ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ASSESSING THE EFFICIENCY AND EFFECTIVENESS OF GRANT MANAGEMENT PRACTICES IN PACT ETHIOPIA

BY

WODERYELESH HABTIHUN TEKELE WOLD

JUNE, 2016

ADDIS ABABA, ETHIOPIA

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APPROVED BY BOARD OF EXAMINERS

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ADS	Automated Data System
CARE	Cooperative for Assistance and Relief Everywhere)
CAS	Country Assessment Strategy
CFR	Code of Federal Regulation
CIDA	Canadian International Development Agency
CPAR	Country Procurement Assessment Report
CPIA	Country Policy and Institutional Assessment
CSOs	Charities and Societies Organizations
DAC	Development Assistants Committee
DFID	Department for International Development
ENSEI	Ethiopian NGO Sector Enhancement Initiative
EU	European Union
GiZ	Germen International Development
HACT	Harmonized Approach to Cash Transfers
HIV-AIDS	Human Immunity Virus Acquired Immune Deficiency Syndrome.
MHS	Military Health System
NGOs	Non-Governmental Organizations
NUPAS	Non-US Organization Pre Award Survey
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OMB	Office of Management and Budget
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
SIDA	Swedish International Development Agency
SNNPR	Southern Nation Nationalities People Region
SNV	Netherlands Development Organization
SPSS	Statistical Package for Social Science
TALG	Transparent Accountable Local Governance

UK	United Kingdom
UNDG	United Nations Development Group
UNDP	United Nation Development Program
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
USD	United States Dollars
WFP	World Food Program

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ABSTRACT

NGOs, before channeling funds to their sub-grantees, they conduct assessments to make sure that the money will be used for the intended purpose. This study would like to assess the efficiency and effectiveness of grant management practices of one of the international, non-governmental organizations operating in Ethiopia, which is Pact. In recent years, Pact has experienced tremendous growth in managing grant awards valued over 121 million USD projects. The number of sub-recipients working in the last few years was over 81. The purpose of this research is to explore the practices of Pre award assessment and Post award monitoring on grant management efficiency and effectiveness in Pact Ethiopia country office. In addition, this research sought to examine the grant management competencies of Pact and challenges facing in the grant process. The study utilized qualitative and quantitative (mixed) research methods. Purposive sampling were used to reach to study sample of 35 respondents from Pact and its sub-grantee. These included project managers/officers, project coordinators, project managers/finance officers, project grant managers/officer and monitoring evaluation managers/officers. The data were collected using structured questionnaires. These instruments were administered physically to the selected respondents from Pact and its sub-grantees. Existing literature available on efficiency and effectiveness of grant management practices are explored. The main finding of this research is that Pact has been inefficient in the application of some grant management competencies. The research found out also the corresponding challenges of inefficient application of competencies faced by Pact. Further this research finds that pre-award assessment and post award monitoring and support have a direct impact in Pacts grant management efficiency and effectiveness. It is therefore recommended that, Pact should practices self-assessment on ensuring grant competency. As some of the inefficiencies are attributed to weak information system, automating of the grant management process with centralize database is recommended. It is also recommended that use pre-award assessment result as a key criteria for selection sub-grantee and monitor its capacity development intervention to ensure performance for betterment of grant management efficiency and effectiveness.

Keywords: *Grants, Grant Management, Grant efficiency and effectiveness, Pre-award assessment, Post award monitoring and support, Pact.*

CHAPTER ONE

1. INTRODUCTION

1.1. Back ground of the Study

Ethiopia has been one of the major recipients of international aid in recent times. According to OECD-DAC statistics, net Official Development Assistance (ODA) to Ethiopia amounted to US$3.26 billion in 2012[1], making it the 5th largest recipient among 169 aid receiving developing countries. This is the official aid channeled through bilateral and multilateral relationships with international donors and agencies. According to Domestic Working Group (2005), grants are legal instruments through which funds are transferred to support a public purpose. Donor‟s grants help foreign and local charities and societies organizations (CSOs)/non-governmental organizations (NGOs). In addition to this, there is substantial amount of money remitted through unofficial channels through NGOs, which commonly referred as channel Three (OECD annual assessment report 2012).

ODAs funds are monitored mainly through the various public financial management system of the government of Ethiopia and in certain cases, by the fund administering entities such as the World Bank and other institutions. Grantees must understand that managing grants effectively is a critical step of the grantsmanship process. Improper management of grants can make it difficult to secure continuation or new funding from a grantor and/or, in the worst-case scenario grantees may be asked to return grant funds due to mismanagement (Deborah, 2010). It is an international practice to conduct a financial management assessment of aid recipient before deciding to release any sort of assistances. The result of the assessment often determines the modality of the cash transfer. When there is a confidence within the PFM system of a government, donor partners will be motivated to use more of the country system. When results are showing the contrary, donor partners refrain to use most of the systems of the government and often rely on their own fund management system and may employ a trust fund administrators like the World Bank and other international organizations (OECD annual report 2012).

In this connection, international donors often conducted periodical assessments of their own (individually). Some of the international donors, like World Bank, USAID, Swedish International Development Agency (SIDA) and UK government Department of International

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[1] OECD annual report - 2012

Development (DFID) have their own assessment frameworks. In addition, there are international assessment frameworks, like the Public Expenditure and Financial Accountability (PEFA) assessment framework where findings are generally accepted and referred by many governments and donor partners. More than 100 counties passed through these assessment. In 2014, Ethiopia was assessed for the third time. The result of the assessment determined the modality where donor partners will have a financial relationship and also helps to determine a strategy to fill the financial management gaps of the country (PEFA assessment 2014).

Similarly, other NGOs, before channeling funds to implementing local partner NGOs, they conduct assessments to make sure that the money will be used for the intended purpose. Various assessments will be conducted which includes financial management, technical and organizational capacity assessments (Best practices for funding by William and Flora 2006).

This study would like to assess the efficiency and effectiveness of grant management practices of one of the international, non-governmental organizations operating in Ethiopia, which is Pact Ethiopia. The following section describes about Pact Ethiopia.

The Organization

Pact is US based, non- governmental and not-for-profit international organization operating around the globe to build capacity for better and productive lives for more than 40 years across about 60 countries (Pact Inc. 2012). Pact[2] was legally registered in Ethiopia in 1996. In its initial years, it had implemented a program called "Ethiopian NGO Sector Enhancement Initiative (ENSEI)" that focused on organizational capacity development as a means of strengthening Civil Society Organizations (CSOs') ability to perform better (Pact Ethiopia, 2008). Since then, Pact has focused on organizational capacity development through grant making as a means of strengthening CSOs. The initiative's main purpose is to strengthen Ethiopian Non-governmental organizations dedicated to work with and helping people to ensure that they have a role in making decisions that affect their lives by supporting them in organizational development, targeted training and technical assistance, mentoring and tutorial guidance for individual organizations and a program of grants making (Pact ENSEI report 1996). Its reach was not limited to the NGO sector only. Its efforts addressed "the civil society and government, as both strive for a similar

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[2] Previously, the office was called Pact Ethiopia. Now it is called Pact. Henceforth, unless specified as Pact HQ, Pact is referring to the country office of Ethiopia.

goal - poverty alleviation." (Pact Brochure 2009) Pact collaborates with donors and work with many local partners.

Grant making in Pact

Pact's country strategic plan puts grant making as one its central strategies to implement its projects as well as sustain itself as an organization (Pact Grant manual 2009). Pact Ethiopia began managing strategic action grants as part of its Ethiopian NGO Sector Enhancement Initiative (ENSEI) program from 1995 – 2003. During that period, Pact's grant making aimed to strengthen the capacity of indigenous non-governmental organizations (NGOs) working in development, democracy and human rights issues, through the provision of financial, technical and material assistance. The learning review of ENSEI program was informed to continue and directed Pact's overall approach to grant making and working with Ethiopian civil society actors (Pact ENSEI report 1996).

In recent years, Pact has experienced tremendous growth in managing grant awards valued over 121 million USD projects. The number of sub-recipients working in the last few years was over 81 organizations operating across a number of technical platforms including: education, health, women's empowerment, and livelihoods. Issues of disability, HIV and AIDS and gender are cross-cutting themes within each of these platforms (Pact grant manual 2009).

Pact's geographic area of operation has also widened with partners operating across all regions of the country and has established four sub-offices in Amhara , Oromia and SNNPR to support implementation of its programs and cross-sectorial linkages in these areas of the country.

The grant making process mainly categorized as pre and post award. The pre award process consists of the request for application, evaluation of the application, pre assessment for determination of risk and award negotiation and finally award approval. The Post award process includes the capacity building, fund disbursement and monitoring of results and close out.

The process in grant making, management and support is abided by its own rules and regulations and donors' requirements. Each grant has its own grant period, grant fund and result to be achieved at the end of project period. During the last seven years, Pact managed more than ten projects which were mainly grant making awarded from different donors (mainly USAID). The duration of the grant ranges from three years to five year and the funding amount from $400,000-$92 million. Most of the projects were not ended with the approved grant period. As a result it was not uncommon to extend the grant period with no cost extension more than once. There were

some project which had been closed within the original approved project period while part of the budget was not fully utilized.

From the five active projects with award amount of about $121 million in the past seven years, four of them were phased out in 2014 and one of them in 2016. The estimated left over fund at the approved project period projected as 28% of the total award amount unless a no cost extension request approved by donors.(Pact monthly LOP report).

1.2. Statement of the problem

As grant funds constitutes significant percentage of expenditure in its endeavour to strengthen Pact's strategic objectives, so it is important to have an effective and efficient comprehensive grant management process. Organizational effectiveness largely depends on the ability to acquire effective and efficient use of the existing resources on time. Even if Pact grant management practices shows a tremendous improvement in recent years, the experience shows that still needs improvement. Most of the projects were not ending within the approved project period and were not fully utilize the allocated fund. In some cases, the fund will be lost after the expiration of the project period. In most cases however, there is a possibility of extending the grant period. Such extension does not bring additional budget to cover the administration cost to be incurred during the extension period. This questions Pact's ability in implementing projects in terms of "Value for Money ". In their feedbacks on submitted proposal for funding, donors were recommended that Pact has to improve the efficiency and effectiveness of its grant management in terms of cost effectiveness (its grant management cost is higher than its competitors (Pact 2013).

The monthly and quarterly financial reports show that the budget for grant fund category was underperformed in relation to the total award. In many of program and partners review meetings, the delay in the grant management process was regarded as one of the factors for the underperformance.

As part of the grant management process, Pact uses pre-award assessment for measuring risk of partners for determining grant instrument and future intervention based on the finding. In many of the literature pre-award assessment used as a selection criteria in addition to a base for future intervention. According to William and Flora (2006), selection of partner for funding is manly determined based on the pre-grant assessment. If this stage of grant assessment is best managed, the likelihood of selecting a potentially successful partner is high. The major justification of using pre-award assessment as selection tool is accepting a partner who has similar grant

objective and a capability to perform well (USAID ADS 303, Non-Government Organization Red Tape Reduction, December 2009).

The pre award assessment tool used by Pact is a generic one. Whereas, the nature of the grant funds in terms of size and complexity varies. In addition, the nature of the grant funds determines the portfolio of applicants for the grant. Though it is not possible to determine at this stage, the drop out of 9 partners in its one of the projects may be associated to the use of generic (a non-customized) pre award assessment tool for all types of project regardless of variation in contexts. These 9 partners passed the pre award assessment and had been working with Pact for some time before being dropped out for low performance.

Favorable results of pre-award assessments followed by grant agreement and disbursement release. The next level of grant management process is grant monitoring and support. A favorable pre-award assessment result doesn't necessarily mean that the partner is free from capability gap in managing grants. Hence, it is the responsibility of Pact to ensure that those gaps are addressed subsequently. There were partners who have been underperformed regardless of the intervention. These interventions include provision of training, assisting partners in their work place and other similar supports. It is not however clear that the generic type of interventions are ineffective in addressing peculiar limitation of the underperforming partners.

Pact's monitoring process doesn't have standard performance indicators to monitor progress in the grant management capability of the partners from the pre award assessment and subsequent grant period. As a result there is no objective measurement for the progress in the performance of the partner. There is no a signal which alerts a partner to work hard to the desired level of performance. In effect, some partners continued to work in different awards with low performance as there is no punitive measure following each monitoring. Considering the potential limitation of the existing grant management monitoring and support system, Pact is implementing a performance indicator in its monitoring process in one project as the donor demanded for.

Therefore, this study aims to feel this gap stated above in the pre award and post award stage of the grant management process and thereby assist in putting a better mechanism for ensuring efficiency and effectiveness of grant management in the organization.

1.3. Objectives of the Study

This study will have the following general and specific Objectives.

1.3.1. General Objectives

The research aims to assess the efficiency and effectiveness of grant management practices in Pact Ethiopia country office.

1.3.2. Specific Objectives

- To identify the competencies that lead to the grant management efficiency and effectiveness.

- To identify the challenges in achieving grant management efficiency and effectiveness.

- To examine the relationship between Pre award assessment and grant management efficiency and effectiveness.

- To examine the relationship between the existing practice of Post award Monitoring and support of Pact and the efficiency and effectiveness grant management in general.

1.4. Research Questions

The study will try to systematically answer the research questions below, to first see the efficiency and effectiveness of the grant management during the assessment period and assess the relationships between the independent variables i.e. Pre-award assessment and Post award monitoring on dependent variables Grant management effectiveness.

1. How effectively are the grant management practices in Pact?
2. How do you describe the challenges in grant management effectiveness?
3. What is the impact of Pre and Post award assessment on grant management efficiency and effectiveness?

1.5. Significance of the study

It is widely known that the task of grant funding management is important in ensuring long-term organizational success. Above and beyond the benefits to the organization that efficient, accurate grant management provides, an effective grant management system also provides a source of competitive differentiation in pursuing new funding for organization success. Thus every organization who received grant must seek to improve the efficiency of grant management. One

way of achieving this is through assessing its grant management process at the pre and post award level. An improvement in grant management process leads to organisation to show its ability of cost sensitivity and value for money.

This study, apart from enabling the researcher to apply her newly acquired business research skills, it will help Pact to better perceive the impacts the pre and post grant management process on the grant efficiency and effectiveness in the past few years. It is also believed to have multiple benefits including:

- Strengthening the criteria of selection of partners to achieve the grant performance in the approved grant period.
- Availing opportunities to make necessary measures towards ensuring grant management efficiency tasks to be are very much focused and relevant.
- Strategizing the grant management process for improved grant performance.
- Introducing a culture of business process management as part of grant efficiency and effectiveness for better performance in the organization.
- Serving as evidence to convince donors and solicit continued funding organisational sustainability.
- Implementing partner will have a lot to learn in the process of implementation of efficient grant management practices.

1.6. Delimitation/Scope of the study

The scope of the research is limited to the assessment of the impact of pre award assessment and post award monitoring /support of the grant management process of Pact's during the past five years (2009 – 2015*) and their contributions on grant management efficiency and effectiveness. The study is limited to examining the process and not taking into account other contributing factors.

1.7. Organization of the Research Report

This study have five chapters and the first chapter is an introductory chapter and contained topic like, back ground of the study, statement of the problems, objectives of the study, Significance of the Study, Delimitation/Scope of the study, Limitation of the study, Organization of the research report and, Definition of terms.

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* This period is selected since in this period Pact introduce different tools and process to improve the grant management practices.

The second chapter focus on the review of literatures in relation to the grant management, grant management competencies to achieve effectiveness, pre-award assessment and post award monitoring and also previous study results, concepts and definitions reviewed and consulted

The third chapter emphasizing on the design of the study and methodologies] used. Here the source of data and their selection, tools used for data collection and the selection of the organization is discussed.

The fourth chapter is about data presentation and interpretation. It is organized the primary data collected in a way that gives meaning and analyze it.

The fifth chapter is the final chapter that is used to summarize the findings of the study, conclusions presented and recommendations also provided based on the summarized findings.

1.8. Definition of Terms

The researcher found it is important to define some technical terms that are used in the study. These are listed bellows:-

Efficiency: According to Kasper (2000), which is the relation between (1) the accuracy and completeness with which users achieve certain goals and (2) the resources expended in achieving them. Indicators of efficiency include task completion time and learning time. In this study, we use task completion time as the primary indicator of efficiency.

Effectiveness: which is the accuracy and completeness with which users achieve certain goals. Indicators of effectiveness include quality of solution and error rates. In this study, we use quality of solution as the primary indicator of effectiveness, i.e. a measure of the outcome of the user's interaction with the system Kasper (2000).

Grant: According to Helen (2012), grant is a common term applied to funding or other incentives provided to individuals or bodies (including community groups, statutory bodies or commercial enterprises) that exhibit some, or all, of the following characteristics: a transfer to a recipient which may be in return for compliance with certain terms and conditions. Transfer which may not directly give approximately equal value in return to the grantor/government/donor (that is, there is a non-exchange transaction or subsidization), and a recipient may have been selected on merit against a set of program-specific criteria.

Fund: a sum of money or other resources whose principal or interest is set apart for a specific objective (Dictionary of Merriam Webster).

Award: means financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants, cooperative agreements and other agreements in the form of money or property in lieu of money, by the Federal Government[3] to an eligible recipient. The term does not include: Technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administer (226 CFR 2)

Grant Management: it relates to all of the administrative tasks required to handle the money, reporting, and program implementation in a way that meets generally accepted standards as well as the requirements of the funding source (Grantmnaship Center 2016). Simply it is ensuring that you are achieving the goal(s) of the grant or agreed project activities (Corey, 2014).

Grant Management Efficiency and Effectiveness: Effective grants management is a process (or result) of adequate overall oversight and monitoring of donors/government assistance awards, that includes project resources, activities, and results (Corey, 2014).

Pre award assessment: Pre-Award Assessment is a mechanism to assess the capacities of an organization in terms of governance, policies and procedures. The pre-award assessment focus on policies, procedures and structures relating to Control Environment, Financial Management and Accounting, Procurement Management Systems, Personnel Policies and Payroll Systems, Monitoring & Evaluation and Absorptive Capacity(USAID ADS 303).

Post award assessment: it is a sub-recipient monitoring refers to those day-to-day activities undertaken to monitor billings and scientific progress of an active sub-award (USAID ADS 303).

Sub-award: as per USAID regulation (226 CFR 2) it is an award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible sub-recipient or by a sub-recipient to a lower tier sub-recipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance which is excluded from the definition of "award" in this section.(226 CFR 2)

Recipient: means an organization receiving a grant or cooperative agreement directly from the donor to carry out project or program activities (226 CFR 2)

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[3] Refers to USA Federal Government

Sub-recipient means the legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided (22 CFR 2)

Project period means the period established in the award document during which donor sponsorship begins and ends (22 CFR 2).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Basic Overview of Grant Management

NGOs often receive funds from donors, which they spend themselves and sometimes pass on to other organizations. For example, it is common for a government department to fund an international NGO which funds a local NGO; where local -NGOs funds grass-roots community organizations. Donors provide funds, and without funds NGOs cannot achieve their objectives. But donors also have their own agendas and objectives which they cannot achieve without implementing NGOs. Developing good grant management rules and regulation that focus on shared understanding is really important if both sides are to work together efficiently and effectively to achieve their goals (TALG 2008).

Grant recipients must understand that managing grants efficiently and effectively is a critical step of the grantsmanship process. Effective and efficient Grants Management covers the grants management process that begins when an applicant has been awarded private or public funding. If it is not done properly, grantees may find that it is impossible to secure continuation or new funding from a grantor. In the worst case scenario, grantees may be asked to return grant funds due to mismanagement or not achieving the intended result (Deborah, 2010).

2.2. Why Organization has to manage their Grant efficiently and effectively

Above and beyond the benefits to the organization it provides, an effective grant management system is a source of competitive differentiation in pursuing new funding (AST Corporation 2013).

Efficiency in grant funding utilization is a pre-requisite for accessing an untapped fiscal resource for many grant-funded organizations. Grant performance analysts estimate that anywhere from 4% to 10% of grant funds are used inefficiently, either because the funds could have been better spent to streamline the overall delivery process of the organization, or because they are spent on outdated support infrastructure components that should be upgraded for the long-term organizational objectives. In a grant-funded organization with a million-dollar grant budget, reclaiming the high end of that range in wasted grant dollars would fund an extra organizational position with benefits and overhead (AST corporation 2013).

Maximizing grant dollar efficiency is also a valuable source of competitive differentiation in the grant market (AST Corporation 2013). Recipients has to show consistently and reliably that grants are used to the best possible way, grant-funded organizations establish themselves as responsible stewards to the public and funding organization. This could be proven by recipients by demonstrating capability how the fund is managed.

Effectiveness in grant making means measuring the effectiveness of the programs. A grantor may only be successful, if only recipients are effective in achieving agreed upon goal with the grant funds. Some recipients accomplish their objectives and others do not. A grantor will think twice about re-granting to an organization that has mismanaged its funds (William H. Woodwell, Jr. and Lori Bartczak, 2008).

A poor grant management strategy can result in a failed program, returned funding, potential liability, intensive auditing, or a severed relationship with a potential financial ally. Good grant management improves the chances of meeting organizations objectives, entices grantors to seriously consider the future requests, bolsters relationships with grantors, and streamlines evaluation, reporting, and auditing processes.

In developing an effective grants management system, a grantee should consider compliance with a grantor's terms and stipulations by making sure in meet all of the conditions for funding as well as any legal requirements. Establish a system by which that can communicate real-time evaluations and adjustments made to improve the grant performance (William and Lori, 2008).

2.3. Core Competencies for Effective Grant Management

According to Learn and Serve (2005.), core competencies is a combination of knowledge, skills and abilities that are required to perform a task or set of tasks. Combined, proficiency in several related core competencies leads to skill and aptitude in a broader field or area. The core competencies that are described here are all important and interrelated. Managing a program and grant effectively requires proficiency in all of the core competencies.

There are eight competencies that are intended to support a high quality program with effective grant management. This competencies help to make sure that grant making organization to use funds/grants effectively and that staff are working appropriately.

Figure 2.1 depicts the conceptual framework for sub grant management competency on pre-award and post award assessments and interventions. The framework links the key competencies required, with the grant management cycle and objectives to be attained in each stage of the grant life cycle.
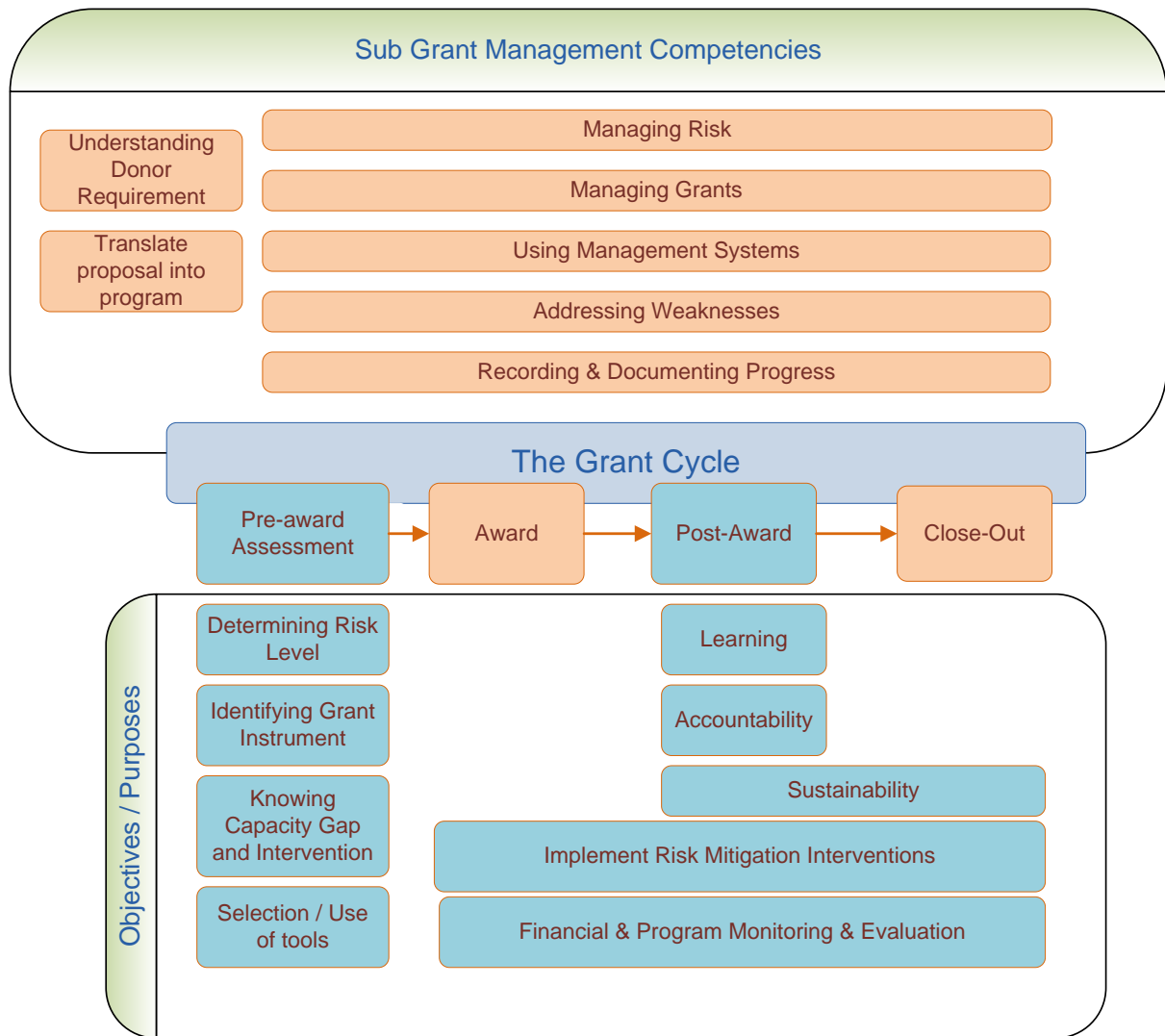
Figure 2.1: Conceptual framework for sub grant management competencies in pre-award and post award assessment and intervention. Source: Mapped from inputs from various literature, 2016

2.3.1. Managing Risk

According to risk management for non-profit organization Australia (NSW 2013), risk is the effect of uncertainty on an organization's objectives. In this regard, risk includes both (a) potential threats to achieving those objectives (negative risk), and (b) potential opportunities for achieving those objectives (positive risk). Therefore, risk is any uncertainty about a future event that threatens organization's or program's ability to accomplish its mission. With regard to these

core competencies, risk also applies to events or actions that may prevent from managing the grant according to its intent and requirements. Thus, an organization which received grant should be able to identify circumstances that increase the organization and program's potential risks and manage their programs to prevent those risks from occurring. As stated by Learn and Serve (2005) risk management involves identifying the probability that some future event or action that cause losses or harm in a grant, analyzing and assessing those risks, and developing a plan that includes appropriate strategies and controls to manage them.

Risk management is good business practice and can assist with meeting a range of compliance, statutory, organizational and governance requirements. According to Risk Management for non-profit organization written by (NSW 2013), effective risk management contribute to strategic and business planning and the general running (operational activities) of an organization. It creates confidence that organizations can deliver the desired outcomes, manage threats to an acceptable degree, and make informed decisions about opportunities.

Some benefits of effective risk management are that it: improves the quality of decision-making (appropriate, fast, accurate, and effective), when embedded within an organization's day-to-day operations, is part of 'business as usual' rather than an additional task or burden, when integrated with business strategy, ensures that strategic decisions are informed and based on up-to-date information and sound judgment

2.3.2. Understanding Donors Requirements

As it is stated by Learn and Serve (2005), grantees by accepting grant funds, grantees agree to comply with the general and special grant provisions and all applicable regulations, and guidelines stated in the grant agreement. The grantee also agrees to operate the funded program in accordance with the approved grant application and budget, supporting documents, and other representations made in support of the approved program.

The requirements that govern organization grant include grant-specific requirements, relevant donor's regulations, and the applicable circulars. This grant provisions (terms and conditions) are also cascaded to sub-grantees award and should be understand by them. Different donors have their own ways to enforce these regulation and guidance to grantees. When organization gets fund from US government, it follows ADS 303 standard provision for non-US origination is one of the guidance required by all grantees to comply with.

The grant provisions provide guidance to all aspects of grantees program development and administration, and they are the grantee's first stop for understanding donor requirements that pertain to each grant and for problem solving and grant related questions. Learn and Serve(2005) specify as a provision to the award: Applicable statutory and administrative provisions, responsibility for administering the grant, financial management provisions, administrative costs, allowable costs, retention of records, matching requirements.

2.3.3. Translating a Proposal into a Program Plan and Using It

According to Learn and Serve (2005), a program plan is a detailed map for implementing the grant that describes grantees goals and objectives as well as how to meet them and measure performance. The first step in developing a program plan should specify a clear, concise program description. This should explain the program's purpose and should motivate all stakeholders in the program to pursue it. The program plan should build on the program deception to explain the purpose of the program more specifically, define goals and objectives for the program to achieve, and include steps and strategies for implementing the plan. The program plan should include measurable outcomes and performance measures. It is also helpful to develop a timeline and milestones for program implementation to keep the program moving towards the intended objectives.

The program plan should identify what skills and tools are necessary to accomplish program goals and who should involve in each facet of the program. Grantees should involve key stakeholders in developing the plan, particularly in defining goals, objectives, strategies, and measures for the program. Early involvement helps to build support for the program among stakeholders and the additional perspectives and expertise improve the quality of the plan.

Planning effectively and then using the plan to guide action is critical to a well-managed grant. A crucial component of a program plan is the link between program goals and specific intended outcomes. How the program achieve the intended outcomes, and what is the strategy for measuring performance? The program plan should specify a system for measuring outcomes and monitoring.

2.3.4. Managing and Administering Sub-grants

According to Learn and Serve (2005), sub-grantees must follow all rules and regulation of the donor that is cascaded from their funder. Grantees are responsible for monitoring and reporting on all their sub-granting activities and are ultimately responsible for managing sub-grantee funds.

As it is stated in Learn and Serve (2005), a competitive process for selecting sub-grantees ensures that all sub-grantees are evaluated fairly and that the highest quality applicants are selected. Grant announcements including application guidelines and selection criteria should be published and disseminated as widely as possible to ensure the greatest pool of applicants. Application guidelines should be clearly written and provide all necessary information for sub-grantees to complete an application.

Managing sub-grantee funds and programs is a key grantee responsibility. Learn and Serve (2005) clearly states that grantees should develop a risk-based monitoring system to ensure adequate oversight of all sub-grantee funds. Grantees should communicate compliance and reporting requirements, including all grant provisions to their sub-grantees. Providing sub-grantees with the training they need to implement strong programs is a major component of sub-grant management. To help design effective training and technical assistance efforts, Learn and Serve (2005) describes this as grantees should conduct a formal or informal needs assessment and then develop a plan for providing training, technical assistance, and conducting site visits.

2.3.5. Managing Budget and Finances

According to Learn and Serve (2005), grantees must employ sound financial management practices in implementing their grant.

This helps to effectively manage program funds and provide accurate, complete, and current disclosure and documentation of the financial results of the grant program.

Accounting systems must meet Generally Accepted Accounting Principles (GAAP) requirements. Grantees should have an adequate system of internal controls, which is documented and reviewed annually. All managers should be informed of planned and actual expenditures in their areas of responsibility.

Grantees' system of cost management should include fiscal and programmatic components as well as cost allocation and monitoring. Managing costs includes the process of identifying all the costs associated with the grant, making informed choices about the options that will deliver the best value for grant expenditures, and managing and documenting those costs throughout the life of the project. Grantee's budget is the blueprint for cost management. The budget should be guided by the grantee's proposal and should include all direct and indirect costs. In addition, all grantees that are required to do so should have an audit.

Grants managers and other personnel, as appropriate, are responsible for knowing all the specific financial and grants management guidance and provisions. These include managing and documenting costs, and the planning, co-ordination, control and reporting of all cost-related aspects from project initiation to operation, maintenance, and close-out.

Cost management also entails understanding and following cost principles pertaining to match, allowable costs, and indirect costs. Grantees should have a plan for obtaining funding and other resources, including match contributions, from other sources.

Financial management also entails having effective systems for competitive bidding of contracts and procurement. Donors grant policy circulars require that grantees maintain a procurement system that is ethical, promotes full and open competition, and reaches out to women and minority-owned businesses.

2.3.6. Using Management Systems

Pugh. (1990) stated that, a management structure or system is a grouping of people and processes that act together to achieve a common goal or set of objectives. Organizations are theoretically designed and structured in order to achieve these objectives in the most efficient and effective manner. A good organizational structure helps to implement its program effectively. There are many types of effective management structures that grantees may adopt, but all effective structures share some common characteristics. They include a clear delineation of roles and responsibilities that are communicated to all staff members.

As pointed out by Lawrence (1998), management systems are designed to provide effective means of organizing and delivering program services, and of providing oversight of program activities and grant funds. Effective management structures are guided by written policies and procedures that are accessible to all staff. They also provide for regular communication among different parts of the organization and ensure that all personnel are informed of the organization's mission, activities, and any news or events. Managers should ensure that staff understand their role in the organizational structure, and how their unit or department fits within the larger organization.

According to Learn and serve (2005) effective management structures depend on the use of appropriate technology for communication and the sharing and storing of information. In addition effective management structure has a comprehensive human resources plan that reduces the possibility of increase in program or financial risk when there is staff turnover. The human

resources plan should include approaches for training new staff in their program and administrative responsibilities, including uses of relevant technology, evaluating employees, and providing regular feedback to employees on their performance.

2.3.7. Keeping Records and Documenting Progress

As it is stated in Learn and Serve (2005), grantees should document all policies and procedures throughout the grant process to ensure adherence to all grant requirements and provisions as well as facilitate continuity in program operations. Documentation also helps the grantee stay organized. Important documents to maintain in a filing system include the notice of grant award, grant amendments, the original grant application, documents from sub-grantees, the program budget, all expenditures, correspondence, financial reports, program progress reports, and audit and project closeout documentation. All expenditures should be appropriately documented (i.e., brief descriptions, agendas, reports, etc.) in a manner that supports why the transactions are allowable under the grant. Grantees should retain financial records for certain years (three most donors required) from the date of submission of the final Financial Status Report, and if there is an on-going audit, three years from the final audit resolution.

2.3.8. Addressing Weaknesses

Organizations are often subject to internal and external reviews, including audits. If grantees have expenditures over a specified limit (see OMB Circular A-133), they must have an independent financial audit, or "single audit." A "single audit" is an audit of entire organization. The auditor conduct a financial examination of grant receipts and expenditures as well as a compliance review to determine whether they meet grant terms and conditions. Sometimes an auditor report audit findings, which are problems or issues related to how grantee spent grant funds or complied with the terms and conditions of a grant. All audit findings should be addressed.

If grantees are not required to have an audit, the review should still include audits of the larger organization that the grant belong to and any sub-grant. Learn and Serve (2005) states also, grantees should review any prior internal reviews or other assessments of their organization's fiscal or programmatic management and be sure to address all findings. Finally, grantee should be engaged in a continuous process of self-assessment, reviewing both financial and programmatic aspects of their organization's performance and making midcourse corrections as needed.

2.4. Common Grants Management Challenges

As stated by REi (July 2015) effectively and efficiently managing grants, both grantors and grantee face a complex, disjointed, and dynamic set of processes. Grant-making agencies often face the dual challenge of being both a grantee and a grantor. Agencies must not only identify, apply for, and receive grant funding, but also solicit grant applications, review possible recipients, and accurately track the use of funds. When serving in both roles, as grantor and grantee additional challenges and complexities emerge. Even with the substantial systems and management tools in recent years, a surprising amount of the grant tracking effort is still performed in heavily manual ways. This introduces both unnecessary errors and non-integrated data.

Through data collected from numerous grant managers, REI(July 2015) identified a common set of challenges in grant management .

- Not easily tracking and reporting grant data (programmatic and financial) in real time to enable timely interventions and corrective actions.
- Inconsistently applying governance, compliance, and risk management principles across programs and sub-grantees to manage fraud, waste, and abuse.
- Not effectively managing and coordinating the required activities and tasks associated with the pursuit of grant management.
- Poor communication and information exchange with grantees.
- Managing increasing numbers of grants, awards, and sub-grantees with decreasing administration/support budgets.

2.5. Pre and Post award intervention as Component of Grant Management

There are enormous number of pre and post grant assessment frameworks and manuals developed by many organizations. There are however, little researches have been done so far regarding to the efficiency and effectiveness of pre and post grant assessments and monitoring activities.

The World Bank, as one of the major donors and financiers, is popular in developing and implementing various pre and post grant assessment frameworks and guidelines. International Government aid agencies such as USAID, DFID, SIDA and CIDA, and international NGOs and foundations had developed and used their own guidelines and models for grant making. Some

refer the pre-grant award assessment as a pre-grant due diligence. KPMG, a global consulting firm, explained the importance of pre-grant due diligences as (KPMG 2012):

> *"Pre-grant due diligence is an important part of effective and responsible grant making. Robust due diligence procedures aim to ensure long term value for money from grant expenditure by identifying potential weaknesses and risks and considering opportunities to enhance capacity before grants begin, when changes become much more difficult (p.1).*

Hence, the assessment helps to reduce the risk of funding being diverted from agreed development objectives, which inevitably reduces the desired impact. In addition, it also aims to reduce misunderstanding and establish an environment of accountability and transparency (KPMG, 2012).

Identifying the conditions for effective development aid is a major concern among development agencies. Donors are spending billions of dollars every year on development often without achieving the desired effects. To enhance results the devised a number of assessment frame works, and World Bank is at the forefront of this movement (Julia et al 2008).

The scope of assessment varies depending on the magnitude of the aid. International organizations like The World Bank, has a country level assessment, which some UN agencies referred it as a macro level assessment. Whereas for small grants, entity level assessment is conducted, which is also referred as micro assessment.

The World Bank initiated country assessments in the late 1970s to help guide the allocation of IDA lending resources. The assessment is referred as Country Policy and Institutional Assessment (CPIA). The CPIA consists of a set of criteria representing the different policy and institutional dimensions of an effective poverty reduction and growth strategy. The criteria have evolved over time, reflecting lessons learned and mirroring the evolution of the development paradigm. The assessment criteria and ratings have been substantially revised through learning and experiences. Ethiopia and many countries had been undergone through this assessment (CPIA report 2012)[4]. The assessment covers the economic management (monetary and exchange rate policies, fiscal policy, debt management policy), structural policies (trade, financial sector, business regulatory environment), policies for social inclusion/equity, which includes gender

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[4] Ethiopia's CPIA score in 2012 is 3.4 with a decrease scoring from that of 2011.

equality and public sector management and institutions, which includes quality of budgetary and financial management and transparency, accountability, and corruption in the public sector.

The assessment helps to understand the status of the country and to determine the modality of grant and loan, to determine the capacity limitations and design a strategy for reforms and to use the assessment rating as a benchmarking to monitor results of interventions.

The World Bank has a popular countries procurement system assessment framework which is referred as Country Procurement Assessment Report (CPAR). The objective of the CPAR is to provide a comprehensive analysis of the country's public sector procurement system, including the existing legal framework, organizational responsibilities and control and oversight capabilities, present procedures and practices, and how well these work in practice; the procurement processes and identification of risks to a world bank financed projects, to prioritize action plan to bring about institutional improvements and assess the competitiveness and performance of local private industries with regard to participation in public procurement. Many countries, including Ethiopia[5] had been assessed under this framework (CPAR V1&2 2002).

In 2005, UNICEF, UNDP, UNFPA and WFP, the UNDG ExCom Agencies, adopted for use a common operational framework, the harmonized Approach to Cash Transfers (HACT), for transferring cash to government and nongovernment implementing partners with the objective that the transaction costs of managing cash transfers might be reduced and implementing partner capacity to manage cash resources effectively strengthened. HACT is based on an assessment of the risks associated with transferring cash to implementing partners, including the risk that cash transferred to implementing partners may not be used or reported in accordance with agreements between the agency providing the cash resources and the implementing partner. The HACT framework consists of four processes: (1) macro assessments, which is country level and (2) micro assessments (which is entity or project level, and (4) assurance activities including planning, periodic on-site reviews (spot checks), programmatic monitoring, scheduled audits and special audits (HACT 2014).

DFID, the UK government department of international development, grant assessment methodology covers governance, system and process, environmental risk assessment, value for money, results and impacts (monitoring and evaluation systems) (KPMG 2011).

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[5] Ethiopia Country Procurement Assessment, Volume 1 and 2, World Bank 2002

Some government agencies in the United States jointly developed a guide to opportunities for Improving Grant Accountability. The guideline covers internal control systems, pre-award process, assessing performance measures, managing performance and using results (DWG 2005).

CARE, an international NGO, developed a grant assessment and compliance guidelines in 2005. The manual covers the activities to be done all the way through the grant cycle including pre-award phases, award phases, the Sub-grant Cycle, the closeout Phase and the Post Closeout (CARE 2005). This cycle is somehow similar with other international organizations including the World Bank when it comes to specific project funding.

Public Financial Management Performance Measurement Framework (also referred as PEFA framework) is an international public financial management performance assessment framework developed by PEFA, a multi-agency partnership program sponsored by a number of organizations including the World Bank, the International Monetary Fund, the European Commission, the United Kingdom's Department for International Development (DFID), The French Ministry of Foreign and European Affairs, the Royal Norwegian Ministry of Foreign Affairs and the Swiss State Secretariat for Economic Affairs. More than 120 countries, including Ethiopia had been assessed based on this framework. The 3rd round assessment was conducted for Ethiopia. The framework has been issued in 2005 and revised in 2011. The whole purpose of the assessment is to understand the performance of a country and to determine the modality of aid and loan relationship, to negotiate and set action plan for reforms and to understand changes in performances. The framework assesses credibility of the budget comprehensiveness and, policy-based budgeting, predictability and control in budget execution, accounting, recording and reporting and External scrutiny and audit (PEFA 2011).

2.5.1. Pre-award Assessment

The pre-grant assessment process of funding includes all evaluations preceding grant disbursement, and is therefore inclusive of such determinations as where financial contributions should be directed, what specific organizations should be beneficiaries, and further how grants may best be structured for maximum impact. It is evident based upon a review of current practices, that grant making is best managed and the tangible outputs of these grants most effective. There are three levels of assessment made by international donors. Level One: Country Assessment, Level Two: Policy and NGO Assessment, and Level Three: Institutional Assessment. For the purpose of this study the paper will focus in explication the third level

institutional assessment criteria and tools that are recommended as a best practice will be reviewed (Best practices for funding by William and Flora 2006).

In addition, as stated in Best practices for funding by William and Flora (2006), the former two levels have sought to quantify country viability and the degree to which a country's policy and NGO Environment is conducive, the third level of analysis is necessary to determine the current institutional capacity and potential sustainability and effectiveness of each organization considered for funding. This approach assesses the various factors that impact an organization's development and can prove valuable to the donor because it examines risk, capacity requirement and particularities of specific.

As it is described in the following paragraph, before a donor agency signs a grant agreement with an implementing organisation, or before an NGO signs a sub-grant agreement with another partnering NGO, there is need for assurance on the part of the donor that the organisation receiving the grants has the capacity to manage the funds and account for them appropriately.

USAID (United State Agency for International Development) describes Pre-Award Assessment as a mechanism to assess the capacities of an organization in terms of governance, policies and procedures. The assessment will focus on policies, procedures and structures relating to control environment, financial management and accounting, procurement management systems, personnel policies and payroll systems, monitoring & evaluation and absorptive capacity. USAID identify organizations from the government, civil society and private sector for pre-award assessment. These organizations will include the ones which will be receiving development funds for implementations. The pre-award assessment will identify organization specific capacity gaps in the above mentioned areas. Based on these gaps a capacity building plan will be prepared. (USAID, Code of regulation 226.11).

DIFD (Department for International Development) undertake pre-award assessment as a due diligence process used to assess the appropriateness of potential or intended recipient of a grant. It is an important part of effective and responsible grant making. According to DIFD, its pre award procedures aims to ensure long term value for money by identifying potential weakness and risk and considering opportunities to enhance before grant began. It reduces risk and establishes the environment of accountability and transparency. Increasingly, the assessments are incorporating pre-grant due diligence into their grant making processes and promoting the importance to protect the organization from risk in their sub grant making and other contracts(DIFID Pre grant due diligence guideline 2012).

World Bank also used pre award assessment in its public procurement policies and practices as one among the essential elements of good governance. Good practices reduce costs and produce timely results; poor practices lead to waste and delays and are often the cause for allegations of corruption and government inefficiency. The same benefits that accrue to Bank-assisted projects in which procurement is handled well, can and should be extended to all public sector procurement. Accordingly, the Bank is prepared to assist borrower member countries, as an integral part of their Country Assistance Strategies (CAS), to analyze their present procurement policies, organization, and procedures; and to help them develop or modify their systems to increase their capacity to plan, manage and monitor the procurement process efficiently, improve the accountability, integrity, and transparency of the process and reduce the scope for corruption, and be consistent with internationally accepted principles and practices(World Bank procurement guide 2011).

In addition to the above organization, UNFPA, CARE, GiZ, SNV and EU make assessment before awarding any application for fund. In all of them the main motive is using pre-award assessment as one of the ways to identify the capacity gap, minimize risk and subsequent support for effective and efficient project implementation. It is critical for ensuring achieving project plans and effective resource management for enhancing the absorptive capacity of organization in maintaining and/or reconstructing effective way of doing.

2.5.1.1.   Purpose of pre award assessment

The aim of the assessment is to identify any issues that will need to be addressed in the award document through special award conditions, areas that require special capacity building interventions or major concerns that may reduce the likelihood of project success. As per USAID ADS 303 and other donors pre award assessment is used for:-

- **To determine Risk level**

According to USAID ADS 303, organizations might work with high to low risk partners and various strategies should be used to minimize this risk. Organization's ability to appropriately assess risk and determine the best measures to mitigate financial and programmatic risk is one of its greatest strengths. Although, some of these strategies may increase the administrative or management burden, the situation must be approached by evaluating how the funding objectives and capacity building of local civil society actors will be best achieved. Hence the first step in pre award assessment is to determine the risk level. Once an overall risk level has been assigned, different strategies and tools may be utilized to mitigate risk.

- **Identifying the grant instrument**

An important factor to be taken into account during the pre-award assessment is the amount of funds to be directly managed by the prospective sub-grantee vis-à-vis with the programmatic and financial management capacity. In this case, the type of grant to be employed or the level of involvement (inclusive of any requirements for special award condition to be included in the contract agreement) depending on risk levels (NUPAS 2012). These are small grants, fixed obligation grants (FOG), standard long form grants or in-kind grants (the latter mechanisms will be proposed if the organization is deemed incapable of management of the grant).

- **Knowing the capacity gap and intervention**

Based on the findings of the above analysis that includes the analysis of the prospective sub-grantee's technical, managerial and financial ability to effectively carry out the program, an overall rating of risk will be provided based on the overall findings. If gaps are identified and believe that the gaps can be filled, training and follow on technical backup will be recommended and subsequently discussed with the partner prior to signing of the agreement (NUPAS 2012).

- **A selection tool**

The pre-award survey precedes an award and is used in the selection process. It is not intended as a substitute for an organizational capacity assessment (OCA), or the associated capacity development action Plans as contemplated by USAID Forward's Local Capacity Development (LCD) reform efforts. The pre award assessment and OCA are complementary tools designed for different purposes and time periods. The former to select a recipient and the later to asses capacity gap and intervene (NUPAS 2012).

2.5.1.2. Pre award assessment tool

Many organizations use different tools for assessing the sub-grantee's programmatic, managerial and financial capability. The literature review shows that many of the available organizational pre-award assessment tools have similar structures and components, which can be used as a basic framework to assess almost any organization. Building on the basic framework, tools are often modified to be relevant to a specific organization. In general, the tools call for a participatory approach where individuals from the organization being assessed have the opportunity to contribute to the assessment, in an environment where different opinions are respected and perspectives can be easily expressed. Many (but not all) of the tools use a gradient scoring scale. The most common scoring scale ranges from one to four, with one being the lowest score (little

or no capacity) and four being the highest (high capacity). There are some variations, for example some with a continuum of one to five, and one with a continuum form one to ten (literature review on organization capacity assessment tool by MHS 2011).

Based upon the commonalities derived from an examination of the criteria utilized by several of the leading public and private donors, as well as our own analysis, it is evident that organizations chosen as potential grantees should be evaluated and ultimately selected based upon positive standings on the following criteria. Most organizational assessments include a comprehensive examination of the potential grantee, including a review of institutional structure, financial viability, and personnel composition. The organizational capacities of all prospective grantees must be more closely analyzed through a number of assessment tools (Best practices for funding by William and Flora 2006).

2.5.1.3.   Pre award assessment process

Pre-grant assessment process starts by determining: (1) the players that will be involved; and (2) the objectives of the overall funding process. With regard to the first determination, donors recommends that the stakeholders that will be involved in or affected by the project should be defined. Specifically, they note among the benefits of stakeholder participation are greater accuracy and depth of information, increased credibility and acceptance of findings, and better correspondence to the practical concerns of these involved. However, since greater participation can increase the time and financial cost of the assessment, it is necessary to articulate the individuals and groups that should be incorporated into the process.

Defining programmatic purpose and objectives before commencing the pre-grant assessment process in which institutions are selected as grantees, it is necessary for the donor to define the central purpose and objectives of its funding project in order to guide selection and subsequently monitoring and evaluation.

After determining this the team of grant, program and other relevant person conduct the assessment using the tool developed relevant for the intended project.

2.5.2.   Post-award Monitoring and support

According to Best practices for funding by William and Flora (2006), grant monitoring, support and evaluation tasks that includes those evaluations conducted after funding has been disbursed to the selected organization(s). Post-award intervention is primarily directed toward ascertaining the degree to which the grantee has proved successful in strengthening its own

organizational capacity, grant implementation and performance, compliance with award and other rules and regulations. Generally, as it is stated in Best practices for funding by William and Flora (2006), the reasons for donors and grantors to conduct these interventions are three-fold:

2.5.2.1.   Learning

As per the result of pre-award assessment, organization gap identified has to be considered as a learning and initiation for the necessary intervention strategy. The proposed intervention should be designed in accordance with the nature and context of the grantee and the award mechanism. This help organization to evaluate the manner in which they have succeeded or failed for the purpose of improving future grant-making and the activities of the organization itself.

2.5.2.2.   Accountability

According to Mango (2014), the grantee must explain how it has used its resources and what it has achieved as a result to all stakeholders, including beneficiaries. All stakeholders have the right to know how their funds and authority have been used. Grantees have an operational, moral, and legal duty to explain their decisions and actions, and submit their financial reports to scrutiny. Those who have invested not just money but also time, effort and trust in the organization, are interested to see that the projects grant are used effectively and for the purpose for which they were intended. Accountability is the moral or legal duty, placed on project, an individual, group or organization, to explain how grants, funds, equipment or authority given by a third party has been used. According to Helen (2012), NGOs projects are accountable to the public via parliament for the use of public funds. Accountability mechanisms should reflect the operations and outcomes of the project and consider both the project objectives and administrative processes. Appropriate and sufficient evidence must be retained to support all decisions and proceedings in relation to the administration of project grant. In addition, all internal controls and processes, administrative functions and decisions concerning the operations of the grant must be documented in the project's financial management practice manual. In determining appropriate accountability mechanisms, the project will need to consider who is responsible for what, how and to whom. Thus, to ensure this donors/grantors has to monitor and support the grantee organization how they utilized the funds as intended and there are program success consistent with project objectives.

2.5.2.3.   Sustainability

According to Helen (2012), donor/grantor should explore and clearly identify projects long-term benefits that results after the project completion. According to Capable Partner Program (2011), donor/grantor should also analyze projects in both underfunding and overfunding. Undercutting of the projects grants will obstructs the ability to achieve project objectives, also overfunding is likely to result in wasted or unspent funds at the end of the grant period, and may hinder efforts to promote project sustainability. Thus sustainability used to improve on the current operations of the grantee and promote its long-term viability.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

In this chapter the researcher presents the design and research methodology used for the study. The methods and processes implemented in order to collect data and answer the research questions are defined and justified. According to Kothari (2003), research is the pursuit of truth with help of study, observation, comparison and experiment i.e. systematic method of finding solutions to a research problem identified. According to Kothari (2003) argument, the process of research is a systematic method that includes the following: (a) defining the research problem. (b) Formulating the hypothesis/research questions from the research problem. (c) Designing the appropriate research process. (d) Collecting facts or data to help answer the research questions. (e) Analyzing the data. (f) Reaching certain conclusions from the analyzed data hence answering research questions. Processes (c) and (d) constitute what is termed as Research Method for it enables the researcher to get the data necessary to answer the research questions and hence solve the research problem. Research Methodology on the other hand is inclusive of the research methods and encompasses the overall approach to the research process from definition to selection of the appropriate research method and analysis of data and drawing conclusions from the analysis hence would entail all the above steps.

3.2. Research Design

Qualitative research is concerned with describing phenomena in words to gain an understanding of the issues being researched within the context of the researcher. This type of research is concerned with subjective assessment of attitudes, opinions and behaviors and the data generated are not subjected to rigorous quantitative analysis. A hypothesis is not tested but the analyzed data helps in answering research questions that were pre-set (Kothari, 2003)

This study used a descriptive research method to describe and interpret the relationship between the Pre and Post award assessment on Grant management efficiency and effectiveness based on the data collected. For the purpose of this study the researcher implemented qualitative and quantitative (mixed) to investigate the relationship between pre and post award process on grant management efficiency and effectiveness. In addition the researcher supports her own experiences in order to understand those of the participants in the study.

3.3. Source of Data

During conducting this research, the researcher used primary and secondary sources of data that can be examined as follows. Primary data collected using structured questionnaire from targeted Pact staff and partners to get information on their perception on pre and post award grant management process and its perceived impact grant management efficiency. Secondary data relevant for this research, in the form of grant management practices, manuals and evaluation reports, organizational grant management policies and guidelines also reviewed. Previous researches on the topic and websites of different funding agencies and grant management (pass thorough) organization reviewed.

3.4. Data Collection Method

A series of questions that are easy and convenient to answer but can describe the intended practices or behaviors were formulated into a questionnaire. Shao (1999) defines a questionnaire as a formal set of questions or statements designed to gather information from respondents that accomplish research objectives.

For the survey, standard instruments, which have been developed, tested and used by different researchers on similar studies, were adopted as per the study requirements. The advantage of using such standardized instruments is that they have been thoroughly tested and in many cases norms are available against which results can be compared (Armstrong, 2009).

To measure the impact of pre award assessment and post award monitoring support on grant management efficiency and effectiveness used by Best Practices for Funding the William and Flora Hewlett Foundation (2006) was adopted. To further validate the adopted survey instruments, a pilot test was carried out with few Pact and partners staffs, who were not participating on the study.

The structured questionnaire that are implemented in this study was convenient, easy, and take less time to answers because options are available to the respondents from which they tick options that best describe their practices, opinions or attitudes. The questionnaire had a cover page providing a clear guidance and requesting consent. The completed questionnaires was collected within a defined date and in order to enhance the response rate, the researcher sent reminders before the date.

3.5. Sampling Design

A population can be defined as the complete set of subjects that can be studied: people, objects, animals, plants, organizations from which a sample may be obtained (Shao, 1999). Researcher usually cannot make direct observations of every individual in the population that are studying. Instead, the researcher collect data from a subset of individuals (a sample) and use those data to make inferences about the entire population.

The population considered in the study extended to staffs of program and support units (project, grants and finance, monitoring and evaluation, HR and admin), who are involved directly with the grant process and partner organisation getting grant award from Pact. As per the human resource data currently reported (January 2016) Pact has a total of 17 staff working in the position of directors, program, grant, finance and human resources. In addition, Pact is currently working with 23 active sub-grantees (Pact partner list January 2016). However, taking into consideration the difficulty of communication to easily to reach all the staffs and grantee/partners in the study, sampling technique was employed.

3.5.1. Sample Size

According to Roscoe (1969), sample sizes of less than 10 are not recommended. In experimental research with tight controls, successful research can be conducted with samples as small as between 10 to 20. However, for most studies samples size between 30 and 500 are most appropriate. Accordingly in this study the researcher determine the sample size using the purposive sampling method and reached to a sample size of 35 Pact and its grantee/partner staff that were taken to represent the population of 40.

Table 3.1:   Research population description

Ser. No	Position	Number	Pact Staff	Partner Staff
1	Program Director/Manager/Coordinator/Officer	15	8	7
2	Grant Manager/Officer	7	7	
3	Finance Manager/Officer	8	5	3
4	Monitoring and Evaluation Director/ Mange/Officer	4	4	
5	HR and Administration Director/Manager/Officer	1	1	
	Total	35	25	10

Source Primary data , 2016

3.5.2. Sampling Techniques

According to Donald et al. (2014), the reasons for choosing nonprobability over probability sampling are cost and time. Probability sampling clearly calls for more planning and repeated callbacks to ensure that each selected sample member is contacted. In this research, the researcher employed non-probability sampling specifically purposive sampling that respondents are selected deliberately for their unique characteristics and position in their organization.

3.6. Reliability and Validity

The research reliability is concerned with the question of whether the results of a study are repeatable. Reliability evaluates the degree in which same findings might be obtained if a research is developed once again (Silverman, 1997). Therefore, in this research, in which the analysis is qualitative and subjective, particular care was taken to have results that are more reliable. As result, the data collection process was planned and structured in advance. Moreover, correction and certification of questionnaires is conducted after pre-test. Validity is concerned with the integrity of conclusions that are generated by a research (Silverman, 1997). The main concern here is also the subjective judgment on collecting data and its analysis. As result, this study also reviewed the secondary data, five grant agreements and the respective process of how sub grantees are selected in the award to validate and make the results of the research are reliable

3.7. Data Analysis Techniques

Qualitative data were analyzed by using content and narratives analysis. Following the completion of the data collection, the collected data was encoded and entered into Statistical Package for Social Science/SPSS/ 20 Version for quantitative analysis. This quantitative analysis were mainly descriptive statistics such as percentages and frequencies. In addition, data were presented in the form of tables, graphs, and charts.

3.8. Ethical Considerations

The willingness of individuals to disclose the necessary information played significant role for the successful completion of this research. For this reason, while conducting this research the researcher tried to make sure that treating both the respondents and the information they provide with honesty and respect. These are some vital ethical principles that the researcher strictly complied: (a) Do No Harm - safeguarding an individual participating in the study against doing anything that harm. (b) Privacy and Anonymity - any respondents participating in this study guaranteed. (c) Confidentiality - any information provided by an individual participating in this study treated in a confidential manner.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter presents the data analysis and discussions of the findings of the research study. On each of the analytical questions that the survey sought to answer, the findings are presented under the following themes namely: respondent's profile, extent of effective grant management competencies, grant management challenges, the impact of pre-award assessment and post award monitoring support on grant efficiency and effectiveness, and key findings.

4.2. Response Rate

Thirty-five questionnaires were sent to Pact and partner staff. Different authors define and prescribe acceptable response rates. According to Baruch (2004) from 175 analyzed researches reported in academic journals it was found an average response rate of 36.1%. Similarly, of the 35 targeted Pact and partner organization staff respondents, 27 respondents were completed and returned i.e., 77% response rate.

4.3. Profile of the Respondents

The respondents were profiled using different criteria that include age, educational background, years of experiences, and positions. Table 4.1 illustrates the profile of the respondents in the survey according the highlighted criteria.

Table 4.1: Respondents Profile

Criteria	Response Frequency	Percent
Age Group		
18-25	6	22%
26-35	7	27%
35-45	12	44%
>46	2	7%
Education Level		
Diploma		
First Degree	9	33%
Master Degree	18	67%
Experience in the Organization(year)		
0-2	1	4%

Criteria	Response	
	Frequency	**Percent**
3-4	13	48%
4-5	7	26%
>7	6	22%
Employee Position		
Program Director/Manager/Coordinator/Officer	12	44%
Grant Manager/Officer	5	19%
Finance Manager/Officer	6	22%
Monitoring and Evaluation Director/ Mange/Officer	3	11%
HR and Administration Director/Manager/Officer	1	4%
Employee Experience in the position		
0-2	9	33%
3-5	11	41%
6-8	6	22%
>9	1	4%

Source: Primary data, 2016

Twenty seven of the respondents from Pact and partner organization staff were returned their questionnaires to the researcher. As shown on Table 4.1 above, about 22% of the respondents were between 18-26 years age. 71% of the respondents were between 26-45 years of age. The remaining 7% of the respondents were above 46 years of age. Likewise, the educational level of the respondents with first degree were 33% and 77% with second degree. About 96% of the respondents were worked in Pact and partner organization for about greater than two years that would backstops their experience. The remaining 4% of the respondents were worked for less than two years. 44% of the respondents are program people, while 43% of them are grant people. 11% of the respondents are from finance and the remaining 4% are from human resource function.

4.4. Efficiency and effectiveness of grant management competencies in Pact.

This analytical question sought to determine the level of Pacts grant management competency while implementing its grant at organizational level and sub-grantees. The points were categorized into eight grant management competency. According to Learn and Serve (2005.), there are eight core competencies of grant management that provide a high-level guide for donors/grantors, to help them make sure that their fund is used appropriately and achieved the intended result. A number of questions were asked that required to study the grant management

practices are competent at Pact and partners organization level and achieved grant management efficiency and effectiveness. The findings are discussed next.

Table 4.2:- Efficiency and effectiveness of grant management competencies in Pact

Grant Management competencies	Strongly Disagree		Disagree		Average		Agree		Strongly Agree		Total	
	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%
Managing Risk	1	4%	4	15%	6	22%	13	48%	3	11%	27	100%
Understanding donors requirement	1	4%	0	0%	2	7%	14	52%	10	37%	27	100%
Translating a Proposal into a Program Plan and Using It	1	4%	0	0%	8	30%	11	41%	7	26%	27	100%
Managing and Administering Sub-grants	1	4%	9	33%	6	22%	7	26%	4	15%	27	100%
Managing Budget and Finances	1	4%	8	30%	4	15%	8	30%	6	22%	27	100%
Using Management Systems	0	0%	8	30%	8	30%	6	22%	5	19%	27	100%
Keeping Records and Documenting Progress	1	4%	1	4%	11	41%	9	33%	5	19%	27	100%
Addressing Weaknesses	0	0%	14	52%	6	22%	5	19%	2	7%	27	100%

Source: Primary data 2016

Managing Risk

Table 4.2 illustrates the response to the question that sought to determine Pact's and its partner organization grant management competency in achieving grant management efficiency and effectiveness. As shown above on Table 4.2, about 59% of the respondents are agreed that Pacts grant management practices were assessed risk and in placed the corresponding mitigation strategy more than an average. The remaining 19% of the respondents have still a claim against it. According to Learn and Serve (2005.), when organization have a good practice of this competency, it shows that an organization which received grant should be able to identify circumstances that increase the organization and program's potential risks and manage their programs to prevent those risks from occurring. It creates confidence that organizations can deliver the desired outcomes, manage threats to an acceptable degree, and make informed decisions about opportunities. In this context, this research finds that Pacts grant management practices were applying risk management competency that leads them to efficient and effective grant management.

Understanding donor's requirement

Table 4.2 proves the responses to the question that sought to know the competency of Pact's and its partner organization in understanding donor requirement. Of which 89% indicated that Pact

and its partner organization understood and implement the donor requirements more than average. On the other hand, 4% of the respondents cited that they are not understood and implement donor's requirement. According to Learn and Serve (2005.), organizations have to understand well donor requirements written in the award agreement. The requirements that govern organization grant include grant-specific requirements, relevant donor's regulations, and the applicable circulars. This grant provisions (terms and conditions) are also cascaded to sub-grantees award and should be understand by them. The grant provisions provide guidance to all aspects of grantees program development and administration. This could be applicable statutory and administrative provisions, responsibility for administering the grant, financial management provisions, administrative costs, allowable costs, retention of records, matching requirements. During the course of this study, the results shown that Pact and its partner organization understood donor requirements well and comply with at all level of the award.

Translating a Proposal into a Program Plan and Using It

Table 4.2 demonstrates the responses to the question that sought to identify the competency of Pacts grant management practices in terms of translating the grant proposal to work plan and its implementation that has a great deal on its grant management efficiency and effectiveness (Learn and Serve, 2005). Of which 67% designated that Pact and its partner organization translated the grant proposal to work plan and implemented appropriately for the awards more than average. The remaining 4% of the respondents cited grant proposal have not translated to work plan and implemented for the award below an average. According to Learn and Serve (2005), organization are only become result oriented, if they have a program work plan detailed the award proposal that map for implementing the grant. The program plan should identify what skills and tools are necessary to accomplish program goals and who should be involved in each facet of the program. Organization should involve key stakeholders in developing the plan, particularly in defining goals, objectives, strategies, and measures for the program. In this context, this research finds that the grant management practices in terms of translating the grant proposal to work plan and its implementation has a great deal on its grant management efficiency and effectiveness.

Managing and Administering Sub-grants

Table 4.2 shows that, 41% of respondents granted that Pact manages and administer its sub grant looks worthy that is more than average. The remaining 37% of the respondents have still claims against on these, which is below the average. According to Learn and Serve (2005), grantor should develop a risk-based monitoring system to ensure adequate oversight of all sub-grantee

funds. Organization should communicate compliance and reporting requirements, including all grant provisions to their sub-grantees. Providing sub-grantees with the training they need to implement strong programs is a major component of sub-grant management. To help design effective training and technical assistance efforts. Learn and Serve (2005) describes organizations should conduct a formal or informal needs assessment and then develop a plan for providing training, technical assistance, and conducting site visits. During the research course, the research finds that Pact's competencies in terms of sub-grant management and administration were in fairly in practice but it requires more work and attention for enhancement.

Managing Budget and Finances

As represented on Table 4.2 above, 52% of the respondents cited that Pact's managing budget and finance competency is above an average. Yet on the other hand, 33% of respondents do not agreed that Pact does not have viable budget and financial management capability and gave below an average. According to Learn and Serve (2005), grantees must employ sound financial management practices in implementing their grant. This helps to effectively manage program funds and provide accurate, complete, and current disclosure and documentation of the financial results of the grant program. In this regards, this research found that Pact is applying budget and financial management competency with minimal courtesy that will leads to inefficacy and ineffectiveness of grant management.

Using Management Systems

As shown on table 4.2, 41% of the respondents agreed that Pact has a management system that is above an average. On the other hand, 30% of the respondents does not agree that Pact management system is below standard that is below an average. As pointed out by Lawrence B. Mohr, (1998), management systems are designed to provide effective means of organizing and delivering program services, and of providing oversight of program activities and grant funds. Effective management structures are guided by written policies and procedures that are accessible to all staff. Theses management systems also serve as a tool for communication among different parts of the organization and ensure that all personnel are informed of the organization's mission, activities, and any news or events. This research found that Pact management system competency is fairly good though significant percentage of the respondent claim that the competency level is below average. Pact need to critically assess this competency for improvement.

Keeping Records and Documenting Progress

Table 4.2 shows that 52% of the respondents are replayed Pacts competency in keeping records and program progress across the periods is above an average. The remaining 7% of the respondents are argued that Pacts competency in keeping records and program progress lacks consistency that is below an average. According to Learn and Serve (2005), organization should document all policies and procedures throughout the grant process to ensure adherence to all grant requirements and provisions as well as facilitate continuity in program operations. Documentation also helps to stay organized. Important documents to maintain in a filing system include the notice of grant award, grant amendments, the original grant application, documents from sub-grantees, the program budget, all expenditures, correspondence, financial reports, program progress reports, and audit and project closeout documentation. As result, this research finds the Pacts record keeping and program progress tracking were applied in a consistent approaches to their grant management.

Addressing Weaknesses

As represented on Table 4.2 above, 26% of the respondents cited that Pact's competency in addressing weakness is above an average. Yet on the other hand, 52% of respondents argued that Pact does not have viable capability in addressing weakness and gave below an average. According to Learn and Serve (2005), organization should review any prior internal reviews or other assessments of their organization's fiscal or programmatic management and be sure to address all findings. In addition it must be engaged in a continuous process of self-assessment, reviewing both financial and programmatic aspects of their organization's performance and making midcourse corrections as needed. As result, this research finds the competency of Pact in addressing weakness is unsatisfactory which needs a serious attention on its grant management.
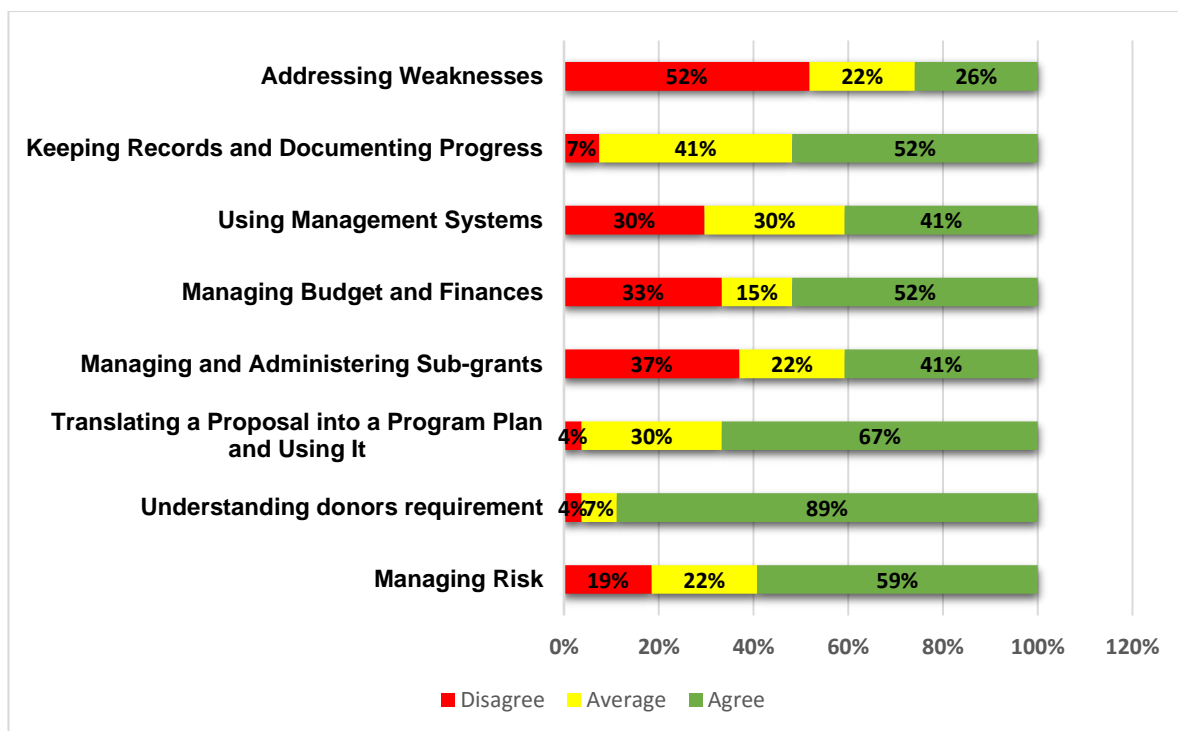
Figure 4.1 Response Summary: Grant management competency for grant efficiency and effectiveness Source: Primary data, 2016

As shown on figure 4.1, most respondents were agreed that grant management competencies are applied. Yet, this research finds there is a gap in especially applying some competencies such as addressing weakness, managing and administering sub-grant, using management systems, and managing budget and finances. It is evidenced that Pact's grant management process lacks competency in the area of addressing weakness. The fact that majority of the respondents were pointed, then this can give the impression that Pact is not continually assessing its progress on the gap identified and not developing capacity development plan in a SMART way(systematic, measurable, achievable ,realistic and within time frame). It is also evident that there are a significant number of respondents were claimed on management system, administrating sub grant and managing budget and finance are negligible as compared with other competencies. According to According to Learn and Serve (2005), this grant management competencies are main factors in achieving grant management efficiency and effectiveness. The researcher also triangulated the result with the performance of projects implemented during year 2009-2015 (see Appendix 2) and it reflects the same result. 60%t of the project are not completed within the approved period that had no-cost extension. Even though the projects are ended with additional period of performance, the approved fund is not utilized fully. This shows that Pacts grant management is not efficient and effective as it is expected.

4.5. Grant management challenges in Pact

As stated by REi (July 2015) to manage grants effectively and efficiently, both grantors and grantee face a complex, disjointed, and dynamic set of processes. Grant-making agencies often face the dual challenge of being both a grantee and a grantor. Agencies must not only identify, apply for, and receive grant funding, but also solicit grant applications, review possible recipients, and accurately track the use of funds. When serving in both roles, as grantor and grantee additional challenges and complexities emerge.

Table 4.3 Pacts and its sub-grantee grant management challenges

Grant Management Challenges	Strongly Disagree		Disagree		Average		Agree		Strongly Agree		Total	
	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%
Tracking and reporting grant data (programmatic and financial) in real time	0	0%	16	59%	3	11%	4	15%	4	15%	27	100%
Consistently applying governance, compliance, and risk management principles	1	4%	2	7%	15	56%	8	30%	1	4%	27	100%
Grant process is effectively in managing and coordinating	0	0%	3	11%	14	52%	9	33%	1	4%	27	100%
Communication and information exchange with grantees are well establish	2	7%	13	48%	3	11%	5	19%	4	15%	27	100%
Number of grant and sub-grantees with decreasing administration/support budgets	0	0%	10	37%	10	37%	5	19%	2	7%	27	100%

Source: primary data, 2016

Tracking and reporting grant data (programmatic and financial) in real time

Table 4.3 shows that 59% of the respondents were agreed with Pact's ability in tracking and reporting of financial and program data in grant management. The remaining 30% of respondents were disagreed. According to REi (July 2015) tracking and reporting grant data (programmatic and financial) in real time is not an easy task to enable timely interventions and corrective actions. The analysis shows that Pact has a fair real time data tracing system that enable to timely intervenes and make corrective action in its grant management and that it should strive to achieve the possible gaps perceived by 30% of the respondent.

Consistently applying governance, compliance, and risk management principles

The result in Table 4.3 above shows that only 33% of the respondents agreed that Pact is consistently applying governance, compliance, and risk management principles in its grant management. 56% of the respondents rated Pact for average performance in this regard. The remaining 11% of respondent's disagreed on Pacts ability to apply governance, compliance, and

risk management principles in grant management. As it is stated by REi (July2015) one of the challenges in grant efficiency and effectiveness is the lack of consistent application of governance, compliance, and risk management principles across programs and sub-grantees to manage fraud, waste, and abuse. The finding indicated that Pact has to work in consistent application of governance, compliance, and risk management principles.

Grant process is effective in managing and coordinating

Table 4.3 illustrates that 37% of respondents were agreed that Pact managed and coordinated its grant process well and not considered as a challenge. 52% of the respondents rated average and the remaining 11% disagreed that Pact manage and coordinate its grant process efficiently and effectively. According to REi(July 2015), not effectively managing and coordinating the required activities and tasks associated with the pursuit of grant management in the specified time considered as one of the challenge for organization grant management. The above result reveals that Pact and its sub-grantee needs more attention to improve their management and coordination of the grant process.

Communication and information exchange with grantees are well establish

In contrary, as shown on Table 4.3 56% of respondents were agreed that Pact's practice in communication and information exchange with grantees, and that 33% of respondents did not agreed with this and still remains as a challenge. According to REi (July 2015), most organization grant management lacks good communication and information exchange between grantor and the grantee. For effective project grant management, there should be established communication strategy and protocol between the organization and its sub-grantee to channel information appropriately. The finding apparently implies that, Pact were giving a fair attention for communication protocols and strategies in its grant management process, while it is still a challenge and should be investigated and enhanced to a higher level.

Number of grant and sub-grantees with decreasing administration/support budgets

Table 4.3 shows that 26% of the respondents were agreed that Pact manage increased number of grant/award with decreasing amount of fund for administration and support and considered as a challenge in its grant management. 37% of the respondents rated for average and the remaining 37% of respondents were disagreed. According REi (July 2015), organizations are not considering sufficient amount of fund for its administering and supporting the sub-grantees. In addition they are not using the fund they allocated in cost effective way. This created in managing

increasing numbers of grants, awards, and sub-grantees with decreasing administration/support budgets and being as one of a challenge for grant management efficiency and effectiveness. The implication of this result is that Pact are a bit sensitive for budgeting fund for sub-grant management and also using the fund not in cost effective way.
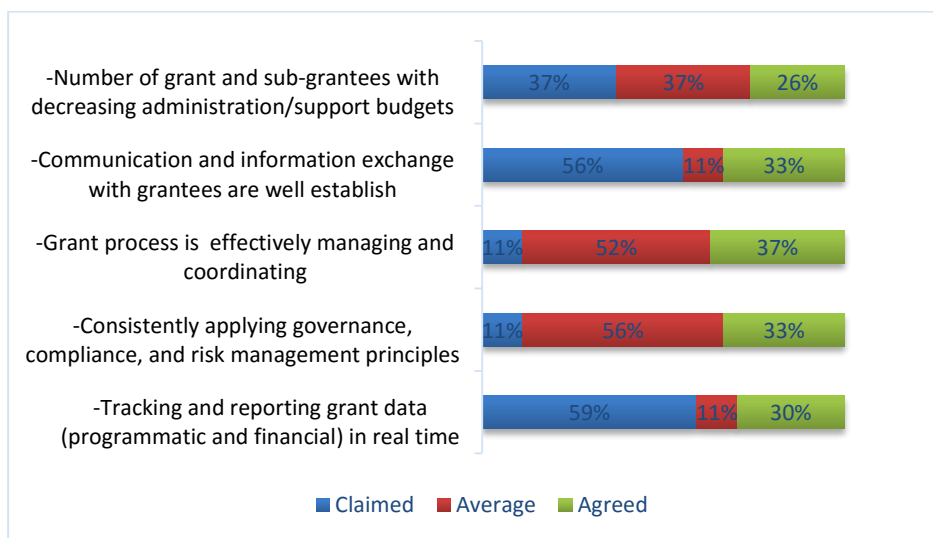

Figure 4.2: Response Summary in Grant management challenges at Pact, Source: primary data, 2016

As it is stated in the above figure 4.2, Pact has the same challenge as indicated by REi (July 2015). In order to efficiently and effectively managing grants, both grantors and grantee face a complex, disjointed, and dynamic set of processes. When serving in both roles by organization like Pact, as grantor and grantee additional challenges and complexities emerged. Figure 4.2 exhibits, the main common challenges by Pact and its grantee were communication and information exchange, tracking real time grant data and not allocating or efficiently managing support budget to manage its grant. Even in the other areas of common grant management challenge stated above, Pact and its sub grantee has to work more in betterment of its grant management efficiency and effectiveness.

4.6. The impact of Pre-Award assessment on grant management efficiency and effectiveness

4.6.1. The extent of Pre-award assessment used for grant management efficiency and effectiveness

This section presents answers to questions that sought to determine efficiency and effectiveness of Pact in pre-award assessment. According to DFID pre grant due diligence guideline (2012), pre award assessment aims to ensure long term value for money by identifying potential weakness and risk and considering opportunities to enhance before grant began. It reduces risk

and establishes the environment of accountability and transparency. Increasingly, the assessments are incorporating pre-grant due diligence into their grant making processes and promoting the importance to protect the organization from risk in their sub grant making and other contracts.

Table 4.4: The impact of Pre-award assessment on Pact grant management efficiency and effectiveness

Pre-Award assessment Used for	Strongly Disagree		Disagree		Average		Agree		Strongly Agree		Total	
	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%
Key factor for grant efficiency and effectiveness	1	4%	1	4%	1	4%	15	56%	9	33%	27	100%
Use for assessing risk and determine the risk level	0	0%	1	4%	9	33%	12	44%	5	19%	27	100%
Determine the grant instrument	1	4%	1	4%	15	56%	7	26%	3	11%	27	100%
To identify capacity gap	0	0%	1	4%	6	22%	13	48%	7	26%	27	100%
Selecting grantee	11	41%	4	15%	3	11%	8	30%	1	4%	27	100%

Source: Primary data, 2016

Key factor for grant efficiency and effectiveness

KPMG, a global consulting firm, explained the importance of pre-award assessment or due diligences (KPMG 2012) that it is an opportunities to enhance capacity before grants begin, when changes become much more difficult. It is important part of effective and responsible grant making. Robust due diligence procedures aim to ensure long term value for money from grant expenditure by identifying potential weaknesses and risks and considering. Table 4.4 explains that 89% of respondents were agreed that Pact considered pre-award assessment as a key factor for grant management efficiency and effectiveness. Yet, on the other hand 7% of respondents rated it below the average. This finding implies that, pre-award assessment is a key factor for grant management efficiency and effectiveness.

Use for assessing risk and determine the risk level

According to USAID ADS 303, organizations might work with high to low risk partners and various strategies should be used to minimize this risk. Organization's ability to appropriately assess risk and determine the best measures to mitigate financial and programmatic risk is one of its greatest strengths. Table 4.4 explains that 63% of respondents were agreed that Pact used pre-award assessment to determine the risk level of the grantee. 33% of the respondents rated

average. Only 1% of the respondents disagree with this. This finding implies that, Pact is taking good care of pre-award assessment to determine the risk level of the sub-grantees. In this context, when there is high level of risk Pact takes mitigation strategy to minimize the risk level.

Determine the grant instrument

As it is sated in USAID pre-award gridline NUPAS (2012), an important factor to be taken into account during the pre-award assessment is the amount of funds to be directly managed by the prospective sub-grantee vis-à-vis with the programmatic and financial management capacity. In this case, the type of grant instrument to be employed or the level of involvement (inclusive of any requirements for special award condition to be included in the contract agreement) depending on risk levels. The results on Table 4.4 shows that 37% of respondents were agreed that Pact uses different grant instrument depending on the risk level of sub grantee. 56% of the respondent rated average and only 7% of the respondents were disagree. This finding implies that, Pact is taking care of using pre-award assessment to determine the grant instrument on the average and require to work in the area for betterment of grant management efficiency and effectiveness.

To identify capacity gap

The above Table 4.4 shows that 74% of respondents were agreed that Pact used pre award assessment to identify capacity gap of sub-grantee which is more than average. Only 4% of respondents disagree or indicated average rating indicating that Pact should still has to work more in this regard. According to USAID pre-award assessment guide NUPAS (2012), pre-award assessment used to identify capacity gaps and believe that the gaps can be filled through training and follow on technical backup will be recommended and subsequently discussed with the partner prior to signing of the agreement. Based on this findings, Pact used pre-award assessment to determine the capacity gap of sub-grantees and plan for intervention for efficient and effective grant management. This implies that Pact used pre-award assessment to identify area that needs improvement by sub-grantees for betterment of grant management efficiency and effectiveness.

Selecting grantee

As it is sated in USAID pre-award gridline NUPAS (2012), an important factor to be taken into account to determine whether to select a sub grantee to work with is the pre-award assessment result. The pre-award survey precedes an award and is used in the selection process. The results

on Table 4.4 shows that 33% of respondents were agreed that Pact uses pre-award assessment result for selection of sub-grantee. Yet, on other hand 56% of the respondents disagree that Pact uses pre-award assessment for selecting sub-grantee for implementing the award. This implies that Pact doesn't use pre-award assessment results for selecting sub-grantee to work with or in other words, a sub-grantee may still be selected while the assessment result is lower than the average rate. The researcher also tried to look a sample of sub grant agreements and its selection process, and noted that none of the sub grantee selection include pre-award assessment as a selection criteria.
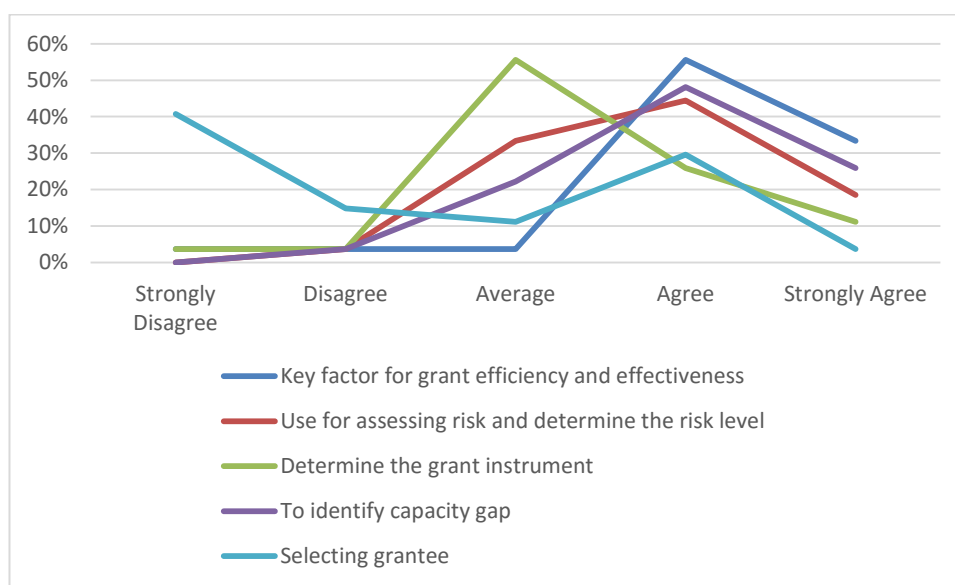

Figure 4.3: Response Summary: The extent of pre-award assessment results used in grant management efficiency and effectiveness. Source: Primary data, 2016

In addition, Table 4.4 and Figure 4.3 shows that Pact considers pre-award assessment as a key factor in achieving grant management efficiency and effectiveness that is 89% of the respondents agreed on. 63% of respondents were debated that Pact uses pre-award assessment used for measuring risk and 74% for knowing the capacity gap. 56% of the respondents agree that Pact inconsistently used pre-award assessment for determining grant instrument. On the other hand 56% of respondents were claimed that Pact were not uses pre-award assessment results for selecting sub-grantee for grant implementation which means less than the average. According to DFID pre grant due diligence guideline (2012), pre-award assessment is a tool used to assess the appropriateness of potential or intended recipient of a grant. It is an important part of effective and responsible grant making. According to DFID, its pre award procedures aims to ensure long term value for money by identifying grantees potential weakness and risk to work with or not

before grant began. Thus, the research finds that, Pact's use of pre-award assessment result as a basis of selecting sub-grantee found to be minimal.

4.6.2. Pact's pre-award assessment process, practices and tools

In this section the researcher sought that how the pre-award assessment tool and the assessment process has an impact on the grant management efficiency and effectiveness. According to MHS (2011), Organization should develop capacity assessment tools that are appropriate to the technical, managerial, and financial requirements of the program. The decision of what tool to use should be made in close consultation with the relevant stakeholders. Where necessary many organizations use different tools for assessing the sub-grantee's. However many of the available organizational pre-award assessment tools have similar structures and components, which can be used as a basic framework to assess almost any organization. MHS (2011) also describes that, pre-grant assessment process starts by determining: (1) the players that will be involved; and (2) the objectives of the overall funding process. The stakeholders that involved in or affected by the project should be defined. Specifically, relevant participation of stakeholder lead to greater accuracy and depth of information, increased credibility and acceptance of findings, and better correspondence to the practical concerns of these involved.

Table 4.5: Impact of Pact's pre-award assessment process practices and tool on grant management efficiency and effectiveness

Pre-Award assessment Used for	Strongly Disagree		Disagree		Average		Agree		Strongly Agree		Total	
	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%
Pre-award assessment process involves all players	0	0%	2	7%	16	59%	8	30%	1	4%	27	100%
The standard pre-award tool Pact currently using is comprehensive	0	0%	4	15%	12	44%	10	37%	1	4%	27	100%

Source: Primary data, 2016

The standard pre-award tool Pact currently using is comprehensive

The above Table 4.5 illustrates that 33% of respondents were agreed that Pact pre-award assessment tool is comprehensive and customized as per grantee size and complexity of the award as above average. 59% rated average and the remaining 7% considered as Pacts pre-award assessment tools is a standard and used to all grantee regardless of its size and complexity of the award. According to MHS (2011), organizations should uses pre-award assessment tool that is applicable and relevant to its sub-grantee to measure its technical, financial and managerial

capability and get the necessary information for making good decision and efficiently and effectively manage its grant. The above result reveals that Pact uses a standard pre-award assessment tool and customized inconsistently (since 56% of the respondents agreed fairly) for all its sub-grantee and might lose some relevant information that support its decisions.

Pre-award assessment process involves all players

Table 4.5 shows 41% of respondents were agreed Pact has a good grant process that incorporate relevant players of the award for getting in-depth information and buy in of the decision undertaken. 44% rated the practice average, however 15% of respondents disagreed. According to MHS (2011) for efficient and effective grant management, organization starts the pre-grant assessment process by determining the players that will be involved; and setting the objectives of the overall funding process. This apparently implies that, Pact needs to improve its grant process for betterment of grant management efficiency and effectiveness.
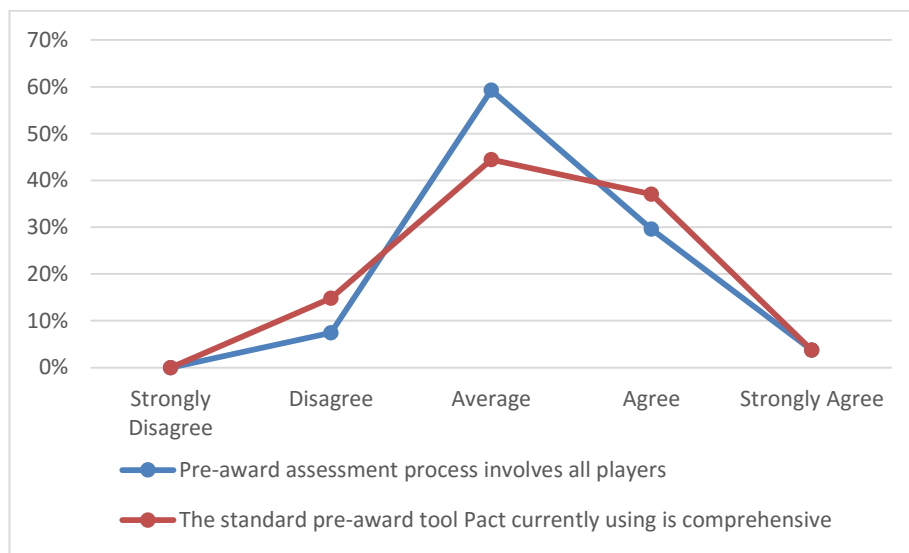

Figure 4.4 Response Summary: Pact's pre-award assessment process practices and tools for grant management efficiency and effectiveness. Source: Primary data, 2016

Table 4.5 and Figure 4.4 shows that 59% and 44% of respondents were greed that Pact used standard pre-award tool is comprehensive to be used for all sub-grantee regardless of size and complexity and pre-award assessment process involves all the players respectively on the average. On the other hand, 34% and 41% of the respondents were agreed that Pacts pre-award tool is comprehensive to be used for all sub-grantee regardless of size and complexity and pre-award assessment process involves all the players respectively are above average. According to MHS (2011), Organization should develop capacity assessment tools that are appropriate to the

technical, managerial, and financial requirements of the program. The decision of what tool to use should be made in close consultation with the relevant stakeholders. In addition as it is by MHS (2011) also describes that, pre-grant assessment process starts by determining: (1) the players that will be involved; and (2) the objectives of the overall funding process. The research finds that, Pact uses the standard pre-grant assessment tool regardless of size and complexity. In addition the grant management process needs improvement in order to get depth of information, increased credibility and acceptance of findings.

4.7. Impact of Post award Monitoring and Support in Grant management efficiency and effectiveness.

In this section the researcher sought that how post award monitoring and support impact the grant efficiency and effectiveness. According to Best practices for funding by William and Flora (2006), post-award intervention is primarily directed toward ascertaining the degree to which the grantee has proved successful in strengthening its own organizational capacity, grant implementation and performance, compliance with award and other rules and regulations. Generally, as it is stated in Best practices for funding by William and Flora (2006), the reasons for donors and grantors to conduct these interventions are three-fold: Learning, Accountability, and sustainability. In addition the researcher tried to look the bases of post award intervention and how the progress and performance are measured. A number of questions were asked that sought to study these factors on grant management efficiency and effectiveness and the findings are discussed next.

Table 4.6: Post-Award assessment as part of Grant Management Efficiency and Effectiveness

Post-award Monitoring and support	Strongly		Disagree		Average		Agree		Strongly		Total	
	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%	FQ	%
Pact post award intervention bases the pre award assessment result	1	4%	0	0%	16	59%	9	33%	1	4%	27	100%
Pact conducts post award assessment for all its projects in yearly bases or mid-term evaluation.	14	52%	1	4%	4	15%	8	30%	0	0%	27	100%
Pact post award monitoring and assessment used for learning	1	4%	0	0%	12	44%	13	48%	1	4%	27	100%
Pact's post award monitoring and assessment used for accountability	1	4%	4	15%	10	37%	11	41%	1	4%	27	100%
Pact's post award monitoring and assessment used for sustainability	2	7%	11	41%	6	22%	8	30%	0	0%	27	100%

Source: Primary data, 2016

Pact post award intervention based the pre-award assessment result

Table 4.6 illustrates the response to the question that sought to determine the practices of post award intervention bases the pre award assessment result. As shown above on Table 4.6, about 37% of the respondents are agreed that the post award intervention is based on the result of pre-award assessment. 59% rated average and the remaining 4% of the respondents disagreed on it. According to Best practices for funding by William and Flora (2006) the bases of post award intervention is the pre-award assessment and other subsequent reviews. In this context, this research finds that Pact were applying pre-award assessment findings as a base for post award intervention but need improvement.

Pact conducts post award assessment for all its projects in yearly bases or mid-term evaluation.

Table 4.6 proved the responses to the question that sought to know Pacts practices in measuring sub-grantee capacity progress and performance to ensure the relevance of its intervention. Of which 30% indicated that Pact measures sub-grantee capacity progress and performance during the award period and ensure its relevance. On the other hand, 56% of the respondents cited their Pact don't measure the capacity progress and performance and not sure that the intervention were relevant. According to (Julia et al 2008), identifying the conditions for effective grant management is a major concern among donor agencies. Donors are spending billions of dollars every year on development often without achieving the desired effects. To enhance results the devised a number of assessment frame works, and conduct assessment in the grant period to measure the progress and performance of the sub-grantee. Thus Pact post award intervention is measured in the grant period to know the grantee capacity progress and ensure relevance of interventions for betterment of grant management efficiency and effectiveness very minimal.

Pact post award monitoring and assessment used for learning

Table 4.6 demonstrates the responses to the question that sought to Pact post award monitoring and assessment used for learning that have a great deal on its grant efficiency and effectiveness USAID pre-award guideline (NUPAS 2012). 52% of the respondent agreed that the post award monitoring and support uses for learning. 44% rated average and the remaining 4% of the respondents disagreed. According to NUPSA (2), the proposed intervention should be designed in accordance with the nature and context of the grantee and the award mechanism. This help organization to evaluate the manner in which they have succeeded or failed for the purpose of

improving future grant-making and the activities of the organization itself. In this context, this research finds that Pact uses the post award monitoring and support results as learning for future grant-making.

Pact's post award monitoring and assessment used for accountability

Table 4.6 shows that, 44% of respondents agreed that Pact's application of post award monitoring and support to ensure accountability for better grant efficiency and effectiveness. 37% rated average and the remaining 19% of the respondents disagreed. According to Mango (2014), organizations are accountable to the public and accountability mechanisms should reflect the operations and outcomes of the project that consider both the project objectives and administrative processes. During the course of this study, the results shown that Pact post monitoring and support were agreed by 81% of the respondents on the average or above presented appropriate and sufficient accountability exercised by Pact.

Pact's post award monitoring and assessment used for sustainability

The above Table 4.6 shows that 30% of respondents rated Pact's use of post award monitoring and support as sustainability tool for its grant management efficiency and effectiveness as average. On the other hand, 48% of respondents were disagreed. According to Helen (2012), donor/grantor should explore and clearly identify projects long-term benefits that results after the project completion. This implies that, Pact is not reasonably uses post award monitoring and support as a tool for sustainability of its sub-grantees and effective grant management.
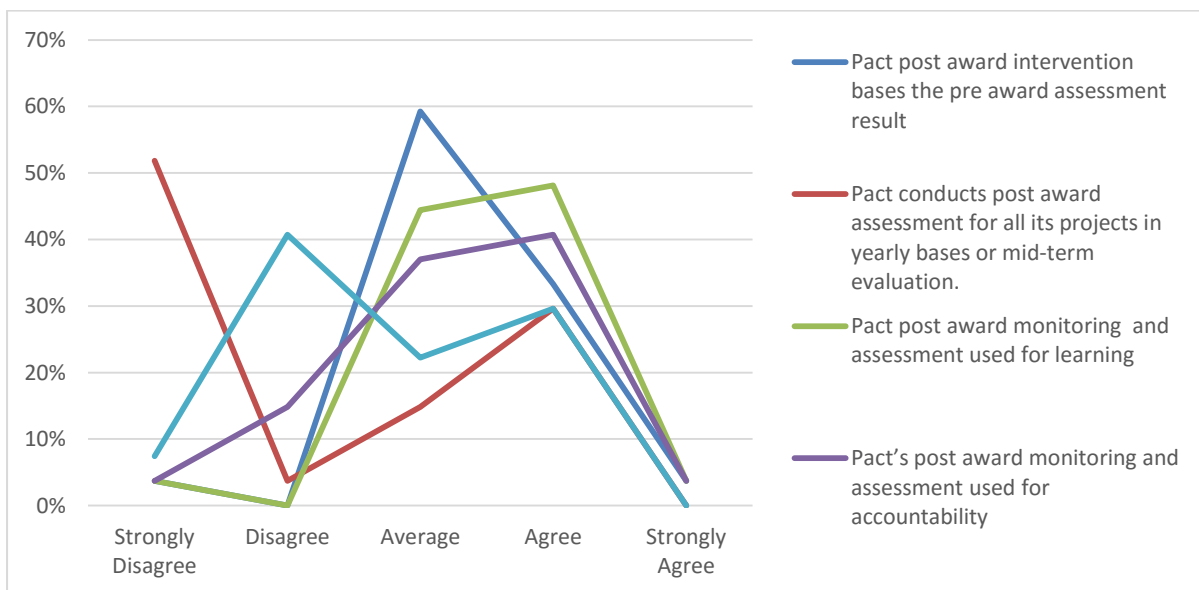
Figure 4.5 Response Summary: Post-Award assessment as part of Grant Management Efficiency and Effectiveness. Source: Primary data, 2016

According to Best practices for funding by William and Flora (2006), grant monitoring, support and evaluation tasks that includes those evaluations conducted after funding has been disbursed to the selected organization(s). Post-award intervention is primarily directed toward ascertaining the degree to which the grantee has proved successful in strengthening its own organizational capacity, grant implementation and performance, compliance with award and other rules and regulations. As it is stated in the above figure 4.5, 52% of the respondents indicated that Pact doesn't measure the capacity progress and performance and that they are not sure about the relevance of the interventions. In addition 48% of the respondents argued that Pact's post award monitoring and support didn't address the sustainability of grant management. On the other hand Pact's post award intervention ensures accountability and used for learning.

CHAPTER FIVE

SUMMERY, CONCLUSION AND RECOMMENDATIONS

This chapter presents; first summery of the study. The second part presents conclusion and finally, the last part presents recommendation and further research areas.

5.1. SUMMERY OF FINDING

The study identified the following key findings**:**

Areas where Pact strength is demonstrated

Among best practices demonstrated in grant management competency, Pact is efficient and effective in the area of risk management, understanding of donor requirements, translating of proposals into a program plan and keeping of records and documenting of progress.

The research also confirm that pre-award assessment is a key factor for grant management efficiency and effectiveness. The result of pre-award assessment is used for measuring risk and identification sub grantees capacity gap. Furthermore, Pact uses the assessment result to determine grant instrument based on the risk level.

Pact's standard pre-award assessment tool is comprehensive and fairly align with best frameworks reviewed in the literature. The pre-award assessment process also engaged relevant stakeholders in order to collect in-depth information and to get the buy-in for the identified gaps.

Pacts post award monitoring support basis the pre-award assessment result to initiate capacity development intervention with regard to technical, financial and managerial aspect. Thus, the assessment result is used as learning for future similar interventions and also used to ensure accountability at Pact and grantee level.

Limitation observed in Pact grant management practice

Despite its strength in certain area of grant management competencies, the research identified that Pact has a gap on managing and administering of sub grants, using its budget and administration of finance within the grant period and follow-up of intervention results to enhance the implementation capacity of sub-grantees.

Common challenges discussed in the literature review have been also observed in Pact grant management practices. Among them are limitation in tracking and reporting data in a real time; inconsistent application of governance, compliance and risk management practices; lack of coordination in managing and coordination of different grants, under budgeted admin costs for managing ever increasing size of sub grants. It is also noted that the communication and information exchange with sub grantees is not well managed and existing communication protocol of pact is only practiced partly.

Pact did not use pre-award assessment results for selecting sub-grantee for grant implementation contrary to best practices indicated in the literature reviewed.

In Pact's post award monitoring support, there is no continuous tracking system that measures capacity progress and performance that would have been used to assess the relevance and effectiveness of grant management interventions.

Pact's post award monitoring and support didn't address properly the sustainability of its grant management.

5.2. Conclusion

This research aims to assess the efficiency and effectiveness of grant management practices in Pact. In addition the study also assessed the practices of pre- award assessment and post award monitoring and support on grant management efficiency and effectiveness in Pact. Accordingly, based on the data collected from twenty seven Pact and partner staff, secondary documents reviewed and analysis made, the researcher conclude that, Pact applied most of grant management practices explored in the literature review section of this research. However, this study identified that Pact is inefficient and ineffective in the application of grant management competencies, terms of full use of grant budget within the approved period, sub-grant management, addressing weakness and communication. The research also found out the contributing factors why Pact is inefficient and ineffective in the application of grant management competencies. Furthermore, this research finds that pre-award assessment and post award monitoring and support have a direct impact in Pacts grant management efficiency and

effectiveness, so that the gaps identified in this research in pre-award assessment and post award monitoring and support contributed for Pact's grant management inefficiency and ineffectiveness.

5.3. Recommendations

Pact has been heavily reliant on grant making and donors funding in terms of financing for the projects they are implemented. Some of the grant management practices of Pact needs improvement to be in line with the recommended best practices. The researcher makes the following recommendations to address some of the key findings of the study:

- Pact should perform self-assessment on its competency level on the efficient and effective management of grant to identify the root causes of weakness and underperformances in certain grant management competency. Such assessments should be conducted on a yearly basis and should be followed by action plans to strengths identified gaps.

- It is indicated that the grant management monitoring and oversight practices are not risk based. Hence, grant management practices in managing and administering sub-grant should be develop a risk-based monitoring system.

- Providing sub-grantees with the training on strong program management systems as a major component of sub-grant management.

- Pact should implement computerized grants management processes to addresses the challenges of tracking data in real time. Key grant processes should be automated and centralized through a series of configurable modules and through an interactive user interfaces for managing grants.

- Pact as entity should get the benefit of economies of scale and synergy by coordinating its various projects instead of operating each project on a standalone basis.

- Pact should give attention for communication protocols and strategies in its grant management process. Pact has only such protocol and strategy for one of its projects. It is strongly recommended that Pact should have organization wide communication protocol and strategies to be applied consistently to improve communication and information exchange with sub grantees.

- Grant administration budget should be properly forecasted at the time of proposal development and should be used efficiently to avoid budgetary constraints during multiple sub grantee management.

- The main dilemma identified in this study in Pact's pre-award approach and over all concepts is, about using pre-award assessment as a toll for selecting partners for grant worseness. In the research study and review of some documents it is clearly noticed that pre-award assessment result is not strictly used as one of the selecting criteria for award. It is used as mainly for identifying gap and minimizing risk level by developing risk mitigation strategy. However in all of the other literature reviewed for this purpose shows that it is one of the main tools for selecting and identifying strong partners who has the technical and managerial capability for implementing projects. Thus, Pact has to re-visit its sub-grantee selection criteria and include pre-award assessment result as key factor to improve its grant management efficiency and effectiveness. More over the grant management process and the tool used require enhancement.

- Pact is not monitoring the progress of technical, managerial and financial support provided to its sub-grantee progress of its capacity development intervention at organizational and sub-grantee level. Thus it is highly recommending that Pact to visit its approach on post award monitoring and support for ensuring the relevance of its intervention and sustainability and betterment of grant management efficiency and effectiveness. Pact and sub grantees should set a joint capacity development plan goal and track progress.

- Pact is strongly recommended to implement sustainability strategies indicated in project document. It is also important to update proposed sustainability strategies as required.

Finally, this research was limited to assessing Pacts grant management practices against best practices in order to determine how it is efficient and effective. As Pacts recently managed grant are huge, further research would be required to determine other factors on efficiency and effectiveness of grant performance and management. Since project grant management is a blood vessel for every project life, Pact leadership should give a high priority to enhance the gaps identified in this research.

From its 20 years presence in Ethiopia and operating as one of the major international NGO around the world, Pact has developed a reputation and success. This study will be very much useful for similar organizations in Ethiopia and elsewhere which are working on sub grant

administration as they are encountering similar contexts. Furthermore, this research serve as an input for upcoming researchers since the research conducted so far in this area is very limited.

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APPENDIX

Appendix 1: Study Questionnaire

Dear Respondent,

This study is being conducted by *Woderyelesh Habtihun*, a candidate for Degree of MBA at Sanity Marry University College; with a title of *"Assessing the efficiency and effectiveness of grant management practices in Pact Ethiopia".* This research will help Pact Ethiopia country office to understand how its grant managements is efficient and effective. According to the research schedule and the data provided by survey respondents the final results of this study will be issued on June, 2016.

Your name and participation in this survey is anonymous and every effort will be made to maintain the confidentiality of survey responses and study records. If you have any questions regarding the research subject and other issues, please contact with the bellows address.

I hope that you will be able to participate in this study and would like to say thank you in advance for your valuable time and contribution to this study.

Respectfully yours,

Woderyelsh Habtihun

Contact Address:

Cell Phone: +251 911726996

Email: woderyleshtargetethiopia.com

General Guideline:

Please make a tick mark [☐] in the boxes given before your responses. For questions that are unrelated to your role, please leave your responses blank.

Section 1: Respondents Profile

1. What is your age group?

    1)   ☐ 18 – 25 years old

    2)   ☐ 26 – 35 years old

    3)   ☐ 36 – 45 years old

    4)   ☐ Over 46 years old

2. What is the educational level that you have attained?

    1)   ☐ Diploma

    2)   ☐☐University level education, with first degree

    3)   ☐ University level education, with master degree and above

    4)   ☐ Professional Qualification (like ACCA, CPA, and others)

    5)   ☐ Other, please specify_____

3. How many years of experience do you have in Pact/ Organization Partner to Pact?

    1)   ☐ 0 – 2 years

    2)   ☐ 3 – 4 years

    3)   ☐☐5 – 6 years

    4)   ☐ Over 7 years

4.   Which of the following categories describes your position in Pact/ Organization Partner to Pact?

    1)   ☐ Program Director/Manager/Coordinator/Officer

    2)   ☐ Grant Manager/Officer

    3)   ☐ Finance Manager/Officer

    4)   ☐ Monitoring and Evaluation Director/ Mange/Officer

5)   ☐ HR and Administration Director/Manager/Officer

5. How long have you been with the position in #4?

1)   ☐ 0 – 2 years

2)   ☐☐3 – 5 years

3)   ☐ 6 – 8 years

4)   ☐ Over 9 years

5)   ☐ Other, please specify _____

Section 2: Grant Management Competencies

According to the standard grant management please rate your practices in Pact Ethiopia country office reference your agreement to the following aspects as per the rating scale given below.

Levels of Rating				
Strongly Disagree	**Disagree**	**Average**	**Agree**	**Strongly Agree**
If you believe your applications and practices are lowest of the average.	If you believe your application and practices are below the average.	If you believe your application and practices are on average.	If you believe your application and practices are above the average.	If you believe your applications and practices are highest of the average.

Pact Practices of Core Competencies of Grant Management

1. Managing Risk:- Pact Ethiopia grant management practices has a mechanism to identify the financial and program risk as it related to its grant, and has a strategy how to manage the risk and monitor the implementation of risk management plan.	☐ 1 ☐☐2 ☐ 3 ☐4 ☐ 5
2. Understanding Donor Requirements:-The grant management practices in Pact, fulfill the donor's requirements that pertain to its grant, including compliance of grant provisions by its grantee, and have taken steps to ensure they are addressed and fully complied.	

	□ 1 □ 2 □ 3 □4 □ 5
3. **Translating a Proposal into a Program Plan and Using It:-**Pact and its grantee has a clear work plan with the corresponding budget for implementing its grant and a process to track its progress	□ 1 □ 2 □□3 □4 □ 5
4. **Managing and Administering Sub-grants:-**Pact developed a judicious, reasonable, and effective process for selecting and managing sub-grantees. Like risk based monitoring system, need assessment to inform training and technical assistance.	□ 1 □ 2 □□3 □4 □ 5
5. **Managing Budget and Finances:-**Pact's grant management practices follow financial management principles and has a comprehensive system at Pact and grantee level for organizing financial statements, managing and documenting costs, and ensuring internal controls	□ 1 □ 2 □□3 □4 □ 5
6. **Using Management Systems:-**Pact and its grantee have an organizational structure for managing the grant that produces results, ensures coordination, and builds accountability	□ 1 □□2 □ 3 □4 □ 5
7. **Keeping Records and Documenting Progress:-**Pact and its grantee understand donor's documentation needs and requirements and meeting them with regularity.	□ 1 □ 2 □ 3 □4 □ 5
8. **Addressing Weaknesses:-**Pact and its grantee addressed prior programmatic and financial weaknesses, and continue to review its program's performance and make mid-course corrections as needed.	□ 1 □ 2 □ 3 □4 □ 5

Common Grants Management Challenges

9. Pact grant management process easily track and report grant data (programmatic and financial) in real time to enable timely interventions and corrective actions.	□ 1 □ 2 □ 3 □4 □ 5
10. Pact grant management practices is consistently applying governance, compliance, and risk management principles across programs and sub-grantees to manage fraud, waste, and abuse.	□ 1 □ 2 □ 3 □4 □ 5
11. Pact grant management process is effectively managing and coordinating the required activities and tasks associated with the pursuit of grant management.	□ 1 □ 2 □ 3 □4 □ 5
12. Pact grant management practices communication and information exchange with grantees are well establish or having a set of protocol.	□ 1 □ 2 □ 3 □4 □ 5
13. Pact managed increased number of grant and sub-grantees with decreasing administration/support budgets in the award.	□ 1 □□2 □ 3 □4 □ 5

Pre-Award assessment as part of Grant Management Efficiency and Effectiveness

14. Pact uses *pre-award assessment* as part of the grant management process , it is one of the key factor for grant efficiency and effectiveness	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
15. Pact's uses pre-award assessment *appropriately to assess risk and determine* the best measures to mitigate financial and programmatic risk in its grant management process	☐ 1 ☐ 2 ☐3 ☐4 ☐ 5
16. Pre-award assessment used by Pact grant management process for determining the grant instrument/agreement type based on the risk level of grantee	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
17. Pre-award assessment is one of the tool used by Pact grant management practices to identify the grantee's area that needs improvement, in terms of technical, financial and management capacity.	☐ 1 ☐ 2 ☐3 ☐4 ☐ 5
18. Pact grant management process uses pre-award assessment result as a major factor for selecting a grantee.	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
19. Pact's Pre-award assessment process involves all players to get depth of information, increased credibility and acceptance of findings.	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
20. The standard pre-award tool Pact currently using is comprehensive and could be applied to asses all sub-grantees regardless of its size and complexity.	☐ 1 ☐2 ☐ 3 ☐4 ☐ 5

Post-Award assessment as part of Grant Management Efficiency and Effectiveness

21. Pact post award intervention bases the pre award assessment result	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
22. Pact conducts post award assessment for all its projects in yearly bases or mid-term evaluation to measure grantee capacity development progress and project performance.	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
23. Pact post award monitoring and assessment used for learning	☐ 1 ☐ 2 ☐3 ☐4 ☐ 5
24. Pact's post award monitoring and assessment used for accountability	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5
25. Pact's post award monitoring and assessment used for sustainability	☐ 1 ☐ 2 ☐ 3 ☐4 ☐ 5

Other Comments or suggestions

_____
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Thank you so much!

Source: Woderyelesh Habtihun 2016

Appendix 2: Pact Project Performance for the period of 2009-2015

Ser #	Name of Projects	Donor	Estimated Budget	Originally approved period		No cost extension requeste		Un used fund at the end	
				Start Date	End Date	Yes	No	Yes	No
1	Highly Vulnerable Children (HVC) Program	USAID	$92,106,319	4/20/2011	4/19/2016	✓		✓	
2	Transforming Education for Adult and Children in the Hinterlands (TEACH II)	USAID	$13,848,881	9/28/2009	9/30/2014	✓			✓
3	Strengthen Civic Education in Primary School (SCEPS	USAID	$8,929,405	9/28/2009	9/30/2014		✓		✓
4	Improving Quality of primary Education Program (IQPEP)	AED	$1,299,392	11/1/2009	7/31/2014		✓	✓	
5	Promoting Democratization/CDI (Constructive Dialog Imitative)	USAID	$14,032,085	9/30/2005	9/30/2012		✓	✓	
6	SIDA-Women's Economic Empowerment	SIDA	$1,396,600	6/1/2011	12/31/2012	✓		✓	
7	Youth and Children with Health Option Involving Community Engagement Strategic Program (Y-CHEOICES)	USAID	$5,532,298	9/30/2004	9/30/2010	✓		✓	
8	Packard Phase III	Packard	$1,400,000	9/18/2006	2/28/2011	✓			✓
9	Expanding Constructive Dialogue	USDOS	$575,000	6/27/2007	12/31/2009	✓		✓	
10	Care Services for HIV-Infected and Affected Orphans and Vulnerable Children	USAID	$7,373,950	8/29/2008	8/28/2011		✓	✓	
					Frequency	6	4	7	3
					%	60%	40%	70%	30%

Source: Pact Grant agreement 2009-2015

DECLARATION

Here with I, Woderyelesh Habtihun Tekele wold , declare that this research paper prepared for the partial fulfillment of the requirements for degree of Masters in Business Administration on the topic "Assessing the efficiency and effectiveness of grant management practices in Pact Ethiopia " is completely a result of my own effort. I further confirmed that the thesis has not been submitted either in part or fully to any other higher learning institution for purpose of any degree. I have carried out the paper independently with the close advice and guidance of the research advisor, Dr. Temesgen Belayneh

Woderyelesh Habtihun

_____

June, 2016

Addis Ababa, Ethiopia

ENDORSEMENT

This is to certify that Woderyelsh Habtihun Tekelewold has carried out her research work on the topic entitled "Assessing the efficiency and effectiveness of grant management practices in Pact Ethiopia" under my supervision. This work is original in nature and it is for the award of the Masters' Degree in Business Administration (MBA) for examination with my approval as a university advisor.

Dr. Temesgen Belayneh

_____

June, 2016

Addis Ababa, Ethiopia

ENDORSEMENT