

Lessons Learned

Grant Management



Introduction

NSRP is a five year programme to support the initiatives of Nigerian actors and institutions to manage conflicts non-violently and reduce the impact of violent conflict on the most vulnerable population. NSRP aims to make an impact at federal, state and community level. The programme has supported interventions at the federal level and 8 target states in 4 geopolitical zones worst affected by violent conflict in Nigeria. These are the North East, North West, Middle Belt and the Niger Delta. NSRP has a main project office in Abuja with five regional offices in the four zones. The programme supports the strengthening of conflict management institutions in order to reduce violent conflict through four inter-related areas of work – each taking place at Federal, State and LGA-levels:

- Security and Governance (Output1): Strengthening the performance of - and public trust in - the way Nigeria manages violent conflict by helping the responsible organisations become more coordinated, participatory, inclusive and accountable.
- Economics and Natural Resources (Output 2): Addressing grievances around employment and resource competition, especially over land and water use.
- Women and Girls (Output 3): Reducing the impact of violence against women and girls and increasing their influence on peace building
- Research, Advocacy and Media (Output4): Supporting design, commissioning and dissemination of impartial, independent, expert research and analysis to assist Nigerian decision takers and policy makers develop and deliver policies to reduce violent conflict as well as supporting these government agencies, development agencies and media organisations to adopt conflict-sensitive response to conflict situations.

NSRP Grant Mechanism

Context and need for grant mechanism

NSRP was designed to have impact at the federal, state and LGA/ community level. In broad terms this impact was differentiated as follows:

- At the **LGA and community level**, while delivering activities that have positive impact on the lives of significant numbers of beneficiaries, the programme worked to **demonstrate** that violence could be reduced through interventions which are consistent with its various theories of change.
- At the **state level** the programme aimed to bring about **systemic change** that would improve the way in which violent conflict is managed.
- At the **federal level** the programme aimed to generate a constituency of support and interest in successful interventions at the state and LGA/ community level which resulted in **wider replication** of NSRP interventions and ideas across other areas of Nigeria.

NSRP used grants as one of its delivery mechanisms. Grants were categorised as large, small and strategic. NSRP has used a wide-ranging grant mechanism to allow efficiency, rigor and long-term impact as well as responsiveness and flexibility. Each category of grants had a size relevant to its purpose while each output was allocated an overall envelope for grants which was further divided by funding streams and for large grants, by state as well. The grant envelope has also been amended over the course of the programme to respond to emerging needs.

NSRP Grant Mechanism- Key Drivers:

The grant mechanism has been driven by the following key principles:

- a. Maximise the potential of funding interventions that are conflict sensitive and do no harm.
- b. Maximise the potential of delivering programme log-frame results.
- c. Seek value for money in terms of cost per head for reaching out each beneficiary.
- d. Ensure that grantees deliver results that are measurable, and that results are measured and reported robustly.
- e. Provide a swift and adaptive response to a dynamic operating environment.
- f. Ensure fair and transparent decision making processes.
- g. Support programme integration and coherence
- h. Maximise sustainability and institutional support to beneficiaries.

The details of each category are provided in the table below:

Strategic Grants	- On-going - Year 1-4 - Terms of Reference	Strategic Grant. IPCR, CISLAC, NOA, ONSA, NIPSS, RDSSA	Outputs 1-4	<ul style="list-style-type: none"> Capacity to manage the grant. Demonstrated technical capacity compared to the TOR Competitive terms Engagement with other international donors 	1- 3 years	£ 1.56m	Limited	31 (24)	£ 50,400
		SCMA, WPSN, Observatories, RRG	Output 1,3,4		-3 to 6 monthsfor RRG - 2 years for observatories -annual renewable contracts for platforms	£ 0.93m	As appropriate	19	£ 38,420
Large Grants	-Two Rounds -Year 1: 4 States -Year 3: 4 States -Expression of Interest, open invitation	Peacebuilding Grant	Outputs 1-3	<ul style="list-style-type: none"> Capacity to manage large grants >£25,000 Demonstrated experience relevant to call for EOI. Well established organisation structure and networks 	3 years	£ 4.89	Comprehensive	36	£ 124,722
		New Partner Grant	Outputs 1-3	<ul style="list-style-type: none"> Capacity to manage >£5,000 High quality concept notes relevant to NSRP 				42	£ 15,428
		Grants to women focused organisation	Outputs 3	<ul style="list-style-type: none"> Capacity to manage >£5,000 Concept notes meets criteria 				19	£ 15,428
		Sustainability	Outputs 1-3	<ul style="list-style-type: none"> Former successful grantee Promote sustainability 			As appropriate	19	£ 15,428

NSRP has managed 145 grants for 120+ CSO and government institutions across eight target states and at the federal level. The grant portfolio includes large grants (GBP4.5m), strategic grants (GBP 2.3m) and small grants (GBP 1m). The Security and Governance (Output 1) had the largest share (40%) followed by Women and Girls (Output3) 23%. Economic and Natural Resources (Output2) had the least share of 16%.

For information about the grants process for each category, see Annex A.

Lessons Learned

Small grants are less effective than large grants.

The need for small grants was identified during the inception phase of the programme mainly to respond to the dynamic operational context and extend the reach of the programme to include organisations with limited capacity especially in north-eastern Nigeria. NSRP issued three batches of small grants, the first two focused on new partnerships and womens' organisations; the third was designed to promote sustainability of interventions.

The three batches were rolled out in 2014, 2015 and 2016. The small grants rolled out for a period of six months were unable to maximize delivery of results, produce efficiencies or support overall coherence of the programme due to insufficient time to deliver results and limited institutional capacity. The short time frame for grants did not allow the programme to build capacity of these partners. Fewer, larger grants (economic size GBP 50k) with an implementation time frame of 12-15 months would have been more effective as this would have allowed time to build capacity, enhance ability to put together a high calibre implementation team and enable recipients to deliver the expected results.

Induction programme and planning workshops are most effective before grant disbursement.

An induction programme including the planning workshops was rolled out for all selected grantees in the first phase in 2014 before the grants were disbursed across five states. However, due to time constraints the programme decided to manage the disbursement and induction simultaneously in subsequent batches. This did not prove effective and had an overall adverse impact on recording and delivery of results. This strategy also had an impact on the financial reporting and disbursement of funds which delayed the activities in many cases. We believe that the induction programme should be redesigned to include specific training on technical and financial reporting before the grants are disbursed. This would provide clarity on programme implementation and reporting requirements (technical and financial) from the outset.

Bi annual grant tranches would have been more efficient.

NSRP established an efficient financial management system for its large grant portfolio without any major fraud incidents. This was achieved through robust due diligence during the selection process, capacity building of selected grantees and rigorous quarterly monitoring. NSRP required grantees to submit quarterly requests for funds which were released on successful accounting for the previous tranche. Although this helped keep the portfolio finances up to date, on occasions this practice delayed programme activity, e.g. when issues were identified in the quarterly reconciliations. A grant portfolio of this size should consider bi-annual tranches

Grant disbursement should be aligned to the work plan.

NSRP had a sluggish start and came under pressure to meet financial spending targets in the second year. To achieve targets NSRP disbursed large payments to grantees upfront – 50-60% for large grants and 80% to small grantees. This resulted in reduced control over programme activity and reporting of results.

This practice was corrected in the later stages of the programme when the funds were disbursed against a workplan, which enabled output and regional managers to review the plans and provide feedback ahead of the activity. This practice increased accountability and improved performance management of the grantees.

Phased approach for grant disbursement was not effective.

To manage the geographical dispersion, NSRP focused on five states (Rivers, Kano, Kaduna, Borno and Plateau) in its initial three years, expanding to Yobe, Delta and Bayelsa in the fourth year. However, this did not allow sufficient time for grantees' induction and capacity building and overall had an overall negative impact on the results produced in these latter states. It would have been feasible to roll out grants either simultaneously or a year after the first batch was rolled out. This would have allowed the programme to cope better with the operational challenges, gain traction from key stakeholders and for capacity building interventions to produce results. This would have helped the programme to deliver a more integrated impact, especially in the Niger Delta.

The capacity building intervention should be rolled out before the grants are disbursed and followed up throughout the programme.

NSRP rolled out the capacity building interventions towards the end of the first year of grant implementation. Through experience we have learnt that capacity building interventions should have been designed and rolled out as part of the induction programme for the grantees. This would have provided grantees with clarity from the outset, produced better results in the initial two years and improved value for money. The programme had to work extensively with the partners in the second year to refine and realign their strategy and work-plans. This engagement required considerable staff time and other resources which would have been avoided through better sequencing of interventions.

Grant budgets should make provision for institutional support and higher allocation for staff salaries.

NSRP performed a baseline study to benchmark the salaries for local CSO/NGOs. Based on the survey, NSRP allocated 20% of the grant value for salaries and 10% for overheads. Although the overhead budget proved sufficient, most NSRP grantees struggled to recruit and retain good quality staff within the budget. NSRP considered this issue on a case by case basis and staff budgets were increased and offset against savings in overheads. There is a case for increased allocation for staff salaries to 25-28% of the total value of the grant.

NSRP grants provided contributions to overhead costs and programme administration but did not provide longer-term institutional support to build sustainability of organisations. During the programme we observed that many small organisations funded under the small grants programme were unable to survive after the closure of these grants. Programmes that rely heavily on partners for implementation and invest significant resources in their capacity

building should also provide funding for institutional support to sustain the impact of these organisations beyond the life of the programme.

Conclusion

The lessons learned in using grants as a means to achieve results highlight the importance of due diligence and clear reporting lines with disbursement linked to results. NSRP at times struggled with the dual pressure of producing results while ensuring partner compliance with DFID audit requirements. The fragility of the Nigerian economy means that many organisations are unable to retain key staff on a programme; and sustain their organization once grant funding comes to an end. Grant management remains a useful tool for greater reach and impact, as well as disbursement. Funding agencies expectations that partners can and should continue to operate post grant need to be more realistic. A more robust economic analysis should be applied in programme design and during implementation to articulate a convincing sustainability strategy.

Annex A

The granting process for each category

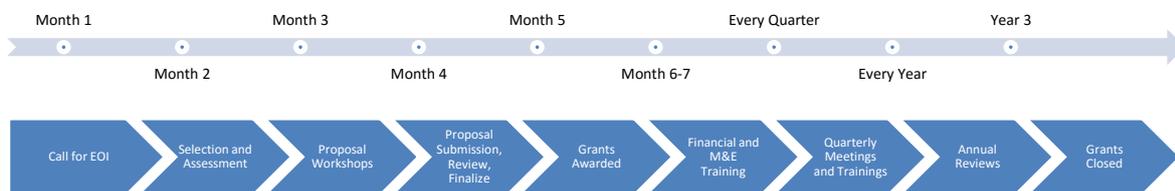
Large Grants – Large grants were administered through two separate rounds to reduce disbursement times. The first round in 2013/14 targeted four states Rivers, Plateau, Kano, Kaduna in Imp year 2 and the second round in 2015/16 focused on the remaining four states in Imp Yr 3. NSRP initially prioritised four states to ensure that the selection process is rigorous and grantees receive necessary support in the early design and start up phases. The original plan was to roll out the first batch of large grants in first year but was delayed due to operational challenges faced by the programme. The second round of grants initially planned for Imp Yr 2 was administered in year 3. The aim was to apply lesson learned from the first round. All large grants in the first round were awarded with a commitment of three years contingent on satisfactory performance. This was not possible in the second round therefore the implementation period for the second round was reduced to 18-24 months. The end to end process for the large grants included:

- (i) Call for Expressions of Interest: NSRP developed and publicised a call for EOI that described the activities the programme would like to support across outputs 1 – 3. The call was circulated widely through existing networks, NSRP website and print media.
- (ii) Selection: NSRP reviewed all submitted EOIs which met the eligibility criteria and selected a group of shortlisted CSOs. The selection was completed by a selection committee comprised of NSRP staff using templates designed for this purpose.
- (iii) Capacity Assessment: For all short-listed organisations NSRP conducted a capacity assessment of their organisational and technical capacity. This step was an important measure of reducing risk and ensuring qualified organisations are engaged as grantees. The assessment also measure organisation’s awareness of gender mainstreaming. The outcome of the assessment was basis for final decision as well as informed the provision of capacity building support from NSRP.
- (iv) Proposal Development: NSRP conducted proposal development workshops with selected organisations in each of the four states in the first round. This was not possible in the second round due to shortage of time and support was provided remotely from Abuja and through regional offices. The workshop included conflict and problem analysis and program design sessions. These workshops provided NSRP with an opportunity to present outputs and deliverables required by the.
- (v) Project Approval and Award: Once the proposals were finalised, the selection committee reviewed and made final recommendations. The selection was also endorsed by an independent committee comprising of members of National Advisory committee and DFID representatives. Once approved, NSRP signed grant agreements with grantees .
- (vi) Induction programme and proposal development workshops: An induction programme including the planning workshops was rolled out for all selected grantees in the first phase in 2014 before the grants were disbursed across five

states. However, due to shortage of time the programme chose to manage the disbursement and induction simultaneously in subsequent batches. The induction programme also included capacity building in financial management and M & E for the first batch of grantees.

- (vii) **Quarterly Meetings:** NSRP has organised quarterly meetings with grantees at the state level to encourage timely reporting and sharing of lessons learned as a group. The quarterly meetings provide an opportunity to take stock of successes, challenges and needs for additional support. During these meetings, the grantees are encouraged to revisit their conflict analysis and reflect on any adaptations required for their programs to remain conflict sensitive. The quarterly meetings also provided an opportunity to deliver trainings and raise awareness on key issues such as Fraud & Money Laundering, Child Protection. The meetings have also strengthened relationship and coordination
- (viii) **Annual Meetings:** Before the programme annual review NSRP organised a round of annual meeting with the grantees in the region. These meetings focus mostly on performance against project targets as well as compliance with financial management. The annual review meetings provide an opportunity to revisit the conflict analysis and make any programmatic adaptations to the project .
- (ix) **Project Closure:** At the end of the grant term, the grant are being closed with submission of a final report.

The granting process for large grants



Small Grants - Small grants were awarded in three batches. The process was initiated in Year 2 and the last batch was rolled out year 4. The award of small grants was managed flexibly based on emerging needs of the programmes and the availability of funds. The process for the small grants includes :

1. **Call for Small Grants Fund:** NSRP developed a guidance paper for small grants explained the eligibility criteria for as well as the programmatic interests of small grants. The guidance provided the concept note format required and indicated the timelines for selection processes. The information was circulated through NSRP regional networks and organisations, print media and the NSRP website.
- (x) **Step Two – Selection:** In the same two months every year, the NSRP selection committee (see description under large grants) will review concept notes which meet the eligibility criteria for small grants. The committee will follow a standardized process for scoring each concept note and will meet to discuss and identify those concept notes which should be considered for funding. NSRP output leads will provide the committee with an overview of available funds so the decisions are informed and strategic. Any concept notes identified for funding will

continue through the following process. It is possible that the selection committee decides to ask an organisation to resubmit the concept for the next round with some specific changes. It is possible that the selection committee decides that none of the concept notes should be funded. Applicants will receive notification if their concept note has not been selected. It is possible that the selection committee deems the applicant and proposed concept eligible for a large grant and recommends (based on available funds) that a long-term, large grant be developed with that applicant.

- (xi) Capacity Assessment: NSRP visited the selected applicant to facilitate assessment and confirm the process will continue.
- (xii) Proposal Development: NSRP supported the applicant to develop a full proposal and once finalised, a grant agreement was signed.
- (xiii) Capacity Building and Training: NSRP provided training in monitoring and evaluation as well as financial management within the first two month of the award.
- (xiv) Quarterly Meetings: All small grantees participated in the quarterly partner coordination meetings alongside the large grantees.
- (xv) Final Review and Closure: At the end of the grant, a final review was conducted relative to the scope of the award, followed by grant closure. In some cases, particularly for grantees that have performed very well, NSRP decided to extend or award subsequent funding.

Strategic Grants – Strategic grants are those referred to in the implementation plan as accountable grants. Some strategic grants were awarded in the initial stages (examples are Nigeria Watch, Freedom House, Wazobia FM, Premium Times, Ministry of Women’s Affairs, etc). Other strategic grants were administered on a rolling basis based on the needs of NSRP. Strategic grants were in most cases prescriptive based on specific results and deliverables. The process for strategic grants included the following steps:

- (xvi) Terms of Reference: NSRP developed Terms of Reference for a role or activity that it required to be implemented from an external organisation. The Terms of Reference were released on the NSRP website or shared with organisations that NSRP identifies as potentially qualified. NSRP developed Terms of Reference for a particular strategic or government partner in cases where there was a clear justification for why the chosen organisation is the most appropriate partner for the TOR.
- (xvii) Selection: The selection was made on a need basis after securing referrals and review of organisational track record. An EOI and proposal was submitted to NSRP for each strategic grant followed up by a meeting with key staff of the organisation before the final approval.

- (xviii) Grant Agreement: The agreements that were signed with strategic partners reflected the requirements established in the TOR and appropriate terms for reporting.
- (xix) Closure: The grant were closed or extended based on the agreement, the performance of the strategic partner against the TOR and the needs of the programme.

Capacity Building for Grantees

NSRP has worked extensively through the course of the programme to strengthen the capacity of its grantees. NSRP has approached capacity building through trainings as well as applied learning and mentoring recognising that organisations can and should learn from each other as well as NSRP. Therefore, NSRP facilitated joint-learning and peer reflection as much as possible at state levels through the quarterly coordination meetings. Plans for capacity building were informed by assessments conducted with every grantee prior to signing their agreement to ensure that NSRP capacity building is tailored to specific needs of organisations as much as possible. Below are the key areas for capacity building.

- Understanding of NSRP theory of change – All NSRP grantees developed an understanding of NSRP, its principles and theories of change as they engaged with the programme. This orientation was facilitated where possible during the initial design phase and before h grant disbursement.
- Conflict analysis, peace-building and conflict sensitivity – NSRP grantees have strengthened their skills in conflict analysis, peace-building and conflict sensitivity during the design and implementation stages of their grants. NSRP provided hands-on experience in analysis and application to programme design. During implementation, NSRP supported grantees during quarterly meetings with on-going training and mentoring in different methods of peace-building as appropriate to the context, experience and objectives of NSRP (some examples include mediation and dialogue, early warning and response, community reconciliation, resolving conflicts of natural resources, , gender and conflict, etc).
- Gender – NSRP has rained all grantees to be gender sensitive and mainstream gender into their operations. This orientation was embedded from the design phase and was also incorporated into trainings for monitoring and evaluation as well as discussed as appropriate during quarterly meetings.
- Proposal development – NSRP provide support to large and small grantees in proposal development through workshops organised at the state level. Small grantees were also provided with more one-on-one support in addition to participation in state-level workshops.
- Finance – All NSRP grantees received financial management training from NSRP within the first two months of signing their agreements. NSRP support grantees throughout the life of their grant to overcome challenges in compliance and financial reporting. There vwere a number of training interventions rolled out on the side lines of the partner coordination meetings. This intervention played a key role in prevention of fraud and other associated risks.

- Monitoring and Evaluation - All NSRP grantees received Monitoring and Evaluation support/ training from NSRP during the implementation phase. NSRP supported the grantees throughout the life of their grant to overcome challenges in monitoring and programmatic reporting.
- Communications – NSRP support to grantees to strengthen their organisational skills in communications during quarterly meetings.