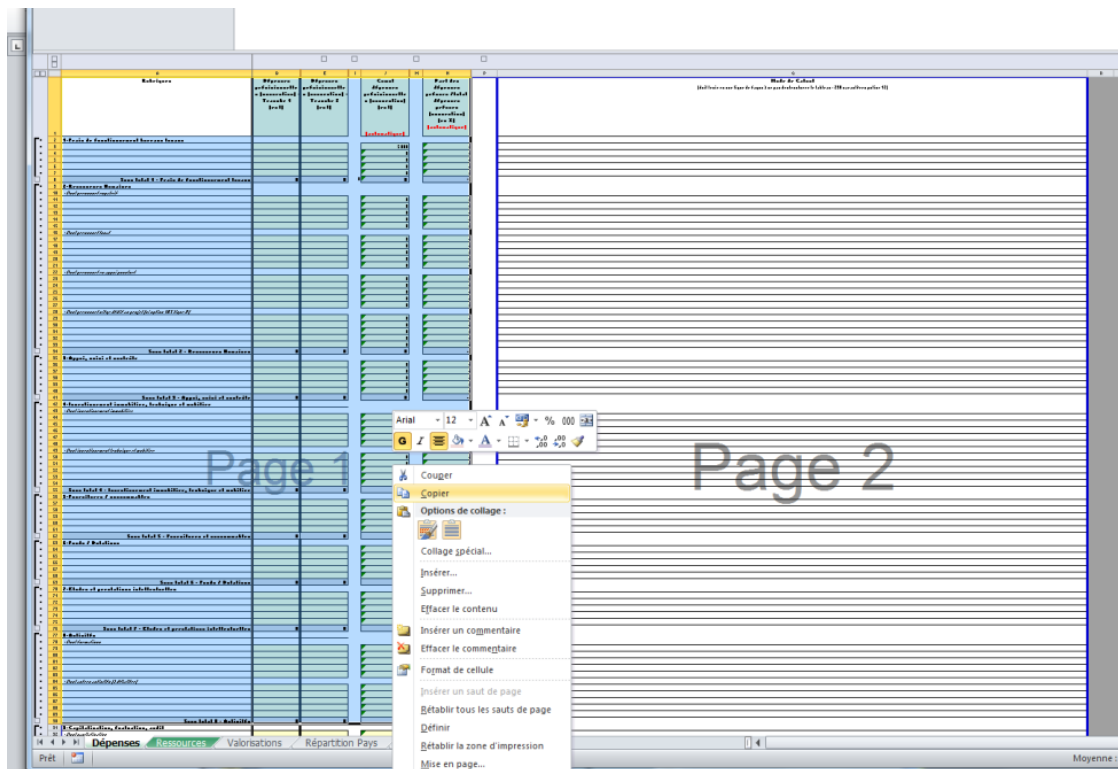
	A	B	C	D	E	F	G
	Rubriques	Dépenses opérationnelles Titre 1 [ex II]	Dépenses opérationnelles Titre 2 [ex II]	Coût Moyen opérationnelles Titre 1 [ex II]	Coût Moyen opérationnelles Titre 2 [ex II]	Part des opérations Titre 1 [ex II]	Part des opérations Titre 2 [ex II]
1				[automatique]		[automatique]	
33	Sous total 2 - Ressources humaines	0	0	0			
34	2.00001, matériel et matériel						
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40							
41	Sous total 3 - 00001, matériel et matériel	0	0	0			
42	3.00001, immobilisations, techniques et matériel						
43	3.00001, immobilisations, techniques et matériel						
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55	Sous total 4 - 00001, immobilisations, techniques et matériel	0	0	0			
56	4.00001, immobilisations						
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58							
59							
60							
61	Sous total 5 - 00001, immobilisations	0	0	0			
62	5.00001, immobilisations						
63							
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70	Sous total 6 - 00001, immobilisations	0	0	0			
71	6.00001, immobilisations						
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76	Sous total 7 - 00001, immobilisations	0	0	0			
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The “calculation method” column must not appear in the budget table appended to the NIONG; it will be kept by the SPC/DPO Division for information purposes during project review. Once the columns are “hidden”, the NIONG budget can easily fit on two A4 pages (as the CSO must not insert more than 5 lines per item).

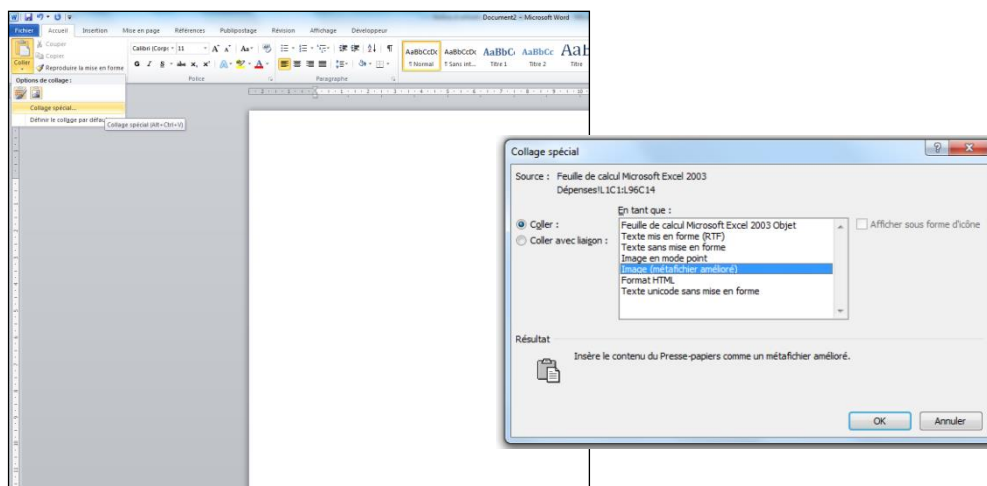
Rules for printing: “A4” – “portrait” – “Fit all rows on one page”

Inserting the Word document into the NIONG:

- 1) Copy the selected rows (top of the spreadsheet to the end of item 7 (sub-total included))



- 2) Paste the selection into Word (top of the spreadsheet to the end of item 7 (sub-total included)) - “paste” - “special paste” – “image (improved metafile)” option on upper left



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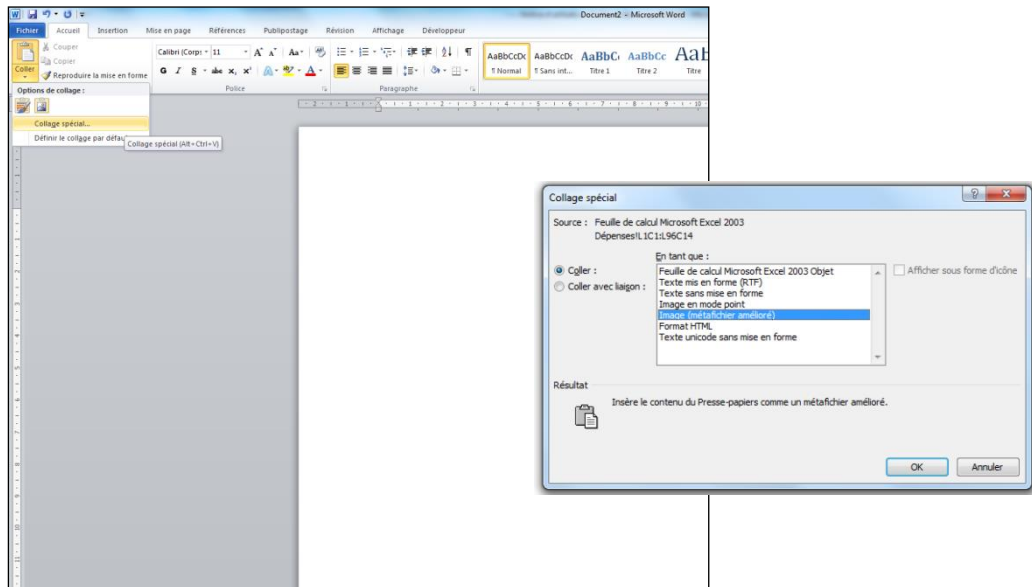
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file
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Subventions	Dépenses personnelles comptables Tranche 1 (en €)	Dépenses personnelles comptables Tranche 2 (en €)	Cumul dépenses personnelles comptables Tranche 1 + dépenses Tranche 2 (en €)	Paiement des dépenses personnelles comptables Tranche 1 (en €)
Totaux de l'ensemble des subventions				
Subvention 1 - Ressources humaines				
Subvention 2 - Ressources humaines				
Subvention 3 - Ressources humaines				
Subvention 4 - Ressources humaines				
Subvention 5 - Ressources humaines				
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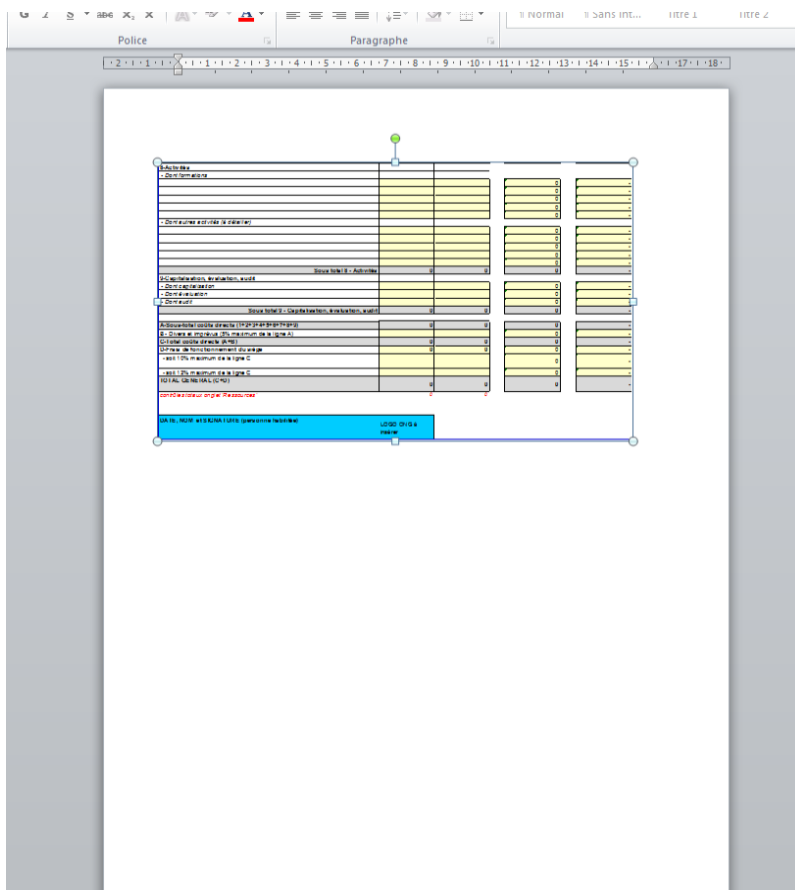
3) Copy the selected rows (from the end of item 7 to the end of the spreadsheet)

The screenshot shows a spreadsheet application with a context menu open over a selected range of cells. The menu options are: Couper, Copier, Options de collage, Collage spécial..., Insérer..., Supprimer..., Effacer le contenu, Insérer un commentaire, Format de cellule, Insérer un saut de page, Rétablir tous les sauts de page, Définir, Rétablir la zone d'impression, and Mise en page... The spreadsheet has two pages visible, 'Page 1' and 'Page 2'.

4) Paste the selection into Word (from the end of item 7 to the end of the spreadsheet) –
“paste” - “special paste” – “image (improved metafile)” option on upper left.



Result in Word file (page 2):



5) Follow the same procedure for the “Resources” section of the spreadsheet:

Result in Word file:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Origine des ressources (en €) (à déduire si elles s'appliquent)	Ressources prévisionnelles (convertibles) Tranche 1 (en €)	Ressources prévisionnelles (convertibles) Tranche 2 (en €)	Cumul ressources prévisionnelles (convertibles) (en €) (automatique)	Part des ressources prévisionnelles ressources prévues (convertibles) (en %) (automatique)
1-Contributions AFID des Maires Ranges				
Soumission de l'AFID			0	
Parties à soumission AFID reçues en Tranche 1 mais non consommées en Tranche 1			0	
Parties à soumission AFID reçues en Tranche 2 mais non consommées en Tranche 2			0	
Établissements publics sous tutelle de l'État			0	
Sous-total 1 - Contributions AFID des Maires Ranges	0	0	0	
2-Autres ressources mobilisables				
2.1 - Ressources d'origine privée				
Total des ressources d'origine privée (hors aide de l'État et de l'Union européenne)			0	
Recettes fiscales			0	
Recettes fiscales			0	
Recettes fiscales			0	
Recettes fiscales			0	
Sous-total 2.1 - Ressources d'origine privée	0	0	0	
2.2 - Ressources d'origine publique française et internationale				
Total des ressources d'origine publique française et internationale			0	
Contributions financières françaises			0	
Apports de l'État			0	
Apports de l'État			0	
Apports de l'État			0	
Coopération internationale			0	
Établissements publics sous tutelle de l'État			0	
Sous-total 2.2 - Ressources d'origine publique française et internationale	0	0	0	
Sous-total 2 - Autres ressources mobilisables	0	0	0	
TOTAL GÉNÉRAL DES RESSOURCES	0	0	0	
Calcul du reliquat AFID				
Part du reliquat AFID due en Tranche 1 à déduire des ressources Tranche 1			0,00	
Part du reliquat AFID due en Tranche 2 à déduire des ressources Tranche 2			0,00	
Part du reliquat AFID due en Tranche 1 à déduire des ressources Tranche 1			0,00	
Part du reliquat AFID due en Tranche 2 à déduire des ressources Tranche 2			0,00	
Montant de la subvention AFID à rembourser en fin de projet de la part de l'État sous consommation du budget			0,00	
SUMME DES RESSOURCES MOBILISABLES: 0,00 (0,00 %)				

Appendix 4: Specificities for micro-finance projects

This appendix is intended to present the specificities of the AFD (SPC/DPO - NGO Partnership Division) project cycle concerning projects focused on the micro-finance sector.

The vast majority of rules and procedures regarding pre-selection, review and implementation monitoring for micro-finance projects are identical to those that apply to projects in other sectors (healthcare, human rights, food security, sanitation, etc.). CSOs looking to submit a micro-finance project to AFD are encouraged to refer to the main section of the methodology guide, entitled Co-funding of “field” and “public interest” projects and programmes, which sets out the general framework for working with the “NGO Initiatives” department.

However, considering the specific nature of micro-finance activities and the specific obligations they entail, particularly regarding the fight against money laundering and terrorism financing, additional administrative, accounting and financial documents are required for the micro-finance project cycle.

This section deals only with additional rules or exemptions applied to pre-selection, review and implementation monitoring for micro-finance projects.

The following provisions concern **all projects intended to support the micro-finance sector**, i.e. projects for which local partners are **micro-finance institutions (MFI)**, **micro-finance establishments (MFE)**, or **any other body engaged in micro-finance activities**, defined as delivery of financial services to populations with little or no access to banking systems, for which average loans must be under €10,000 per beneficiary. The following provisions also apply to projects designed with the exclusive aim of contributing to strengthening the capacities of MFIs/MFEs or enhancing governance of such bodies, or which focus primarily on institutional aspects without providing capital allocated for lines of credit (in the form of subsidies or equity investments).

1. Co-funding applications – submission (consistent with section 2 of the methodology guide)

During project review, a file is put together regarding MFIs, as financial institutions supported by French CSOs benefiting from AFD subsidies. This file includes the administrative and financial documents submitted to AFD concerning each MFI. **As such, disclosure requirements for MFIs are greater than those applied to partners in developing countries involved in projects outside of the micro-finance sector.**

This means that the “partner” information form, included in appendix 5 of the NGO project description (NIONG), is specific in the event that the partner is engaged in micro-finance activities. Likewise, the administrative record to be submitted is specific to each MFI.

The administrative record specific to each MFI (to be submitted in one paper-backed copy) must include the following documents in this order:

- 1. MFI partner information form (Appendix 4.1);**
- 2. Copy of the MFI's articles of association, dated and signed, or copy of any document proving its legal existence;**
- 3. Dated and signed list of members of the MFI's Board of Directors and management team, as well as the identity and contact information of top managers, along with the date of the most recent elections;**
- 4. MFI flowchart and shareholding structure, dated and signed by the managing director;**

5. Minutes of the most recent General Meeting (or at least agenda and main resolutions of the most recent GM), as well as any document attesting to the activities undertaken and carried through by the MFI;
6. The MFI's financial documents for the past three years, if available, certified or approved by the GM;
7. Anti-money laundering and terrorism financing procedure (AML-FT) implemented by the MFI (see point 2 of this document);
8. MFI certification that a current AML-FT procedure consistent with minimum requirements has effectively been implemented and is currently in force (**Appendices 4.3 (French) and 4.4 (English)**).

Upon receipt of these documents and before granting a subsidy, AFD investigates all members of the Board of Directors and top managers of micro-finance institutions and/or establishments in developing countries. This step is in addition to conventional investigations carried out on CSOs and funding organisations in developed countries.

However, as the 2011 portfolio review concluded, micro-finance projects benefiting from AFD "NGO Initiatives" funding are essentially Tier 3 MFIs, sometimes suffering from a weak structure and located in areas where short-term profitability is often difficult to achieve (poorer clients with less access to financial services, rural areas, "riskier" projects including development of innovative products, etc.). As such, the structure of the MFIs in question may make it impossible to compile the documents mentioned upon submitting the application. In some cases, it is also possible that no pre-existing MFI is involved.

Two cases in particular have been identified:

- Absence of partner MFIs: in the event that the French CSO intends to initiate its own micro-finance programmes, the project will not automatically be deemed ineligible should the required administrative and financial documents (Board of Directors membership, flowchart, financial statements, etc.) be unavailable during the project review procedure.

The French CSO benefiting from AFD funding is expected to provide all available documents certifying that the micro-finance activity will comply with the laws and regulations in force in the country of activity (registration of the CSO in the country in question or proof that registration has been applied for, headquarters agreement, notification of registration of the legal structure carrying out the micro-finance activity [association, cooperative, MFI], approval (if required by national regulations)).

- Absence of formally structured MFIs: in the event that the French CSO intends to incubate informal groups carrying out an activity that may be considered a micro-finance activity (community groups, village groups, tontines, etc.), the project will not be automatically deemed ineligible should the required administrative and financial documents (Board of Directors membership, flowchart, financial statements, articles of association, etc.) be unavailable during the project review procedure.

The French CSO benefiting from AFD funding is expected to provide all available documents certifying that the groups in question will be structured in the course of project implementation. Retrocession of funds is only possible if the beneficiary has an official legal structure (constitutive text).

Furthermore, the following document must be inserted at the end of the **administrative record of the French CSO submitting a grant application to the SPC/DPO Department**:

Procedure whereby the CSO formalises the obligation, by virtue of article L561-1 of the French Monetary and Financial Code, to inform the Public Prosecutor of France of transactions involving the proceeds of offences punishable by a prison sentence of more than one year or transactions involving terrorism financing.

2. AML-FT procedures

In accordance with FATF recommendations, AFD requires that all micro-finance institutions and establishments supported through projects led by French CSOs benefiting from AFD co-funding within programme 209 implement an anti-money laundering and terrorism financing procedure (AML-FT) that meets certain minimum requirements (**Appendix 4.2**).

French CSOs benefiting from AFD co-funding are also obliged to have their own procedure. This procedure is not subject to the same requirements, but must formally set out the CSO's obligation, by virtue of article L561-1 of the French Monetary and Financial Code, to inform the Public Prosecutor of France of transactions involving the proceeds of offences punishable by a prison sentence of more than one year or transactions involving terrorism financing.

a. Anti-money laundering and related due diligence

Means of fighting money laundering revolve first and foremost around the obligation for financial institutions to know their clients (Know Your Customer, KYC). There follows an obligation to identify and verify the identity of each client.

In its selection procedures, AFD takes account of the particular nature of MFIs: the minimum requirements (appendix) CSOs must meet in terms of KYC are not the same as those that apply to the traditional financial institutions (banks, investment funds, etc.) with which the Operating Department and/or PROPARCO work. KYC standards for CSOs are less complex and based on the identification and analysis of the client's situation necessary to analyse credit risk.

b. Fight against terrorism financing and related due diligence

Regulations concerning the fight against terrorism financing prohibit financial institutions from “making funds, other financial assets and economic or financial resources available, whether directly or indirectly, to any natural/legal person or entity” on which financial sanctions have been imposed by an international or regional organisation (articles L562-1 and L562-5 of the French Monetary and Financial Code). For Groupe AFD, this prohibition results in an obligation for its counterparties, financial institutions or beneficiaries of retrocessions funded by AFD, to verify lists of bodies subject to financial sanctions (France, European Union, United Nations).

The contractual requirement to verify such lists, imposed on MFIs by AFD, involves a marginal cost for the former: MFIs in partner countries are not subject to French and EU regulations requiring verification of lists of sanctions. Nonetheless, to take account of the characteristics of micro-finance transactions in terms of amounts and frequency, it was decided to establish a threshold below which the MFI would not be obliged to verify lists of sanctions. This threshold is established on a case-by-case basis.

To determine the amount of transactions (loan, savings, payment, transfer, etc.) above which MFIs must systematically filter clients, AFD has adopted a risk-based approach that takes account of the nature and the regional context of partner MFIs.

In the event that a micro-finance organisation has no AML-FT procedure in force upon submitting the application (not upon signing the funding agreement), funding may still be granted on the condition that AFD funds serve exclusively to strengthen the capacities of the partner MFI during the first year, thus making it possible to adopt such a procedure. No lending activities may be funded during this year.

Formalisation of these procedures and of the means employed to ensure their application constitute a condition precedent to the second payment.

Appendix 4.1 – Partner information forms for partners engaged in micro-finance activities

Form to be updated and attached to each co-funding application.

Full name of the organisation:	
Acronym (only if commonly used to identify the organisation):	
Location of head office (address):	
Telephone number:	
Fax:	
Email address:	
Website:	
Date of creation:	
Legal structure:	
Formal authorisation to carry out micro-finance activities¹ (Y/N)	
No.	Date Issued by
Anti-money laundering and terrorism financing procedure² (AML-FT) in place (Y/N)	

Surname and given name of Managing Director:	
Surname and given name of CFO:	

Surname and given name of President:	
Surname and given name of Secretary General:	
Surname and given name of Treasurer:	
Number of members of the Board of Directors³:	
Do any AFD agents sit on the Board? : <i>if yes, specify name and position</i>	
Do any politically exposed persons sit on the Board⁴? : <i>if yes, specify name and position</i>	
Date of the General Meeting during which current members of the Board of Directors and management team were elected:	
End of members' terms:	

¹ To be attached to administrative record

² To be attached to administrative record

³ Detailed list to be attached to administrative record.

⁴ A politically exposed person (PEP) is a person residing in a country other than France who exercises important public functions, or exercised such functions until less than one year ago, e.g.: Heads of state or government, members of parliament, members of a Supreme Court, Constitutional Court or Court of Auditors, heads or members of the governing body of a central bank, high-level diplomats, high-level military personnel in a position of command, members of an administrative, leadership or control body of a public company or leaders of an international institution. Business relations with members of the immediate family of a PEP or persons known to be closely connected to a PEP present risks similar to those associated with PEPs themselves. This term does not apply to mid- or lower-level agents in the aforementioned categories.

Date of the most recent GM and scheduled date of next GM:	
--	--

Purpose of the organisation:	
Geographic areas of activity:	
Sectors of activity:	
Financial statements available (Y/N)	
If yes, for which financial years?	
If yes, have they been certified by a statutory auditor or approved by the GM?	

	20..	20..	20..
Number of members			
Number of loan beneficiaries			

Appendix 4.2 - Minimum AML-FT requirements for micro-finance institutions

This document is a frame of reference for micro-finance institutions (MFI) or other entities engaged in micro-finance activities, regardless of legal form, to establish an AML-FT procedure. The term MFI generally refers to any entity providing financial services to populations with little or no access to banking systems, for which average loans must be under €10,000 per beneficiary.

The first step in implementing an AML-FT mechanism within a MFI entails appointing a manager specifically in charge of AML-FT issues or attributing this responsibility to a distinct individual.

The second step entails adoption of an AML-FT procedure by the MFI. This procedure must include a number of control points including: i/ client identification, ii/ client knowledge, iii/ monitoring of clients and transactions, iv/ data traceability and retention, v/ identification of PEPs, vi/ suspicious transaction report, vii/ identification of personnel & training.

Proper application of the MFI's AML-FT procedure involves training staff members regarding the content of the mechanism and regularly raising staff awareness with regard to the fight against money laundering and terrorism financing.

I/ Anti-money laundering and terrorism financing activities within MFIs: functional organisation

All MFIs must appoint a person in charge of fighting money laundering and terrorism financing. This person must not have operational responsibilities. He or she is entrusted with the following missions:

- design and updating of the institution's AML-FT procedures, document retention procedures, procedures for identifying unusual or suspicious transactions and disclosure compliance procedures,
- analysis and retention of irregular files transmitted by the sales network,
- execution of level 2 AML-FT inspections,
- design, implementation and updating of AML-FT training programmes for staff,
- reporting of peculiar/suspicious transactions to the competent authorities, in particular economically reckless transactions and those without a legitimate purpose.

The person in charge of AML-FT is supported by the MFI's sales network, made up of tellers, cashiers and credit officers who are in direct contact with clients. These staff members are responsible for level 1 inspections with regard to client knowledge. They also monitor business relationships established with clients, regularly updating data concerning client identification and knowledge.

II/ Adopting an AML-FT procedure: minimum requirements

1. CLIENT IDENTIFICATION

As of the initial contact with a natural person client, the credit agent must verify:

- **the client's identity.** The client must appear in person and present an official, clear and valid form of photo identification. A two-sided copy of the document, including the photo, must be kept in the client's file. The client's identification, excluding vital statistics, may also be obtained using biometry mechanisms implemented by the MFI. Under no circumstances may an account be opened under a false name.

Should no official document or technological tools be available, the agent must use any means at his disposal to obtain proof of the client's identity (e.g. neighbourhood inquiries).

When applicable, the agent must seek to identify the effective beneficiary, i.e. the natural person on behalf of whom the transaction or operation was carried out.

- **the client's address** by way of an official document (lease, deed of ownership, electricity or water bills, written proof of accommodation). If no official document is available, credit officers may carry out neighbourhood inquiries to verify the location of the client's home/business address

The same due diligence applies to legal persons (registration in the register of commerce of equivalent record, legal form, identification of shareholders, search for effective beneficiary).

All information obtained is documented in the client's investigation file, and copies of documents are duly maintained.

2. CLIENT KNOWLEDGE

The MFI credit officer must establish a behavioural profile of the business relationship with the client. He or she must ensure not only that the client is not mentioned on any list of sanctions, but also that the activity on which the project focuses truly exists.

As of the initial contact with the client and before granting a loan, the officer must gather information (and retain the corresponding documentation in the client's file) regarding the client's property ownership and financial situation:

- family status, activity, income and expenses, property, existence of bank accounts,
- nature of the project for which the loan has been requested and on-site investigation.

An investigation must be carried out on the client's reputation to understand his or her prior history in this regard. This investigation is generally based on public sources (search engines, press, etc.)

In some cases, this method may not be appropriate considering the MFI's client population: should this be the case, investigations into the client's reputation may take the form of neighbourhood inquiries concerning moral or social behaviour. Results must be documented.

If no clear answers to his or her questions are forthcoming, the officer is unable to assess the case and terminates the relationship with the client.

All client knowledge investigations are kept in the client's file for no less than five years (or longer if required by local regulations) following the end of the business relationship or the closing of the account.

Furthermore, the MFI cannot conduct business with a natural or legal person mentioned on lists of financial sanctions adopted by the United Nations, the European Union or France regarding terrorism financing or maintaining international peace and security.

The MFI must systematically cross-reference client names with the aforementioned lists when a financial transaction (loan, savings, payment, transfer, etc.) above a given amount is initiated. This amount depends on a detailed analysis of the unit amount and frequency of transactions carried out by the MFI's clients.

The above provisions also apply to third-party guarantors and representatives designated by the client.

A level 2 inspection of all inquiries is required to ensure that MFI officers comply with the AML-FT procedure. This inspection is carried out by the MFI agent in charge of anti-money laundering and terrorism financing initiatives.

3. CLIENT AND TRANSACTION MONITORING

The MFI officer must ensure constant vigilance to ensure that transactions are consistent with the client's profile and activities.

- Upon releasing funds, the officer must verify the client's identity, ensure consistency between such data and those in the client's file, and ensure that the funds are to be transferred to the account indicated initially. If the client requests transfer to another account, an explanation must be provided.
- in the weeks following the release of funds, the credit officer arranges a meeting with the client to ensure that the funds are being used as anticipated in the file; should any doubt arise regarding the client or the transaction, the credit officer conducts an investigation and so informs the operations manager,
- Upon repayment of the loan, the officer must verify the origin of the funds. If the funds are not provided by the client or the guarantor, an explanation must be sought, particularly in the event of early repayment. The results of verifications are documented in the client's file and transmitted to MFI management.

Regarding the AML-FT mechanism in place, the MFI must also identify unusual or suspicious transactions: large amounts, economically reckless transactions, lack of legitimate purpose and/or in the event of repeated repayments outside the home branch.

Any anomalies observed must be documented in writing by operational management staff. If confirmed following verification, this document is transmitted to the MFI's central AML-FT manager, who conducts additional investigations and chooses to

- close the case, or
- make a suspicious transaction report to the competent authorities and/or the financial information office in the MFI's home country, if such an office exists.

Reporting: the standard structure of an AML-FT mechanism within a MFI ensures that the institution has access to the information and capacities necessary to perform its obligations in terms of vigilance, to verify performance of such obligations, to report on investigations and to inform internal and external bodies as to the workings of the mechanism.

4. DATA TRACEABILITY AND RETENTION

Traceability is ensured by way of registers:

- a confidential register of clients and/or suspicious transactions, maintained and updated by the AML-FT manager,
- a register of complex transactions with no clear economic justification,
- a cross-reference register containing data from the previous two registers,
- a list of PEPs potentially active in MFI governance must be created and updated. If possible under local legislation, this list must be available to officers via the MFI's IT system.

A data retention system must be implemented. Subject to local legislation, clients' identification must be retained for five years following the end of the business relationship and/or the closing of the account. These documents must be updated as necessary.

The same applies to documents regarding client transactions, which must be retained for a period of five years following completion of said transactions to ensure that relevant information is available upon request by the competent authorities

5. IDENTIFICATION OF PEPs

Extreme vigilance is required regarding persons exercising important public functions, known as Politically Exposed Persons (PEPs)⁵ who may be clients of the MFI.

6. REPORT OF SUSPICION

The AML-FT manager analyses information obtained via the network, compares it with any additional data, and decides how to proceed. He or she may choose to close the case or make a report of suspicion (RS) to the competent authorities in accordance with applicable regulations.

The RS includes the identification of the person making the report, information on the client, a description of the nature and substance of the business relationship and a description of the suspicious transactions in question.

7. KNOWLEDGE OF MFI STAFF & TRAINING

The MFI must verify the identity and reputation of all candidates prior to hiring staff.

MFI officers must be periodically trained in the risks involved in using micro-finance for illicit ends, as well as the AML-FT mechanism and monitoring procedures. Training programmes must address best practices and changes to regulations. They must be validated by the MFI's AML-FT manager.

⁵ A politically exposed person (PEP) is a person residing in a country other than France who exercises important public functions, or exercised such functions until less than one year ago, e.g.: Heads of state or government, members of parliament, members of a Supreme Court, Constitutional Court or Court of Auditors, heads or members of the governing body of a central bank, high-level diplomats, high-level military personnel in a position of command, members of an administrative, leadership or control body of a public company or leaders of an international institution. Business relations with members of the immediate family of a PEP or persons known to be closely connected to a PEP present risks similar to those associated with PEPs themselves. This term does not apply to mid- or lower-level agents in the aforementioned categories.

Appendix 4.3 – MFI certification that a current AML-FT procedure has effectively been implemented and is currently in force (French version).

Entête de [l'institution financière]

ATTESTATION

Je soussigné Directeur de la Conformité /Directeur de l'Inspection/ de l'audit interne ou Directeur général de [l'IMF],

- certifie que la procédure intitulée [...], datée du [...] est la procédure interne opérationnelle de [l'IMF] en matière de lutte contre le blanchiment et le financement du terrorisme.
- certifie que cette procédure, actuellement en vigueur au sein de [l'IMF], s'applique à toutes les activités de l'institution et est conforme aux 40 recommandations du GAFI ;
- certifie que [IMF] prend systématiquement en compte dans ses systèmes les listes actualisées de sanctions financières adoptées par les Nations Unies, l'Union européenne et la France et contrôle une [partie] de ses clients et de leurs opérations [au-delà d'un certain seuil] à l'aune de ces listes.
- certifie que [IMF] est soumise au contrôle d'une Autorité de Supervision Nationale ([insérer le nom de l'autorité]) et n'a pas fait l'objet d'une enquête de la part de cette dernière soulevant des défaillances dans son dispositif de lutte contre le blanchiment et le financement du terrorisme⁶.
- certifie que [IMF] forme chaque année [nombre] collaborateurs à la lutte contre le blanchiment et le financement du terrorisme ;
- certifie que l'IMF a, au cours de l'année passée⁷,
 - suspendu [nombre] opérations pour suspicions de blanchiment et de financement du terrorisme,
 - refusé [nombre] opérations pour suspicions de blanchiment et de financement du terrorisme,
 - procédé à [nombre] déclarations de soupçons à la cellule de renseignements financiers du [pays]
- certifie que l'audit interne/l'inspection de [l'IMF], procède régulièrement à un contrôle de la mise en œuvre par son personnel de la procédure opérationnelle en matière de lutte contre le blanchiment et le financement du terrorisme.

Fait à , le

Signature

6 A supprimer le cas échéant, si ce n'est pas le cas.

7 Si la contrepartie ne souhaitait pas donner ce type d'informations, il conviendrait d'en informer le Département Conformité de l'AFD, et de transmettre par note écrite circonstanciée les raisons justifiant ou motivant le refus.

Appendix 4.4 – MFI certification that a current AML-FT procedure has effectively been implemented and is currently in force (English version).

Letterhead of the Bank

CERTIFICATION

I, undersigned Head Compliance Officer /Internal Control Director/ Audit Director or Chief Executive Officer of [*financial institution's name*],

- Certify that the procedure, entitled [...], adopted on [...] is the Anti-Money laundering and Counter Terrorism Financing (AML/CFT) internal operational procedure of [*financial institution*];
- Certify that this procedure, currently in force within the institution, applies to all its activities and is in conformity with the 40 recommendations of the FATF;
- Certify that [*financial institution*] systematically takes into account the updated lists of financial sanctions adopted by the United Nations, the European Union and France, and screens [*part*] of its clients and operations [*above a certain threshold*] against those lists.
- Certify that [*financial institution*] is subjected to the control of a National Authority of Supervision ([*insert the name of the authority*]), and that it hasn't been submitted to an inquiry revealing deficiencies in its AML/CFT system⁸.
- Certify that [*financial institution*] trains every year [*number*] staff members in the fight against money laundering and terrorism financing;
- Certify that [*financial institution*], last year⁹:
 - suspended [*number*] operations because of money laundering and/or terrorism financing suspicions ;
 - refused [*number*] operations because of money laundering and/or terrorism financing suspicions
 - reported [*number*] suspicious Transaction Reports to the Financial Intelligence Unit of [*country*]
- Certify that Audit/Internal Control of [*financial institution*] regularly controls the implementation by bank's staff of the AML/CFT operational procedure.

[City] [Date]

Signature

⁸ Delete if not applicable.

⁹ In the event that a client refuses to provide this type of information, it would be necessary to inform the AFD Compliance Department and transfer a written note explaining the reasons for this refusal.

Information sheet 1: Logical framework

- **General comments**

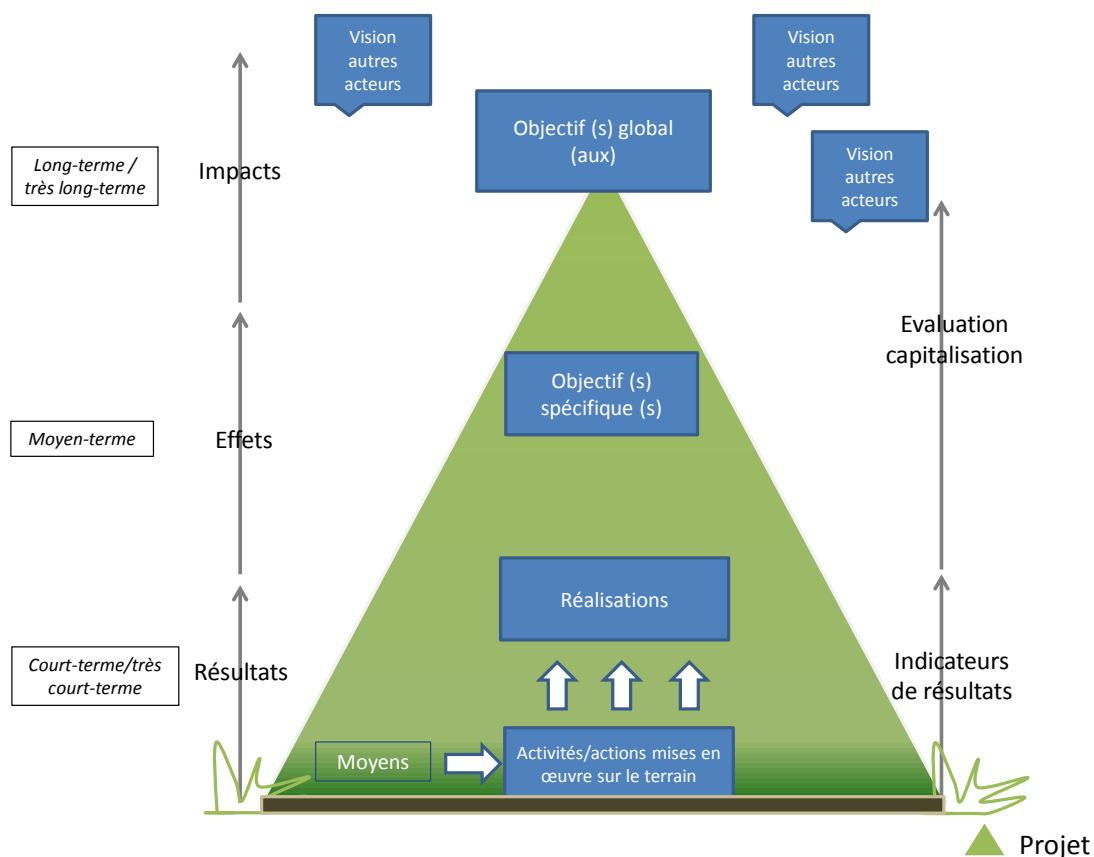
- The logical framework must cover the information contained in the [transparency memorandum](#) included in the NIONG.
- The logical framework serves to [demonstrate the coherence of a project](#).
- The logical framework is a flexible tool that must provide [operational support](#) throughout the life of the project. When appropriate, it can and must reflect changes to the project.
- It must [include any approaches intended to bring about change and highlight the effects/impacts of such approaches](#).
- For funders and CSOs, it also [facilitates exchanges regarding project strategy](#).
- Indicators must answer the following questions: how? when? how much/how many?
- Indicators and activities must [address cross-cutting topics](#) (gender, climate/environment/youth) insofar as the CSO states in the NIONG its intention to address such topics (chapters 5.7 and 8).

- **Model**

Project description		Quantifiable and objectively measurable indicators	Sources and means of verification
General objective(s)	<i>What general objective(s) does the project seek to advance?</i>	<i>What is the key indicator associated with this/these general objective(s)?</i>	<i>How will the project's contribution to this/these objective(s) be measured?</i>
Specific objective(s)	<i>What specific objectives must be achieved to contribute to the general objective?</i>	<i>What indicators will demonstrate achievement of objectives in a detailed manner?</i>	<i>What sources of information are available and can be pooled? What methods will be used to obtain this information?</i>
Expected outcomes	<i>Outcomes are results that contribute to achieving specific objectives. What are the expected outcomes for each activity implemented (please provide a numbered list of outcomes)?</i>	<i>What indicators will be used to verify and measure achievement of expected outcomes?</i>	<i>What sources of information will inform these indicators?</i>
Activities to be developed	<i>What are the key activities to be implemented (in what order) to achieve the expected outcomes? (please group these activities according to outcome)</i>	<i>Means: What means are required to implement these activities (human and material resources, training, research, supplies, operating facilities, etc.)?</i>	<i>What sources of information will be used to verify that these activities have effectively been implemented? Costs: What costs does the action involve? What is the nature of these costs? (Details to be provided in the budget for the action)</i>

- **Drawing up the logical framework**

The diagram below provides a summary of the structure to be used.



Traduction des légendes:

Long-terme / très long-terme	Long-term / very long-term
Moyen-terme	Medium-term
Court-terme / très court-terme	Short-term / very short-term
Impacts	Impacts
Effets	Effects
Résultats	Outcomes
Vision autres acteurs	Vision of other actors
Objectif(s) global(aux)	General objective(s)
Objectif(s) spécifique(s)	Specific objective(s)
Réalisations	Achievements
Moyens	Means
Activités/actions mises en oeuvre sur le terrain	Activities/actions implemented on the ground
Evaluation / capitalisation	Evaluation / knowledge management
Indicateurs de résultats	Outcome indicators

- **Logical framework example**

Project description		Quantifiable and objectively measurable indicators	Sources and means of verification
General objective(s)	<i>Increase childhood literacy rates in the Sahel region.</i>	IMPACT INDICATORS <i>Literacy rates in the Sahel region are above 40% in 10 years.</i>	<i>Literacy rate established at the national level.</i>
Specific objective(s)	<i>School attendance and basic skills for children aged 6 to 14 in the Sahel region are increased.</i>	INDICATORS FOR EACH SPECIFIC OBJECTIVE <i>300 children aged 6 to 14 attend school by the end of the project.</i> <i>150 children aged 6 to 14 have passed a literacy test.</i> <i>Children borrow more books from school libraries.</i>	<i>A child is considered as attending school when the child participates in two or more classes per week for at least one year.</i> <i>National results on literacy tests for the Sahel region</i> <i>Registry of book loans</i>
Expected outcomes	<i>Teachers trained and recruited.</i> <i>Additional classes organised in all schools according to schedules that facilitate attendance for children.</i> <i>Information meetings are held in each village to explain to families the importance of literacy.</i>	OUTCOME INDICATORS <i>5 new teachers recruited and trained halfway through the project</i> <i>5 additional classes organised per month according to schedules that facilitate attendance for children</i> <i>6 information sessions held during the first six months of the project</i>	<i>Employment contracts with the Ministry of Education</i> <i>Teacher assessment following training and following their first year of teaching in villages</i> <i>Satisfaction surveys and attendance sheet for information sessions</i>
Activities to be developed	<i>Organise a public teacher recruitment campaign.</i> <i>Carry out training sessions for newly recruited teachers (approach, information sessions, expenditures)</i> <i>Prepare villages to welcome teachers (accommodations, teaching supplies, etc.)</i> <i>Organise information meetings in each village</i>	ACTIVITY MONITORING INDICATORS <i>10 applicants (with at least five years of experience) for teaching positions.</i> <i>20 training programmes implemented</i> <i>4 rooms rented, 5 dwellings provided for teachers</i> <i>4 sites made available in villages</i>	<i>Recruitment documents (want ads, applications, etc.)</i> <i>Schedule of training sessions</i> <i>Leases for rooms and dwellings</i> <i>Schedule, documents confirming availability</i>

Information sheet 2: “Gender” themes in projects

- **Why focus on gender inequality and reducing gender-based discrimination?**

The international community recognises gender equality as a powerful vector of sustainable development, growth and poverty reduction. However, to date even the most developed countries lack a social structure that allows men and women to participate on equal terms in civic, economic, social, cultural or political life.

With an eye to promoting a sustainable and inclusive form of development with equal opportunities for men and women, in March 2014 AFD adopted its own gender-based strategy: [the Framework for Cross-cutting Action \(CIT\) on gender equality and reduction of gender-based discrimination](#), building on the [French Gender and Development Strategy](#) adopted on 31 July by the Interministerial Committee for International Cooperation and Development (CICID), which sets out France's priorities for promoting gender equality.

AFD's Framework for Cross-cutting Action on gender is based on three operational priorities:

- prevent gender inequality in AFD operations,
- promote gender as a focus of the projects it supports,
- guide social developments regarding gender issues.

The Gender FCA and CSO partnerships

In its partnerships with civil society organisations, AFD aims to encourage cross-cutting gender-based initiatives by the CSOs it funds, particularly addressing mechanisms, training and capacity building.

By 2017, the goal is to for 2/3 of NGO Initiatives co-financed by AFD to promote gender equality (ranking of 1 or 2 according to the OECD DAC indicator).

A focus on gender has become a systematic component of analysis for assessing “NGO Initiatives” funding applications submitted to the SPC/DPO Division

- **How can gender equality be incorporated into an “NGO Initiatives” project?**

CSOs applying for co-funding are requested to take account of gender equality in their development projects and to express this focus in every phase of their projects and partnerships, as well as within their internal structure and governance bodies (steering committees, Boards of Directors, etc.)

CSOs and their partners are requested to take gender issues into account in the following aspects of project design and implementation:

- **Initial analysis** of gender inequalities in the field addressed by the project and gender-based breakdown of direct and indirect beneficiaries, taking account of other factors which may exacerbate discrimination (e.g. income levels, ethnicity, rural/urban background, age groups, disabilities, sexual minorities, etc.): **“intersectionality”**. This analysis should be carried out in terms of **access to and control of resources**. Access to resources alone does not paint a comprehensive picture, while measuring control of resources makes it possible to measure the level of equality.
- **Expected enhancement** of insight into these two aspects.
- **Measures to be taken upon implementing** the project to reduce inequality and tend towards greater equity (fairer distribution of project resources and benefits, whether in terms of training,

equipment, decision-making authority, etc.) and equality (from a legal standpoint or in terms of true equality),

- The **follow-up or review** mechanism used to impel and record change,
- **Participation of female actors** in key decisions, and the role of women's organisations in projects.

Incorporating a gender equality focus into projects	
General framework and motivation	<p>What information does the association have regarding links between gender equality and the project context?</p> <p>Do women and men have particular knowledge or a specific role in this context?</p> <p>What potential do they exhibit and what limitations do they face when it comes to developing the main objectives?</p>
Target groups	<p>What is the gender breakdown of target groups?</p> <p>Does it vary according to activity? If you do not know, do you intend to ensure that the project benefits women and men equally? If so, what benefits are concerned?</p>
Objectives	<p>Do the general or specific objectives explicitly include progress towards greater equality between male and female direct or indirect beneficiaries?</p>
Activities	<p>Do the activities planned concern women, men or both?</p> <p>How could you guarantee that women benefit as much as men from activities involving both sexes?</p> <p>Do any of your activities reinforce hierarchical structures between women and men?</p> <p>Do you plan to conduct activities aimed at strengthening understanding of gender, fighting inequality or guaranteeing more equitable participation and greater decision-making power for women?</p> <p>Do you have technical or economic alternatives and/or specific resources at hand in the event that taking account of women's strategic interests required modifications to the project?</p> <p>Do you plan to address the project's impact in the family circle and/or in the internal dynamic of organisations of beneficiaries?</p>
Monitoring and evaluation, indicators	<p>Have indicators been developed to measure progress towards the different objectives?</p> <p>Do you plan to monitor male/female breakdown regarding participation in the different activities / beneficiaries of investments / control of and access to resources / decision-making?</p> <p>Will progress be analysed with regard to gender?</p> <p>Have you set out a definition of women's empowerment, equity and parity as goals?</p>
Implementation	<p>Do your team and partners possess the skills necessary to adopt a gender-based perspective?</p> <p>Have you included decision-making tools, guidance or training in this regard?</p> <p>What kind and pace of change to female beneficiaries seek?</p> <p>Are they in favour of change? When and how do they express this desire?</p>

	Do they have the possibility to negotiate with men in their entourage and/or with authorities? Do they receive support in this regard?
Risks	Do you take account of stereotypes or cultural barriers that prevent men or women from fully participating in activities? Have you considered potential negative effects of the project or certain activities (e.g. increased workload for women, loss of control of a space or activity, loss of income, lack of awareness, misrepresentation, withdrawal or reprisal by men)?
Budget	Have you verified that the financial resources available for the project are sufficient to bring about equal benefits for men and women and/or to promote greater equality if women are disadvantaged? Does the budget include training on gender issues, strengthening of the project team or temporary recruitment of a gender consultant?

- **Going further**

- a. Tools and documents to prepare and implement projects

Getting started and identifying gender issues according to the nature and context of the project

[Gender and development essentials](#), a document made up of 24 “gender pauses” intended to provide a shared knowledge base regarding gender equality issues in the fields and countries in which AFD is active.

Gender Pause 1: Sex, gender and social construction of identity

Gender Pause 2: Women, gender and development

Gender Pause 3: Beijing and Cairo Women's Conferences and emergence of gender mainstreaming

Gender Pause 4: Two decades of gender mainstreaming: from Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs)

Gender Pause 5: International legal tools for women's rights

Gender Pause 6: Intersectionality and development

Gender Pause 7: “Gender”: a Western concept?

Gender Pause 8: The role of civil society

Gender Pause 9: Panorama of gender inequality in the world

Gender Pause 10: Measuring inequality: gender indices

Gender Pause 11: Monitoring including of gender issues at AFD

Gender Pause 12: Gender-based violence

Gender Pause 13: Unpaid care work: the core of inequality

Gender Pause 14: Gender and education

Gender Pause 15: Gender and vocational training

Gender Pause 16: Gender and employment

Gender Pause 17: Gender and healthcare

Gender Pause 18: Gender and politics

Gender Pause 19: Gender, crisis and conflicts

Gender Pause 20: Gender and climate Gender Pause 21: Gender and agriculture

Gender Pause 22: The 59th Commission on the Status of Women (CSW)

Gender Pause 23: Gender, mobility and transport

Gender Pause 24: Gender, financial inclusion and entrepreneurship

Contextual analysis

[Country gender profiles](#) to explain institutional and regulatory aspects of gender issues in a country and identify institutional, association or research partners active in the field of gender equality. 40 country profiles are available for the countries in which AFD is active.

The [Panorama of gender inequalities in the world](#) to offer a macroeconomic perspective and compare the statistics available at the regional level regarding men's and women's access to healthcare, education, jobs, political functions, etc. 80 country analyses are available, including for select countries in which AFD is not active.

Sectoral analysis and implementation

[The 9 sector-specific toolboxes](#): generic and sector-specific tools designed for each of AFD's sectors of activity and serving to:

- provide insight into gender issues in the sector (e.g. Education, Vocational training and Jobs, Water and Sanitation, Energy, Transport and Mobility, Support for the private sector, Entrepreneurship and financial inclusion, Healthcare, Urban development, Rural development, Agriculture, Biodiversity and Environmental and social due diligence),
- guide project managers, staff of country offices, desk officers and consultants (including technical consultants) in applying AFD's sector-based gender and development policies,
- provide practical tools and a shared approach to incorporating gender-based initiatives into the project cycle depending on the project focus,
- propose gender-based strategies consistent with current best practices with regard to key topics in the sector,
- nurture dialogue and collaboration with AFD partners (CSOs, design offices, etc.)

Guidance for design, monitoring and evaluation by an external expert

- **Directories of [Genre en action](#)** network experts, an international list of French-speaking gender experts.
- [UN Women](#) directory, a database of consultants specialised in gender and human rights issues, with the option of searching by sector or topic.
- [Expertes.eu](#), a database of female researchers, business leaders, association presidents and institution heads, initially developed for the French-language media to remedy the fact that only 20% of experts consulted by the media are women.
- **NGOs specialised in rights-based advocacy.**

b. Understanding the concept of gender equality

(Presentation created by the members of the Coordination SUD Gender Commission Genre, 2012)

The term “gender” refers to the construction and attribution of social roles to men and women. It is characterised by obliging women to assume traditional roles primarily associated with physical and social reproduction, as well as activities of lesser social status, while men have access to the majority of positions of responsibility in the private sector and exercise greater control of means of production, political functions, speech and freedoms. In most human societies, this social construction has been construed as being linked to biological sex, and thus permanent and unchangeable.

The study of gender relations shows that such relations vary geographically and over time, although one sees universal constructs that legitimise women's inferiority to a male standard. Perceptions of

reality thus diverge from reality itself. Incorporating a gender-based perspective thus serves to deconstruct perceptions of reality, highlight invisible or seemingly trivial aspects, reduce prejudices and offer alternatives in the form of social and cultural change.

Social norms, and particularly women's supposed inferiority or the belief that women's place is in the home, have been learned, and as such can be “unlearned”. Legal norms have changed thanks to the work of national and international organisations. Depending on the cultures and social groups, women have varying degrees of autonomy and men exercise varying degrees of domination. These norms are constantly shifting due to both internal and external factors: education, technologies, economic policies, the labour market, armed conflicts, food crises, etc. However, inequalities are usually re-imposed by other means and advances made toward equality reversed in the absence of political will on the part of actors or decision-makers.

For years, it may be functional in a society for women to produce goods or services with little or no compensation, for violence or appalling working conditions to be tolerated, while decision-making authority remains vested in men. However, in the long term this model is not viable. And in the short term, it is unjust. This transformation is thus a question not only of effectiveness, but of morality and human rights.

To fight poverty or protect the environment, a technical approach is not enough. Taking account of social and human relations, as well as the participation of stakeholders, is a decisive factor. As such, greater equality in gender relations must be seen not only as one of the most effective dimensions of social change for reducing poverty, but also as a means of creating more sustainable societies.

The mechanisms that perpetuate gender inequality are often invisible, as they are seen as natural or even beneficial for the group or community as a factor of social cohesion. The most significant are:

- **Women's work, contributions and participation being invisible or undervalued**, starting with the near universal lack of gender-specific statistics in many fields of human activity.

Male activities and techniques are generally considered the norm. Women are expected to behave like their male brethren (whence the supposed irrelevance of differentiated information), despite the fact that a more in-depth analysis would prove the contrary. Otherwise, women may be perceived as an exception to the rule, in which case their activity, needs and point of view are considered important or significant.

Considering domestic work as “non-work”, despite the arduous and unpleasant nature of such tasks and the vital importance of these chores for any society is one of the basic mechanisms of stripping female labour of its value. Economic activities performed by women are also valued and compensated to a lesser degree than those performed by men, especially when related to household chores. The long-standing phenomena of sex-based division of labour between higher-paid male professions and lower-paid and less prestigious female professions exists in every field of human activity. The urban labour market is segmented according to gender; agricultural activities, production of services and infrastructure, nature conservation, education and communication activities are also differentiated on a hierarchical scale. Differences in terms of access to resources, decision-making authority and well-being exist in virtually every domain.

- **The various forms of prohibition, violence or restrictions on women's freedom** of movement and expression, as well as their right to manage their own social, public and private lives, compared to men in the same societies or social groups.

A focus on gender inequality must be incorporated to traditional methods of social research (on social classes, ethnic groups, age groups, etc.) to have comprehensive view of social issues. These restrictions on women's rights can be found in legislation, social norms and cultural practices. They are usually internalised by both women and men. Women may also be unaware of their rights. Failing to inform them of their legal rights is one mechanism of reproduction of inequalities. Social rules limit access to education, healthcare, property, inheritance, expression and mobility, as well as civil, economic and cultural rights. Women are not “vulnerable” or potential victims by nature. Their creative potential (or their achievements) is artificially limited by social mechanisms that can be changed.

To deconstruct and modify these mechanisms, they must first be identified, using specific tools to provide a better representation of reality and generate new knowledge. Proactive initiatives must be taken, with the participation of agents of change, male and female alike. At the same time, it is important to observe conflicts or side effects produced by positive actions. A victory in one domain may be offset by a loss elsewhere.

Age-old inequalities cannot be changed through a single project or programme, but people can learn to alter their views, deconstruct stereotypes, measure or describe change. Likewise, it is not possible to reduce inequalities in every part of society simultaneously, even though these inequalities are expressed in public and in private, at work and at home, locally and nationally. However, we can gain insight into how inequalities work together and recognise these interactions. As such, increasing paid labour for women could lead to an excessive workload between domestic and professional responsibilities, or lead men to transfer expenses to women if the issue of distribution of income and unpaid work is not addressed. Awareness of these effects and the ability to recognise them is an important aspect of “gender awareness”.

A focus on gender for projects is not limited to including all or some women as beneficiaries. Nor is gender diversity among beneficiaries the only aspect. These are necessary conditions, but not sufficient in themselves.

Whether beneficiaries are primarily female or represent both sexes, the most important aspect is for women to want to change power relations and the division of labour. A project that includes women only slightly or not at all has little chance of changing their situation, unless the project aims specifically to raise awareness among men regarding gender equality.

Action must be taken to change all inequalities, prohibitions, violence or restrictions affecting women. Objectives for change must be acceptable to and led by the people concerned. They cannot be imposed from on high.

Information sheet 3: “Environment” themes in projects

In the review document (NIONG), the CSO will be asked to provide information on the project's attention to climate and the environment.

In this document, please specify:

- Whether the project/programme includes specific objectives, expected outcomes and activities related to these themes. If so, the CSO must submit a detailed analysis of the context, the identified problems that the project/programme intends to address and the resources to be applied (internal and external).
- The project/programme's medium- and long-term impacts on climate and the environment. For projects with no specific environmental objective but that would have secondary benefits for the climate or the environment, please analyse these impacts.
- Any potential negative impacts on climate and the environment; in this case, please provide detailed information on remedial measures under consideration.

Below you will find tips to identify the projects concerned and properly fill out the NIONG.

1. Attention to environmental issues

Projects with a **positive impact** on the environment are those that promote **preservation of biodiversity, management of sites and natural resources**. These projects may be primarily focused on the environment or have positive secondary effects.

This analysis must take account of the effects on biodiversity as a worldwide public good, as well as the project's impacts on the local environment and natural resources.

Projects concerned are those targeting:

- reduction of overexploitation of resources and pollution,
- preservation of biodiversity in urban or agricultural areas,
- sustainable management or conservation of biodiversity and natural resources,
- preservation of ecosystems in the broadest sense of the term.

Conversely, some projects may have negative environmental impacts:

- if the project provides for measures to lessen a new negative impact (associated with the project), but there exists a risk of residual impact or net loss of biodiversity,
- if the project leads to a substantial modification of the ecosystem or a negative impact in a sensitive area.

Project activities may be categorised as follows to assess the potential risk regarding environmental impacts.

<u>Low-risk activities</u>	<u>Moderate-risk activities</u>	<u>High-risk activities</u>
<p>Education, technical or training support initiatives.</p> <p>Community-based awareness-raising actions.</p> <p>Controlled agricultural experiments, solely for research and evaluation purposes, restricted to small areas (generally under 4 ha). Such experiments must be carefully supervised and no protected area or other environmentally sensitive area must be affected.</p> <p>Research, technical analyses and other activities intended to generate information, not including intrusive sampling of endangered species or essential habitats.</p> <p>Nutrition, health care of family planning, mother and child food programmes, except: (a) in the event that certain activities are liable to directly affect the environment (construction, water supply systems, etc.) or (b) including handling of hazardous bio-waste (particularly HIV-AIDS) or blood analysis.</p> <p>Redevelopment of water outlets for household use, hand-dug shallow wells or small water storage facilities. Water outlets must be located in sites where no protected area or other environmentally sensitive area can be affected.</p> <p>Small-scale construction: construction or refurbishment of facilities if the total surface area is less than 1,000 m²</p>	<p>Small-scale agriculture, natural resource management (NRM), sanitation, etc.</p> <p>Agricultural experiments: controlled and carefully supervised experiments intended solely for research and evaluation and carried out on surfaces of more than 4 ha.</p> <p>Medium-scale construction: construction or refurbishment of facilities or structures on surfaces exceeding 1,000 m² (warehouses, hangars, shopping centres for essential products, community training centres, etc.).</p> <p>Rural routes: construction or refurbishment of rural routes of less than 10 km with no effect on environmentally sensitive areas (located at least 100 m away) or forest areas (located at least 5 km away).</p> <p>Sampling: studies, technical analyses or related activities potentially involving intrusive sampling of endangered species or essential habitats.</p> <p>Water supply or storage: construction or redevelopment of small-scale water outlets or water storage for household or non-household use.</p> <p>Support for intermediate lending institutions, when potentially leading to direct environmental damage.</p>	<p>River basin development.</p> <p>Development of new terrain: terracing of agricultural land.</p> <p>Planned relocation of human populations</p> <p>Construction of access roads or refurbishment of roads (primary, secondary or tertiary) longer than 10 km. In particular, routes that may cross or run along forest areas or other environmentally sensitive areas.</p> <p>Piped water supplies and construction of sewers.</p> <p>Construction of large-scale water outlets.</p> <p>Large-scale irrigation.</p> <p>Water management structures: dams and levees.</p> <p>Drainage of bottomlands or other areas subject to flooding.</p> <p>Large-scale agricultural mechanisation.</p> <p>Acquisition or use of pesticides over a large surface area.</p> <p>Production or industrial operation: sawmills, agro-industrial processing of forest products, tanneries, fabric</p>

<p>(and provided that no protected area or other environmentally sensitive area is affected).</p> <p>Loan programmes when there is no risk of significant biophysical environmental impact.</p> <p>Capacity building for development: research or programmes intended for capacity building regarding development planning.</p> <p>Small-scale natural resource management activities with no negative impacts (see list below).</p>	<p>Pesticides: small-scale use of the least toxic pesticides. Use must be restricted to farmers and for demonstrations, training programmes, education and emergency assistance, and supervised by professionals.</p> <p>Nutrition, health care of family planning activities, if (a) certain activities may have a direct impact on the environment (construction, supply systems, etc.) or (b) if hazardous bio-waste (particularly HIV-AIDS) is generated or activities include use of syringes or blood analysis.</p>	<p>dyeing, etc.</p>
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Supplement: Check list regarding potential impacts of **natural resource management** activities

Do the activities...	YES	NO
Natural resources		
Accelerate erosion due to water or wind?		
Reduce soil fertility and/or permeability?		
Modify current river flows and reduce seasonal availability of water resources?		
Present a risk of contaminating the supply of surface and underground water?		
Involve extraction of renewable natural resources?		
Lead to unsustainable use of renewable natural resources, such as forest products?		
Involve extraction of non-renewable natural resources?		
Limit conventional access to natural resources?		
Reduce local air quality due to dust, waste incineration or use of fossil fuels and other materials in poorly ventilated areas?		
Affect grazing areas during the dry season and / or restrict access to a shared resource?		
Lead to unsustainable or unnecessarily high extraction of water and / or excessive use of water?		
Ecosystems and biodiversity		
Dry swamps or take place in flood plains?		
Remove wetland plants or use sediment from bodies of water?		
Lead to deforestation for agricultural purposes and excessive exploitation of valuable forest resources?		
Promote bee-keeping in forested areas?		
Lead to an increase in hunting or collection of animal or plant material?		
Heighten risks faced by endangered or threatened species?		
Introduce new exotic plant or animal species in the region?		
Involve construction or restoration of roads or facilitate access to fragile areas (forested areas, swamps or natural areas exposed to erosion)?		
Disrupt wildlife migration routes?		
Agricultural and forestry production		
Have an impact on current or traditional agricultural production systems by reducing seed availability or reallocation of land for other purposes?		
Involve exploitation of forest plantations without replanting, burning of pastures or reduction of fallow periods?		
Affect food storage capacities by reducing food inventories or by increasing the frequency of pests?		
Affect the breeding of domestic livestock by reducing grazing areas or creating conditions in which problems of disease may be exacerbated?		
Involve the use of insecticides, herbicides and / or other pesticides?		
Social and collectivity issues		
Have a negative impact on the supply of drinking water?		
Promote the migration of domestic animals across natural areas?		
Change the current land ownership system?		
Have a negative impact on important cultural sites in the community?		
Increase immigration in the region?		

Do the activities...	YES	NO
Create conditions that lead to lower health standards in the community?		
Involve generation of non-biodegradable waste?		
Involve resettlement of the local community?		
Present a risk of causing or aggravating disputes regarding land use?		

The following activities present an extremely high environmental risk and will generally not be funded by the SPC/DPO Division:

Activities that significantly deteriorate protected areas and species: e.g. introduction of exotic plants or animals.

Actions that threaten endangered or threatened species or negatively alter their habitats (including wetlands, tropical forests).

Activities in forested areas:

- Transformation of forest land into pasture for livestock,
- Planned settlement of forest land,
- Commercial harvesting of timber carried out in an unsustainable manner,
- Construction of dams or other water control structures that lead to flooding of undamaged forest land,
- Construction, development or maintenance of roads crossing undamaged forestland (including temporary logging roads for timber harvesting or other extractive industries).

2. Attention to climate issues

***Preliminary note:** assessment of a project's impact on climate depends largely on the contextual analysis carried out by the organisation leading the project. The NIONG must include an analysis of the area's vulnerability to climate change serving to justify measures anticipated to mitigate harm and particularly to adjust activities. Should additional analyses prove necessary (in particular "participatory vulnerability analyses" involving beneficiaries), they may be included in the funding requested from AFD).*

The climate analysis distinguishes three dimensions:

- mitigation: project impact in terms of greenhouse gas (GHG) emissions;
- adaptation: project impact on reducing vulnerability to climatic hazards;
- public policies: taking account of climate issues with regard to formulation or implementation of public policies in the country or countries concerned.

For each of these categories, several levels of impacts are distinguished. The NIONG does not require a precise estimate of the carbon footprint of initiatives, but rather a classification of the project according to its potential impacts on climate according to the following criteria:

- **Mitigation: reduction of greenhouse gas (GHG) emissions**

- **GHG emission-neutral projects:** projects not concerned by GHG emissions or exhibiting a neutral impact (carbon footprint = 0).

- **Projects with a positive but non-significant impact** on GHG emissions: slight contribution to reducing GHG emissions or carbon sequestration without this impact being a primary objective of project actions (slightly negative carbon footprint).
- **Projects with a significant positive impact** on GHG emissions: substantial contribution to reducing GHG emissions or carbon sequestration, with this objective a prime focus of project actions (significantly negative carbon footprint).
- **Emission-intense projects:** add to GHG emissions (positive carbon footprint).

TYPES OF PROJETS CONCERNED

Reduction of GHG emissions: clean energy technologies (particularly improved cooking hearths), solar electrification, building energy efficiency.

Carbon sequestration: reforestation, sustainable forest management, agroforestry, mangrove preservation, coral reef preservation.

- **Adaptation to the effects of climate change**

- Neutral projects in terms of adaptation to climate change: projects not concerned with adaptation, having no action in this field.
- Projects with components that contribute to local, regional or sectoral resilience to climate change, but to a limited extent (these actions account for less than 50% of the “activities” budget).
- Projects specifically designed to increase local, regional or sectoral resilience to climate change (these actions account for more than 50% of the “activities” budget).
- Projects vulnerable to climate change: projects liable to increase local, regional or sectoral vulnerability to climate change.

TYPES OF PROJETS CONCERNED

Farm resilience: sustainable agricultural practices, agroecology, agroforestry, irrigation, water management, erosion control, sustainable land management.

Sustainable ecosystem management: watershed management, mangrove preservation, coral reef preservation.

Urban or rural sanitation: reduction of flood risks in areas affected by extreme climate events.

Habitat improvement for greater climate resilience.

- **Support in designing public policies**

These are projects that include one or more components to support design or implementation of a local or national public policy related to climate change (mitigation or adaptation).

TYPES OF PROJECTS CONCERNED

Themes: promotion of agroecology, sustainable natural resource management (soil – water - plant resources), sustainable local development, “clean” energy policies, waste management – at a local, national or regional scale.

Types of actions: advocacy, training and information for local actors, support for local actors in drafting lobbying documents, taking part in public policies and national/international negotiations.

Information sheet 4: “Youth” themes in projects

In the review document (NIONG), the CSO will be asked to provide information on the project's attention to youth.

The policy promoted by the MAEDI in the field of youth is consistent with that of many bilateral and multilateral donors, some of which have adopted strategic orientations endowed with significant resources in this area. The challenges faced by young people are indeed significant: in most developing countries, young people account for more than half of the population, and 3.4 billion people in the world are under the age of 25. Young people lie at the heart of all major problems today: migratory flows, slavery and human trafficking, rising extremism, unemployment, etc.

Nevertheless, the youth population becomes a vital and decisive force when properly motivated. This awareness of the role youth can play in society is increasingly explored in development aid policies and integrated into projects. However, much work remains to be done and this subject calls for a more proactive approach.

In line with this observation, the MAEDI decided in 2014 to make youth a priority both in developing and developed countries. This focus has been confirmed on numerous occasions, including a very strong impetus to volunteering (the goal is to triple civic service participants, including volunteers, in the next two years). To this end, a youth strategy was drafted in 2015 (<http://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/aide-au-developpement/l-action-exterieure-de-la-france-pour-la-jeunesse>). In this context, AFD has developed a roadmap to increase the number of projects for young people while encouraging and supporting any project aimed at making young people fully-fledged actors in the development and implementation of the SDGs

A focus on youth in projects is not limited to including all or some young people as beneficiaries. Nor is generational diversity among beneficiaries the only aspect. These are necessary conditions, but not sufficient in themselves.

Action must be taken to target all inequalities, prohibitions, violence or restrictions affecting young people, reshaping their role in society to empower them, in the short, medium and long term, as actors in pursuit of the SDGs in their environment while taking account of the specific characteristics associated with their age. Objectives for change must be acceptable to and led by the people concerned. They cannot be imposed from on high.

AFD therefore strives to promote this theme as a cross-cutting component in the projects it supports. During review of “NGO Initiatives” projects, particular attention is now paid to efforts aiming to maximise the active participation of young people in pursuit of the MDGs, rather than relegating this population to the role of passive beneficiary. This initiative thus aims to contribute to civic-minded education and a “learn by doing” approach for young people to give them the opportunity to be fully-fledged actors in their society. This also contributes to the fight against the rise of extremism, training of future civil society leaders and capacity building for partners in developing countries.

Potential questions concerning attention to youth issues in the NIONG and during the project design phase (see in particular chapter 5.7 and 8 AND the NIONG logical framework)

1. Did the review phase include an analysis of the role played by young people and specific issues regarding youth involvement?
2. Have all the factors liable to influence the sustainability of measures targeting young people been conscientiously addressed?
3. Has the possibility of mobilising volunteers in developed AND/OR developing countries been discussed?
4. Are the statistics used in the project design broken down with specific “youth” indicators?
5. Does the budget, particularly in the “in-kind resources” section, highlight voluntary involvement of young people and/or participation-based EAD-SI initiatives in developed and/or developing countries?
6. Does the logical framework reflect the role ascribed to young people?

The concept of “youth” is challenging to fully understand due to its multifaceted nature: biological age, social and cultural construction, notions of physiological, psychological, social and financial empowerment. For the sake of efficiency, “NGO Initiative” projects managed by the SPC/DPO Division defines “youth” as between the ages of 15 and 29. However, a margin of +/-5 years is afforded for the upper age limit (29), in particular to allow projects to adapt to the definitions adopted by local government policies.

AFD therefore encourages CSOs requesting a subsidy to take greater account of the involvement of young people in their development projects, in particular by explaining:

1. **The initial assessment** of the importance given to young people's involvement in the target field and the proportion of young people among direct and indirect beneficiaries.
2. **Greater insight to be developed** into these two aspects.
3. **Measures to be taken** upon implementing the project to reduce inequality and tend towards greater equity (fairer distribution of project resources and benefits, whether in terms of training, equipment, etc.) and equality (with an eye to greater involvement in the life of the society, which could also entail a “learning by doing” approach) without losing sight of specificities associated with age.

4. **The “learning by doing” objective** targeting young people through project initiatives.
5. The **follow-up or review** mechanism used to drive and record change.
6. **Effective participation by young people, participating in key decisions as actors in their society.**

Initial assessment

If few data specific to young people are available in the project's initial **assessment**, research must be carried out at least using the literature available in this field. Similarly, it is desirable that the CSO, if it can, associate the youth in the development of the project's diagnosis, notably taking into account its understanding of the context, its aspirations and its capacity for commitment in the implementation of the project. Likewise, the CSO should, if possible, involve young people in drawing up the project assessment, particularly taking into account their understanding of the context, their aspirations and their willingness to participate in project implementation.

Direct beneficiaries of training, investments, decision-making spaces and consultation venues must be quantified and the specific needs of young people described to the extent possible. Involvement of young people in the project as actors on the ground (definition of their role) could also be presented.

Greater insight into the specific situation of young people

Even if data are largely unavailable at first, the project can nonetheless contribute to gaining greater insight into the links between the project's main focus and the role ascribed to young people and/or how to make it possible for them to get involved in the field in question. The means to be applied by both professionals and beneficiaries to gain greater knowledge (surveys, qualitative research, training, events, testimonials, compiling documents, etc.) must be specified.

Measures implemented to promote greater youth involvement

Projects may focus on the “practical needs” of young people, which do not involve changes in status or social role in the short term, but stand out as immediate objectives of improving well-being and access to goods and services.

They should also seek to gradually take account of the “strategic interests” of young people, i.e. those involving a change in status and role in their participation in society (greater autonomy, self-esteem, influence and empowerment in personal and social choices) and strengthening of their organisations, as well as their place in organisations not specifically focused on youth. The magnitude of change is less important than the perception of change, so that developments, even if seemingly insignificant at first, will be explicit, visible and recorded.

These “strategic” changes may entail enhancing training opportunities for young people, as well as their capacity for initiative, their organization, their influence as actors; they may also require prevention initiatives for young people ensnared by violence and risky behaviour. Change can also be achieved by initiatives in young people's social environment and by working with “elders” and other social entities (work, politics, culture). Finally, change can be sought through specific advocacy directed at civil society to promote involvement of young people in public life, sustainable socio-economic integration, political participation, or initiatives to combat violence against young people.

From an operational standpoint, young people can participate at all levels of the project and play an essential role, leading them to both develop new skills and gain a feeling of empowerment. Young

people can get involved in any number of ways: support during project design, responsibilities upon the launch of the project, creation of a project team made up of young people, preparation/drafting of the project, training and access to information, project implementation, evaluation and sustainability, EAD and international solidarity education.

The social changes brought about by greater recognition of young people will also serve to motivate adjustments to projects to better align them with the SDGs.

The “learning by doing” objective

Combining a “learning by doing” approach with youth-oriented action within the project makes it possible to address the project objectives in a formative and committed way (e.g. a biodiversity project with an educational component that lets young people carry out some of the actions with teacher support). It also helps identify the right approach to support young people in their active involvement according to age, while implementing a dynamic long-term approach aiming to make them fully-fledged citizens of the world as of adulthood, irrespective of sex, religion or social origin. In this context, EAD-SI stands out as an essential tool to mobilize youth and enhance the impact of initiatives led by young people. Project content is continually enriched by systematically planning parallel initiatives in developed and developing countries with the involvement of local youth, whenever possible.

Non-formal education (NFE) as an integrated and cross-cutting means of guiding and encouraging young people

The specific role of non-formal education (in particular development education and “learning by doing”) within solidarity projects is an important tool to allow young people to become actively involved and acquire new skills and abilities as committed actors in society.

CSOs often implement unconventional initiatives targeting young people, but also populations who have dropped out of school or have little connection to traditional systems: uneducated individuals, children with disabilities and girls. They also develop specific educational innovations tailored to these audiences, support teacher training, a more appropriate school environment or local management of education by backing deconcentration and decentralization processes. Actions carried out by CSOs therefore appear essential because they improve non-formal education systems in developing countries, defined as “any organized and long-term activity that does not fit exactly within the formal educational systems composed of schools, institutions of higher education and universities, and other formally established educational institutions”. NFE enables young people to acquire skills that are difficult to transmit through formal education, such as certain aspects of know-how and life skills.

Various factors such as the diversification of individual learning needs in a rapidly changing society, unresolved problems of illiteracy and non-enrolment of children and young people, the inherent limitations of the formal education system regarding teaching methods and increased use of information and communication technologies call for a close look at the potential of NFE. In most cases, actions undertaken by CSOs in the fields of education, but often also in other areas of the SDGs, fall within the framework of NFE. By its very nature, NFE is capable of meeting the diverse learning needs of pre-school children, out-of-school boys and girls, and young men and women in an ever-changing society. It can take various forms: early childhood education facilities, rural and urban community education centres, adult literacy courses, workplace technical and vocational training, distance education for people living in remote areas, public health education, civic education and continuing education for young people and adults both in developed and developing countries. Teaching methods and conditions in the context of non-formal education vary considerably, as do the subject areas taught, but there are some common features, such as acknowledgement of needs, relevance to context and flexibility in terms of content, methods, schedules and locations, which clearly distinguish this form of education from formal systems.

Follow-up or review mechanism

Implementing a “youth” strategy, whether central or complementary, and generating new knowledge, documenting and understanding the changes underway, requires specific resources and particular actions, results and indicators to monitor progress and measure impact. Projects should explicitly include these items. Methodological support may be provided to bring in experts in the countries of intervention or, if necessary, in the CSO team.

Monitoring will make it possible to document the emergence of young people's strategic interests and take these interests into account, particularly by means of adjustments to action, training or activity plans.

Youth participation: an indispensable condition

Whether or not young people are primary beneficiaries of the project, they must be allowed to participate in decision-making. The issue of their role in the project, in advisory committees and in partner organisations must be explained. If they are severely marginalized in the initial context, reasonable progress, tailored to the local context, will be expected. This participation can be

assessed on the basis of agreements signed by the countries concerned and the reference documents from the civil society of each country.

Short- and long-term volunteering: two EAD-SI tools focused on “learning by doing” to ensure sustainable growth of a spirit of civic commitment among young people

Short- and long-term volunteering serve to enable young people become effective actors in pursuit of the SDGs. This approach is also the basis of a “learning by doing” approach to EAD-SI (development and international solidarity education), which aims to develop the concrete skills necessary for civic engagement and training of future civil society and association leaders both in developed and developing countries. From this point of view, the approach goes beyond awareness-raising, which aims more to stimulate interest before actual commitment comes into play.

A “learning by doing” approach to EAD-SI implemented in a cross-cutting way across different projects, regardless of the sector in question, may also make it possible to strengthen civic engagement, and in particular public opinion, with regard to international solidarity.

In this respect, education-minded initiatives to motivate young people both in developed and developing countries via short- and long-term volunteering is an aspect of added value for the project that should be taken into account, particularly in the logical framework and the budget (“in-kind resources” section).

Questions the CSO might consider when designing the project to assess the role afforded to young people

Option 1: young people are at least partially and specifically beneficiaries of the project (this population plays a passive role)

1. What is the proportion of young people benefiting from the actions undertaken through the project?
2. Are actions incorporating the specific nature of young populations formalised?
3. Are volunteers involves (in developed and/or developing countries)?
4. Is there a principle of reciprocity with regard to volunteering (hosting a volunteer from developing to developed countries and vice versa)?
5. What is the level of dissemination of information regarding innovative actions linked to the SDGs? Do young people have access to this information?

Option 2: the project empowers young people

1. Assessment of long-term involvement of young people
2. Is there a sustainable partnership with a youth association in a developed/developing country?
3. Are youth groups organised within the project to work as a team?
4. Assessment of active participation of young people in the project: support young people in project design and launch, creation of a project team, preparation/drafting of the project, training and access to information, project implementation, evaluation and sustainability, development education?
5. Does the project impel empowerment of young people as actors of solidarity?
6. Does the project feature systematic actions to advance the specific EAD project in schools and/or universities, carried out by young people benefiting from training and guidance?
7. Is there an educational initiative (including for young adults) featuring a “learning by doing” approach
8. What impact do young people have on project governance?
9. What impact do young people have on CSO governance?
10. Does participating in the project help young people develop skills (civic, entrepreneurial, professional, social, environmental, other)?
11. Does the project give young people the opportunity to fully experience otherness, eco-friendly behaviour and solidarity?
12. Is the management system established for the project in line with the principles of youth engagement and equal opportunities?
13. Does young people's participation in the project involve inter-cultural experiences and promote harmonious coexistence (geographic, social, cultural, religious)?
14. Does the project offer room for initiatives/innovation? Does it allow young people to experiment with useful, creative, concerted and committed endeavours?

Option 3: the project both benefits AND empowers youth

Information sheet 5: Principles of project evaluation and knowledge management

Evaluation of and learning from CSO initiatives co-funded by AFD is extremely important

This section aims to put forth the key principles intended to guide evaluation procedures for NGO Initiatives. These are not rigid principles but can be adjusted, clarified and enhanced to take account of the diversity of CSO initiatives and changing practices, in particular to identify the most appropriate evaluation tools and methods and to support new experiences in this area. Going beyond the procedures set out by AFD in the methodology guide and detailed below, AFD and CSOs engage in continuous dialogue on this subject.

These principles only concern “NGO Initiative” projects, i.e. initiatives designed and implemented by CSOs with financial support from AFD¹⁰. They are in line with the general orientations adopted by AFD regarding project evaluation, as set out in the [AFD evaluation policy](#).

Evaluation of “NGO Initiatives” projects fully contributes to the evaluation of development aid actions and practices, while recognising the specificities of this field of action. The diversity of actors, strategies, objectives pursued, actions and, above all, the allocation of public funds argue for evaluation of CSO projects despite the complexity of the process.

Evaluation of CSO projects poses particular challenges when it comes to measuring outcomes due to the specificities of certain complex objectives for social change (capacity building, seeking influence through advocacy, partnerships, etc.), as well as their size, and the way the projects function. Over the past 20 years, with support from institutional donors, CSOs have been integrating a culture of evaluation and almost systematically carry out evaluations on their projects. Dissemination of evaluations has also greatly improved and is becoming a true vector of dialogue, improvement and learning from experience.

AFD is in regular contact with CSOs regarding challenges related to evaluation of the projects it co-funds. Several experience-sharing workshops have been organized since 2012. A feedback session on the experimental procedure for evaluating of CSO initiatives, launched in 2010, was conducted collectively to learn from the experience and adjust the procedure as necessary. The findings of that session are included in this appendix. AFD continues to acknowledge the importance of pragmatism, innovation and open-mindedness regarding monitoring, evaluation and knowledge management practices. Reflection and research on evaluation methods and tools suited to the various activities must be supported. In addition to their natural accountability, CSOs are concerned by these challenges and often contribute innovations in this field.

¹⁰ Strictly speaking, they do not apply to other lines of funding available to CSOs, including: (i) “FISONG” funding, focused on innovation, (ii) funding under which CSOs are “operators” of the projects concluded between the AFD and an external beneficiary (whether public or private), (iii) direct funding for CSOs in certain specific situations (multi-country projects, crisis situations, local funding managed by AFD agencies, etc.), etc. Projects benefiting from these lines of funding are evaluated using other procedures which will not be addressed in this note but the general structure of which nevertheless remains similar.

Two types of evaluations apply to “NGO Initiatives” projects: individual project evaluations (see § 1) and cross-cutting evaluations (see § 2).

AFD is committed to evaluating the initiatives it funds. In addition to this evaluation-based approach, AFD also looks to promote knowledge management exercises, cross-sectoral studies, exchange of experiences and any process of seeking out evaluation methods and tools suited to the initiatives of development organisations.

1. Principles associated with evaluation of CSO projects co-funded by AFD

Evaluation of “NGO Initiatives” projects is consistent with best practices for evaluating development projects. **The principles applied are those set forth by the Development Assistance Committee (DAC)** for evaluating development projects: impartiality and independence, credibility, usefulness, participation and coordination.

Evaluations are generally carried out on the basis of the **five criteria set out by the DAC** (relevance, effectiveness, efficiency, impact and sustainability). This normative framework can nevertheless be adjusted to take account of the specificities of projects or portfolios of projects evaluated and reflect the main objective (accountability and learning). In addition to (and/or on the basis of) the DAC criteria, the questions the evaluation will seek to answer with regard to the objectives initially set for the project must be identified in advance.

At the same time, it would be misguided to apply all DAC criteria to each evaluation; such a procedure would take only a cursory view of the project and provide little insight. For example, the evaluation of the first cycle of the project should focus more on the criteria of relevance and consistency without necessarily look at the effects. Conversely, in Phase 3 of a project, the evaluation should take a more in-depth view of the issue of effects, impact, sustainability, etc. Evaluations must be “tailor-made”.

Other more cross-cutting criteria must often be taken into account depending on the nature of projects: measurement of changes to which the project contributed, as well as measurement of effects in terms of capacity building, governance, empowerment, quality of partnerships, links with public policies, etc. are more complex concepts that require a more elaborate approach but which must now be better understood in evaluations.

Evaluations must naturally verify the coherence of CSO projects, especially during implementation. On this note, the relevance of attention (or lack of attention) to cross-cutting themes (gender, climate/environment, youth) must be specifically addressed to provide the Agency with the necessary insight in terms of accountability with regard to these aspects. To this end, the terms of reference must cite the corresponding DPO information sheets, either by way of specific references to these documents (factsheets 2, 3 and 4, pp.111-130), or by appending said information sheets to the terms of reference.

The final evaluation must be designed at the beginning of the project, and human, technical and financial resources must be mobilized to carry out this work. The timing of the evaluation must also

be anticipated. It must be seen as a participatory process rather than a simple inspection. Finally, it must call on all stakeholders in the project: local partners, beneficiaries, institutional and financial partners.

AFD encourages the use of external expertise. Costs of external evaluations are eligible for co-funding in the budget submitted to the SPC/DPO Division. CSOs are encouraged to select the provider via a call for tenders, or at least a limited consultation. Terms of Reference must be submitted to AFD for no-objection notice (NON).

a) AFD terms and requirements for evaluation and knowledge management procedures

AFD encourages CSOs to incorporate a voluntary evaluation procedure into large-scale projects. Nonetheless, such a procedure is not compulsory except for certain specific projects and programmes as explained below

- A final external evaluation is compulsory for programme agreements: this evaluation must be performed at the end of each phase and before each new co-funding application. An impact assessment is required at the end of the final phase of the agreement.
- A final external evaluation is compulsory for multi-actor concerted programmes (PCPA): this evaluation must be performed at the end of each phase and before each new co-funding application. An impact assessment is required at the end of the final phase of the PCPA.
- A final external evaluation is compulsory for multi-phase programmes: when a CSO plans to implement its project over several phases, an external evaluation must be carried out at the end of each phase before a new application for funding can be considered.
- For large-scale programmes implemented over more than six years, effect/impact assessments is strongly encouraged. The CSO and the SPC/DPO Division will discuss the details of this study prior to implementation.

b) Monitoring/evaluation

AFD encourages CSOs to implement a monitoring evaluation mechanism at the start of projects, particularly concerning complex and large-scale projects; this makes the final external evaluation more effective (without replacing it) and contributes to long-term steering of the project. Monitoring/evaluation costs are eligible for co-funding in the funding plan submitted to AFD; the CSO must specify how this process will go together with the external evaluation.

c) Knowledge management procedures

Knowledge management is a collective initiative aimed at helping actors enhance their capacities and share knowledge with other stakeholders. This process allows for individual and collective progress and learning. Lessons gleaned from projects may be analysed and integrated throughout the project life cycle. Like for evaluations, stakeholder participation is essential. If external experts are called in, their role is more to guide/facilitate/lead the process than to objectivise the analysis, as is the case for evaluations.

Knowledge management exercises are strongly encouraged by AFD (they are compulsory for programme agreements and PCPAs and may be designed and scheduled to suit the programme; they need not necessarily be carried out at the end of each phase) as they make it possible to draw lessons from the actions carried out and disseminate them widely for the benefit of the CSO community and international solidarity organisations in general, as well as to enhance the contribution of non-governmental action to development and international solidarity.

CSOs are free to put forth the most relevant and useful approaches to knowledge management; they are encouraged to explore all possible sources of learning (media, web, etc.). AFD has no particular requirements regarding the form and content of these analyses, but they should prove useful and justified in view of the project in question. Finally, they are intended to be disseminated as broadly as possible.

2. Cross-cutting assessments/evaluations led by AFD

In addition to project evaluations, AFD will also sponsor and pilot strategic evaluations that extend beyond individual projects. These evaluations are conducted as learning exercises for CSOs, AFD and the development community. They aim to examine the relevance, coherence and effectiveness of non-governmental actions at the national, regional, sectoral or sub-sectoral level, with regard to the objectives of "NGO Initiatives", or even more broadly with regard to a development issue. The SPC/DPO Division conducts these studies in close cooperation with the AFD Division in charge of evaluation. AFD may also initiate cross-cutting evaluations, knowledge management initiatives and meta-evaluations on the non-governmental action it supports.

In accordance with the AFD evaluation policy, these cross-cutting are intended primarily as learning tools. They focus on cross-cutting issues related to the objectives of the instrument, as well as participants' practices and expertise. Their main objective is to foster reflection and strategic dialogue on substantive issues of interest to NGOs and AFD. Evaluations focusing on a *specific geographical area* will be conducted only when the national context illustrates a particular problem (e.g. emergency response NGOs and development NGOs in Haiti). As an example, *theme-based* evaluations may cover cross-cutting issues such as *support for structuring civil society, support for capacity building, partnership quality, links with public policies, multi-actor initiatives, impact of advocacy, local development*.

In order to improve the use of evaluations for feedback purposes, AFD departments respond to recommendations and comments are encouraged.

Procedures:

- To limit the problems linked to project diversity, only selected projects will be addressed in cross-cutting evaluations (evaluations do not aim to be exhaustive).
- NGOs will be consulted on the subjects to be addressed (see FISONG process). The schedule will be included in AFD's three-year evaluation programme, and evaluations may be presented to the AFD Evaluation Committee.
- CSOs will continue to be involved in piloting these evaluations through Coordination SUD and F3E.

- The nature and methodological approach of these exercises may go beyond the portfolio evaluations used in the past, incorporating research and analyses of lessons learned. This expanded scope may require recruiting mixed teams including researchers to work together with the AFD division in charge of research (see evaluation policy).
- A limit of one evaluation per year is proposed.

Guidance is available for all of these procedures. CSOs can consult the F3E website (www.f3e.fr) which offers a number of specific methodological tools and highly useful training resources. In some cases, CSOs can benefit from F3E guidance. Contact F3E.

Documentary resources

a) Evaluation:

- Proceedings of the F3E/AFD seminar: “L’évaluation en évolution” (Evolving Evaluation) first evaluation seminar organised jointly by AFD and F3E, 15 October 2012. The aim of this event was to take stock of practices and issues regarding evaluation in the changing context of development effectiveness.
www.afd.fr or <http://f3e.asso.fr/publications-afd-f3e>
- Quality standards for evaluating development - CAD CAD-OCDE, 2011
<http://f3e.asso.fr/ressource/68/normes-de-qualite-pour-l-evaluation-du-developpement>
- Post-evaluation: owning your evaluation report: Strategies and tools developed by NGOs and local governments: F3E wanted to generate discussion among members regarding a key step that comes after evaluation: post-evaluation. In other words: ensuring that the sponsor of an evaluation (NGOs, communities and their partners) fully appropriates study, its outcomes, and the evaluation process as a whole
<http://f3e.asso.fr/ressource/51/le-post-evaluation-s-approprier-son-rapport-d-evaluation-strategies-et-outils-developpes-par-les-ong-et-les-collectivites-territoriales>
- F3E information sheets to help carry out an evaluation
<http://f3e.asso.fr/ressource/36/fiches-pratiques-sur-l-evaluation>
- Information sheets on evaluation issues:
http://f3e.asso.fr/media/transfer/doc/fiche_pratique_attentes_evaluation.pdf

b) Knowledge management

- Learning from experience – Journey to the heart of learning, F3E, 2014
http://f3e.asso.fr/media/transfer/doc/guide_capitalisation.pdf
- Resource portal on learning from experience –
F3E <http://f3e.asso.fr/article/1582/capitalisation>

c) Monitoring-evaluation procedures:

- Toolbox for building a change-oriented monitoring-evaluation procedure, F3E, PRISME, 2015
<http://f3e.asso.fr/article/1675/decouvrez-la-boite-a-outils-sur-les-approches-orientees-changement>
- Designing and implementing monitoring-evaluation mechanisms for water and sanitation projects – F3E, PSEau, Arène, 2011 (Note: the methodology described here can be used for other

types of projects) <http://f3e.asso.fr/ressource/15/guide-sur-le-suivi-evaluation-des-projets-eau-et-assainissement>

d) Assessing change:

- Proceedings of the F3E/AFD seminar: “Analysing, monitoring and evaluating your contribution to social change” second seminar organised jointly by AFD and F3E, 2014. Available in French and English at www.afd.fr or <http://f3e.asso.fr/publications-afd-f3e>
- Methodology guide to orient “complex” change processes: analysis, planning, monitoring and evaluation, F3E, COTA, 2014
http://f3e.asso.fr/media/transfer/doc/guide_chgmt_f3e_cota.pdf
- Change portal – F3E
<http://f3e.asso.fr/article/1584/changement-approches-orientees-changement>
- Impact of education on development and international solidarity: Methodological benchmarks to assess ongoing change, F3E, Educasol, 2014
<http://f3e.asso.fr/ressource/43>

Information sheet 6: Project financial audit

The project financial audit is not a mere reconciliation of accounting documents. It aims to examine the use of the funds allocated to the project, in accordance with contractual obligations and the purpose of the project, and consistent with this methodology guide.

The goal is to improve the quality and consistency of the information produced by the CSO, verified by the auditor and transmitted to the SPC/DPO Division.

To this end, the issue of financial auditing must be addressed as early on as possible, as of the project review phase. The aim is to enhance communication of information between the CSO, the SPC/DPO Division and the auditor, as well as to clarify the level of requirements for carrying out the financial audit.

- **When are CSOs subject to a financial audit?**

Financial audits are compulsory in the following cases:

- **for any initial project co-funding application submitted to the SPC/DPO Division.**
- **projects/programmes for which SPC/DPO Division funding is equal to or greater than €500,000.**
- **projects/programmes for which SPC/DPO Division funding is less than €500,000, if no external audit was carried out and/or reported to the SPC/DPO Division for the last two projects co-funded by the Division.**

The SPC/DPO Division reserves the right to impose a financial audit for new projects submitted by a CSO whose previous project met with negative conclusions following an audit.

Moreover, any CSO may be subject to a **random financial audit** carried out at the initiative of the SPC/DPO Division and funded with programme 209 funds.

- **Financial audit budget**

As the financial audit is co-funded by AFD subsidy funds, its cost must be included in the project budget attached to the NIONG.

During the review phase, the SPC/DPO Division will be particularly attentive to the amount allocated to the financial audit. This amount should not be underestimated with regard to the requirements and scope of the financial audit requested (a bottom threshold is set at €10,000 for small projects).

- **Choice of auditor**

The financial audit contract must be awarded at the latest within the first 12 months of project implementation. The SPC/DPO Division will issue a NON regarding the terms of reference for the financial audit and the selection procedure.

Terms of reference must include all the items selected by the SPC/DPO Division for verification by the auditor (see Checklist).

The CSO must select an independent external auditor or audit firm with membership in a national accounting or statutory auditors' organisation.

The auditor's mission must be specifically identified and defined in the terms of reference for the financial audit.

If the financial audit is conducted by the CSO's statutory auditor (the latter having responded to the call for tenders for the financial audit), performance of the audit on the project co-funded by AFD must be specifically identified and defined in a mission letter to which all items selected by the SPC/DPO Division for verification by the auditor will be appended (see Checklist).

In all cases, the financial audit as a service rendered is subject to AFD procurement rules as specified in the AFD funding agreement.

- **The two stages of the financial audit during the project**

Stage 1: Preparatory meeting with the auditor

Who and when?

This meeting is not mandatory but is strongly recommended by the SPC/DPO Division. This meeting takes place between the CSO and the auditor as soon as possible after the effective start of the project once audit contract is awarded. On the CSO's side, the meeting must include at least the project manager(s) and the persons in charge of the financial/accounting/legal aspects of the project. It is a **one-off meeting between the auditor** and the CSO at the beginning of the project; the auditor will not be called in again until the end of the project to carry out the financial audit.

What is the aim of the meeting?

The main objective of this meeting is **for the CSO to fully understand the scope and inspection techniques of the audit**. It should help the CSO strengthen the internal procedures necessary to fulfil its contractual obligations in order to facilitate the auditor's work and **ensure that the level of ineligible expenditure recorded following project implementation is as low as possible**. This meeting can also enable the auditor to make recommendations to the CSO at the start of the project. Note: expenditure samples should in no case be audited at this stage. The auditor may explain the principle and techniques of sampling (% of expenditure, breakdown by budget heading, random selection, etc.), but sampling is to be carried out only during the financial audit at the end of the project.

Preparing for the meeting

To ensure that the meeting is as effective and constructive as possible, the CSO should transmit the documents requested by the auditor beforehand (e.g. CSO articles of association, CSO financial statements and progress reports, AFD funding agreement and any amendments thereto, partnership agreement, project document (NIONG), this methodology guide, procurement plan, etc.).

What should be discussed?

The agenda of the meeting is left to the discretion of each auditor. If a preparatory meeting is planned, the SPC/DPO recommends addressing the following points (in addition to any other points the parties wish to discuss:

- **the contractual obligations of the CSO vis-a-vis AFD** under the agreement (timeline, eligibility of expenditures, procurement, activity reports, partnership agreements, etc.),

- **the scope and nature of the project** co-funded by AFD,
- **the nature of partnerships** for the project,
- **the procurement methods** the CSO expects to apply for the project (the CSO is encouraged to transmit to the auditor an indicative procurement plan, i.e. a document listing all contracts currently in the process of attribution or to be awarded and including all relevant information) (see template on the AFD website),
- **the funding arrangements for the project** (nature and rate of co-funding, methods of payment, etc.),
- **the financial and accounting traceability system** for the project and the CSO's internal control procedures.

What is the point of this meeting?

For the auditor:

- acquire sufficient knowledge of the project's organisational context, information and accounting process,
- **identify weaknesses and risk factors** depending on the nature of the project and the type of partnership,
- **identify the key and specific points** to be inspected,
- **identify the CSO's financial and accounting traceability system.**

For the CSO:

- **understand its contractual obligations vis-a-vis AFD** and the associated implications for the concrete implementation of the project,
- identify any risk areas in its method of management that may violate its obligations and set out corrective measures,
- **identify best practices**, particularly in terms of traceability of project information (e.g. analytic monitoring of the project, time sheets, pay slips, etc.) and procurement,
- **understand how the financial audit will be conducted**, what is expected and how the CSO can work effectively with the auditor.

At the end of this meeting, the auditor, with no input from the CSO, will draw up **a framework memorandum** with key recommendations for implementation of the future financial audit. This memorandum will be transmitted to the CSO.

At the mandatory mid-term meeting, the CSO may inform the SPC/DPO Division of the content of the framework memorandum and the actions taken by the CSO to meet the auditor's recommendations.

Stage 2: Performance and documentation of the financial audit

At the end of the project, the auditor carries out its verification mission and writes a report.

The CSO must transmit the financial audit report to the SPC/DPO Division no later than 6 months after the effective closing date of the project.

In the event that the audit indicates ineligible expenditures, unjustified funds must be repaid to AFD within six months of approval of the audit report by the SPC/DPO Division.

FINANCIAL AUDIT CHECKLIST

The auditor selected through the call for tenders undertakes to carry out all of the following verifications, and to **attach this list, completed and signed, to the financial audit report**. If some items could not be verified, please specify and explain the reasons in the management letter.

Auditor (name/status/address):
Certification/qualification:
CSO or partner audited:
Dates of audit:
AFD Agreement No.
Amount audited:
Tranches:

1. INSPECTION QUESTIONS	Yes, the item was verified	Add a comment if the item could not be verified
1.1. Inspection methods		
Was a preparatory meeting held between the auditor and the CSO within the first 12 months of project implementation?		
Was the sampling of expenditures to be verified defined independently by the auditor?		
Does the expenditure sample to be verified exceed 50% of total expenditures for the project?		
Was a significant amount of each budget heading audited?		
Did the auditor verify locally managed expenditures? If so, please explain the method of inspection (travel to the field, collaboration with a local audit firm, transfer of local documents to the head office, etc.)?		
1.2. Contractual obligations		
Do contractual documents (application form, funding agreement, partnership agreement) exist; are they signed and dated?		
Is there a clear system of accounting and financial management? Have the responsibilities of the CSO, project coordinators, management and financial controllers been clearly defined?		
Have the provisions provided for in the agreement as well as those in the methodology guide in force at the time of granting been complied with?		
1.3. Analysis of funding plan		
Has the ceiling for in-kind resources (25% of the total project budget) been heeded? Please note that in-kind resources may not be included in the contributions of AFD or French ministries.		
Have the procedures for calculating in-kind resources, as explained in the methodology guide, been heeded?		
Has the contractually agreed budget been heeded overall, within the limits of the rules set out per budget heading and partner? If you have noticed a deviation of 20% or more from the initially planned		

total of a budget heading in the <u>comprehensive</u> funding plan for the project, has AFD issued a NON regarding this deviation?		
In the expenditure table, have the ceilings provided for in the methodology guide been heeded: - The “Miscellaneous and unforeseen” heading is capped at 5% of total direct project costs (excluding administrative and structural costs) - If the CSO has a specific “head office staff dedicated to the project” line in the “support and monitoring” budget heading, administrative costs are capped at 10% of the direct costs of the project - If the CSO has declared administrative costs of up to 12% of the direct costs of the project, has it been verified that the “support and monitoring” budget heading includes only the mission expenses of head office staff (per diems and transport costs)?		
Have partners and stakeholders benefiting from retrocessions greater than €5,000 systematically been reported to the SPC/DPO Division?		
1.4. Accounting system verification		
In the CSO's accounting, is there an analytical code dedicated to the income and expenditures generated by the project?		
Can the amount indicated in the execution report be reconciled with a list of expenditures taken from the accounting system?		
Does the registration system make it possible to match each expenditure with an invoice or accounting document of equivalent probative value?		
Does the registration system make it possible to match each expenditure with a proof of payment (usually a bank statement, bank transfer confirmation, receipt)?		
1.5. Monitoring of expenditures		
<u>Compliance with applicable legislation</u> - Have national and European rules been complied with? - Is the procurement process compliant with regard to: ▪ European and national/internal procurement rules and those provided for in the agreement. ▪ Documentation regarding compliance with the procedure set out (tenders, rejection letters, notification, contract). ▪ Have the principles of transparency, non-discrimination, equal treatment and fair competition been complied with?		
<u>Monitoring of eligibility of expenditures</u> - Do expenditures meet the eligibility criteria set out in the methodology guide? - Is there a guarantee that the expenditure has not already been subsidised by another source of funding (EU, regional, local or other) that was not declared in the funding plan? Are there mechanisms in place to prevent double funding?		
<u>Payroll expenses</u> - Are expenditures indeed related to CSO employees or otherwise justified by actions provided for in the agreement?		

<ul style="list-style-type: none"> - Are payroll expenses justified by documents such as employment contracts, pay slips (or any other documents of equivalent probative value), proof of payment, details of the calculations for determining staff unit cost (day, Week, month), tally sheets, time sheets specific to the project? - Is the calculation based on actual costs (gross salaries + employer's contractual obligations for the employee who actually worked on the project)? - When staff do not work full-time on the project, is pro rata calculation based on a traceable and verifiable method? 		
<p><u>Travel and lodging</u></p> <ul style="list-style-type: none"> - Have travel, per diem and lodging expenses been reported in accordance with internal regulations established by the CSO? - Are the journeys concerned by these expenses justified by the objectives of the project as provided for in the initial application? - Is travel limited to the geographical areas covered by the project? If outside these areas, were they explicitly approved by the SPC/DPO Division? - Are travel and lodging expenses exclusively related to travel by project stakeholders identified by the CSO or its partners? 		
<p><u>Equipment expenses</u></p> <ul style="list-style-type: none"> - Was equipment purchased originally foreseen in the funding application? If not, did the SPC/DPO Division issue a NON in accordance with the provisions set out in the methodology guide (materiality threshold > €10,000 for “field” projects and €5,000 for “public interest” projects)? - In the event that a material asset is valued, is the depreciation method in line with that provided for in the methodology guide? - If the material was not used only for the Project, does the cost allocated to the project represent only part of the actual cost? Is this share calculated on a fair and justified basis? 		
<p><u>External expertise</u></p> <ul style="list-style-type: none"> - Are expenditures linked to the items provided for in this budget line according to the characteristics mentioned in the funding application? - Was the use of external expertise carried out in accordance with the rules for competitive tendering and award procedures stipulated in the agreement? 		
<p><u>Exchange rate</u></p> <ul style="list-style-type: none"> - Was the conversion method applied by the CSO explained and the rate verified? - Does this method comply with the provisions of article 3.2.3 of the agreement? - Has the CSO specified how it will use the amounts generated by foreign exchange gains and offset the exchange losses during the project implementation period? 		

2. EXPECTED DELIVERABLES	Yes, the deliverable has been transcribed to AFD	No (please explain)
An audit report, providing comments on each inspection, as well as the amount of ineligible expenditures, and in particular including an evaluation of calls for tenders, retrocessions and valuations carried out during the project.		
A management letter reflecting the main conclusions of the expenditure verification report and making key recommendations.		

Information sheet 7: Communication and visibility guidelines

CSOs are encouraged to communicate on the support they receive from AFD for co-funded projects/programmes, unless the CSO judges that such visibility could compromise the safety of its teams.

1. Guidelines

Print and dematerialised project communication media

- Display the AFD logo in strict accordance with AFD's identity and graphic charter.
- Include the wording "This project/programme is co-funded by the Agence Française de Développement."
- Include the disclaimer in written communications (studies, reports, etc.): *"This project (or this document) is supported by the Agence Française de Développement. Nevertheless, the ideas and opinions presented in this document do not necessarily represent those of AFD."*

CSOs should forward to the AFD project manager a copy of all communication materials produced for the project.

Press releases and press kits

Press releases and press kits concerning supported projects must mention AFD support.

Events organised in the country of intervention as part of the co-funded project

In addition to the rules set out above, AFD local agencies in the country or countries concerned must be informed, invited and quoted for any event organised in the context of a project benefiting from AFD support.

Equipment and buildings

For real estate investments co-funded by AFD, the project is requested to display the following message on signs affixed to the buildings (except when physically impossible): "This project/programme is co-funded by the Agence Française de Développement." The AFD logo must also be displayed.

Beneficiary CSOs must ensure that the equipment or buildings to which the AFD logo is affixed are in working order and that signs and logos are up to date and in good condition. They shall take all necessary measures to replace any damaged material until the end of the project co-funded by AFD.

CSO website

CSOs receiving AFD funding must mention AFD support and/or the AFD logo on their website (e.g. in the *Partners* section).

In situations of crisis or insecurity, or on politically sensitive subjects, the CSO is free to choose the most suitable form of visibility for its action. Likewise, AFD reserves the right to decline to appear on communication media or to participate in communication events.

2. Best practices

Project communication forms

CSOs are free to communicate on projects using the communication forms produced as part of AFD co-funding, in paper or digital form.

Publisher and Word (for CSOs without Publisher software) templates, as well as the tutorial to create a project communication form, can be downloaded on the AFD website.

Photos

CSOs are encouraged to send photos relating to the project to the AFD project manager, indicating the name of the copyright holder as well as where the photo was taken.

CSOs may authorise AFD to use or reproduce such photos sent without payment of royalties by sending a letter of assignment of rights (template to be downloaded on the AFD website).

Link to AFD website

If AFD is highlighted as part of project communication, the CSO may include a link to the AFD website (e.g. “for more information: www.afd.fr”).

CSO visibility on AFD communication channels

AFD features a range of communication tools that contribute to highlighting projects funded by the organisation, including projects promoted by CSOs: monthly newsletter, ID4D conferences and blog, news on the AFD website, press relations, etc. CSOs who so desire are invited to contact the AFD project manager to discuss the possibilities of using these tools to highlight their project.

To go further, they can also inform the project manager of their future communication strategies so that the AFD studies possible synergies. A link can then be established with the AFD's communication department.

ACRONYMS

AFD	Agence Française de Développement
AMI	Call for expressions of interest
APCC	Call for crisis/crisis recovery projects
BOD	Board of Directors
CICID	Interministerial Committee for International Cooperation and Development
CIT	Cross-sectoral strategy
CSO	Civil society organisation
DAC	Development Assistance Committee (OECD)
DPO	NGO Partnership Division
EAD-SI	Development and international solidarity education
EU	European Union
F3E	Fund for the promotion of preliminary studies, cross-cutting research and evaluations
FISONG	NGO innovation facility
GM	General meeting
ILO	International Labour Organisation
MAAIONG	Mission to Support NGO International Action
MAEDI	Ministry of Foreign Affairs and International Development
MDGs	Millennium Development Goals
NIONG	NGO Initiative Proposal
NON	No-objection notice
OSIM	Immigration-based Solidarity Organisation
PA	Programme agreement
PCPA	Multi-actor concerted programme
SDGs	Sustainable Development Goals
SMA	Structuring of civil society
SPC	Executive Directorate in charge of AFD Strategy, Partnerships and Communication

GLOSSARY

Accountability

Obligation to report that work has been conducted in accordance with agreed rules and standards, or obligation to report in a clear and impartial manner on results and performance, with regard to the mandate and/or objectives set.

For evaluators, the term refers to the responsibility to provide accurate, impartial and credible performance assessments and progress reports. Decision-makers and managers in the public sector are accountable to taxpayers and citizens.

Beneficiaries

Individuals, groups or organisations that benefit from the project, directly or indirectly, intentionally or otherwise.

Related terms: concerned, targeted or affected populations.

“Final beneficiary” refers to a person or organisation on which the outcome of the project has a direct and positive influence. The beneficiary does not necessarily receive a grant and may not even be directly associated with the project. The beneficiary may also can take advantage of project outcomes in pursuit of its own objectives.

Civil Society Organisation

Within the framework of the missions assigned by the French government to the Agence Française de Développement, the name “civil society organisation” (CSO) includes:

- international solidarity associations (associations governed by the law of 1901) whose purpose is to operate between developed and developing countries and which work in the fields of humanitarian and emergency assistance, development, advocacy and awareness-raising among citizens, or associations of immigrant populations;
- associations (governed by the law of 1901) which work primarily in France but which have initiatives abroad;
- trade unions governed by French law (law of 21 June 1865) and engaged in development activities;
- collectives or platforms of associations;
- French foundations recognised as beneficial to the public good, or housed within a French foundation recognised as beneficial to the public good, and which are governed primarily by organisations or natural persons from civil society.

Effect

Expected or unplanned change, attributable directly or indirectly to an action. Related terms: outcome, achievement.

Effectiveness (success)

Measurement of the extent to which the objectives of the development action have been, or are being, achieved in view of their relative importance.

Efficiency

Measurement of optimal conversion of resources (funds, expertise, time, etc.) into results.

Eligible project expenditures

All expenditures corresponding to the funding plan, either original (i.e. as appended to the funding agreement) or revised, and accepted following a NON (No-Objection Notice) from AFD or an amendment to the funding agreement. The expenditure declared under the project must be incurred within the area concerned and during the period of eligibility. Any expenditure incurred and/or paid outside these limits requires a no-objection notice from AFD.

Evaluation

Systematic and objective assessment of a project or programme, in progress or completed, with regard to its design, implementation and outcomes. The aim is to determine the relevance and degree of achievement of

objectives, the operative nature of the actions implemented, the efficiency of development initiatives, effectiveness, impact and sustainability. An evaluation should provide credible, documented, tangible and useful information to integrate lessons learned through experience into the decision-making process of beneficiaries and funders.

External evaluation

Evaluation of a development action by persons and/or organisations outside the funder and the organisation responsible for implementation.

Financial audit

Quality control activity, carried out in an objective and independent manner, aimed at improving the operations of an organisation and increasing its value. The audit helps an organisation achieve its objectives through a systematic and rigorous approach aiming to assess and improve the effectiveness of risk management, control and governance processes.

Funding agreement

Agreement between the funder and the beneficiary CSO, which sets out the commitments of both parties and the legal framework for co-funding the project.

The term includes the funding agreement itself, appendices and, where applicable, subsequent amendments.

Impacts

Long-term effects, positive and negative, primary and secondary, directly or indirectly generated by developmental action, whether intentional or not.

Indicator

Factor or variable of a quantitative or qualitative nature that provides a simple and reliable means of measuring and informing changes related to the action or helping to assess the performance of a development actor.

Internal evaluation

Evaluation conducted by the association itself. Related term: self-assessment.

Limited consultation

Bidding process organised for the purpose of awarding a contract, for which access is limited to the short list of tenderers drawn up by the Beneficiary, it being noted that the number of potential tendered is limited in advance.

Logical framework

Tool to improve the design of actions, most often at the project level. This involves identifying the strategic elements (resources, outputs, outcomes, impacts) and their causal relationships, indicators, and external factors (risks) that may influence the success or failure of the action. It thus facilitates project design, implementation and evaluation.

Mid-term evaluation

Evaluation conducted halfway through implementation of the action.

No-objection Notice (NON)

Document whereby the funder takes note of facts and/or provisions in accordance with the information rules listed in the funding agreement.

Official development assistance (ODA)

ODA is the aggregate effort made by OECD member states to promote development in least-developed countries (LDCs) and middle-income countries (MICs), in accordance with the rules of the OECD Development Assistance Committee (DAC).

Open call for tenders

Bidding process organised for the purpose of awarding a contract, preceded by a publication and open to all tenderers meeting the eligibility and qualification criteria, with no limit in terms of number. This is the

procurement method used most often for goods, equipment and services. It may or may not be preceded by a pre-qualification process (this process being incorporated into the tender process).

Outcomes

Output (products and deliverables), achievements and/or impacts of a development action. Related terms: achievement, direct effect, impacts.

Participatory evaluation

Evaluation methodology whereby representatives of aid agencies and other stakeholders (including beneficiaries) collaborate to design and conduct an evaluation and draw conclusions.

Partners

Persons and / or organizations working together to achieve commonly agreed objectives.

The concept of partnership refers to joint objectives, shared responsibilities for achievements, mutual commitments and clear accountability. Partners may include governmental organisations, CSOs, universities, professional associations, multilateral organisations, private companies, etc.

Private agreement

Process for awarding a contract to a supplier without prior competitive tendering (also referred to as “direct agreement” or “negotiated procedure without publicity or competitive tendering”).

Progress report

Analysis describing the situation before the launch of the development action, and in relation to which improvements can be assessed or comparisons made.

Project or programme objective

Results that the program or project is intended to help bring about in physical, financial, institutional, social, environmental or other terms.

Purpose

Overall objective to which development action should contribute. Related term: development objective.

Relevance

The extent to which development objectives correspond to beneficiary expectations, country needs and overall priorities, as well as the policies of partners and funders.

Retrocession

The action by which the French CSO transfers part of the project funds to the identified partners; retrocession necessarily implies a cash flow.

Stakeholders (Protagonists)

Agencies, organisations, groups or individuals who have a direct or indirect interest in the development action or in the evaluation thereof.

Target group (Target population)

Persons or organisations for whose benefit a development action is undertaken.

A distinction can be made between the priority target group for which the action is directly carried out and the secondary target group indirectly benefiting from the results of the action undertaken.

Viability (Sustainability)

Continuation of the benefits resulting from a development action after the end of the action itself. Likelihood of achieving long-term benefits. The situation in which net benefits are likely to withstand risks. The capacity of the action or model on which it is based to persist over time.

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