ECONOMIC AND COMMUNITY DEVELOPMENT GUIDELINES FOR GLOBAL GRANT FUNDING

Rotary is dedicated to six areas of focus to build international relationships, improve lives, and create a better world. Through global grants, awarded by The Rotary Foundation, clubs and districts participate in strategically focused, high-impact activities in these areas.

All global grant activities are required to align with the goals of an area of focus. For economic and community development, the goals are:

1. Build the capacity of entrepreneurs, community leaders, local organizations, and community networks to support economic development in impoverished communities

2. Develop opportunities for productive work

3. Reduce poverty in underserved communities

4. Support studies for career-minded professionals related to economic and community development

Use this document as a guide when applying for a global grant. You'll learn how to make your projects sustainable, what information is required for specific project types, and where to find additional resources.

A. Elements of Sustainability

Sustainability means different things to different organizations. For Rotary, sustainability means providing long-term solutions to community needs that the beneficiaries can maintain after grant funding ends. Pay careful attention to the following items to ensure your project's long-term sustainability and increase the likelihood of being approved for global grant funding.

1. COMMUNITY ASSESSMENT

Community assessments identify where support is most needed, and the role Rotarians can play in making a difference. Project sponsors (often with a cooperating organization) need to conduct a community assessment before submitting their application. An assessment can reveal a community's strengths and weaknesses and help you work on solutions. If an assessment has already been done, use the relevant data to design your project.

Use the community assessment to:

- Gather perspectives from a broad cross-section of the community, including women, young people, and professionals

- Allow community members to identify the needs they perceive as most critical

- Ask community participants how they can contribute to the proposed project

- Work with community members to identify long-term goals and expected project outcomes

The community assessment results need to be incorporated into the grant. The results should describe:

- How the community's resources will be used to implement project activities

- How the project will meet the needs identified by the community

- The long-term goals or project outcomes and how they will be met (for example, through training and public awareness campaigns)

- How the community will sustain the project after the grant has ended

When conducting an economic and community development assessment, remember the following:

- Some women will not speak up or even participate in public meetings. The public — and even local government representatives — may also be unwilling or unable to voice their opinions in front of village elite or other senior government officials or guests. If possible, find a way to meet with them separately.

- Meeting privately with trusted insiders can elicit a more honest and robust response than what you'll get from using outside consultants to conduct a public focus group.

- Ask the community what they think is the best way to meet their needs and how they can contribute. Don't assume your solution is the only one.

2. MATERIALS AND TECHNOLOGY

Involve community members when selecting technology or equipment, and train them to operate, maintain, and repair it on their own (involve all stakeholders — not just the village elite but the actual end users or beneficiaries — in all aspects of the project implementation, including site selection, training, and maintenance). Purchase equipment and new technology from local sources when possible, and make sure replacement parts are readily available.

Projects that only seek to donate equipment are not eligible for a global grant. The grant application should:

- Describe the equipment to be donated or purchased and plans for training, operation, and maintenance

- If equipment is not locally sourced, explain why and provide plans for training, operation, and maintenance in the local community, including how replacement parts will be obtained

- Describe the physical environment where the equipment or technology will be kept, identify ownership, and provide security protocols as appropriate

- Explain how this equipment or technology is essential or related to the project objectives

- Include an official document that identifies the community as the owner

3. FINANCIAL PLANNING

Confirm local funding sources are available to provide long-term operation, maintenance, and replacement costs of equipment or new technology. Compensate project participants appropriately for their work to ensure continued service.

The grant application should:

- Describe project fundraising activities that Rotarians, other nongovernmental organizations, government agencies, or private entities have planned for future funding (neither the Rotary club nor Rotary Foundation grants can provide continued support)

- Document support of the project, if applicable, by the appropriate government ministry or authority, including advocacy, policy, training, education, allocation of personnel, materials, and other recurring costs

- List foundation or private sector partners that support or may support the project and will continue to do so after completion of the global grant

- Describe any fee-for-service, insurance, or revolving funds that may provide sustained revenue for the project

- Describe your best 2- to 4-year projection for how the community will replenish funds after completion of the global grant

4. TRAINING AND EDUCATION

Training should make the most of local resources, people, skills, and expertise to ensure sustainable change to local economies. It should not be a standalone course or one-off intervention. It's an opportunity to:

- Provide training, education, and community outreach to project beneficiaries and service providers and technicians

- Collaborate with local government, private and public agencies, and organizations to supply expertise, as needed

The grant application should:

- Provide the training curriculum and schedule

- Describe training for service providers and technical project workers. Provide overview of curricula, schedules, and performance indicators. Include the trainers' activities. Indicate whether training is in the project budget or funded externally.

- Describe specific beneficiary populations in the training plans and identify trainers. Provide a description of all materials and other resources needed and secured, as well as training goals. Indicate whether the materials and other resources are in the project budget or funded externally.

- Describe public education campaigns to teach the local population about project-specific prevention and intervention strategies. Give a timeline, a target population, an overview of training materials, and collaboration details. Indicate whether these awareness campaigns are in the project budget or funded externally.

- Explain how the training need has been assessed

- Include a community plan for continuing education activities after project completion

- Describe on-the-job training, mentoring, or coaching

- Describe how the training will provide new skills and competencies that respond to specific needs, including incentives to apply the newly acquired skills

- Describe how the training will empower and enable trainees to train others in using the new technology, methodology, or skill

- Describe how the training will empower and enable community leadership or a person who occupies a place of status within the community, either in a formal or informal role

- Identify who will provide the training, their qualifications, and the duration of the training program

- Explain whether this is a new training that will start as a result of the grant

- Describe the methodology you're using to ensure that all relevant stakeholders, particularly women, are identified and receive training

5. MONITORING AND EVALUATION

Develop clear and measurable project objectives, and identify methods for collecting project data. Include only direct beneficiaries — the recipients of an immediate benefit from project activities — in your measurements.

Select at least one standard measure and explain whether baseline data is available and how it will be used to compare results. Describe the data collection plan and who will collect and compile the data.

Data could include the following:

- Number of jobs created

- Expected increase in income

- Number of project delivery activities, if applicable

- Number of beneficiaries receiving direct project services

- Number of skilled service providers or technicians trained

- Number of community education campaigns

- Number of benefiting facilities

- Number of Rotarians providing volunteer services

- Collaboration with other cooperating organizations, ministries, universities, etc.

- Number of trainings held for project beneficiaries

- Number of project beneficiaries trained

Preferred (optional) components:

- Measurement related to tracking the incomes of project participants before and after the grant

- Aspects of the project other than infrastructure or equipment should be included in the budget, even if it's just for the record

- Infrastructure or equipment costs should not be a significant part of the total budget

- Trainings should be analyzed in the local economic context with a cost-benefit analysis

- Data that shows how the trainings will increase opportunities or incomes in the community

- Long-term financial management plan that includes maintenance, operation, and replacement or upgrade costs of physical items

B. Project Types

Global grants commonly fund the following economic and community development projects. For each project type, pay close attention to the grant eligibility requirements and the information that must be submitted with your application.

1. VOCATIONAL TRAINING

A vocational training project should address job market issues faced by the entire community. It should also make the most of local resources, people, skills, and expertise to bring sustainable change to the local economy. It should not be a single training or one-off intervention.

Required components:

- Community assessment results that indicate there are entrepreneurial or job market opportunities and a skills gap that vocational training will improve. If training programs are already in place, include a record of graduates' job placement or income.

- At least one cycle or cohort of the vocational training program needs to be included in the project's scope. The scope extends through graduation and career placement.

- A description of the current training opportunities and how the project will improve them. The grant must either improve the quality or quantity of training. Simply improving the physical facility or replacing existing equipment is not sufficient to meet Rotary Foundation requirements for a global grant.

- Number of individuals trained as a result of the project

- Post-training support for graduates in the form of job placement or microbusiness opportunities

- Description of what it means to graduate from a program. What testing is involved? What quality-control measures are in place?

Preferred (optional) components:

- Entrepreneurship training and networking and peer-to-peer knowledge sharing

- Career opportunities for beneficiaries with clear long-term goals

- Midterm tracking of graduates to determine the project's economic impact (such as salary increase, employment retention, or micro-enterprise growth)

2. SOCIAL ENTERPRISE/STARTUPS

Social entrepreneur and Nobel Peace Prize laureate Muhammad Yunus defines "social business" as one that solves a social problem and has its dividends put back into the enterprise. A revenue-generating business with primarily social objectives and surpluses that are reinvested for that purpose in the

business or in the community, rather than being driven by the need to deliver profit to shareholders and owners, can also be considered a social enterprise.

Projects that involve a financially self-sustaining activity run by a nonprofit organization to use for ongoing programming are not eligible for a global grant. Required components for this type of project include:

- Identification of the direct social impact that will result from the enterprise. Either:
    - The owners or workers of the enterprise are from a poor or disadvantaged community and will directly gain financially from their involvement in the enterprise, or:
    - The business product or service has the capacity to solve a social problem in the community.
- A business plan that addresses ownership, legalities, financials, and sustainability. A typical business plan could include the following:
    - An introductory description of the business
    - A summary of the business strategy and implementation plan, including a timeline
    - A description of the management structure (business owners)
    - Confirmation of legal registration
    - Products and services that will be provided
    - A market analysis. For example, it should answer:
        - Who are your customers?
        - What is your market potential?
        - What could you do differently (why should people buy your products instead of buying from somebody else?)
        - Are there any restrictions impeding production? If yes, what are they? How do you plan to overcome them?
        - Are there any distribution restrictions?
    - The financial structure of the business (cash flow projections over time, startup expenses, and financial sustainability)
    - What percentage of the community benefits from the business? How does the community benefit from it? How is gender factored into this?
- Measurement of progress in reaching financial targets to ensure financial sustainability
- Measurement of progress in reaching social targets to ensure social impact

A startup is an early stage in the lifecycle of a business when the entrepreneur moves from an idea to securing financing, developing the basic structure of the business, and initiating operations or trading.

Startups need business skills development, networking, funding, and peer-to-peer review. It's crucial for all startups to set clear and realistic goals and to pay special attention to their business plan.

Optional components:

- Clear communication of the projected strategies, vision, and financial forecasting that will be done to reach the goals

- Realistic market research with strong community participation

- A five-year financial projection (revenue, expenses, profits or losses, and amortization of loans)

3. MICROCREDIT

Additional requirements are in place to ensure the revolving nature of microlending is handled appropriately. Only grants with loan capital as a budgeted item have additional requirements.

Required components:

- Microcredit application supplement. You'll be asked to supply additional documentation such as an audited financial statement and annual report from the microfinance institution.

- An area of focus secondary review, regardless of the size of the grant

- Capacity building and training. Specifics related to this investment in people's skills should reflect the level of detail indicated in the area of focus training template.

- An indication, usually housed in the memorandum of understanding, that the sponsors and microfinance institution understand that the loan capital will remain with the microfinance institution and continue to revolve after the grant is closed. No agreement regarding the return of funds to the grant sponsors should be accepted.

- Savings training for loan recipient

Optional components:

- Increase the loan pool through interest rate

4. AGRICULTURE

Ways to achieve and sustain results in agricultural projects include:

- Increasing stakeholders' capacity

- Increasing agricultural investment

- Increasing water collection and irrigation

- Establishing or expanding cooperative activities

- Using more effective seed varieties or fertilizers

- Adopting new technology and cultivation methods

- Lowering cost of seeds and fertilizers

- Increasing outprices through market or storage system

- Establishing production systems that reduce risk

- Improving storage containers to safeguard agricultural products

5. IRRIGATION FOR AGRICULTURAL DEVELOPMENT (INCLUDING DAMS FOR IRRIGATION PURPOSES)

Irrigation projects are eligible under both the economic and community development and water and sanitation areas of focus. A coordinated approach to considering both areas of focus issues is needed so that all irrigation projects are treated consistently.

Required components:

- A clear description of how the proposed design of irrigation structures has incorporated farmers' indigenous knowledge and traditional experience and taken local capacity into consideration

- A clear connection between the implementation of an irrigation system and an increase in farmers' incomes

- Assessment of land use to make sure all land issues are covered. All documents related to land should be signed and community ownership defined.

- A clear idea of how the irrigation materials will be used in groups or individually. Identify who will own the materials and which governance (structure) will be put in place to sustain it.

- Working with a defined group of farmers committed to participating in both the hardware and software components of the project

- A capacity building or software component that improves farmers' skill and practices. Capacity building might include cooperative development activities or training in improved farming methods.

- Periodic training in the field of irrigation technology, water management, operation and maintenance, and service delivery

- Number of individuals trained as a result of the project

- If underground water will be used, a hydrogeological survey is required.

- If portions of the irrigation system will be jointly owned by the farmers, a governance structure is needed to manage maintenance and repairs.

Optional components:

- Establishment of baseline income or harvest data

- Post-project comparison

- Pre-and post-testing mechanism to determine the success of the training component

6. ADOPT-A-VILLAGE

Adopt-a-village should be designed as a unique solution for a single community. It should be a holistic approach to complex problems such as extreme poverty or conflict.

Avoid combining disparate, unsustainable, unconnected, and small activities into one grant request. Adopt-a-village programming should be characterized by an overarching approach to invest in the leadership skills of community members to carry out a multifaceted but coordinated strategy in the community.

Required components:

- Clear investment in leadership skills for the whole community, not just the community's mayor or chief. The community should feel ownership through training, mentorship, or the establishment of governance structures or a Rotary Community Corps.

- An explanation of the community's participation in the planning process

- All project activities must take place in the same locality or village.

- Capacity building or training must be available throughout the project. Follow the Training Plan for Global Grants for direction on how much detail is required for projects that invest in improving people's skills.

Optional requirements:

- Share and discuss the community development plan with local and central governments.

- A clear communication plan for all stakeholders, including community members

- Long-term community development strategy

7. DISTRIBUTION OF HUMANITARIAN GOODS (WHEELCHAIRS, FISHING BOATS, SEWING MACHINES, ETC.)

This type of project needs to involve direct or action-oriented programming, rather than simply purchasing and delivering goods. For example, disaster-relief efforts that consist of emergency distribution of goods or services are not eligible for a global grant. However, recovery efforts to re-establish income-generating activities are. Avoid projects that are initiated and driven by suppliers who want to use Rotary grants to sell and distribute their product.

Required components:

- Capacity building or training related to income generation. Follow the Training Plan for Global Grants for direction on how much detail is required for projects that invest in improving people's skills.

- If capacity building or training is not funded by the grant, the memorandum of understanding should include a written commitment by the entity that will implement this component.

- Income-generating activity as part of the scope of the project

- Community assessment results that indicate how the humanitarian goods will stimulate economic activity at a household level

- Explain how the specific item or brand being distributed solves the problem. Describe how the beneficiaries participated in choosing the item.

Distributing humanitarian goods can be a small part of the project's budget if it is a component of a larger project.

8. SCHOLARSHIPS

Scholarships fall into two categories: community development or economic development. The required components for each are described below.

Community development scholarships:

- Program of study officially designated by the university as community development

- If the academic program is not officially designated as community development, then the application can be evaluated on its merits for an economic development scholarship.

Economic development scholarships:

- Program of study that prepares the student to be involved in grassroots, regional, or national economic development activities that affect local communities

- Assurance that the student's background and future plans relate directly to grassroots, regional, or national economic interventions on poor communities

- For-profit business, macro or high-level policy, and macro-level economics-based academic programs are not eligible.

- Indication that the scholar has targeted a subset of economic development that falls under the larger umbrella of international development or international relations. For example, if the scholar plans to study international development or international relations, the student's background and future plans should be evaluated to make sure they are targeting economic interventions in poor communities.

C. Resources

One of the best resources available to grant applicants is the Rotary grants staff. In addition to their professional expertise and education, grants staff members draw on The Rotary Foundation's long experience in funding effective projects to make sure your global grant projects are eligible for funding.

You can also find information to help you plan for your economic and community development global grant in the following resources:

A Guide to Global Grants

Terms and Conditions for Rotary Foundation District Grants and Global Grants

Areas of Focus Policy Statements

Six Steps to Sustainability

Global Grant Monitoring and Evaluation Plan Supplement

Global Grant Lifecycle

Economic and Community Development Project Strategies

Global Grant Application Supplement for Microcredit Projects

Global Grant Report Supplement for Microcredit Projects

Cooperating Organization MOU