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Pacific
Community
Communauté
du Pacifique

REQUEST FOR PROPOSAL (RFP)

RFP No.: SPC RFP 21-196
DATE: 14/10/2022

SUBJECT: REQUEST FOR PROPOSAL (RFP) 21-196 – ACP-EU Programme (Pacific): Enhancing capacity for the sustainability of cultural and creative industries in the Pacific.

The Pacific Community (SPC) in partnership with the Queensland University of Technology (QUT) through the **ACP-EU Programme (Pacific): Enhancing the capacity of the cultural and creative industries in the Pacific - Grant Scheme (hereinafter referred to as the Grant Scheme)**, would like to invite interested applicants who submitted an EOI, attended an Information Sharing Session and meet the eligibility criteria to submit a grant proposal.

The objective of this **RFP Grant Scheme** is to select and fund projects and initiatives from Pacific ACP countries that will build a vibrant creative and cultural industries sector and will recognise and support Pacific cultural knowledge, innovation and creativity as tools for sustainable livelihoods and resilient communities.

To enable you to submit an application, please find enclosed:

- Annex I: Instructions to Applicants
- Annex II: Terms of Reference
- Annex III: Concept Note (Grant Proposal Application form)
- Annex IV: Project Workplan (Schedule) and Budget
- Annex V: Applicant Declaration
- Annex VI: Due Diligence Questionnaire
- Annex VII: Conflict of Interest Declaration
- Annex VIII: Document checklist
- Annex IX: SPC General Conditions of Grant

This letter is not to be construed in any way as an offer to contract with your firm/institution.

Yours Sincerely

Akhilesh Prasad
Manager - Procurement, Grants, Risk, Asset

RFP21-196
Instruction to Applicants

1. General Conditions

- 1.1 This document and the accompanying Annex's provide useful information on how to submit a Grant Proposal in this RFP. Applicants are strongly recommended to read this document in full before completing and submitting a Grant proposal.
- 1.2 Submission of an application is the necessary next step for applicants to be evaluated for possible final approval by the Evaluation Selection Committee.
- 1.3 The applicant shall bear all costs associated with the preparation and submission of their Application, and SPC will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

2. Solicitation Documents

- 2.1 The applicant is expected to examine all corresponding instructions, forms, checklist, terms and specifications contained in the Solicitation Documents. Failure to comply with the requirements specified in these documents will be at the applicant's risk and may affect the evaluation.
- 2.2 An applicant requiring any clarification of the Solicitation Documents may contact SPC via the email address grants@spc.int **up to 7 days prior to the Deadline** for the Submission of applications. At its own discretion, SPC will decide whether to post copies of the response (including an explanation of the query but without identifying the source of inquiry) on the SPC website.
- 2.3 No later than one week prior to the Deadline for Submission of applications, SPC, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Invitee, may amend the Solicitation Documents. In such a case, SPC may, at its discretion, extend the Deadline for the Submission of applications.

3. Preparation of Applications

- 3.1 The Application must comprise the following documents and the collation of all these documents will be referred to as the **RFP Grant Scheme Submission Pack**:
- 1) Annex III Concept Note (Grant Proposal Application form)
 - 2) Annex IV: Project Workplan (Schedule) and Budget
 - 3) Annex V: Applicant Declarations
 - 4) Annex VI: Due Diligence Questionnaire
 - 5) Annex VII: Conflict of Interest

- 6) Annex VIII Document Checklist
- 7) Company registration certificate
- 8) Enterprise Tax registration
- 9) Letter(s) of support (requirement for small grants and optional for medium & large)
- 10) At least two years (between 2018 to 2021) of financial accounts. Lead applicant must provide evidence to show that you have managed at least 50% of the amount that you are requesting over the last five years.

4. Submission of Applications

- 4.1 The applicant shall prepare one copy of the **RFP Grant Scheme Submission Pack**, which shall be signed by the applicant, or a person duly authorized to bind the applicant to the terms and conditions.
- 4.2 Any application submitted must be in English, and all correspondence must be in English. If a document is submitted in another language, a written translation into English must be provided. In that event, the translated version of the document will be used for application evaluation purposes.
- 4.3 All applications **RFP Grant Scheme Submission Pack** submitted must be in Word or PDF formats. Please note the maximum capacity for SPC email boxes is 10Mb. Applications to be submitted by email to grants@spc.int, clearly stating in the subject line of the email - **'RFP21-196 Enhancing the Cultural and Creative Industries in the Pacific – Grant Scheme**.
- 4.4 All Application submissions must reach SPC office before **11.55pm (Fiji time) on the closing date for each round. If it is received after the closing date it will be automatically included into the next round of evaluations.**
- 4.5 **Closing dates for each Evaluation Round is as follows:**
 - **Round 1:** 24th October 2021
 - **Round 2:** 27th February 2022
 - **Round 3:** 11th November 2022
 - **Round 4:** 28th February 2023 (indicative final round)
- 4.6 Submissions will be accepted as per the evaluation rounds until February 2023 or until funds are fully awarded to grantees, whichever comes first. Applicants are therefore encouraged to submit good quality proposals as early as possible based on the deadline for each round.
- 4.7 An applicant may withdraw their application after submission, provided that written notice of the withdrawal is received by SPC prior to the deadline for submission. If an applicant would like to modify their submission, they should withdraw their application and resubmit it in another round.

5. Evaluation of Applications

- 5.1 To assist in the examination, evaluation and comparison of applications, SPC may at its discretion ask the applicant for clarification of its application. The request for clarification and the response shall be in writing and no change in substance of the application shall be sought, offered or permitted.
- 5.2 The SPC Procurement Committee will examine the application to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposal is generally in order.
- 5.3 Any application determined to be not substantially responsive or failing to provide requested information will be rejected by SPC and cannot subsequently be made responsive or corrected by the applicant.
- 5.4 The submission of an application does not entail any commitment on the part of SPC, either financial or otherwise. SPC reserves the right to accept or reject any or all applications during its evaluation process without incurring any obligation to inform the affected applicant/s of the grounds.
- 5.5 SPC may seek clarification from any or all of the applicants in relation to their application. SPC may use such information in interpreting and evaluating the application. Failure to supply clarification to the satisfaction of SPC may render the application liable to disqualification. SPC is under no obligation to seek clarification of anything in an application and SPC reserves the right to disregard any clarification that SPC considers to be unsolicited or otherwise impermissible in accordance with the rules set out in (4)-Submission of Application.
- 5.6 After evaluation of all applications, SPC may, without limiting other options available to it, decide not to proceed further with the RFP process; or commence a new process for requesting for Applications on a similar or different basis to that outlined in this call.
- 5.7 For additional information, clarification or any communication relating to this RFP, applicants may write to grants@spc.int to request clarification at least 7 days prior to the closing of each round.

RFP21-196 Terms of reference

1. Background

The ACP-EU Programme has launched a regional scheme to strengthen the competitiveness of the cultural and creative industries of ACP countries. This initiative supports the commitment of the European Union (EU) and the Organisation of African, Caribbean and Pacific States (OACPS) to promote the socio-economic development of African, Caribbean and Pacific (ACP) countries.

The **ACP-EU Programme: Enhancing capacity for the sustainability of cultural and creative industries (ACP-EU CCIP)** will operate across six (6) regional hubs including the Pacific. Activities delivered by the **Pacific ACP-EU CCIP hub** will be managed by the Pacific Community (SPC); in partnership with the Queensland University of Technology (QUT).

Overall Objective: There are two parts to the Pacific ACP-EU Programme: *Enhancing the Capacity of Cultural and Creative Industries in the Pacific -Grant Scheme*. These are to:

1. Increase the contribution of the cultural and creative sector to economic development; and
2. Enhance recognition of its role in national economies in the Pacific.

Funding Priorities: The overall vision of the Grant Scheme is to build a vibrant creative and cultural industries sector that recognises and supports our Pacific cultural knowledge, innovation, and creativity as enablers for sustainable livelihoods and resilient communities.

This vision is in line with the Regional Culture Strategy (2017-2020) and the grant scheme seeks to support projects that are *Pacific-led* and that invest in the recognition and integration of Pacific culture to promote Pacific knowledge and understanding, in support of the diverse knowledge held by our Pacific communities. Projects must have at their heart our Pacific culture and have as their key interest the well-being of Pacific communities for the sustainability of our cultural values and unique heritage

2. Specific Objective

The specific objective is to increase the capacity and sustainability of cultural and creative industry initiatives in the Pacific. It will do this by:

- Supporting national and regional development priorities in the fields of culture and creative industries.
- Increasing knowledge, research and learning related to culture and the creative industries for capacity, programme and policy development.
- Improving the skills of artists, creative and cultural enterprises, organisations and operators for the development of the creative and cultural industries.

- Facilitating access to financial support for artists, creative and cultural enterprises, organisations and cultural operators so that they can better support, develop and promote artists, cultural knowledge holders and communities that they employ or work with.

3. Eligible Projects

3.1. Projects and Activities

Activities proposed must:

- Focus on one or more of the eligible activity strands AND
- Align with national country development priorities for the enhancement of the culture and creative sectors AND
- Link to both national Sustainable Development Goals (SDG) and Regional Culture Strategy priorities.

Project designs must:

- Have SMART objectives, well defined short- and long-term results, with a relevant and specific implementation plan.
- Have clearly defined stakeholders and target group engagement strategy, networking, and partnership strategy to ensure sustainability.
- Include an internal monitoring and evaluation plan with clearly defined indicators.
- Include a strong financial proposal with mandatory support material.
- Clearly specify how the project activities promote the inclusion and participation of women, youth, and members of rural, remote and other marginalised communities.
- Existing enterprises and arts associations are advised to have clearly defined objectives detailing activities to generate increased capacity or growth. This might include a business plan, new work outline, targeted market, and support letters from partners.

4. Funding Strands

Specifically, the grant scheme priorities are to provide dedicated support to practitioners in the culture and creative sectors with the scope of four (4) main strands which lead to:

1. The creation of high-quality goods and services
2. Improved access to national, regional and international markets
3. Increased visual literacy education; and
4. Improved access to sustainable financing and reduction in dependency on international financing arrangements.

In addition to these four strands, proposals may cover any of the following cross-cutting areas:

- Research and scoping related to any of the four strand areas

- Development and/or implementation of National Culture Policy which covers the areas outlined in the four strands.
- Mainstreaming culture across sectors through activities where creatives, artists and cultural communities are engaged in creative projects that contribute across sectors such as health, tourism, environment, trade and agriculture.

The following provides a description of the activities included under each strand.

STRAND – 1 The creation of high-quality goods and services

This Strand prioritises institutional strengthening to create an enabling environment for cultural and creative producers to produce high-quality goods and services at a competitive price and in increased quantities. This includes:

1.1 Support for the strengthening and establishment of cultural and creative venues and sites with a focus on:

- Establishing and /or upgrading infrastructure, equipment and venues for creation and production including arts /design studios, creative industry production incubators, coproduction / co-creation spaces, cooperative spaces;
- Development and support for institutions in arts development, artistic education and visual literacy education;
- Independent venues such as cinemas, theatre, galleries (with a focus on Pacific content);
- Major venues supporting a long term cultural and creative initiative including residency programs;
- Initiatives that promote the regeneration and renewal of places of biodiversity;
- Strengthening festival and cultural event sites.

1.2 Support for Training and Education focused on the Cultural sector and Creative Industries:

- Training aimed at strengthening institutional knowledge, skills directed at supporting the cultural sector and creative industries;
- Artist and cultural custodians' residencies and exchanges. Initiatives that promote exchanges within the Oceanic region including Australia, New Zealand and Hawaii;
- On-the-job training, peer learning;
- E-learning and digital literacy.

1.3 Support for the development of cultural product and services:

- Development of new work for local and international markets. Work that shows coproduction, co-creation or utilisation of human resources from within own countries or where not available from within the Oceanic region will be highly regarded;
- Development of cultural and creative industries support services and infrastructure.

1.4 Safeguarding heritage, protecting and transfer of Indigenous knowledge systems:

- Development of safeguarding, supporting and communicating Indigenous knowledge systems and structures;
- Development, maintenance and upgrading initiatives for cultural heritage venues including museums and archives;

- Preservation and safeguarding of cultural sites excluding those previously receiving World Heritage list grants and support;
- Support for initiatives that engage creatives, artists and cultural knowledge holders, communities with museums and collections such as the production and touring of exhibitions, the creation of new work responding to museum collections;
- Training and development for the use of multimedia technologies within these venues to provide greater access to artists, creatives, and the community.

STRAND – 2 Improved access to national, regional and international markets

Strand 2 focuses on actions that promote access to markets through improved communications and distribution and resource mobilisation of the creative and cultural industry of the Pacific. This includes:

2.1 Resource mobilisation, networking and cooperation:

- Initiatives that promote networking and cooperation at local, regional and international level, identifying and sharing best practices and knowledge;
- Support for activities that strengthen the visibility and networking of arts associations, collectives, cooperatives and other institutions involved in supporting and networking artists, creatives and cultural producers.

2.2 Communication, online distribution, audience and market engagement through media outlets:

- Initiatives that provide greater access and visibility of artists, creatives and cultural producers nationally, regionally and internationally;
- Support for media outlets such as TV channels / platforms broadcasting a quota of local films, galleries, theatres, exhibition spaces;
- Development of online distribution, development of websites to promote works (audio-visual, fashion, design, crafts, visual arts, heritage, etc.).

2.3 Market Access:

- Development of professional capacities and skills, access to professional personnel such as international producers, agents, and other necessary infrastructure to develop and adapt work to regional and international markets;
- Support for access and attendance at international arts markets, conferences and other key events that provide opportunities to promote and engage target markets;
- Support for national and regional institutions to create targeted market research, develop local mobilisation and international export strategies for cultural and creative goods and services.

STRAND- 3 Increased visual literacy education

3.1 Training and introduction of innovative models for cultural education:

Development of new, innovative technologies for cultural and creative education, knowledge sharing and resource mobilisation.

3.2 Local content production:

- Harnessing Indigenous knowledge systems and heritage for content production to support culturally appropriate visual literacy content production;
- Strengthening the production and distribution of local content for online, digital platforms.

3.3 Visual literacy in national curriculum:

- Encouraging and supporting the introduction of visual literacy in local curriculum;
- Support for education providers and educational leaders who want to engage in a ‘teaching artists’ model to create sustainable links between the cultural and creative industries and education.

STRAND- 4 Improved access to sustainable financing and reduction in dependency on international financing arrangements

Strand 4 focuses on contribution to increasing cultural operators’ access to public and private sector markets (local, regional and international) and attracting investors’ interest. This includes:

- Corporate and private sector initiatives that support creators / artists / cultural producers by providing advice, tools and resources to strengthen their projects, organisations and businesses;
- Support for existing companies to develop co-financing, co-production initiatives and funding grants and other support schemes as part of the corporate social responsibility initiatives;
- Support for research and / or improved access to financing mechanisms and innovative technological approaches;
- Support for the research and development of creative and cultural financing, and other investment initiatives within public and private sector institutions that support the creative and cultural sector;
- Support for the research, development and set up of philanthropic programs;
- Support to organisations to develop sustainable arts grants programs.

CROSS CUTTING

Research and Scoping covering any number of the four (4) Strands

Implementation of Culture Policy whose scope covers any number of the four (4) Strands

- With a specific focus on support to target countries to develop and finalise their national Cultural Policy, National Cultural Industries and develop National Strategies for their implementation.

Mainstreaming culture across sectors

- Supporting creative and cultural practice led initiatives and activities for sustainable development. This includes activities where creatives, artists and cultural communities are engaged in creative projects that contribute across sectors such as health, tourism, environment, trade and agriculture.

5. Sectors

To further assist applicants with aligning their activities with the Strands the **Concept Note** (Grant proposal application form) asks what sector of the cultural and creative industries will be included in the project. This is indicated by ticking as many as required or relevant to their project.

Sector 1-Creative Practice

- Performing Arts
- Visual Arts
- Fashion
- Literature
- Indigenous, First Nations, Culture and Heritage Arts
- Film, TV, Screen and New Media
- Photography
- Design, Architecture, Industrial Landscape and Interior
- Communications, Advertising, Media

Sector 2- Venues, Places and Spaces

- Festivals and Events
- Arts, Cultural, Heritage, Venues, Spaces and Places
- Culture and Art Organisations
- Institutions
- Museums, Archives and Libraries
- Archaeological and Historic Places
- Natural Heritage
- Cultural and Art Services

Sector 3- Community Arts and Cultural Development

- Education and Training
- Archiving and Preserving
- Professional Development

6. Funding available and duration of projects

A total of €2,100,000 is available under the Grant Scheme. Funding is available under three (3) grant categories– *small, medium and large*. Funding details such as total funds available, duration of the funding and the number of grants to be distributed in each category is shown in Table below. The number of grants available in each category may change depending on demand. Depending on the value of the Grant awarded, the implementation period varies:

Category	Value	Indicative duration of funding	Indicative number of grants
Small grant	€5,000 – €12,000	Up to 12 months	24
Medium grants	€12,001 - €70,000		7
Large grants	€70,001 – €180,000		12

7. Eligibility Criteria

Applicants must:

1. Be a citizen or legal entity of at least one Pacific ACP country **and**
2. Have submitted an EOI and attended an information sharing session **and**
3. Submit a completed Call for proposal (CFP) (using the template provided) along with a completed capacity assessment (using the template provided) **and**
4. Identify and focus on one (1) strand **and**
5. Have been established for at least 3 years in one of the Pacific ACP countries **and**
6. Have a track record of managing at least one (1) project in the culture and creative sector since 2018 with a value of at least 50% of the amount being requested from the ACPEU CCIP grant **OR:** If, you are a business, operating in the culture and creative sector since 2018 you must demonstrate an annual turnover equivalent to the value of 50% of the amount being requested from the ACPEU CCIP grant; **and**
7. Be directly responsible for the preparation and management of activities being funded **and**

IN ADDITION TO THE ABOVE THE FOLLOWING CRITERIA APPLY TO EACH CATEGORY:

Small Grant Applicants must:

8. Provide at least two (2) letters of support from:
 - individuals or organizations you have worked with in the past or artists, partners and organizations you plan to work with on the project.
 - If you are working with an indigenous community, a letter of support **must** come from a relevant body such as an elder’s council, etc.
9. Individuals/artists may apply for a small grant through their own business or through a community/association with which they are affiliated or registered, or a joint submission made by at least 2 or more individuals or artists.

10. Provide evidence of past activities that shows management of funds worth 50% of the amount requested. This may include past project reports such as narrative and financial report and acquittals.
11. Unregistered applicants must formally register their group/ association/ organization prior to submitting an Expression of interest or as part of the capacity strengthening provided by the project.

Medium Grant Applicants must:

12. Provide financial reports for **at least two years** (from 2018) clearly showing management of funds worth 50% of the amount requested. Past project reports such as narrative and financial report and acquittals should also be submitted as evidence to show that you have met this 50% requirement.

Large Grant Applicants must:

13. Have been established for at least 6 years in one of the Pacific ACP countries.
14. Provide the most recent **audited** financial reports for **at least two years** (from 2018) clearly showing management of funds worth 50% of the amount requested. Past project reports such as narrative and financial report and acquittals should also be submitted to show that you have met this 50% requirement.

Joint Submissions:

If you are considering partnering with another individual, group or organization, the lead applicant must meet **all** of the eligibility criteria for the grant category that you are applying for. **ALL partners must submit an Expression of Interest and attend an Information Sharing session.**

7.1 [Eligibility of Applicants](#)

7.1.1 [Lead Applicant](#)

The Lead applicant may act individually or with co-applicants. In order to be eligible for an SPC Grant, the lead applicant must:

- **be a registered legal entity** (e.g., a registered/incorporated company or organisation).
- **be directly responsible** for the preparation and management of the grant project and not acting as an intermediary.
- not be a beneficiary of a grant funded by the European Union (including EDF funds) for the same activities.

All applicants under the Grant Scheme must have previously submitted an EOI and attended an Information Sharing Session.

Close attention must be paid to the eligibility criteria as applicants must meet the criteria detailed in their proposals.

If awarded the grant, the **Lead applicant** will become **the beneficiary** identified as the coordinator in the grant agreement. The coordinator is the main interlocutor of the SPC team. It represents and acts on behalf of any other co-beneficiary (if any) and coordinates the design and implementation of the action. The coordinator bears full responsibility for the technical and financial implementation of the project.

7.1.2 Co-applicant(s)

Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant. Co-applicants must be legal entities duly registered. If awarded a grant under this RFP through a Grant agreement signed with the Lead applicant, the co-applicant(s) (if any) will become beneficiary(ies) in the project (together with the lead applicant as coordinator).

7.1.3 Percentage of costs eligible

SPC will provide up to a maximum of 90% of the total eligible costs of the project. Applicants are required to contribute a minimum of 10% of the total project cost in cash or in-kind. Co-contributions may be sourced from an external source, other than the EU. An example of in-kind may be contribution of time of key team members.

Technical and financial reporting will be required for all project costs, including those covered by co-financing. All costs are subject to expenditure verification independently of the source of funding.

SPC grants must be based on the actual costs incurred by the beneficiaries.

7.2 Eligibility of costs

Applicants can apply for project activities that meet the conditions set out in **Eligible costs** below. The ineligible items are those which will **NOT** be funded by this project.

7.2.1 Eligible costs

Direct costs are eligible for funding if they meet the following criteria:

- incurred in the course of the action, with the exception of costs relating to final reports and audit certificates;
- indicated in the estimated overall budget of the action;
- necessary for the implementation of the action;
- identifiable and verifiable, in particular being recorded in the accounting records of the grantee;
- compliant with the requirements of any applicable tax legislation; and
- reasonable and justified, and that comply with the requirements of sound financial management, in particular, regarding efficiency.

Beneficiaries must take care to avoid any unnecessary or excessively high expenditure.

7.2.2 Ineligible costs:

The following costs are not eligible (i.e., not allowed or accepted):

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme;
- purchases of land or buildings;
- currency exchange losses;
- credit to third parties;
- office rental, unless the applicant can prove that specific additional office space is necessary for the project;
- full purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred to beneficiaries on conclusion of the action/project;
- duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
- costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with SPC funding;
- salary costs of the personnel of national administrations unless they relate to the cost of activities that the relevant public authority would not carry out if the action was not undertaken, as attested by the TORs of the specified personnel;
- costs leading to personal or private profit; and
- any purchases of goods and services for which supporting documents are missing.

7.2.3 [Eligible countries and Target groups](#)

The Grant Scheme targets creative and cultural enterprises, entities and organisations that are actively participating in the cultural and creative sector in the Pacific. These could be Governments or non-governmental agencies, community groups, artists associations, sole traders or small or larger businesses, with the purpose of supporting the cultural and creative sectors.

It is assumed that most activities will take place in the target countries listed below. However, some activities may be carried out in other Pacific ACP countries not mentioned. If your planned activities include countries that are not listed below (i.e., a non-Pacific ACP country), then you must clearly explain in your proposal how the location of the activity is justified and how these activities will benefit the target populations of the Pacific ACP countries.

Eligible countries for the Grant Scheme include:	
1. Cook Islands	9. Papua New Guinea
2. Federated States of Micronesia	10. Samoa
3. Fiji	11. Solomon Islands
4. Kiribati	12. Timor Leste
5. Marshall Island	13. Tonga
6. Nauru	14. Tuvalu
7. Niue	15. Vanuatu
8. Palau	

7.3 Exclusion criteria

Applicants may not participate in this RFP Grant Scheme or be awarded a grant if they are in any of the situations listed in the Procedures and practical guide, PRAG 2018 (Practical Guide-Section 2.6.10.1.1). This practical guide on contract procedures for European Union external action (PRAG) provides contracting authorities, and tenderers, candidates, applicants and contractors, with practical assistance in preparing and implementing procurement and grant contracts in the field of external action. To that effect, applicants must sign a dedicated declaration (see Annex V: Applicant declaration).

7.4 Non-Eligible Actions

The following types of action are not eligible:

- The purchase of land or involuntary resettlement of people.
- Activities on indigenous people's lands or territories without having obtained their free, prior and informed consent.
- Activities on land contested by local communities or indigenous people.
- Activities that negatively affect physical cultural resources and their access and use, including those important to local communities.
- The removal or altering of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values).
- Activities significantly affecting vulnerable groups within local communities, indigenous peoples or where these communities, vulnerable groups, indigenous people have not provided their broad support to the project activities.
- Activities that include the procurement, handling, storage and use of unlawful pesticides.
- Activities that negatively impact ecosystems and protected species.

In addition, applicants shall not propose financial support to third parties through sub-grants.

8. Evaluation Process

Funding is awarded to the top-ranking proposal according to the total score and in line with the capacity to manage the funds and project according to the evaluation matrix set out in Annex III. In case of equal scores, the proposal with higher co-benefits beyond adaptation, (e.g., fostering regional cooperation), will be awarded the grant.

Applicants who qualify this assessment will need to undergo an **operational capacity assessment** before being awarded the grant. The grant thresholds will be dependent on the result of the Capacity assessment.

9. Award of Grant

9.1 Announcement of Award

An award letter, together with the activity sheet and budget, will be given to each lead applicant representing the grantee. This letter will have to be signed by the representatives of both SPC and the lead applicant representing the grantee before the activities begin.

9.2 Signing of Grant Agreement

Upon acceptance of grant award, a grant agreement in accordance with the General Conditions attached in Annex IX will be entered into by SPC and the grantee (the lead applicant) for the term of the grant award. The grant agreement will stipulate the terms and conditions of the grant and its duration.

9.2.1 Policy Requirement

As a standard practice, all grant agreements will require adherence to SPC policies for the implementation of activities using the grant funds.

10. Reporting requirements

10.1 Narrative

As a general condition of agreement, recipients of funding from the Grant Scheme will be required to provide quarterly progress reports until the project is completed. These reports must provide, inter alia, information on the activities implemented, results achieved, and the problems encountered, and solutions found as well as a provisional timetable and budget forecast of the activities still to be carried out. The timeframes and amount for the disbursement of funds will be agreed upon by SPC and the Grantee and will be dependent on the results of the capacity assessments. Financial acquittals will be mandatory to receiving funds and the timing and details will also be detailed in the Grant Agreement. A final report must also be submitted by the end of the grant period.

10.2 Acquittal of Expenditures

The SPC Grants beneficiaries must be able to provide full documentary evidence to support the expenditure of the project activities implementation. If records are not in place to demonstrate this, a project may be required to repay money which has already been claimed.

For information, receipts of expenditure include (but are not limited to) the following:

- | | |
|--|--|
| <ul style="list-style-type: none"> • supplier invoices or receipts • purchase orders or purchase requisitions • delivery receipts • supplier statements of account • contracts/agreements • shipping documents • per diem and acquitted advance forms | <ul style="list-style-type: none"> • air travel tickets and boarding passes • procurement tender evaluation dossiers and minutes • staff contracts • bank statements • receipt books. |
|--|--|

11. Payment Schedule

A payment schedule will be agreed upon between the grantee and SPC and this will be based on the capacity assessment and the Project Workplan (Schedule) and Budget. An initial amount will be paid on the signing of the Grant Agreement and further payments based on the provision of acquittals and reports. This will be clearly articulated in each Grant Agreement. An example of what a payment schedule may look like is as follows:

<u>Payment Schedule</u>	<u>Submitted Output</u>
Tranche 1: 20% of Total Grant.	Within one week of signing of Grant Agreement.
Tranche 2: 50% of Total Grant	Submission of 1 st quarter report with financial acquittals up to 80% of the previous tranche.
Tranche 3: 30% of Total Grant	Submission of narrative report on the 2 nd disbursement with financial acquittals up to 80% of the total funds disbursed.
	Submission of final report –
	1. Audited Financial report (Applicable to Medium & Large Grants)
	2. Narrative report