

THE BUSINESS



ADVOCACY FUND

Supporting Private Public Dialogue

Guidelines for applicants

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Business Advocacy Fund

Guidelines for applicants

1. Business advocacy

The Business Advocacy Fund is intended to support business member organisations (BMOs) to engage in private public dialogue and to advocate improvements in the business environment in Kenya. Grants will be provided to support proposals which most closely meet the Fund's criteria and objectives and which are regarded as having the best chance of making an impact.

Business advocacy is defined as the process of influencing the development and implementation of public policies that affect the business sector. These policies will usually be national, regional, district or local government policies.

Prospective applicants are advised to read the fact sheets, 'Introduction to Advocacy' and 'Advocacy: a five step approach' available from the Fund or from the website.

2. Objectives

The Business Advocacy Fund is designed to strengthen the capacity of BMOs to engage in policy dialogue with Government. The Fund will provide grants to eligible organisations and partnerships of eligible organisations:

- To develop their capability to undertake and to support the research necessary to engage effectively in advocacy;
- To undertake, and develop their capability to undertake, advocacy activities;
- To monitor and evaluate actions by government which impact on the enabling environment;
- To create better public understanding of the role of BMOs in advocating a better business climate.

3. Eligible organisations

Applications are welcome from organisations that want to advocate business sector reforms including:

- organisations with membership, directly or indirectly, of private businesses engaged in legal business activities in the formal or informal sectors;
- professional organisations who have memberships of professional people working in business

Applications from groups of organisations working in partnership are particularly welcome.

Applications from organisations outside Greater Nairobi, including local organisations which are branches of a larger organisation, businesswomen's organisations, etc and organisations representing the micro, small businesses in informal sector are particularly encouraged.

New and emerging organisations are encouraged to apply and additional support may be available. (Associations which have an annual income of less than KES3.5m or which are less than two years old may be eligible for this additional support)

4. Capacity development

The Fund recognises that many business member organisations will need to develop their capacity if they are to become effective at research and advocacy. Some organisations may feel that there is a need for some capacity development before they are even in a position to submit a proposal; others may feel that they have an important issue that needs to be addressed, but that they can develop their capacity in parallel with implementing a project. We have identified a number of ways in which we will provide support with capacity building.

These are described in the note on 'Building Capacity for Advocacy' available from the Fund or from the website.

5. Grants

For the purpose of applying to this Fund, there are two categories of business member organisation: established and emerging.

The Fund will support BMOs to advocate a specific issue. The five step approach describes the stages that organisations will follow, though organisations can start at whichever stage seems most appropriate. Applications will typically be for one stage but organisations who successfully complete a stage will be encouraged to make further applications for each stage until they have completed all of them.

5.1 Established BMOs

It is anticipated that established BMOs will require a 'small' budget, up to KES1m, or a 'large' budget of up to KES3.5m to cover all the stages of an issue.

For small grants, the fund will contribute up to 100 per cent of the eligible project costs (described below); for large grants the fund will normally contribute up to 80 per cent of the eligible project costs. In both cases, the chances of receiving a grant will be improved by the organisation contributing a higher percentage from other sources.

It is anticipated that stages will normally have a duration of three to six months (but note that stages cannot be expected to be completed after the termination date of the Fund).

The grant should normally represent not more than 30 per cent of the organisation's recurrent income (eg, membership and other fees and recurrent grants from donors but excluding one-off grants) for the period of the project.

5.2 Emerging BMOs

New and emerging associations may apply for a budget of up to KES350,000 to cover all the stages of an issue.

The Fund recognises that emerging associations may find it more difficult to write compelling proposals, partly because they do not have the management systems in place to manage projects effectively and partly because they do not have sufficient experience in advocacy.

The Fund may, therefore, provide a technical assistance grant of up to KES70,000 (inclusive of VAT) to help prepare a detailed application. Applicants must first write a convincing concept note and then the Fund will consider whether to offer a small consultancy grant.

The Fund will maintain a list of approved consultants.

It is important that associations learn from this technical assistance, so the consultant will not write the proposal for you. Indeed, you will be expected to make a substantial input. Guidance is available from the Fund for both the associations and the consultants, with the aim of the consultants transferring know-how to the associations.

5.3 Multiple applications

An organisation can only apply for one grant at a time (organisations with more than one idea are encouraged to discuss them with the Fund Manager before submitting an application). Organisations can only undertake one BAF supported project at a time. An organisation undertaking a project can apply for a further grant but, if approved, it can only be started after the satisfactory completion of the previous project.

6. Projects for which an application may be made

Activities have to be specific and their relevance must be clearly established. The Fund may provide grants for activities designed to achieve at least one of the following:

6.1 Undertaking research and developing research capability

Examples of the type of initiative that may be funded under this heading are

- Assessing impact of existing regulatory arrangements;
- Undertaking research including use of surveys, focus groups, in order to gather appropriate evidence in support of private sector policy negotiations with central or local Government.

6.2 Undertaking advocacy and strengthening advocacy capability

Examples of these types of initiatives include

- Preparing and submitting well argued proposals to improve existing or proposed regulation or to improve the way in which policy is implemented and thus reduce the compliance burden on private businesses;
- Organising seminars, workshops and meetings to facilitate policy dialogue within the private sector, and between the private sector and central or local government;
- Developing and strengthening networks and consortia of BMOs to undertake a specific advocacy project.

Note that the Fund will not support projects which are seen to be anti-competitive (for example, trying to give one group of businesses an advantage over another)

6.3 Monitoring and evaluating activities which impact on the business environment

Examples of possible initiatives include

- Monitoring and evaluating the implementation of central or local government policies which affect the Private Sector;
- Publishing a newsletter or website describing changes to the business environment and their impact on business.

6.4 Creating a better understanding of the importance of this work

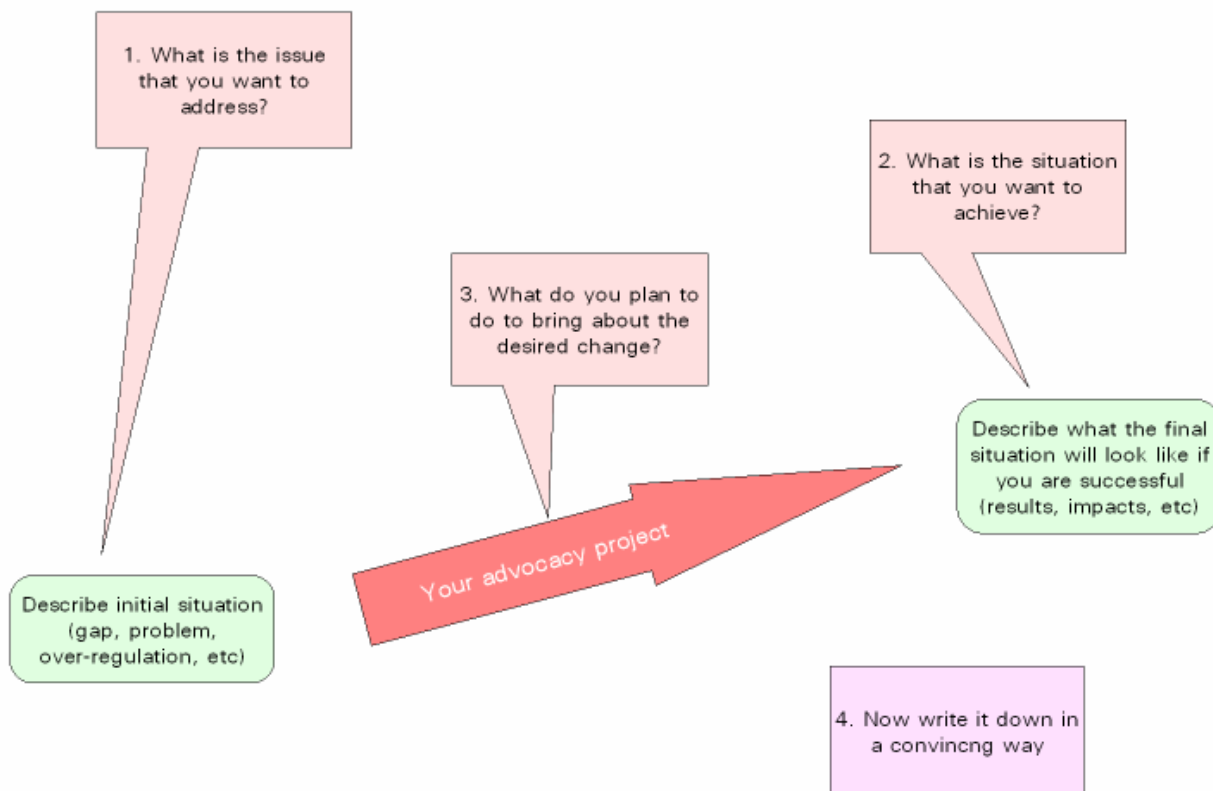
Examples of possible initiatives include

- Research for and preparation of newspaper articles on policy issues critical to the business climate for, such as the impact of local government licensing rules and taxes
- Participation in public debate including TV presentations.

7. Preparing your proposal

Think carefully about the issue that you want to address and then think about what you hope to achieve if you are successful. Then think about what you plan to do to bring about the desired change.

Figure 1: Advocacy strategy



You should note that applicants will be responsible for the implementation of their projects, but can incorporate appropriate support in the application to the Fund.

There is a two stage application process – submission of a brief project proposal (the concept note) and then submission of a detailed application (the application).

8. The concept note

The objective of the concept note is for you to convince the Fund that you have a project proposal which fits the strategy of improving the enabling environment as set out in the Government's Economic Recovery Strategy and meets the objectives of the Fund (the specific questions that need to be addressed are set out on the form) and that the organisation meets the eligibility requirements. The concept note will describe the issue and the proposed activities to address the issue.

Concept notes can be submitted at any time.

The Fund Manager will assess proposals against specified criteria. Feedback will be provided and promising proposals will be invited to complete a detailed application, though this does not guarantee that a grant will ultimately be provided.

In the case of emerging BMOs, the concept note will be used by the Fund Manager to determine whether they should be given a small grant to help them prepare their application.

9. The detailed application

The objective of the detailed application is for you to convince the Fund Manager that you are a responsible and well-managed organisation that can make effective use of a grant to engage in an advocacy project and, where appropriate, to build your advocacy capacity.

9.1 Organisational requirements

Organisations seeking a grant should be able to demonstrate that they:

- Are a organisation registered in Kenya with a membership, directly or indirectly, of private businesses engaged in legal business activities in the formal or informal sectors;
- Are an existing participant or are willing to become a participant in the institutional framework for policy dialogue agreed with Government;
- Are a non-profit-distributing organisation and have a written constitution or rule book which sets out the organisation's aims and way of operating;
- Have a bank account (or, in the case of emerging associations, have opened a bank account prior to receiving any grant monies);
- Have, or be working towards, a values statement which clearly sets out they way that they aim to behave and be able to provide evidence that they live up to the statement;
- Will be directly responsible for implementation of the project, and are not acting as an intermediary.

Applicants must

- Not be insolvent, bankrupt or in liquidation or receivership or have any judgements against them outstanding;
- Not have been convicted of an offence concerning professional conduct or be guilty of grave professional misconduct or of fraud or of any illegal activity;
- Have fulfilled all the obligations relating to the payment of social security contributions or payment of taxes in accordance with the Laws of Kenya;
- Not have been declared to be in serious breach of contract for failure to comply with contractual obligations in connection with a procurement procedure or other grant award procedure financed by other local, national or international donors;
- Not be subject to conflicts of interest.

9.2 Project requirements

The proposal must:

- Have a clear policy dialogue focus, though where appropriate this can include capacity building;
- Have a duration that does not normally exceed 12 months;
- Culminate in or achieve objectives in line with the Fund's objectives and criteria;
- Be in line with the Applicant's own objectives and activities in which the organisation is already involved

9.3 Cost requirements

The proposed budget must

- Be specifically for carrying out the project, be realistic and meet the budget requirements set out below;
- Be expected to be actually incurred by Applicant;
- Be recorded in the Applicant's accounts or tax documents; be identifiable and verifiable, and supported by original documents.

All information provided to the Fund must be accurate and supportable. Applicants must not attempt, other than through the quality of their proposal, to influence the decision of the Fund.

It should be noted that the detailed application asks you for a work plan but does not repeat questions from the concept note. It may be that applicants, having completed the detailed application, wish to revise their concept note. That is perfectly acceptable and revised concept notes should be submitted with the detailed application.

10. Preparing the project budget

The budget should relate to the specific stage for which support is sought and not to all five stages, though a rough forecast of the budget required for the five stages will help you decide whether to apply on the basis of a large grant or small grant.

Only "eligible" costs can be taken into account for calculating the amount of a grant. The budget is therefore both a cost estimate and a ceiling for "eligible" costs. Note that the eligible costs must be based on real costs, not on lump sums.

Note that your proposal will be subjected to a due diligence process prior to submission to the Fund board. The checks may give rise to requests for clarification, may result in a reduction in the agreed eligible costs and, in some circumstances, may result in grant approval being withdrawn. It is therefore in the Applicant's interest to provide a realistic and cost-effective budget.

10.1 Eligible project costs

Eligible project costs typically include:

- The costs of consultants or other third parties contracted to undertake some or all of the project. These costs must not exceed those normally borne by the Applicant, or those of the market;
- Travel and subsistence costs for technical staff taking part in the project, provided they do not exceed those normally borne by the Applicant, or those of the market. Proposals for flat-rate reimbursement must conform to BAF guidelines (available on the website);
- The costs of conference, seminars, workshops and other facilities arising directly from the requirements of the project
- The costs of research and dissemination of information, printing, etc.

10.2 Overhead costs

Good practice in budgeting and effective financial control dictates that you prepare a 'total budget' for any project which should include overhead costs (such as rent, property taxes, accounting, depreciation of equipment, etc). You should note however that overhead costs are not eligible project costs.

10.3 Large grants

As stated above, the Fund will normally provide not more than 80 per cent of the eligible project costs (remembering that overhead costs are not eligible project costs).

10.4 Small grants

As stated above, the Fund will normally provide 100 per cent of the eligible project costs (remembering that overhead costs are not eligible project costs).

10.5 Emerging organisation grants

For emerging organisations, the fund will pay 100 per cent of the eligible project costs and will, in addition, pay a sum equal to 15 per cent of the eligible project costs as a contribution to overhead costs.

Where emerging organisations have been awarded a grant to support the preparation of the detailed application, this sum should be included in the budget (but does not attract a contribution to overheads). If the application is successful, this sum will be deducted from the monies payable to the grantee.

11. How and where to send the applications

Applications must be submitted exclusively on the application form available in hard copy from the Fund or from the Fund's website. A budget template is also available from the website, though is not necessary to complete the application.

Ideally, applications should be prepared using a software package compatible with Microsoft Word – hand written applications will not be accepted – and must be written in English.

All questions must be answered. It is essential to complete the application form carefully and as clearly as possible.

Concept notes may be submitted at any time.

Applications may be submitted at any time for consideration at the following board meeting.

Ideally, concept notes and applications will be submitted by e-mail followed by the submission of a signed original of the certification page. Where it is not possible to send by e-mail, a signed hard copy of the whole application will suffice.

Applications should ideally be sent by e-mail to ruth@businessadvocacy.org or Eunice@businessadvocacy.org. (The front page, which must bear two original signatures can follow).

Alternatively, you may deliver applications to The Business Advocacy Fund, Brick Court, (corner of Woodvale Grove/ Mpaka Road), Westlands, PO Box 24735-00502, Nairobi

Tel 020-4453789, tel/fax 020-4453790

The receipt of all submissions will be acknowledged.

12. Evaluation and selection of detailed applications

12.1 Assessment

Detailed applications will be assessed by the Fund Manager against specified criteria and then submitted to the Board for review.

12.2 Due diligence, financial certification and adjustments

Prior to consideration by the Board, the Fund Manager will undertake a number of checks before issuing a formal letter of offer. At this point, applicants will need to make available a number of supporting documents during the due diligence and financial certification stage.

The following supporting documents, where applicable and available will be inspected:

- The constitution or articles of association of the Applicant organisation;
- The Applicant's most recent annual report and accounts (the profit and loss account and the balance sheet for the previous financial year);
- An external audit report produced by an independent auditor, certifying the accounts for the last financial year available and stating to what extent, in the auditor's opinion, the Applicant has stable and sufficient sources of finance to maintain its activity throughout the period during which the project proposal is to be carried out and, where appropriate, to participate in its funding;
- Evidence that the organisation's board is elected from amongst the members.

This list is not exhaustive and other documents and information may be requested during the due diligence process.

12.3 Rejecting proposals

If proposals are turned down or deferred, then reasons will be provided.

The Fund's decision to reject an application or not to award a grant is final.

12.4 Conditions applicable to implementation

Following the decision to award a grant, the Applicant will be offered a grant contract based on the Fund's standard contract letter (available on the website).

It should be noted that grantees will be expected to monitor and review their project as it progresses. The grant will be disbursed in quarterly instalments spread over the life of the project. The first disbursement is made at the beginning of the project. Subsequent disbursements will be dependent on the receipt of satisfactory progress reports and evidenced financial reports from the grantee. (More detail is provided in the contract letter.)

13. Data confidentiality, disclosure and publicity

Data about your organisation and your application will be stored on a computer. The information will be held confidentially and will not be divulged to a third party without your consent.

However, we do reserve the right to make public the fact that you have been given a grant, and the purpose of the grant. We may also wish to utilise information about your project for both publicity and case study purposes.

We may also include your issue on our website and encourage other associations with similar interests to contact you.

You will be required to sign the application form. In so doing, you will be confirming that the information is accurate and that you have fully disclosed everything that may influence the decision.