



GUIDEBOOK ON IORA SPECIAL FUND – EDITION 2

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DEFINITIONS:

For the purpose of this Guidebook, the terms used are defined as follows, unless the context otherwise indicates:

- (a) "COM" means the Council of Ministers of the IORA which is the highest authority of the Association and which meets annually or more often as mutually decided. The COM formulates policy, reviews progress on co-operation, make decisions on new areas of co-operation and on the establishment of additional mechanisms and Specialized Agencies and decisions on matters of general interest.
- (b) "CSO" means the Committee of Senior Officials of the IORA which is composed of the Senior (Government) Officials of Member States. It meets as often as mutually decided and since 2011 it has been meeting twice a year. The CSO submits periodic reports and refers policy matters to the COM for its decision.
- (c) The "National Focal Point" is composed of the Officials from the Ministry of Foreign/External Affairs of Member States who coordinate and advance the implementation of the activities of the Association and the achievements of its objectives.
- (d) "Applicant" means any individual or organisation from any public and non-profit organisation from IORA Member States.
- (e) "Member States" means the Member States of the IORA

This current Edition of the Guidebook on IORA Special Fund contains updates from the previous Edition 1 of the Guidebook, as summarised below.

1. Introduction

- 1.1 The Indian Ocean Rim Association (IORA), previously known as the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), launched in Mauritius in March 1997, consists of the following Indian Ocean Rim states, whose aim is to facilitate trade and investment in the Indian Ocean region. Member States include; Australia, Bangladesh, Union of the Comoros, France/ Reunion, India, Indonesia, Islamic Republic of Iran, Kenya, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Sultanate of Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, United Arab Emirates, and Yemen. China, Egypt, Germany, Italy, Japan, Korea, Türkiye, Russia, United Kingdom and United States of America are the Dialogue Partners, while the Indian Ocean Research Group (IORG) and the Western Indian Ocean Marine Science Association (WIOMSA) are the Observers.
- 1.2 The Guidebook on IORA Special Fund is a practical handbook for providing important information to the stakeholders involved in IORA projects. The Council of Ministers (COM), which is the highest authority of the Association, may change the content from time to time with the updated version being posted on the IORA website. Changes will also be communicated through the IORA Secretariat. All application and reporting templates can be downloaded as individual files from the IORA website: <http://www.iora.int>.

2. Purpose of the Special Fund

- 2.1 The Special Fund was established by the Council of Ministers in its meeting held in Colombo, Sri Lanka, August 2004 and a contingency Fund in full was transferred as the initial reserve for this Fund. The Memorandum on the establishment of the IORA Special Fund was approved by the Council of Minister (COM) in its meeting held in Tehran, February 2006. The rules and procedures were established in 2008. The Special Fund acts as a financial mechanism for supporting and complementing the funding of Projects and Programmes adopted by the Association.
- 2.2 The purpose of the Special Fund is to contribute to the Association's objectives through the provision of funds and to assist members in their fund-raising for the implementation of approved projects which include studies, conferences, workshops, exhibitions, forums, publishing, any activities relating to the Functional Bodies, as mentioned in the IORA Charter, research, capacity building, training programs, pilot projects, establishing institutions of regional interest, emergency relief, and/or programmes (hereinafter referred to as projects) that meets the objectives of the IORA Charter and the criteria adopted by the Council of Ministers which are now in force and those that will be introduced from time to time by the Council of Ministers, as proposed by IORA Member States.
- 2.3 The Special Fund is sourced from any voluntary contributions made by the IORA Member States, Dialogue Partner States of the IORA or any other international or private organisations authorised by the COM.

3. Objectives

- 3.1 The principal objectives of the Special Fund are the following:-
- (a) To assist with the provision of funds required for the preparation and implementation of projects and programmes;
 - (b) To support technical assistance for preparation and/or implementation of projects; and,
 - (c) To assist Member States with pre-feasibility and feasibility project studies.

4. General Guidelines

4.1 Who can apply and is eligible for IORA Special Fund?

4.1.1 The funds will be available to any government endorsed public or non-profit organisation of the Member States. **The application for funding, however, will be routed through the National Focal Points for consideration.** The request for the contact details of the National Focal Point can be sent to hq@iora.int.

4.1.2 Specialised Agencies of IORA can also apply for funding from the Special Fund. The application for funding, however, will be routed through the appropriate Ministry in the host country and to be submitted to the Member State's National Focal Point for IORA for review and final approval.

4.1.3 Other entities such as Functional bodies of IORA, whose establishment have been approved by the Council of Ministers, may also apply for grants from the Special Fund. The application shall be made by the coordinating country or Chair of the functional body. The Office of the IORA Secretary-General shall endorse the application for submission to the CSO for endorsement.

4.1.4 The Policy Advisor and Research Coordinator (PARC)* may also apply for grants from the Special Fund for research projects. The application for funding will be made directly to the IORA Secretary-General for endorsement and onward submission to the CSO for endorsement. (* *The position is proposed to form part of the IORA Secretariat Research Support Unit (RSU) and will be located at the Secretariat.*)

4.2 When can one apply for IORA Special Fund?

Any time during the year.

4.3 What types of projects can be funded by IORA Special Fund?

4.3.1 IORA projects include studies, conferences, workshops, exhibitions, forums, publishing, any activities relating to the Functional Bodies, as mentioned in the IORA Charter, research, capacity building, training programs, pilot projects, establishing institutions of regional interest, emergency relief, and/or programmes (hereinafter referred to as projects) that meets the objectives of the IORA Charter and the criteria adopted by the Council of Ministers which are now in force and those that will be introduced from time to time by the Council of Ministers, as proposed by IORA Member States.

4.3.2 For now, the projects are restricted to the project proposals within the identified priority areas of the Association which include: Maritime Safety and Security; Trade and Investment Facilitation; Fisheries Management; Disaster Risk Management; Academic, Science and Technology Cooperation; and Tourism and Cultural Exchanges with Blue Economy and Women's Economic Empowerment as cross-cutting issues. Projects not

being accommodated under any of the identified priority areas shall not be considered or may be considered as an exception, if the proposal carries the support of a minimum of five (5) Member States.

4.4 Regional or Sub-Regional approach to projects

- 4.4.1 The proposals made by requesting funding from the Special Fund must be regional or sub-regional in nature, rather than focusing on a single country.
- 4.4.2 A project may be regional or sub-regional in nature if it involves a minimum of 5 Member States; and/or has the potential to be replicated or scaled up in Member States that may not participate in the initial project.
- 4.4.3 The National Focal Point will seek the support of at least four other Member States for that project and will convey the same to the IORA Secretariat for onward transmission for information to the CSO and/or COM. The National Focal Point will also undertake to assist the Applicant to identify other sponsors for the project

4.5 Ceiling on percentage of funds from the Special Fund

- 4.5.1 Applicants can draw funds from the Special Fund up to a maximum of 50% of the total project cost. The remaining amount will have to be borne by the sponsoring Member State(s) or organisations, or co-sponsors of the project.
- 4.5.2 The availability of the 50% counter-funding amount from the applicant needs to be communicated to the Secretariat when the application is submitted and supported by a written confirmation.
- 4.5.3 However, as a special case to encourage the participation of Least developed countries (LDCs) and Small Island Developing States (SIDS), LDCs and SIDS Member States (as defined by the United Nations), may be permitted to draw from the Special Fund up to a maximum of 90% of the total project cost for project implementation and 90% for organizing an event under the IORA Sustainable Development Programme (ISDP) where projects are proposed by one or more LDCs/SIDS Member States, or by a group of Member States of which the majority are LDCs/SIDS Member States. However, this should not exceed a maximum total amount of US\$80,000 (total project cost). Other requests will be considered on a case by case basis.
- 4.5.4 Given the particular issues facing SIDS, such as the impacts on tourism and fisheries, the requirements governing SIDS' access to Special Fund should be similar to those relevant to LDCs.

4.6 Limit on Awards

- 4.6.1 Any grant from the Special Fund in respect of a particular project will be restricted to only one grant unless decided otherwise by Member States.

4.7 Seeking new Funding

- 4.7.1 Projects are deemed to commence on the date of disbursement of funds from the IORA Secretariat and be completed upon receipt of the final IORA Project Completion/Accountability Report from the applicant.

- 4.7.2 Applicants not submitting the IORA Project Completion/ Accountability Report in a timely manner should be suspended/ barred from receiving future support from IORA Special Fund.

4.8 Allowable Expenses for IORA Projects

Exclusions & Limitations

- (a) Purchase of items such as office equipment, communication equipment, or any other items of a fixed nature which approximate to capital items to be used beyond the programmes/activity concerned or even related to the activity or programme will not be admissible for reimbursement from the Special Fund except in projects or programmes which will have a longer lifespan and where the renting or hiring of the equipment would be costlier than to purchase.
- (b) Similarly the purchase of souvenirs, conference bags, gift items, complementary photograph or articles of a similar nature will not be permissible. (Promotional items).
- (c) Expenditure on repair/maintenance of office equipment and fixtures should not be part of the expenditure of the activity. However, expenditure on procurement of a reasonable quantity of office stationery items required for the programme/activity will be permissible.
- (d) The overall funds earmarked for administrative costs of the project should be limited to 10% of the overall funding costs.
- (e) The host country will determine the level of accommodation for the participants as per the practice being followed for IORA Member States. Where funding includes accommodation for overseas participants, such accommodation costs will NOT include any expenditure on long distance and overseas calls, fax, email, tobacco and alcoholic beverages.
- (f) Special Fund funding cannot be utilized for flight tickets and international travel except for LDCs and SIDS. The counter funding from the applicant may be utilized for this purpose.

5. Procedures to Request Funding, Assessment, Approval, Disbursement, Monitoring, and Accountability

5.1 Submission of Special Fund Application to National Focal Point

- a) The request for funding will be submitted by the Applicant to the National Focal Point of the concerned Member State (the details of the Focal Point of Member States can be provided on request by the Applicant to the IORA Secretariat). The project proposal and request for funding must be submitted in the specified format attached as **Annexure B**.
- b) Applicants will submit their applications well in advance (60 days prior to the projects if the activities and programmes are in the nature of seminars, workshops or exhibitions or forums) for it to be assessed by the other Member States. To avoid duplication, no funds would be released to Applicants in those cases where the projects, such as seminars, workshops, exhibitions or forums, have already taken place unless decided otherwise by CSO/COM.

- c) The National Focal Point, after ascertaining that all details contained in the application are correct and are in full agreement with the contents of this application and wholeheartedly support the proposed project for the Association, will submit to the Secretariat.

5.2 Submission of Special Fund Application to Coordinating Country

- a) The IORA Secretariat will submit the Special Fund application to the Coordinating Country of the relevant Action Plan Priority for consultation with the relevant Functional Body and cluster countries.
- b) Upon approval and/or no objection from the cluster countries, the Coordinating Country will submit to the Secretariat.

5.3 Secretariat's Preliminary Assessment

Secretariat will assess administrative and substantial requirement of the proposal for circulation to Member States.

5.4 Review by Member States

- a) Member States' comments/inputs will be submitted to the Secretariat before a deadline date.
- b) Further to Member States' inputs, the Secretariat will circulate amended proposals to all Member States for views before submission to the Chair for final approval.

5.5 Approval from IORA Chair

Secretariat will amend proposal based on Member States inputs and submits to the IORA Chair for final approval

5.6 Approval of Grant from the Special Fund - Ceilings and Funding

The funding of the projects will be approved as follows:

Intersessional approval

- (a) For requests up to US\$80,000, the proposals with the comments from Member States will be sent to the CSO for intersessional consideration and approval.
- (b) Any request for additional funding for projects, which have already been approved, will be directed to the body which initially approved the funds.

US\$80,000 – US\$150,000

- (c) For requests in excess of US\$80,000 and up to US\$150,000, the request shall be presented to a meeting of the CSO for decision.

US\$150,000 – upwards

- (d) For requests in excess of US\$150,000, the request shall be presented to a meeting of the COM for decision. No intersessional approval would be recommended for amounts exceeding US\$150,000 since the COM has to approve.

5.7 Issuance of Grant Letter

Following approval of application as per 5.6 above, Secretariat will inform the applicant of the status of their application in writing through a Grant Letter.

The Terms and Conditions of the Special Fund Grant (**Annexure E2**), Project Monitoring Report (**Annexure F**) and IORA Project Completion/ Accountability Report (**Annexure G**) will also be sent to the Applicant.

5.8 Applicants role immediately after Letter of Grant has been issued

- 5.8.1 The final approval for the disbursement of the funds from the Special Fund is subject to the Applicant providing support and details (through the National Focal Point of the Lead Member State) of the remaining funding for the project by other Member States or co-sponsors within 90 days of the date of issue of the Grant Letter. If the Applicant fails to provide the above said information within the specified time frame, the approval for the grant will be cancelled.
- 5.8.2 In order to expedite and facilitate remittances, the Applicant will write to the Secretariat to confirm availability of the counter funding, to provide the mode of payment and bank details including Bank Account No., Bank name, Branch name, Branch code, Address of Bank, Telex, Swift Code, IBAN No. through its National Focal Point which will endorse its recommendation.
- 5.8.3 Requests for remittances should have specific recommendations and should be routed through the National Focal Point of the Project Lead Coordinator of the Member State. It is understood that such recommendations would be made by the National Focal Points on the basis of their monitoring of the project and due diligence.
- 5.8.4 The recipients will acknowledge and forward a receipt of the remittance through the National Focal Point, without delay, to the IORA Secretariat.

5.9 Monitoring of the Project

- 5.9.1 The Secretariat in consultation with the supporting National Focal Point will be responsible for monitoring the progress of approved Special Fund projects and working with the Applicant to ensure that the project is implemented as per the approved timeline and budget. The Applicant will submit progress reports on a regular basis to the National Focal Point of its country and to those Member States that have offered their assistance.
- 5.9.2 The IORA Secretariat should obtain Audited Financial Statement from the organization receiving support to ensure that the funds are being utilized only for the purpose for which they have been granted.
- 5.9.3 The applicant will be responsible for submitting Project monitoring reports every six (6) months (**Annexure F**) to the National Focal Point, copied to the Secretariat for information.
- 5.9.4 The Secretariat will be responsible for keeping records of the Project monitoring reports.

5.10 Disbursement procedures

- 5.10.1 Any grant from the Special Fund in respect of a particular project will be restricted to only one grant unless decided otherwise by Member States.
- 5.10.2 Any payment/ grant from the Fund will be made as final payment in the payment schedule of any approved project. In case, it is decided that the partial fund would be released as advance, the same may be released in instalments and final settlement should be done only upon submission of the IORA Project Completion/ Accountability Report through the organizing Member State.
- 5.10.3 All payments and remittances from the Special Fund will be made in US Dollars.

5.11 Project Implementation

- 5.11.1 The Applicant will complete the work as per the projected completion date in the Application Form.
- 5.11.2 In cases where a Member State has received a grant of any amount from the Special Fund for a project and the project could not be completed within the stipulated period, the Member State shall return the unspent money of the grant together with the IORA Project Completion/ Accountability Report (Annexure G) to the Secretariat. They may then apply for extension for which a fresh disbursement would need to be done, if extension is approved. The Secretariat will keep the IORA Committee of Senior Officials informed of this procedure.

5.12 Project Completion/Accountability Report and Submission of Project Report/Findings/Outcomes/Contents

- 5.12.1 The National Focal Point will submit to the Secretariat the IORA Project Completion/ Accountability Report (inputs to be provided by the Applicant) within three (3) months of the completion of the project (**Annexure G**).
- 5.12.2 The Applicant will have to submit an Audited Financial Statement along with the Project Completion/ Accountability Report.
- 5.12.3 The Applicant will have to reimburse the Special Fund 50% of any unspent fund or ninety percent (90%) in the case of ISDP/SYDP projects. The bulk of the refund shall go back to the Special Fund account.
- 5.12.4 The IORA reserves the right to use the project's final report/outcomes/findings/contents as it considers appropriate.
- 5.12.5 All written communications or other documents will be in English. Where any source material or document is in a language other than English, the Applicant will be responsible for producing an accurate translation thereof in English.
- 5.12.6 The Chair of each Functional Body will report to the CSO which will include the said reports of the functional bodies as annexure to the overall CSO Report to be submitted to the COM for approval. The reports shall include the evaluation of the approved projects.
