

## **DISCLAIMER**

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### **Order of the Minister for Foreign Trade and Development Cooperation of 19 September 2014, MinBuza-2014.581200, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006, (Third Call Ghana WASH Window Sustainable Water Fund).**

The Minister for Foreign Trade and Development Cooperation,  
Having regard to Article 6 of the Ministry of Foreign Affairs Grants Decree;<sup>1</sup>  
Having regard to Article 5.1 of the Ministry of Foreign Affairs Grant Regulations 2006;<sup>2</sup>

## **Orders:**

### **Article 1**

Grants awarded under Article 4.8 of the Ministry of Foreign Affairs Grant Regulations 2006 in the framework of the third call of the PPP facility Ghana WASH Window of the Sustainable Water Fund (GWW-FDW) for the period from 16 October 2014 through 31 December 2015, are subject to the administrative rules (GWW-FDW Grant Policy Framework, Third Call) attached as an annex to this Order and they are subject to a grant ceiling of €20 million.

### **Article 2**

1. Applications for a grant within the framework of the third call of the Ghana WASH Window (Sustainable Water Fund) may be submitted from the date on which this Order enters into force until 15:00 Central European Time on 16 February 2015.
2. Applications must be submitted using the model application form as stipulated by the Minister and accompanied by the documents stipulated in the application form.<sup>3</sup>

### **Article 3**

The available funds will be allocated in accordance with an assessment based on the criteria set out in the annex to this Order, on the understanding that out of all the applications that meet the criteria, those that meet the requirements to the fullest extent will be given priority.

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<sup>1</sup> Bulletin of Acts and Decrees 2005, no. 137.

<sup>2</sup> Government Gazette 2005, no. 251.

<sup>3</sup> The application form can be found at <http://english.rvo.nl/gww>

## **Article 4**

This Order enters into force on the day after the date of the Government Gazette in which it appears and lapses with effect from 31 December 2015, on the understanding that it continues to apply to grants awarded prior to that date.

This Order and its accompanying annex will be published in the Government Gazette.

Head of Mission of the Dutch Embassy, Accra, Ghana

H. Docter

For the Minister for Foreign Trade and Development Cooperation

# ANNEX to GWW-FDW Grant Policy Framework, Third Call

## 1. Overview

This annex sets out the GWW-FDW Grant Policy Framework, Third Call. It constitutes the formal framework for the assessment of grant applications. The model application form, including its annexes, is an integral part of the grant policy framework.

Section 2 provides general information on the objectives, policy context, content and scope of the GWW-FDW Grant Policy Framework, and section 3 provides information about the implementing organisation. Section 4 looks at the applicant's own contribution and the grant amount, while section 5 discusses eligible costs. Section 6 describes the application and assessment procedure. It also details the requirements applications must meet in order to qualify for a grant. Section 7 provides information on grant awards and the implementation of GWW-FDW projects.

Annex 1 contains the application form, and a glossary of terms can be found in Annex 2. Annex 3 contains the OECD-DAC definitions of outcome and output. Annex 4 lists GWW indicators for monitoring and evaluation of projects and GWW. You can download the application form, the glossary and the additional information from the Netherlands Enterprise Agency website: <http://english.rvo.nl/gww>.

## Ghana WASH Window Sustainable Water Fund

### 2.1 Objectives and policy themes

Access to safe drinking water and an environment free of diseases are basic requirements and a recognised human right. That is why improved access to clean drinking water and sanitation is one of the three themes specified under Dutch development cooperation's policy priority on water (letter to the House of Representatives on "Water for Development" of 9 January 2012). Investing in drinking water and sanitation is highly efficient – certainly when part of the investment is on improved hygiene. Drinking water and sanitation have a major impact on public health – and therefore on productivity. Progress in the water and sanitation sector will only be achieved if new financing modalities are used for the required investments, in addition to public funds. Local initiatives and the private sector must also play a greater role.

Although, globally, in recent years we have come considerably closer to achieving the Millennium Development Goals (MDG) on drinking water and sanitation, specific areas like slums in major cities are lagging behind. This is particularly true when it comes to sanitation and sub-Saharan Africa.

The MDG goal for water and sanitation is within sight in Ghana, but progress on sanitation objectives has slowed. In 2012, 14% of the population in Ghana had access to improved sanitation that was not shared with other households (WHO/UNICEF JMP 2013), while 59% were dependent on shared or public sanitation facilities, and the other 19% had no access to such facilities or were dependent on facilities that did not meet the improved sanitation requirements.

The Ghanaian government has set out its WASH policy in the National Water Policy (2007), Environmental Sanitation Policy (2010) and the National Environmental Sanitation Strategy and Action Plan (2010). These documents identify three important areas for intervention:

- Improving access to WASH facilities by investing in hardware (e.g. infrastructure, products and improving the quality of existing facilities)
- Training, education and providing information on hygiene, focusing on behavioural change and mobilising communities and individual households to improve sanitation and hygiene
- Creating an enabling environment, which comprises policy development, institutional development and strengthening or developing sustainable financing models.

These principles, together with the guiding principles of Dutch development cooperation policy and input from local stakeholders, form the basis for the Dutch and Ghanaian government-initiated "Ghana-Netherlands WASH Programme" (GNWP), to which the Dutch government is contributing €100 million and the Ghanaian government €50 million. In addition, the private sector is expected to make a contribution of €50 million.

The main goal of GNWP is to sustainably improve sanitation, hygiene and use of safe drinking water in (peri-)urban areas to contribute to improved health and social economic situation of the

population in the project areas. More specifically, GNWP's objectives are to:

1. improve sustainable access to and use of sanitation (including managing black and grey waste water and solid waste) and hygiene, especially for the poorest and most vulnerable population groups;
2. improve sustainable access to and use of safe and affordable drinking water, especially for the poorest and most vulnerable population groups;
3. improve water management;
4. increase the capacity of local authorities and other key actors concerned with governance and management of water and sanitation;
5. increase participation by the private sector and local businesses in sustainable funding of WASH;
6. create conditions for scaling up a sustainable, urban WASH approach in other cities.

In the interests of ensuring the sustainability of possible interventions, there is particular emphasis on behaviour change through communication, creating demand for WASH facilities, ensuring that the costs of WASH facilities are reasonable throughout their entire life cycle, and developing sustainable financing models. In addition, decentralised water and sanitation systems with management at the lowest possible organisational level, bottom-up monitoring and accountability, safe recycling of human waste, recycling of waste water and innovative partnerships are also expected to play an important part in achieving the GNWP's objectives. In Ghanaian context, a combination of different technological and service solutions, priced at varying levels, will probably best meet the needs of the target groups.

The PPP facility Ghana WASH Window of the Sustainable Water Fund (GWW-FDW), on which this Order focuses, is an important part of the GNWP. Under the GWW-FDW, Public Private Partnerships can apply for financial support for projects that will help to achieve the objectives of the GNWP, as set out above. The GWW-FDW is a major sub-programme within the GNWP and will be tendered in three calls; this Order and grant policy framework apply to the third call only. The structure of the GWW-FDW and the associated procedures are based on the Sustainable Water Fund.<sup>4</sup>

## **2.2 Public Private Partnerships (PPP)**

The GWW-FDW is aimed at utilising opportunities for public private partnerships to offer clear added value. The focus is on activities relating to Water, Sanitation and Hygiene (WASH) and integrated water resource management which will contribute to sustainable economic growth and poverty reduction in Ghana. Examples include developing and facilitating strategic collaborations between stakeholders, knowledge sharing and innovation, such as developing and co-financing business models for urban water supply, sanitation and waste management.

A PPP focused on utilising economic opportunities with participation of businesses in the PPPs will involve an intervention based on a revenue model. Within that model there is scope for empowering the target group so that it can make its own choices with respect to products and services and for encouraging the local private sector to participate. A PPP must be based on a model with demonstrable financial sustainability. PPPs can also address obstacles to the utilisation of commercial or social opportunities. If the PPP focuses on those types of opportunities, it must be clear where the problem lies and how it will be resolved.

The interventions carried out by PPPs will contribute to the long-term goals of Dutch development cooperation policy on sustainable economic growth, poverty reduction and self-reliance.

## **2.3 Sustainability**

Sustainability should be integrated in GWW-FDW project plans. International Corporate Social Responsibility (ICSR)<sup>5</sup> is also an important concept for the Dutch government and it expects

PPP projects to lead the field in this area in Ghana and in the sector concerned. Sustainability and ICSR will be considered in the assessment of proposals and the implementation will be evaluated on the basis of these factors as well. The (contribution to) sustainability of proposed projects is assessed in accordance with the FIETS criteria:

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<sup>4</sup> <http://english.rvo.nl/fdw>.

<sup>5</sup> In observance of the Dijkers motion (32505/27) as well as the Ferrier (32605/45) and El Fassed (32605/34) motions.

- F (financial): the extent to which the project can be continued without grants from foreign donors
- I (institutional): the extent to which the project is embedded in local institutional systems, procedures and policy, and the capacity of local project partners and public bodies (knowledge transfer)
- E (environmental): the extent to which the projects safeguard the long-term availability of natural resources, climatic stability and a healthy living environment
- T (technological): the extent to which the technologies dovetail with local needs and the local context; and the quality, affordability and operational sustainability of these technologies
- S (social): the extent to which activities are socially and culturally acceptable and have positive results (e.g. increased income, economic security and social services) for the most vulnerable groups (e.g. women and indigenous peoples)

During the application phase more information about the way in which sustainability and ICSR should be included in the proposal can be found on the website at <http://english.rvo.nl/gww>.

#### **2.4 Sustainability compact**

During implementation, the PPP should strive to lay down arrangements to ensure operational sustainability in a "sustainability pact" with the relevant parties who assume or are given responsibility for continuing the activities. The "pact" should encompass the various roles, the technical and operational sustainability, financing of the activities to be continued and stakeholder representation.

#### **2.5 Who are the grants for?**

Grant applications can be submitted only by partnerships that consist of at least one company, one public body and one NGO or knowledge institute. At least one of the parties must be based in the Netherlands and one in Ghana.

One of the parties submits the grant application on behalf of the partnership and is regarded as the "lead party". This lead party may be either a Dutch or a foreign party. If the application is approved, the lead party is the grant recipient.

The grant recipient, i.e. the lead party, bears full responsibility to the Minister for the fulfilment of all obligations associated with the grant, even if the grant is partly used to fund the activities of co-applicants in the partnership, or if the activities are carried out in part or in full by one or more of the co-applicants. The grant recipient is also responsible for the implementation of the project proposal.

Should there be any changes in the partnership during the project's implementation, i.e. one or more parties join or leave the partnership, or the entire partnership is dissolved, the lead party will remain the contact for and will continue to bear full responsibility to the Minister as grant provider. The lead party must submit any changes in the partnership to the Minister for approval. The Minister reserves the right to demand full or partial repayment of the grant money from the grant recipient.

Since the grant recipient is dependent on his co-applicants for the implementation of and compliance with the obligations associated with the grant, this cooperation must be established explicitly in an agreement. A written cooperation agreement signed by all participating parties must guarantee their cooperation and compliance with the agreements made, as well as fulfilment of the obligations towards the Minister in respect of the grant.

#### *Target group*

The target group is the specific group of people on which the activities focus. Potential target groups for GWW-FDW activities include poor households, vulnerable groups, local SMEs and local public servants. The target group may be located in (peri-)urban or rural areas. Individual members of the target group cannot be partners in the Partnership, except through organisations that legitimately represent the target group, (interest group, cooperation, formally registered company, or the government). The project must have clear, positive results for the target group.

### **3 Implementing organisation**

The Minister for Foreign Trade and Development Cooperation has charged the Netherlands Enterprise Agency (RVO.nl) with the implementation of these administrative rules. The Netherlands Enterprise Agency will implement these administrative rules on behalf of the Minister for Foreign Trade and Development Cooperation based on a mandate given to the Netherlands Enterprise Agency.

### **4 Own contribution and grant amount**

The GWW-FDW grant contributes towards the costs associated directly with the project. The grant covers up to a maximum percentage of eligible project costs. This percentage is 70%, but the grant is never more than € 10,000,000. Grant applications for less than € 500,000 do not qualify for receiving a grant.

A partnership applying for a grant must contribute at least 30% of the eligible project costs. A higher financial own contribution is encouraged and more highly valued.

In order to enable innovation, financial company contributions in the form of investments may be spread out over the course of the project and depend on previously defined results over time (milestones). Part of the sum must be invested at the start of the project and milestone-dependent investments over the course of the project must be laid down explicitly in an agreement with all the partners concerned, which must tie in with the project plan. The general programme requirements must be met at the time the application is submitted, and all the partners must be committed to their contributions (willingness to invest). If the Partnership does not lead to the intended interim results and/or investments (own contribution) are not made, the amount of the Ministry's grant may be adjusted accordingly.

Loans provided by one of the partners in the partnership cannot be used as part of the partnership's own financial contribution towards eligible project costs, nor can the economic growth of individual members of the target group of the project be capitalised as the partnership's own contribution or as a company contribution.

At least 15% of the eligible project costs are financed by the own contribution of companies. A higher contribution from companies is encouraged.

### **5 Eligible costs**

The GWW-FDW grant constitutes a contribution towards the costs associated directly with the implementation of the project. Costs are only eligible for a grant if they can be directly attributed to the implementation of the project and if the requirements specified in the decision awarding the grant are met.

Costs that are eligible for grants are costs of Capital Goods (Hardware) And Technical Assistance (TA) and, to a limited extent, of a Revolving fund (RF).

#### **5.1 Capital goods (hardware)**

The costs of capital goods will not be eligible for a grant until Result 1 (see section 7.2) has been successfully completed.

Eligible costs of capital goods (hardware) are:

- Investments in durable capital goods that are necessary for implementing the project
- Investments in new common infrastructure or improvements to existing infrastructure, excepting regular maintenance.
- Mandatory levies on the acquisition of capital goods

- Cost of BTW/VAT, if the project partners can demonstrate that these costs cannot be claimed for a refund or that the project partners are not exempt from BTW/VAT on the basis of local regulations and if these are included in the project budget

## 5.2 Technical assistance

Eligible costs of technical assistance are:

- Costs of project management, including the costs of activities such as organising meetings, drawing up business plans, reporting etc.;
- Costs of monitoring and evaluating the project;
- Project-related operational costs, i.e. the demonstrable costs of maintaining all or part of the product or service delivered by the project throughout the agreed project period. This does not cover operational costs relating to business activities;
- Costs of other technical assistance. This includes costs of knowledge transfer and training of staff within the PPP and third parties, costs of quality or ICSR certification (e.g. ISO certification and environmental certification), permits, marketing, advice and technical assistance related to the creation and management of a Revolving Fund;
- Costs of activities that are beyond the level of individual organisations and that concern the Partnership's common interests, such as multi-stakeholder dialogue, market development, joint risk analysis for water management, institutional capacity, creation of a payment system for environmental services, management of upstream tributaries, etc.;
- Costs of BTW/VAT on services by third parties, if the project partners can demonstrate that these costs cannot be claimed for a refund or that the project partners are not exempt from BTW/VAT on the basis of local regulations, and if these are included in the project budget.

Rates for technical assistance are calculated by the GWW-FDW in accordance with the standard Dutch method of "wage costs and a 50% mark-up"<sup>6</sup>. Wage costs are based on a minimum of 1550 workable hours per year per FTE.

## 5.3 Revolving Fund

In a Revolving Fund (RF), the capital circulates between the fund and the users of the fund, for the purpose of promoting access to financial services for WASH-related investments in poor households and the Ghanaian SME.

Costs related to financing the establishment and provision of capital for a Revolving Fund (RF) are partially eligible for a grant under additional conditions within GWW-FDW. Technical assistance for the establishment of the RF is eligible for a grant under the conditions listed below and in section 5.2. Capital in the RF is eligible for a maximum grant of € 250,000.- if the additional conditions for Revolving Funds listed below are met. This means that the maximum eligible amount for the RF capital is € 357,143.- and that a maximum of € 107,143.- can be capitalised as the partnership's own contribution.

At the end of the project period RVO.nl will determine the grant amount, and the grant amount in relation to the RF will be determined on the basis of the performance and effectiveness of the RF.

### *Additional conditions for the Revolving Fund*

Up to €357,143.- of the capital of the RF is eligible (maximum grant of € 250,000), provided the following conditions are met:

- At least 30% of the RF capital is financed in cash by the partnership.
- The RF must have or obtain legal status before the RF becomes operational.
- Only an existing, legally registered institution with the status of financial intermediary for microfinance and possessing the necessary permits may act as such vis-à-vis the target group.

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<sup>6</sup> <http://english.rvo.nl/gww>

- The aim of the RF is to give poor households and Ghanaian SMEs access to financing, and it is linked specifically to investments with a GWW-FDW subtheme. In doing so, the RF results in a net improvement of the circumstances of the target group.
- The RF is a demonstrable supplement to the existing product portfolio of the managing MFI(s).
- The RF is demonstrably financially sustainable, even after the project has ended.
- The need for and effectiveness of (the size of) the RF capital is demonstrated, taking into account the maturity of the financial products that are offered to the target group via the RF.
- The PPP partners who will potentially profit share equally in the risk of the RF, and the risk of the grant provider does not exceed the amount of the provided grant.
- The financial products for the target group are in conformity with the local market, are financially sustainable and do not distort the local market.
- The financial products do not result in an unacceptable debt burden for the beneficiaries (recipients of the financial product).
- Loans financed by the RF must be repayable within the project period.

#### **5.4 Non-eligible costs**

The following items do not qualify for grants and are therefore not eligible costs:

- Costs incurred before the starting date and after the end date of the project. The starting date of the project may not be earlier than the date on which the application is submitted.
- Costs made for drafting of the FDW grant application
- Costs of borrowing and interest payments
- Costs incurred for purchasing, renting or leasing existing buildings
- Costs incurred for purchasing, renting or leasing land
- Cost of research and development (R&D)
- Operational costs, excluding project-related operational costs
- BTW/VAT costs that can be reclaimed by the project partners for a refund
- Contributions in kind from Ghanaian government authorities
- Costs incurred by public partners that are related directly to the regular implementation of their primary public tasks
- Costs incurred by third parties, i.e. costs that are not reimbursed or paid by partners in the PPP
- Costs resulting from inflation and exchange rate fluctuations

Under Article 9 of the Ministry of Foreign Affairs Grants Decree, a grant will be refused if the application is submitted after the activities have started. For the record, it should be noted that if activities are carried out in preparation for the project before submission of the application, this will not lead to refusal to award a grant, but the costs will not be covered by the grant.

The facility provides grants for, among other things, projects that can ultimately lead to competitive economic activity (e.g. developing and implementing a revenue model for collecting, processing and reusing latrine waste). To achieve this, private sector knowledge and expertise are essential. The facility does not finance commercial investments by companies, but rather offers support where the market falls short because the risk is considered too high (in accordance with OECD-DAC, ODA criteria). This is checked in advance.

## **6. Assessment of the applications**

### **6.1 Informal preliminary phase and substantive dialogue**

The preliminary phase is entirely informal and voluntary. It is intended as a low-threshold service and may consist of intensive substantive dialogue if so desired. Potential applicants can discuss their proposal with Netherlands Enterprise Agency (RVO.nl) from the moment the call is opened up to 2 weeks before the deadline for the formal submission of proposals. Appointments are



scheduled depending on how promptly the applicant requests a dialogue and on the availability of RVO.nl staff. Potential applicants wishing to engage in a substantive dialogue with RVO.nl must submit a concept note drawn up using the standard template that is available on the GWW-FDW website<sup>7</sup>. The concept note forms the basis for the dialogue consisting of intake and follow-up talks. The potential applicant is then assigned an account manager by RVO.nl - possibly supported by independent external experts - who will give an oral response to the points described in the concept note and the applicant's questions. It does not confer any rights.

The concept note is not assessed formally, so the project idea set out in it cannot be rejected during the preliminary phase. However, RVO.nl will give a general indication of whether or not the proposal satisfies the grant criteria. Submitting a GWW-FDW proposal is always an option, irrespective of the feedback given by RVO.nl. This decision is up to the applicant.

No rights can be derived from the outcome of the preliminary stage in respect of the assessment of a formal proposal.

## **6.2 Formal procedure**

Upon receipt of the GWW-FDW applications the Netherlands Enterprise Agency checks to make sure the application meets the formal requirements (see section 6.5 Administrative Assessment). If an application meets the formal requirements, the Netherlands Enterprise Agency takes the application under consideration.

Once the application is accepted for consideration the substantive assessment procedure starts. The Netherlands Enterprise Agency assesses whether the application meets the threshold criteria, the partnership check and the project check. The application must meet all threshold criteria. The project check and partnership check result in an assessment score on the basis of which it is decided whether the threshold criteria have been met. More information about the threshold criteria, the partnership check and the project check can be found in section 6.6 Substantive Assessment.

The Dutch embassy in Accra advises on the quality of the project proposals and the quality of the partners in the partnership. The Embassy will develop this advice in consultation with the central Ghanaian government. The embassy's advisory opinion will weigh heavily. If their advice is not followed, reasons will be stated. The Netherlands Enterprise Agency may also submit a proposal to external experts for advice during the procedure, or a representative from the Netherlands Enterprise Agency may interview the partners and travel to Ghana to obtain information from Ghanaian partners or suppliers to the project. If necessary, the Netherlands Enterprise Agency can independently contact the project partners for more information about the application.

The Netherlands Enterprise Agency will submit the proposals and the first assessment to an independent GWW-FDW advisory committee appointed by the Minister for Foreign Trade and Development Cooperation. The committee advises the Minister for Foreign Trade and Development Cooperation on the Netherlands Enterprise Agency's assessment of GWW-FDW grant applications. The opinion of the advisory committee will weigh heavily. If their advice is not followed, reasons will be stated. Under the mandate of the Minister for Foreign Trade and Development Cooperation, the Netherlands Enterprise Agency will decide on the grant applications.

## **6.3 Allocation of available resources**

The allocation of available resources takes place at the end of the assessment process on the basis of the outcome of the partnership check and the project check. The allocation of available resources will take place according to the ranking of the applications that meet the threshold criteria and whose scores on the partnership check and the project check are high enough. This ensures that only applications of sufficiently high quality are eligible for a grant.

Applications will be ranked according to the results of the partnership and project checks. Applications which better meet the project and partnership check criteria will receive a higher score, and thus a higher ranking, than applications which are less successful in this respect.

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<sup>7</sup> <http://english.rvo.nl/gww>

If the available resources are insufficient to award grants to all applications whose scores are meeting minimal requirements, higher-ranking applications will take priority over lower-ranking applications. It is therefore possible for a project to attain a satisfactory score, but still be rejected because the available grant budget is insufficient.

#### 6.4 Guiding principles

The provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 are fully applicable to the assessment of applications and the award of grants. Applications will be assessed in accordance with these regulations and pursuant to the requirements set out in these administrative rules. The administrative rules laid down in the Standard Framework for Development Cooperation also apply.<sup>8</sup> If the administrative rules applying to the GWW-FDW deviate from the Standard Framework for Development Cooperation, the former will prevail.

#### 6.5 Administrative assessment

The application must meet all the formal requirements listed below. If these requirements are not met, the Netherlands Enterprise Agency will not take the application into consideration, subject to Article 4:5 of the General Administrative Law Act.

- The application must be complete and must be submitted before the deadline. The deadline for receipt by the Netherlands Enterprise Agency is on 16 February 2015, 15:00h (Central European Time). The address for submitting the application is:

Visiting address	Mailing address
Netherlands Enterprise Agency Attn.: GWW-FDW Prinses Beatrixlaan 2 The Hague	Netherlands Enterprise Agency Attn.: GWW-FDW P.O. Box 93144 2509 AC The Hague

- With regard to the application procedure, particular attention is drawn to Article 7, paragraph 3 of the Ministry of Foreign Affairs Grants Decree. If an incomplete application is submitted, the Minister may request a supplement. In this case, the date of receipt of the application will be the date on which the application was supplemented. In the event an application is submitted in the two weeks before the deadline, the applicant runs the risk that the Minister will not use his right to request a supplement because this is no longer feasible before the deadline. In that case the application can no longer be supplemented but will be assessed as it was submitted.
- Grant applications must be complete and submitted in writing (one hard copy) to Netherlands Enterprise Agency as specified on the application form and in the annexes<sup>9</sup>
- Along with the application on paper, an electronic copy must be submitted on a digital storage device with USB connector (USB key).
- The application form must state the name of the lead party. A representative with the authority to sign for the lead party must sign the form.
- In addition to the lead party, all other project partners must also sign a completed partner form. Please note that if the grant is awarded, the lead party is the sole grant recipient. This means that the lead party bears full responsibility for the fulfilment of all obligations, regardless of who carries out the project activities.
- A written cooperation agreement, signed by all participating partners, must be provided together with the application. The cooperation agreement guarantees the commitment of all partners to the implementation of the project, compliance with the agreements, and compliance with the obligations towards the Minister as stated in the grants decree.
- The project partners must declare that they are aware of and will act in accordance with the OECD Guidelines for Multinational Enterprises on corporate social responsibility, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Convention on Biological Diversity. Information about these documents can be found on the Netherlands Enterprise Agency website <http://english.rvo.nl/gww>.

<sup>8</sup> Order of the Minister for European Affairs and International Cooperation no. MinBuZa-2012.16922 of 24 July 2012 adopting administrative rules containing general provisions for grants awarded for development cooperation activities (Standard Framework for Development Cooperation 2012), Government Gazette 2012, no. 15896.

<sup>9</sup> The application form with annexes is available on <http://english.rvo.nl/gww>

- The lead party must declare that the project activities for which a grant is requested are not on the FMO exclusions list. There is a link to this list on the Netherlands Enterprise Agency website.
- Applications must be submitted in English.

## **6.6 Substantive assessment**

Once the application is taken under consideration it will be assessed on its content. GWW-FDW applications will be assessed according to the threshold criteria, the partnership check and the project check. This assessment will result in a decision on the GWW-FDW application.

### *6.6.1 Threshold criteria*

An application will be rejected in any case if one or more of the following threshold criteria are not met:

- With respect to relevance to development cooperation policy, the project is sufficiently aimed at structural poverty reduction, sustainable economic growth and self-reliance
- The project aim and the project activities focus on at least one of the following themes: “sanitation and hygiene”, “improved waste management (solid and liquid)”, “access to and use of safe drinking water” and “integrated water management”
- The project activities take place in Ghana
- The partnership consists of at least one public body, one company and one NGO or knowledge institute
- At least one of the parties has legal personality under Dutch law, and at least one party has legal personality under Ghanaian law
- All the parties in the partnership must have legal personality
- The grant application is for at least € 500,000 and for no more than € 10,000,000
- The project duration is no more than 5 years
- The proposal pertains to one integral project
- The partnership’s own financial contribution covers at least 30.0% of the eligible project costs (this contribution may not come from grants or contributions awarded by the Ministry of Foreign Affairs, directly or indirectly)
- If it concerns investments in projects with an innovative character, part of the money must be invested directly at the start of the project. The milestone-dependent investments over time must be explicitly established in an agreement by the project partner(s) involved in the project and they must be in harmony with the project plan. At the time of the application all project partners must commit to their contributions (willingness to invest)
- At least 15.0% of the eligible project costs must come from company funds (company contribution)
- The proposal must include a satisfactory system for monitoring and corrective action. Sustainability must also be incorporated in the system for monitoring and corrective action. At least 2.0% of the project budget is reserved for project Monitoring and Evaluation of the project.
- Projects with a project budget exceeding €4,000,000 must demonstrate that these will be evaluated by an independent party. The cost of an external evaluation, including a baseline study, must be included in the budget. The final draft and the final report must be submitted to the Netherlands Enterprise Agency in due time.
- Throughout its duration, the project must not be commercially viable. This must be demonstrated using a standard calculation model (available via <http://english.rvo.nl/gww>).
- The intervention must be demonstrably financially sustainable. An intervention is financially sustainable if it can endure without a GWW-FDW grant or other grants from foreign (non-Ghanaian) donors. This must be demonstrated using a standard calculation model (available via <http://english.rvo.nl/gww>)
- the proposal must make clear that the project will not distort the market in Ghana or in Europe
- The project does not involve initiatives aimed wholly or partly at proselytisation
- The companies must have a good reputation in terms of ICSR
- The participating company will submit a document setting out its ICSR policy (in accordance with OECD guidelines) with the grant application or will demonstrate that this will be done

during the grant period. The ICSR policy is proportional to the size of the company, at the discretion of the RVO.nl.

- The project partners demonstrate that they have sufficient funds at their disposal to finance their own contribution and the working capital for the project. A number of guidelines that the Netherlands Enterprise Agency will use to assess this are included in the model application form.

#### 6.6.2 Project check

The purpose of the project check is to assess the application in terms of the quality of the proposed project. The project check uses several criteria to assess the quality of the project proposal. Projects whose quality is judged to be deficient will be rejected.

The project check contains the following criteria:

- Policy relevance: the project must be relevant to policy. This is assessed on the basis of the following factors:
  - The project clearly contributes to achieving at least one of the goals of the GNWP
  - The project activities complement or supplement existing Ghanaian government policy and Dutch development cooperation policy on water and sanitation, and existing programmes and activities
  - The project goals are tailored to the target group as formulated within GNWP, including the poorest and most vulnerable groups in society. The project goals should be aligned with existing needs and wishes of the target group.<sup>10</sup>
  - The proposal includes a clear and accurate problem analysis of the social, economic and political factors in the project area, offers a logical response to that analysis and proposes alternative solutions
- Intervention strategy: The project must be based on a high-quality, logical intervention strategy, integrating sustainability in the project. This is assessed on the basis of the following factors:
  - The proposed intervention strategy is feasible and ties in with the local situation, and makes achieving the project's objectives possible. This means involvement of the target group and attention for vulnerable groups in society.
  - The proposed intervention is technically and socially feasible. Social feasibility depends largely on the achievement of sustainable changes in WASH behaviour; the strategy to achieve this will be looked at closely.
  - The extent to which the project is innovative for Ghana (innovative character). For example, innovation can be achieved through innovative processes or products, not only in terms of technology but also in terms of positive changes in behaviour.
- Sustainability: the extent to which the project is sustainable. Sustainability is assessed in accordance with the FIETS principle.<sup>11</sup> The project must be financially, institutionally, environmental, technically and socially sustainable. There is special focus on crosscutting themes: gender, good governance, climate and environment.<sup>12</sup>
- Quality of the project plan: The project should be described clearly and in a logical manner. This is assessed on the basis of the following factors:
  - The extent to which the project is expressed in terms of activities, outputs and outcomes (see Annex 3);
  - The extent to which there is a clear link between activities, outputs, outcomes and necessary resources;
  - The extent to which the envisaged outcomes, outputs and resources are Specific, Measurable, Achievable, Relevant and Time-Bound (SMART);
  - The extent to which the project will deliver concrete results .
- Price-quality ratio:
  - *Scale*: the project should have a demonstrably significant one-off outcome, or demonstrably have the potential to reach a larger group of beneficiaries in the long run (impact).

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<sup>10</sup> In accordance with the Dijkers motion 2011 32 05 and the EI Fassed motion 2011 32 605, no. 34

<sup>11</sup> In accordance with the EI Fassed motion 2011 33 000 no.51

<sup>12</sup> In accordance with the Ferrier motion 2011 32 605, no. 45 and the EI Fassed motion 2011 32 605, no. 34

- *Price-quality ratio*: the project budget and the grant amount requested must be in proportion to the intended results. This will also include an assessment of the partners' own contributions to the project budget and the share of the participating companies in this.
- Risks, monitoring and evaluation: this is assessed on the basis of the following factors:
  - The project proposal includes a realistic analysis of the risks and mitigating measures. This will in any case include risks that could threaten the achievement of the envisaged project results.
  - The proposal must include a satisfactory system for monitoring and evaluation, including attention for sustainability and the indicators listed in Annex 4 of the GWW-FDW Grant Policy Framework.
  - The extent to which ICSR risks are mitigated within the project. The lead party will submit a risk analysis, in accordance with the OECD Guidelines, of possible adverse effects of the project to be financed. If there is a real likelihood of non-compliance with the OECD Guidelines, the lead party must describe what measures will be taken to mitigate these risks, how the partnership will monitor compliance, and how this information will be made available to interested stakeholders (due diligence process). If the risk assessment cannot be completed before the start of the project, because the project location is not known yet and/or the suppliers have not been identified yet, the lead party must indicate this in its proposal and deliver the missing elements of the risk analysis as part of Result 1 of the project plan. With regard to chain responsibility it concerns an analysis of the chains of the most elementary raw materials for the production of the final product.

### 6.6.3. Partnership check

The partnership check is carried out on the basis of criteria relating to the quality and efficiency of the partnership applying for a grant. If the quality of the partnership is judged to be insufficient, the proposal will be rejected.

The partnership check contains the following criteria:

- The capacity of the partnership: the capacity of the partnership and of the individual parties is assessed. This is assessed on the basis of the following factors:
  - The extent to which project partners have relevant expertise (in the area of cooperation, the theme and the context in which they will be operating). One of the things that will be examined is the parties' track record over the past three years: Based on the results of their efforts over the past three years, the parties are capable of achieving planned outputs and outcomes, of obtaining the contributions from third parties necessary for the implementation of the project, and of ensuring the sustainability of projects vis-à-vis the ultimate target group. The project complements the project partners' existing activities and strategies.
  - The extent to which the partnership has at its disposal sufficient capacity in the areas of project management, governance, monitoring and evaluation, and financial and administrative management to successfully carry out the project and account for its performance.
- The added value of the partnership: it is important that the parties demonstrate that they will be implementing the project together. The proposal should show why and how the partnership has more value for the substantive goal of the project than individual applicants would have. This is assessed on the basis of the following factors:
  - The partnership has strategic added value (for the development cooperation objectives). The project plan demonstrates the strategic added value of the partnership, which may lie in various factors, including synergy (thematic specialisation, enables innovative approach), efficiency gains (internal functioning of the partnership). The plan will demonstrate to what extent the partnership is crucial for achieving the intended goals.
  - The partnership is feasible. This assessment is based in part on a feasibility analysis. This analysis examines at any rate: the success and risk factors and/or the partnership's strengths and weaknesses. The feasibility analysis identifies risks and contains concrete measures to control them.

#### 6.6.4 Points system for the partnership and project checks

A total of 100 points can be earned in the partnership and project checks. Points are awarded as follows:

Total number of points	100
Project check	70
Partnership check	30

There are minimum scores for both the project and partnership checks. Proposals that do not meet this requirement will be rejected. The minimum scores for the project and partnership checks are presented in the table below.

Within the project check, sufficient scores must be attained on the components Policy Relevance, Intervention Strategy and Sustainability. If this requirement is not met, the proposal will be rejected, even if the total score for the project check and the partnership check exceeds the minimum number of scored points..

Minimum points	
Project check	42
Partnership check	18

#### 6.7 Decision

A decision on approving the application and awarding a grant will be made within 22 weeks after the submission deadline. The Netherlands Enterprise Agency will inform partnerships of the decision. The grant is subject to certain conditions. Applicants who are not awarded a grant will be informed of the reasons for rejection.

## 7. Project implementation and determination of grant amount

### 7.1 Progress report, Result 1

Conditions for the project, e.g. securing the required permits, are listed in Result 1 in the Administrative Decision to award the grant. Achievement of Result 1 is essential to the further implementation of the grant project. Costs for hardware are not eligible for a grant before Result 1 is achieved. Failure to achieve all or parts of Result 1 in a timely manner may have implications for the continued payment of the grant: the decision to award the grant may be amended or even withdrawn.

The first progress report on actual activities and cost must be submitted within 2 months after the deadline for achieving Result 1. The progress report on Result 1 must be written in English in accordance with the model provided by RVO.nl.

### 7.2 Annual progress report and final report

The grant recipient must report on realised activities and costs once every 12 months. This report should include the relevant indicators for the project that are listed in the grant decision (see also section 7.3). Subsequent progress reports must be submitted 12 months after the deadline for submitting the previous progress report. In the last year of the grant period, the final report will replace the progress report. Reports must be written in English in line with the model provided.

### 7.3 Other obligations

Monitoring requirement: the grant recipient must monitor the relevant indicators for the project that are listed in Annex 4 of this grant policy. This will be assessed by RVO.nl. These indicators are an integral part of the Monitoring and Evaluation plan of the GWW-FDW project. Measuring these indicators is a way to determine the contribution of the GWW-FDW projects to the policy objectives. It also facilitates evaluation of the added value of PPPs.

Notification requirement: the grant recipient must give immediate notification in writing if circumstances arise that make it likely that the activities for which the grant was awarded will not

be performed in full, at all, or on time, or it will not be able to meet the obligations attached to the grant.

International standards: the grant recipient must implement the project in accordance with the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Convention on Biological Diversity.

Extraordinary notification requirement: pursuant to the Compulsory Notification for Grant Recipients (Administrative Fines) Act, the grant recipient must ensure that the partners and the primary supplier do not use child and/or forced labour to implement the project for which the grant application has been made or in any other activities. The grant recipient must immediately notify the Netherlands Enterprise Agency of any facts or circumstances that would indicate that these companies do use child and/or forced labour.

#### **7.4 Prepayment and determination of the grant amount**

Prepayments: the decision awarding the grant will specify a prepayment schedule. The sum of all prepayments cannot exceed 90% of the grant award during the project period. After Result 1 has been achieved, prepayments will be made in instalments, once every three months.

Determination of the grant amount: the lead party must submit the final narrative and financial reports, together with a request for a determination of the grant amount, within 6 months of completing the activities or within 6 months of the end date referred to in the decision. These final reports must be written in English and be submitted in line with the model provided (see <http://english.rvo.nl/gww>)

The Netherlands Enterprise Agency will reach a decision within 13 weeks of receiving the request to determine the grant amount. An on-site inspection may form part of its assessment of the request to determine the grant amount, in which case the Netherlands Enterprise Agency may extend the time limit to 22 weeks.

Subsequent information: the Netherlands Enterprise Agency may request that the applicant supply additional information about the project's impact up to 24 months after the grant amount has been determined.

#### **6.5 Administrative burden**

The administrative burden for applicants is determined on the basis of a standard calculation, and the administrative burden is estimated to be 0.4% of the total grant budget. This figure refers only to administrative burdens associated with the grant applications, as the administrative burden associated with implementation and accounting can be incorporated into the project. There are various measures in place to help keep the administrative burden as light as possible, such as informative meetings and intake interviews.

## **Annexes**

### **Annex 1: Application form and GWW-FDW project proposal model**

This annex can be downloaded at <http://english.rvo.nl/gww>

### **Annex 2: GWW-FDW glossary**

This annex can be downloaded at <http://english.rvo.nl/gww>

### **Annex 3: OECD-DAC Definition of “Outcomes” and “Outputs”**

#### **Outputs**

The products, capital goods and services which result from a development cooperation intervention; this may also include changes resulting from the intervention that are relevant to the achievement of outcomes.

#### **Outcomes**

The likely or achieved short-term and medium-term effects of an intervention’s outputs.  
Related terms: result, outputs, impacts, effect.



## Annex 4: General indicators for GWW-FDW monitoring

Programme theme	Indicator	Unit
Sanitation (liquid waste) and institutional WASH compliance	Number of schools which are WASH compliant <sup>13</sup>	#
	Volume of faecal sludge adequately treated (i.e. at faecal sludge treatment plant)	Litre
	Number of people that gained access to and make use of an improved water source.	#
	Number of people that gained access to and make use of improved sanitation facilities <sup>14</sup>	#
Sanitation – solid waste and drainage	Number of households with access to solid waste management	#
	Volume of door-to-door and community collection services	Kilo
	Number of clean areas (no overflowing dustbins and garbage pollution)	#
	Number of drains adequately managed	#
Hygiene behaviour	Number of households practicing hygiene behaviours – hand washing at critical times	#
	Number of households practicing hygiene behaviours – handling children’s faeces.	#
	Number of user groups, water committees and PTAs engaged in WASH activities functional	#
PPP/MFI	Established WASH facilities through the use of micro-loans, for instance: Individual house connection, Individual house latrines and hand washing facilities	#
	Number of local enterprises that have benefited from micro-credits to establish a WASH business	#
Sustainability indicators	Number of people that have been reached by relevant communication activities <sup>15</sup>	#
	Number of business cases which reach break-even point at the end of the project cycle or can be sustained by in country finance.	#
	Percentage of vulnerable <sup>16</sup> people out of total population benefiting	%
Generic indicator	Number of people that have received training or education	#

<sup>13</sup> Schools are considered WASH compliant when they possess the following characteristics: availability of improved drinking water on school premises, the student-toilet ratio is <25, and both water and soap are available for hand washing; please report on actual student-toilet ratio. Please note that the student-toilet ratio may be adjusted to a more achievable target in order to be considered as having basic/ acceptable sanitation standards. We request reporting on the separate aspects of the WASH compliant definition.

<sup>14</sup> With reference to the joint monitoring programme-Unicef/WHO criteria: To be classified as improved if the facility is connected to a public sewer, is connected to a septic system, is a pour-flush latrine, is a simple pit latrine or is a ventilated improved pit latrine. Not improved facilities are public or shared latrines, open pit latrines and bucket latrines. The number of new users is obtained by multiplying the number of toilets by the average family size.

With reference to the joint monitoring programme-Unicef/WHO criteria: To be classified as improved the water supply is a household connection, public standpipe, borehole, protected dug well, protected spring or rainwater collection AND where the source has a minimum yield of 20 litre per capita per day, is within 1 km of the users dwelling and the water source is used by a maximum of 250 persons. Regarded as not improved sources are surface water, stream or canal water, unprotected wells or unprotected springs, vendor provided water, bottled water and tanker truck water

<sup>15</sup> Breakdown by subject/theme and gender, communication activities other than training

<sup>16</sup> Breakdown to specific characteristics: vulnerable in what way?

Vulnerable groups are individuals or households who are especially at risk to be excluded from water related services and infrastructure (water, sanitation and hygiene, extension work, protection from flooding, etc.). These groups vary depending on the context in which the programme is implemented. Most common vulnerable groups are: Income poor: People living below the locally determined poverty line or below the international poverty line of US\$1.25 per day; Women and children: E.g. Women in general or Female headed households  
People living far away from existing services; Ethnic groups; Religious groups; Handicapped