**ANNUAL PROGRAM STATEMENT**

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| **Funding Opportunity Title:** | Promoting Transparency and Accountability in the Extractive Industries in the Local Level |
| **Announcement Type:**  | Annual Program Statement |
| **Funding Opportunity Number:** | APS No. 001 |
| **Issuance Date:**  | 15 September 2016 |
| **Deadline for Submission of First Round of Applications** | 15 October 2016 |
| **Submit Applications to:** | GrantsFPI@dai.com  |

**SECTION I - FUNDING OPPORTUNITY DESCRIPTION**

1. **Description of the Proposed Program**

**Background**

The Extractive Industries Transparency Initiative (EITI) is a global standard for transparent and accountable management of natural resources, including the oil, gas, and mining industries. The EITI standard seeks to strengthen government and company systems, and promote inclusive participation among industry players, including the government, the business or private sector, civil society, and local communities. The Philippines was admitted as an EITI candidate country in May 2013; since then, the Philippines-EITI (PH-EITI) has taken steps to achieve an EITI compliant status or full membership.

In the past three years of candidacy, PH-EITI has accomplished the following:

* Published two country reports in 2014 and 2015. These reports contained financial disclosures of mining, oil, and gas companies with more than PhP1 Billion in net sales for the year.
* From the first report to the second report, the amount of unreconciled discrepancies between company and government disclosures decreased from PhP55.5 Million to PhP2.7 Million.
* Addressing systemic gaps identified in the country reports like digitization of the reporting from local government revenues and sharing and disclosure of extractive industry contracts.

By achieving these milestones, the Philippines was conferred the EITI International Chair’s Award during the Global Conference in Lima in February 2016.

However, the real challenge for the PH-EITI is how to ensure that the benefits or gains from the extractive industries are felt at the local level. Two areas in the country reports with highest unreconciled discrepancies are the royalties paid by mining companies to Indigenous People’s (IP) and the payments to local government units (i.e. local business tax and real property tax). The latest country report also raised the need to monitor the Social Development and Management Program (SDMP) funds. Under the Philippine Mining Act or Republic Act 7942, mining firms are required to spend at least 1.5% of their annual operating costs on community development programs, mining technology and geosciences-advancement programs, and information and communication programs.

The Philippine Mining Act also requires mining firms to make deposits to the Mine Rehabilitation Fund (MRF) – a trust fund established by extractive firms with permits, deposited in a government owned depository bank and monitored by the MRF Committee – for the purpose of physical and social rehabilitation of areas and communities affected by mining activities. This mechanism is critical for local government and communities, yet monitoring and enforcement is weak for these funds.

These gaps show that while there are gains achieved by PH-EITI at the national level, more effort needs to be done at the local level.

**Overall Grant Fund Objectives**

The Development Alternatives, Incorporated – Facilitating Public Investments Project is a United States Agency for International Development (USAID) funded program supporting the Philippine Government in expanding public and private investment in the Philippines through higher tax revenue and public expenditure reforms.

**The EITI Grant Fund is a component of FPI intended to promote activities designed to: expand and promote more meaningful CSO engagement in the EITI process; increase transparency and accountability in the management of the extractive sector; and contribute to sustainable reforms in extractive sector governance.**

The purpose of this Annual Program Statement (APS) is to solicit project proposals from non-government organizations (NGO) that will promote transparency and accountability in the extractive industries at the local level. By supporting local NGOs, the program aims to expand and deepen participation of local actors in the efforts of PH-EITI.

**Overview**

The EITI Grant Fund will prioritize support for projects in the following areas:

* Improving and enhancing the system of negotiating and allocating the royalty payments of extractive companies to IP groups; and
* Improving transparency and accountability in the monitoring and spending of revenues from extractive companies at the local level.

The table below provides a summary of some previous projects supported under the EITI Grant Fund:

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| **Grantee** | **Project Title** | **Outputs** |
| Tribal Leaders Development Foundation Incorporated | Building Capacities of Indigenous Peoples Towards Transparent and Accountable Governance of Extractive Industries within their Ancestral Domains Project | 5 Assessment Reports of the negotiation process between mining firms and IP groups1 Handbook 1 IP Summit |
| Alternate Forum for Research in Mindanao | Scoping Study for Transparency in the Extractive Industry Governance in the Bangsamoro | ARMM Scoping StudyInterim MSG for the ARMM |
| Philgrassroots – ERDF, Inc | Capacity Strengthening on Convergence and Transparency among the CSOs in the Provinces of Surigao del Norte and Province of Dinagat Islands | Scoping Studies in 4 Municipalities in Surigao del Norte and Dinagat Islands4 Interim MSG per Municipality |

1. **Administration of Award**

Awards will be administered in accordance with USAID Standard Provisions for non-U.S. non-governmental organizations. Applicants may obtain copies of the referenced material at the following websites:

22 CFR 226 : http://www.access.gpo.gov/nara/cfr/waisidx/06/22cfr226\_06.html

OMB circulars: http://www.whitehouse.gov/omb/circulars/

Standard Provisions for Non-U.S., Nongovernmental Recipients: http://usaid.gov/policy/ads/300/303mab.pdf

**SECTION II- AWARD INFORMATION**

The total amount of funding currently available for this APS is approximately USD120,000. FPI may choose to fully fund or incrementally fund the chosen Application(s).

FPI anticipates the start date on 15 September 2016 with a performance period of up to 6 months.

Since it is expected that the scope of implementation per grant is at the local level (provincial/ regional/ island cluster), FPI anticipates awarding more than one grant to fund successful applications submitted in response to this APS. The number of awards and amount of available funding are subject to change.

**SECTION III- ELIGIBILITY INFORMATION**

Registered local non-governmental organizations may apply. The minimum eligibility criteria for this grant are:

* Legally registered organization (e.g. SEC registration and by-laws/ PCNC accreditation, CDA registration, TIN); Individuals cannot apply for the grant.
* Philippine-based non-governmental organization. Proposals from U.S. organizations or Third Country non-governmental organizations are not eligible for this grant.
* Cleared from U.S. Government exclusion lists.

Cost share is not required from applicants. However, there are some limitations on what items can be covered by the grant fund. It is suggested that the grantee either provide counterpart funds from their own accounts or request counterpart funds from other organizations to augment project funding.

CSOs and/ or non-government organizations without previous USAID experience are encouraged to apply.

**SECTION IV- APPLICATION AND SUBMISSION INFORMATION**

1. **Address to Request Application Package**

The Application Package for this APS, along with the Grant Application Template and Budget Template, are accessible by soft copy through the following means:

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| Request by email | GrantsFPI@dai.com |

Applications must be prepared in accordance with the instructions below. Selection for award will be made in accordance with the evaluation criteria in Section V.

Applicants should retain, for their records, one copy of all parts of the application and all attachments that accompany their application. Erasures or other changes must be initialed by the person signing the application.

Note that all applicants may be subject to a pre-award financial and management review and must demonstrate that they have a rigorous financial and monitoring system in place that will ensure auditable systems and records.

FPI will only consider complete applications. A complete application should have:

* Grant Application
* Grant Budget
1. **Grant Application Template**

To facilitate the competitive review of the applications, proposals should complete the information requested in the Grant Application Template provided in the Application Packet. Specifically, the Grant Application Template requests the following information:

* Grantee Details (Name, Address, Contact Details, Legal Registration, List of Relevant Projects Undertaken )
* Proposed Project Description (Project Objectives, Analysis of the Problem, Methodology, Proposed Sites and Target Beneficiaries, Implementation Plan, Success Indicators, Project Team Composition and Qualifications, and Dissemination Plan)
* Budget Narrative (There is a separate spreadsheet file for the cost details. However, the description and explanation of each cost item should be included in this section).
1. **Grant Budget Template**

The Grant Budget Template is in Excel format. It has a Budget Summary Sheet and a Detailed Budget Sheet which applicants should accomplish. The grant allows for the following items: Salaries, Travel and Transport, Supplies, and Other Direct Costs.

There are some limitations to the grant. The EITI Grant Fund cannot fund International Travel, Per Diems, and Furniture.

1. **Application Submission Information**

All materials submitted must be in English.

Applications must be submitted electronically by 5 p.m. on 15 October 2016. Applications may be submitted via e-mail to GrantsFPI@dai.com. All correspondence must include the relevant APS Number and Title. Hard copies will not be accepted.

1. **Questions Regarding the APS**

Applicants can send questions regarding the APS via email to GrantsFPI@dai.com.

Prospective applicants are encouraged to email FPI to indicate interest in applying for the grant. This will include you in the mailing list so that answers to clarifications to the grant can be shared to everyone. Any prospective applicant desiring an explanation or interpretation of this APS must request it in writing one week before the application deadline to allow for a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a grant will not be binding. Any information given to a prospective applicant concerning this APS will be furnished promptly to all other prospective applicants as an amendment of this APS, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

**SECTION V – APPLICATION REVIEW INFORMATION**

1. **Evaluation Criteria for Application**

The evaluation includes the following phases and steps:

* Technical Proposal Evaluation
* Financial Proposal Evaluation
1. **Technical Proposal Evaluation (80 points)**

Only applicants who meet the minimum eligibility criteria will be considered for technical evaluation. In order to advance beyond the Technical Proposal Evaluation, a technical proposal must achieve a minimum average score of 60 points.

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|  | **Evaluation Criteria** | **Points** |
| 1 | Minimum 3 year track record in undertaking similar projects | 20 |
| 2 | Organizational capability to undertake tasks* Project team composition and qualifications
* Current reach of organizations to network with IPs
 | 20 |
| 3 | Quality of proposed project * Demonstrable understanding of the problem as well as the objectives and higher goals of the EITI grant fund and the EITI in general
* Methodology
* Selection of sites
* Feasibility of proposed project given timeframe
* Plan to disseminate outputs
 | 40 |

1. **Budget Proposal Evaluation (20 points)**

Budget evaluation will be conducted only among those applicants who meet the minimum technical score. The budget evaluation determines whether the proposed line items are reasonable, are allowed within the EITI Grant Fund parameters, and the assumptions are viable. The budget evaluation will focus on identifying which among the applications offer the best value in response to the defined project objectives.

The minimum acceptable score for the financial proposal is 15.

1. **Review and Selection Process**

After the APS application submission deadline, the Grants Coordinator will review all submitted applications for meeting minimum eligibility requirements and compliance with submission instructions. Once the applications have been vetted, a Review Committee is going to be convened to review the application against the evaluation criteria.

It is expected that the applications will be reviewed within 5 days after application submission deadline. FPI Grants Coordinator may contact the applicants to seek clarifications/ explanations as part of the review and selection process.

**SECTION VI – AWARD AND ADMINISTRATION INFORMATION**

1. **Pre-Award Responsibility Determination**
* Applicants are required to submit a copy of their accounting manual and personnel and policy manual.
* Applicants are required to get a DUNS number from [www.dnb.com](http://www.dnb.com) for grants worth more than USD25,000. (This is free of charge.)
* All USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320.
* Applicants must submit any additional evidence of responsibility for FPI Staff to make a determination of responsibility. As stipulated in the grant application, applicants must submit documents including audited financial reports, certificates of registration/incorporation in order to substantiate that the Applicant:
	+ has adequate financial and human resources or the ability to obtain such resources as required during the performance of the award;
	+ has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant - nongovernmental and governmental;
	+ has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance;
	+ has a satisfactory record of integrity and business ethics.
1. **Post- Selection Information**

Following selection of an awardee, FPI will inform the successful applicant concerning the award. A notice of award signed by FPI’s Chief of Party is the official authorization document, which FPI will provide either electronically or in hard copy to the successful applicant’s main point of contact.

FPI also will notify unsuccessful applicants concerning their status after selection has been made.

1. **General Information on Reporting Requirements**

Program implementation reporting will be specified in the final grant award document. A performance monitoring and evaluation plan, using established baseline data and specific, measurable targets and indicators will also be agreed upon. Financial reporting will be in accordance with the requirements of the obligating document.

**SECTION VII- FPI PROJECT CONTACT**

The point of contact for this APS is:

**Kathryn Pauso, FPI Grants Coordinator**

Unit B, 27F Rufino Pacific Tower

6784 Ayala Ave., Makati City

1200 Philippines

GrantsFPI@dai.com

**SECTION VIII - OTHER INFORMATION**

Issuance of this APS does not constitute an award or commitment on the part of FPI, nor does it commit FPI to pay for costs incurred in the preparation and submission of an application. FPI reserves the right to fund any or none of the applications submitted. Further, FPI reserves the right to make no awards as a result of this APS.