

# THE EVANGELICAL LUTHER- AN CHURCH IN TANZANIA ELCT



**Planning and Projects Policy**  
**August 2021**

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# Foreword

The ELCT has been growing since the union of the first seven churches by our forefathers in 1963. The number of Lutherans increased from 500,000 to 7.8 million currently. This is a multifaceted growth -- spiritual growth, Church economic and social growth, Church infrastructural growth, etc. Therefore, generally, growth comes by increase in institutional responsibilities such as those of good governance and effective management.

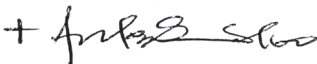
The Bible tells us many important things on planning and policy making. “The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty”, (Proverbs 21:5). “For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it?” (Luke 14:28).

For the ELCT, policy development, among other things, is an important tool in ensuring that our Church systems and processes are well aligned. Such is the case for this policy on planning and projects which defines the direction for proper planning and management of Church projects. “With my whole heart I seek you; let me not wander from your commandments”, (Psalm 119:10).

As you may know, the Church has responsibility to accomplish her Great Commission. It is practically impossible to bring the Gospel of Jesus Christ to the people without taking into consideration the importance of our internal systems including planning and projects management. Thus, respective Dioceses’ and institutions’ top management teams are responsible for coordinating the effective implementation of this policy across their various functions to ensure consistency and coordination at all levels. In this document the ELCT is used interchangeably with the term Church. When we say “Church” we mean ELCT unless defined otherwise.

I encourage everyone in the Dioceses and our institutions to implement this policy which aims at improving how we conduct our internal processes on planning and projects management. The policy will also foster efficiency and assist in the effective management of our Diocese’s economic activities and bring about sufficient visibility and sustainability of what we do in building the Church.

My call to the whole Church is to ask of us to work together in unity and in coordination to strengthen our work. If this planning and projects policy is properly utilized I strongly believe that by the help of GOD, our Dioceses and Institutions will reach where we aspire to be. May God bless us all!



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*Bishop Dr. Fredrick O. Shoo, Presiding Bishop, ELCT*

## Acknowledgement

The leadership and management of the Evangelical Lutheran Church in Tanzania would like to thank our Almighty God for enabling the development of ELCT Planning and Project Policy. This massive work is a result of the commitment and dedication by many people who had given their time, skills, relationship and resources to make this process a success. In this regard, I will mention few individuals, groups and organizations who have made this work accomplished.

First, I would like to thanks the members of the ELCT Executive Council for approval and endorsement of this policy to be used in the Church and all her institutions.

Secondly, at different times, the Planning Council of the Church had the opportunity to discuss, review, and finally recommended this Policy for final approval by the executive Council of the Church. Therefore, I would like to thank the members of the ELCT Planning Council led by the Council Chairman Mr Tumani Chambua for developing this policy.

Third, our sincere gratitude is due to Act Church of Sweden (Act CoS) and other partners (including) Lutheran World Federation(LWF) and Lutheran Mission Cooperation(LMC) for agreeing to co-fund the various parts of this policy.

Fourth, sincere thanks are due to the expanded management team at the ELCT head office for inputting into the process that led to the development of this policy.

Finally, our sincere thank shall go to Dr Rogate R. Mshana for facilitating the process that led to the development of this Policy.



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*Brighton B.L Killewa*  
*Secretary General, ELCT*

# The Design of the Planning and Project Policy.

This Planning and Projects Policy has been developed to be implemented across all the ELCT Dioceses and Church Institutions. The policy outlines pertinent issues and procedures to be followed in designing /planning, projects management, monitoring, evaluation and reporting (PMER) in the Church.

In the past, it was noted that there are differences in how planning was done in the Dioceses and in various departments. It was seen that each institution followed their own planning system. It is for this purpose that we have seen the need to embark into an all-embracing policy which defines how to conduct planning, the initiation and management of projects in the Church.

The main aim is to reduce challenges in designing, planning and management of projects in order to promote effectiveness, efficiency and impact of Church operations at all levels. Policies, procedures and other information stated herein were derived from previous Church documents on planning and policy notes, and also inputs from stakeholders' meetings held during the development of this important document

This policy document is divided into six main sections. Firstly, the document starts with elaboration on the importance of policy, standard rule and how the policy will be implemented; secondly the elaboration of the Vision, Mission and Objectives of the Planning and Projects Policy. Thirdly, the document gives definition of terms including planning levels, how to organize a good planning, coordination of planning and now to implement issues of monitoring and evaluation. Fourthly, the document elaborates on Church projects, types of projects and how to go about designing, coordinating, and managing projects.

The fifth and sixth sections expound on the Planning and Development Council and matters to consider in the Review of the Policy.

If we work together and adapt this policy across all Church institutions we are certain that this policy shall provide guidelines on how to harmonize planning and set standards for project designs, planning, implementation, evaluation and monitoring at all levels of the Church.

Therefore, I take this opportunity to call upon everyone, once again, to use this policy document to guide all ELCT dioceses, departments, and institutions at all levels to plan, design, implement and manage projects following agreed standards as stipulated in this policy



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*Simon Daffi,*  
*Deputy Secretary General Planning and Development Department, ELCT*

## Abbreviations and Acronyms

AOPs	Annual Operation Plans.
BIU	Business Intelligence Unit
CPM	Comprehensive Planning Manual.
CPPP	Comprehensive Planning and Projects Policy.
CSP	Church Strategic Plan.
DCF	Discounted Cash Flow
ESRI	Ethical Social Responsible Investment
ELCT	Evangelical Lutheran Church in Tanzania.
GS	General Secretary.
HIV	Human Immunodeficiency Virus
IGAs	Income Generating Activities.
KRAs	Key Result Area.
M&E	Monitoring and Evaluation
OCA	Organizational Capacity Assessment.
PMER	Planning, Monitoring, Evaluation and Reporting
SLEP	Sustainable Livelihood Empowerment Project
SMART	Specific, Measurable, Achievable, Realistic and Time-scaled

# 1.0 Background

## 1.1 Introduction

Time has elapsed since the creation of the previous policy on development projects in 1984, The Planning, Monitoring and Evaluation (PME) manual in 1999 and the Comprehensive Planning Manual (CPM) in November 2002. Given the current assessments, a new comprehensive Planning and Projects policy is essential. This time, it is not about projects only but the whole planning process.

The Church has now grown from a membership of 500,000 in 1963 to the current figure of more than 7.6 million. There are now 27 Dioceses that emerged from the previous 7 churches that came up as one Church in 1963. Over the years, there have been great achievements in mission and development that now require good planning and a sound policy to guide the Church to meet its vision and mission.

The Strategic Plan Midterm Evaluation report pointed out a lack of a mandated mechanism for the coordination and the implementation of the Strategic Plan 2022-2026. There was also a lack of institutionalization. The Organizational Capacity Assessment (OCA) conducted in 2020, reported on a silo system of projects that are uncoordinated while the Leadership Capacity Assessment (LCA) conducted in 2021, mentioned about each Diocese working in isolation and uncoordinated. Such findings call for a formulation of a policy that guides both planning and Projects formulation and implementation.

In order to formulate such a policy, a desk review of the variety of existing policies prepared by the Dioceses and the Common work departments was done. There was also a workshop on the Clarity of ELCT CW Strategic Mandates and Planning and Projects Policy formulation held on 14th June, 2021 to solicit information from staff regarding these issues.

## 1.2 Rationale for a Policy on Planning and Projects

The ELCT has positioned itself as an entity that is bent to do its business by systematic planning and a coordinated system that will unleash a professional standard of planning, projects design, implementation, management, monitoring, evaluation and reporting.

It has been noted that in most cases, there are marked differences in the way, planning was done in dioceses and by the various departments. Each entity followed its own system. An all-embracing policy is essential to underline an agreed way on how to conduct planning, the initiation and management of projects in the Church.

This policy, therefore, aims at providing guidelines on how to harmonize planning and set standards for project designs, implementation, evaluation and monitoring, reporting at all levels of the Church.

### ***1.3 The Goal of the Policy***

The goal of the policy is to guide all ELCT Dioceses, Departments, and Church Institutions at all levels to plan, design, implement and manage projects following agreed standards as stipulated in this policy.

### ***1.4 The Scope of the Policy: To Whom the Policy Pertains***

The policy applies to the whole Church from the Sub-Parish, the Parish, the District, the Diocese and the ELCT level including Departments and Church owned Institutions.

### ***1.5 The Statement or the Standard Rule of the Policy***

This policy shall be respected and complied by all levels of the Church. In case there will be formulation of other policies, these shall be synchronized with this one so as to enhance coherence, efficiency, quality assurance and Church unity.

### ***1.6 Procedures and Responsibilities: How the Policy will be implemented at the Church Levels.***

The Church shall decide to use the offices of the General Secretaries in Dioceses for monitoring the application of this policy. At the level of the Church, the General Secretary shall be responsible for monitoring the compliance of this policy and ensuring that all heads of departments, programs, project staff and Institutions adhere to the policy guidelines.

### ***1.7 Issues Covered by the Policy***

This policy covers the following issues: Planning Process; Project designs, Implementation and reporting of projects, types of projects and their specific policies.



## 2.0 Vision, Mission and Objectives

### 2.1 *Vision*

A Christ centered communion of people focused on eternal life.

### 2.2 *Mission*

To enable people to know Jesus Christ and have life in its fullness based on biblical teachings and Lutheran identity guided by the constitution of the Evangelical Lutheran Church in Tanzania.

### 2.3 *Objectives*

2.3.1 To outline the planning process that will be followed.

2.3.2 To provide guidelines on how to initiate, implement, manage, monitor, evaluate and reporting of projects.

2.3.3 To outline types of projects required as per the Church Strategic Plan (CSP).

## 3.0 Planning

### 3.1 *What is Planning?*

During the PME workshop by the ELCT held in Moshi in 1996 the Church participants agreed to the definition of planning as a process whereby anticipated work is done systematically by identifying the prevailing problems, and looking for alternatives to solve them in order to attain the desired goal within a given time period with limited resources.

Planning in the Church is inspired by Jesus Christ as in Luke 14:28-30. In 1Cor.14: 40 and Col. 1:28 Paul speaks of teaching one another to maintain unity in purpose and thought. In Ecclesiastes 10:10, the Word of God speaks about sharpening the axe that is planning and acting.

What is shown here is that planning is divine and the Church has to embrace it fully as essential part of conducting its mission in an orderly manner. Planning is deciding on the best way to reach a desired situation in the far future. This desired situation in the future is called Key Result Area (KRA).

### ***3.2 Characteristics of Good Planning***

Now that the ELCT has designed one Strategic Plan, the Dioceses will draw their Annual Operation Plans (AOPs) from the overall plan. Nevertheless, such AOPs must be based upon clear, well defined and easily understood objectives of the Church.

### ***3.3 Organizing for Planning***

Strategic Planning shall be done by involving all levels of the Church. The Church, has however one great weakness. It has few trained people at the congregational levels who can do proper planning. It is here that more planners are needed to assist and advice the clergy to identify opportunities for mission and evangelism, which is the key business of the Church, and to evolve plans for maximum impact. The following prerequisites are essential to prepare planning at the Congregational level:

### 3.3.1 Identify data needed for planning purposes.

1. Area: Each congregation must state in detail the villages and sub-parishes it can mostly reach.
2. Target groups: Each congregation has to state the total current population in its area of mission (vitongoji).
3. Actual Lutheran membership: Each congregation has to state the exact number of members known and identified as active or passive. Active members come to Sunday service regularly and attend other congregational activities.
4. Actual non-Lutheran members- Each congregation has to state the exact number of Christians belonging to other Christian denominations.
5. Active members- Each congregation has to state exact number of members who attend Church service every Sunday.
6. Tool:

	Parish	Congregation	Mtaa	Popn.	Lutherans	Non-Lutherans	Active

Passive members are those that do not come to either Sunday Service regularly or do not participate in congregational activities.

### 3.3.2 Organize to Get Data

Each congregation must conduct a survey to secure the necessary data.

3.3.2.1 Assemble the data at parish level: ensure that a person is identified, say an evangelist, to get all data and assemble it. The pastor in-charge shall be a signatory to the data.

3.3.2.2 Assemble the data at district level. The District coordinator for mission and evangelism may be assigned this responsibility. The District Pastor will be a signatory to

the report.

3.3.2.3 Assemble the data at Diocesan level. Here the Diocesan planning officer under the Diocesan General Secretary shall be responsible, however the data report must be signed by the Bishop.

3.3.2.4 Know the resources of the church at all levels. These are the members, the staff, land, assets and its finances.

A special form can be designed by the Diocese to collect information on total Church land area, the registered land

property, members at congregational level each Sunday (Male, Female adults and Children, all staff) clergy and non-clergy, all assets and income at congregational level.

At the Church level, a professional membership census should be conducted to avail correct data regarding members, assets, land, property, Staff (clergy and non-clergy). Such data should be updated regularly and be available in the Church Calendar.

### **3.4 Levels of Planning**

Once data is made available start planning following the Church Strategic Plan Key Result Areas. At each area, you will have to outline your objectives, strategic activities, your Action plan and annual operational plans. (AOP). Your objectives should be in context and relevant to the plan at your area but linked to the overall Church Strategic plan. It is expected that while there is one Church Strategic Plan, Dioceses, Departments and Institutions shall develop Annual Operation Plans from the overall Church Strategic plan formulated by all representatives from Dioceses, Departments and Institutions.

It is assumed that the Dioceses had also derived their operation plans from the congregational level to the Diocesan level. For Instance, if one

of the Church objectives is to reach 1,000,000 new Christians by 2025, then there should be a similar objective at the Diocesan level of may be reaching out 10,000 new Christians per year. The KRAs will be guiding the whole planning process at all levels. See the Church Strategic Plan 2022-2026.

KRA-1: Attain Sustainable Church growth.

KRA-2: Achieve Financial and Economic Sustainability of the Church.

KRA-3: Attain Good Church Governance and Operational Efficiency.

KRA-4: Attain Quality and Equitable Social Services.

KRA-5: Attain Environmental, Social, Economic and Political Justice.

### ***3.5 Planning Coordination***

In order to ensure an efficient planning process to take place in the Church, each level will have a person responsible for coordinating the Plan. At the Church level as mentioned, it will be the Secretary General of the ELCT who is assisted by the Deputy Secretary General for Planning and Development (DSG-PD) while at the Diocesan level, it will be the Diocesan General Secretary assisted by the Secretary for Planning. The ELCT Secretary General through the DSG –PD will be responsible for consolidating all Operational Plans from Dioceses, Departments and Church Institutions.

Planning and Finance go together and hence the Deputy General Secretary for Finance and Administration shall work jointly with the Deputy Secretary for Planning and Development in the consolidation process. The Church Strategic Plan is expected to indicate a consolidated budget. This consolidation shall be done by the Finance Department of the Church in conjunction with financial departments of the Dioceses, other Church Departments and Institutions.

### ***3.6 Capacity building and Facilitation***

In order to ensure there is a smooth planning process, capacity building and facilitation will be crucial. As mentioned earlier, trained planners are few in the Church. There is, therefore, a need to ensure that

training and equipping planners and other staff in planning shall take place regularly at all levels of the Church.

### ***3.7 Monitoring and Evaluation of the Strategic Plan***

There should be an inbuilt evaluation and monitoring of the Church Strategic plan. At least there should be a midterm evaluation after two (2) and a half years and a summative one after five years. In other words, following the evaluation procedures that will be prepared by the Planning and Finance units at the Church Office, Dioceses, Departments and Institutions should be able to submit data that will lead into accomplishing a mid-term evaluation. A similar approach could be followed when preparing for the summative evaluation.

### ***3.8 Strategic Plan Review***

After the implementation of the current Strategic Plan and a summative evaluation has been done, a process of preparing another SP shall begin involving All the Dioceses, departments and institutions through their representatives.

Planning, Monitoring and Evaluation of the Strategic Plan should be well budgeted for and not only an add on aspect. From the beginning, there is need to set aside funds for capacity building and facilitation in the evaluation and monitoring of the Strategic Plan.

## **4.0 Projects**

A project is a set of planned activities for which resources are spent within a specified time in expectation of future returns such as raising people's life standards or creating capital assets that produce benefits over an extended period of time.

### ***4.1 Types of Projects***

The ELCT had no tradition of initiating projects guided by a well-formulated Strategic plan. Now that, a strategic plan has been designed, it should be the base for formulation and implementation of projects.

Some projects, especially commercial ones will demand formulation of investment policies, which are documents, that formalizes institution's goals, objectives and guidelines for asset management, investment advisory contracting, fees and utilization of consultants and other outside professionals.

The Church has three main types of projects: These should be formulated in line with the KRAs of the Church Strategic Plan.

- 4.1.1 Mission and Evangelism Projects: These are projects that involve the opening of outreach programs to the people who have not heard the word of God. Such projects can include urban and rural mission and evangelism and also the opening of new mission areas.
- 4.1.2 Service Projects: These are those projects designed to provide service to the people aiming at meeting their basic needs like health and diakonia meaning those projects of mercy such as addressing people with physical and mental disability, water, education, community development including issues of gender rights and advocacy.
- 4.1.3 Economic or Commercial Projects: These are normally referred to as Income Generating Activities (IGAs) where the Church invests in various fields to accrue a surplus that will be ploughed back to its budget in order to be able to run the first and second group of its projects and the overall Church work. In other, words, the Church does not mainly engage itself to make profits for the sake of profits but rather to ensure the income is used for mission, evangelism and diakonia. It is here that, there should be good negotiations with the tax authorities about waving of taxes in this area.

## 4.2 Standards in Project Designs

All types of projects shall follow standards in their designs. There has been a perennial problem in the Church to inadequately design projects and then experience problems in implementation. Most of the problems have been experienced in designing Commercial or Economic projects leading the Church to incur losses and falling into indebtedness. This problem can be averted if projects follow standard steps as follows: -

- 4.2.1 Designing a project is a process that aims to generate sustainable ideas for project development and create an action plan for successful realization of those ideas.
- 4.2.2 State the goal/vision: First, you create a goal/vision for your future project. This means you must envision the perfect environment in which existing problems and needs are resolved. Visualize the project outcome and create a big-picture view of the situation that will be caused by the project.
- 4.2.3 Identify the Problem: A good project is always designed in a way that ensures right understanding of the stated goal/vision and identifies the problems that prevent from achievement of the vision.
- 4.2.4 Assess Resources: Figure out what resources will be needed to meet your goal/vision and address the problems of your project. Labor, equipment, funds, supplies, materials, facility needs are examples of project resources.

*Who will perform the project? Identify the number and type of human resource required to do your project*

*What tools will be used? Define supplies, equipment, and materials required for the project*

*Where will the project be performed? Select location and facilities*

*When is the project started and finished? Estimate the time frame required for a successful project.*

*Why is the project launched? Identify the reason(s) why you need to involve the necessary resources.*



- 4.2.5 Establish Project Objectives: You need to develop a statement that explains what exactly you wish to reach by your project. SMART is one of the best methods for setting objectives. SMART means a goal should be specific, measurable, achievable, realistic and time-scaled. Your objective statement should address the problems and maintain the goal/vision.
- 4.2.6 Select a Project Strategy: A strategy or approach to project design management explains how to perform stated objectives with available resources. Such a strategy will be the basis for developing project activities and tasks.
- 4.2.7 Plan for Contingency: Design a project risk management approach that forecasts future events (threats and uncertainties) and provides a corrective action plan for responding to identified risks: -

*Personnel: turnover, lack of skills & expertise, travels*

*Schedule: late start, delays*

*Scope: incorrect boundaries, poorly defined requirements*

*Cost: underestimated costs, lack of funds*

*Stakeholders: lack of community support, poor involvement.*

- 4.2.8 Design a Monitoring and evaluation (M and E) plan: Having an M and E plan will help you figure out whether your project moves towards the right direction. The Evaluation measures impact while the Monitoring measures the progress of the project. You must use such indicators as Impacts and Outcomes to evaluate your project.
- 4.2.9 Justify Budget: Generally speaking, budgeting means placing quantified resource requirements (amount of capital, amount of supplies, number of human resources) on a project timeline. Through budgeting you create a budget sheet for your project and confirm what available resources are required to reach the project goals. This is financial Analysis area (Cash inflow and cash outflow).

### **4.2.10 Write the Project Proposal:**

1. *Develop a proposal document that explains why start the project and what benefits are expected.*
2. *Write your goal about the future of current environment*
3. *Add a brief description of the problem/need that exists in the environment*
4. *State the objectives of your project*
5. *Outline the strategy you're going to use for project implementation*
6. *Explain what types and amount of resources are required*
7. *Describe the results of your risk analysis and explain how you're going to manage contingency*
8. *Write about your project evaluation criteria*
9. *Present an outline of the budget.*

### **4.3 Economic/Commercial Investment Projects**

In designing these IGA projects, care must be taken in following standard appraisals. Professionals should be used to assist the ELCT in initiating such projects. Investments are essentially current capital expenditures incurred at present in anticipation of future returns.

You will need to apply Discounted Cash Flow (DCF) models when designing commercial projects. The timing of expected future cash flows is important in the investment decision. In any economy, capital or funds invested have value and therefore, time value of money is an important concept. Investors place a higher value on recent returns than on future ones.

Hence, the model that discounts [or reduces] the future values into their present values at a specified time value [discount rate] is called a Discounted Cash Flow (DCF) technique. DCF should be applied in Church Commercial Projects. Why is DCF essential? DCF techniques provide a more objective basis for evaluating and selecting investment

projects. These are measures of project worthiness. Methods used to establish the worthiness of projects are basically two namely Non discounted measures and Discounted measures. The former includes calculation of Payback Period (PP) and Accounting Rate of Return (ARR) while the latter include Calculation of Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI) and Benefit cost Ratio (BCR). The Payback Period is the simplest method of looking at one or more investment project areas. It focuses on recovering cost of investments though it has a weakness of ignoring the measure of total income. Payment Period = Investment Cost over Annual Cash flows. For instance, take a project costing a total of 2,000,000. The expected returns of the project amount to 400,000 annually. The Payment Period would be:

$$PP = \frac{2,000,000}{400,000} = 5 \text{ years}$$

The equation above can be used when cash flows are the same every year for the duration of the project. The Accounting Rate of Return (ARR) which measures the profitability of the project could be applied as well. The ARR is the average Annual profit divided by the Initial Cost of Investment. For Example, suppose an investment is expected to yield cash flows of Tshs 1,000,000 annually for the next five years. Given that the initial cost of investment is Tshs 2,000,000, the total net profit becomes 3,000,000. Annual profit =  $3,000,000 / 5 = 600,000$ . Applying the formula  $ARR = \frac{\text{Average Annual Profit}}{\text{Initial cost of Investment}} \times 100$ :  $ARR = \frac{600,000}{2,000,000} \times 100 = 30\%$ , so the accounting rate of return is 30% implying that the projected net cash inflows are 30% of the invested capital. Whether this return is good enough to accept the project depends on the cost of the capital. These are examples that the Church should apply when dealing with commercial projects. Church accountants may be requested to assist in applying both Non-Discounted and Discounted measures of project worthiness.

These methods enable one to isolate differences in the timing of cash

flows for various projects by discounting the cash flows to their present values.

Generally, these techniques consider the net cash flows as representing the recovery of original investment plus a return on capital invested. Dioceses can design their own investment policy statements as per their contexts.

### ***4.3.1 Managing Church or Diocesan Commercial Projects***

For efficiency and productivity, the Church or diocese should ensure that IGAs are run by professionals and well qualified managers.

Models of suitable Church companies can be evoked where a company will be under the Church or Diocese but not run by the Church or Diocese. Such companies should adhere to legal registration of private companies and comply with the law of companies. The general meeting of share-holders shall be the supreme decision-making organ of the company.

Other small Projects such as bookshops, small farms, shops, kiosks, guest houses, small industries and grinding mills could be run by competent trustworthy staff trained to run them profitably.

It is recommended that a large entity like a Church should manage big projects and small entities like parishes should run small or medium size projects. The size of the Church should inspire it to run huge projects.

Care should be taken when it comes to seeking loans from Financial institutions and clear decision-making organs or committees will deliberate on whether the church should borrow or not. This has been a problem in the Church. There should be a guarantee on how loans can be paid back. Loan repayment monitoring is essential to avoid defaults, expensive interests and overall bankruptcy.

In all cases competent boards with skilled people in IGAs should be appointed to ensure that these activities are run profitably. Projects fail

because of lack of efficient management.

### ***4.3.2 Risk Management***

The ELCT should take seriously the issue of risk management especially when initiating and implementing projects. Risk management is the identification, evaluation, and prioritization of risks followed by coordinated and economically application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities. It is an on-going process, and is a combination of proactive management directed activities within a programme that are intended to accommodate the possibility failures. Here risk assessment and analysis are essential in order to inform decision making bodies on whether a project is viable or not. Risk assessment and management techniques are required to continuously track down potential and critical risks and to develop strategies for handling these risks. The following are risk management options that can be followed: -

1. Avoidance: Use an alternative approach that does not have the risk.
2. Control: Controlling risks involves the development of a risk reduction plan and then tracking to the plan.
3. Assumption: Simply accepting the risk and proceeding.
4. Risk transfer: Causing another party to accept the risk, typically by contract or by hedging. Liability among construction or other contractors is often transferred this way.
5. Knowledge and Research: This is not actually a risk handling option but it strengthens other techniques.

Our church has examples that could use risk management:

- *Frauds related risk- theft.*
- *Operational risk-stems from poor implementation process and process problems, including areas of procurement.*
- *External hazards risk that include storms war, floods, draught earthquakes, vandalism, sabotage etc..*
- *Reschedule risk-results of poor planning-project activities that can take longer time to complete than estimated.*
- *Performance risks- this is due the fact that the project won't produce result and benefits outlined in the project design/specification- lost time and money on a project that ultimately did not deliver.*
- *Costs risk-results of poor or inaccurate planning, cost estimation and scope*
- *Governance risk –connected to the performance of the board and management eg case s of closing institutions due to failure of timely bad decisions.*
- *Legal risk- may arise from legal and regulatory duties. This may include contract risks, litigation brought against the business or project.*

Risk management should always be an on-going process when initiating and implementing projects. For those projects that require loans for capitalization, it is absolutely essential to conduct risk assessment and analysis first.

### **4.3.3 Investment policy**

An investment policy statement is normally personal and individualized. It provides guidance to portfolio managers when making portfolio decisions as far as financial investments are concerned. Assets allocation decisions, client risk tolerance, leverage, liquidity requirements and foreign security investment restraints are some examples of issues that are addressed by investment policy statements. Due to this peculiarity in preparing investment policy statements, it is not possible to prepare one for the whole Church.

This section is, therefore, only highlighting Ethical Social Responsible Investment as a guideline to be followed when investing.

There are mainly two types of investments namely green field and financial market investments. While the former involves ventures that are long term to realize returns, the latter has both long term and short-term returns.

The ELCT has several Income Generating Projects (IGAs) which can be categorized as investments. Following the Vision and Mission of the Church, an ethical investment policy is imperative in responding to the questions like where should the Church invest and what should be the processes and procedures?

ELCT Investment policy relates regulations and practices that directly enable or discourage investment and also enhance the Church and communities benefit from such investments. The policy among others, include issues of transparency in decision making, non-discriminatory treatment of investors and staff, issues of fair compensation and dispute settlement practices.

The ELCT is committed to the Word of God and any form of investment and investment decisions shall be of the nature of stewardship of resources. Among the principles to which ELCT is committed to Ethical Social Responsible Investment (ESRI) are relentlessly pursuing justice and creatively use resources for God's Mission.

As part of good governance and for efficient operations, ELCT acknowledges its responsibility for prudent management and good stewardship of resources. The ELCT shall invest, not because it seeks to maximize profits just an ordinary business entity, but rather to set an example in engaging communities as an important aspect of resource mobilization and sustainability.

This policy sets out guidelines for the investment of ELCT's capital resources.

### ***Investment Guidelines:***

1. Assessing Investment Decisions - - The ELCT through her Business Intelligence Unit (BIU) shall always carry out the requisite steps to determine viability of an investment opportunity. If BIU does not exist, the Church shall ensure that there is an exhaustive appraisal system which shall award a "pass" or "fail" grade prior to channeling of Church resources.
2. There is empirical evidence to suggest that application of ESR investment principles in selection of investment does not necessarily result in lower returns despite the reduction in the investment set. So, the ELCT shall invest where there is social and environmental justice. In this regard it means that all ELCT investments shall be propelled towards ensuring that there is justice in terms of the distribution of wealth, opportunities, and privileges within a society and also ensure a fair treatment and meaningful involvement of all people, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.
3. ESR investment generally comprises of prohibition of investment in industries or business opportunities which are deemed to be involved in ethically and/or socially irresponsible activities in the production of revenue and profits. This is called prohibition and it is disengagement in nature. The ELCT shall avoid investing in such industries. Apart from refraining from investing in such areas, the ELCT also remains with the moral obligation to remind our Church members of the ethical investing corroboration.



4. An alternative approach to ESR investment is to actively engage industries or companies to persuade, encourage or cajole them to reduce or eliminate their ethically or socially irresponsible activities. ELCT shall remain an active investment partner with her Church members and general public other than a business competitor and rival.
5. Definition and identification of involvement of ethically or socially irresponsible activities are important aspects of the ESR investment process. So, before investing the ELCT responsible organs shall assess the investment environment through the prism of ESR.
6. The ESR consists of five ethical screens to exclude investments in industries dealing with alcohol, tobacco, armaments, and gambling, poor employee health and safety concerns, and discriminatory practices.
7. Activities or projects that affect the environment negatively should be avoided.
8. Objective for undertaking a specific investment shall be clarified and shared across board in order to have a buy-in and shared direction.
9. Investment decisions shall all the time be informed by the long-term resource mobilization strategy.
10. ELCT will create an investment portfolio and will diversity her investments by asset class (e.g., equities, bonds, absolute return, real estate, commodities, inflation-protected securities and cash equivalents) and also within asset classes (e.g., by country, economic sector, industry, quality, and size). This is important in order to minimize risks and/or loss.
11. To ensure that investments in the Church are well managed, investments units or Business Intelligence Units may be opened in Dioceses and the Church in general.
12. Investment Projects should pay dividends to the shareholders. If they operate for a long time without payment of dividends, then they should be phased out or reviewed as appropriate

### ***4.3.4 Managing Service, mission and diaconal projects***

These projects touch lives of the people and are here as a response by the ELCT to God’s holistic mission as reiterated by the vision “Christ Centered communion of people focused on eternal life” and its mission, “To transform people to know Jesus Christ and have life in its fullness based on Biblical teachings and Lutheran identity guided by the constitution of the Evangelical Lutheran of Tanzania” In other words people should be served by addressing their physical, mental and spiritual needs.

Designing of such projects should follow the reiterated standards in this policy under 4.2 but the most important aspect here is to involve people in all stages of the design and implementation of such projects.

4.3.4.1 Analysis of the Situation: An analysis of the situation or base line assessment provide vital information about the current situation which needs to be changed. A situational analysis includes the identification of the target group, it’s strengths, interests and needs, priority problems, main causes, causes that can be affected by interventions and resources of the community.

This information consists of detailed and reliable data, which serve as a base line data, against which we can measure changes during project implementation. (What has changed during the beginning of the project?).

4.3.4.2 Target group Analysis: A target group analysis, needs assessment and problem identification are important parts of a situational analysis. For a good project preparation, a target group analysis is useful. It helps to identify potential target groups, their problems, their visions of Change, their potentials, their cultural pattern and the existing social differences.

A target group analysis should give a rough overview about the situation of the intended beneficiaries. It does not have to be rep-

representative or complete. It should explore the situation so that a project idea can be developed. The following questions could be covered: -

*Who is affected by the problem?*

- 1. To find out the problems: Which problems do target groups perceive? Is the project idea relevant for them?*
- 2. To find out objectives: What kind of changes do the different target group want? Are these wishes related to the problems?*
- 3. To find out potentials: What has been done until now to solve the problems? What are the potentials of the target groups?*
- 4. To find out internal formal and informal structures of target groups: How is decision making done? How are tasks distributed?*
- 5. To find out risks: What are the factors which might block the solutions?*
- 6. To find out the relations to other groups: are there clashes of interest between different social groups? Are there constraints and potential resistance?*
- 7. To find out important pre-conditions: Legal (traditional) systems, access to resources, division of labour.*

*For a target group analysis, different research methods could be used but qualitative methods are more appropriate. Other methods for needs assessment could be from development workers, government statistics, research studies from universities, reports from other organizations, historical reports in archives, land registries etc.*

## **4.4 Coordination of Projects**

### **4.4.1 Common Work Projects**

Projects are formulated at various levels in the Church. First, the Church itself designs common work projects that cover either all of the dioceses or some of the dioceses. These projects are directly coordinated by staff at the Church headquarters and are reported by soliciting information from the dioceses concerned. Projects such as the current

Vunja Ukimya, SLEP, Advocacy, HIV and Aids, Gender rights, Communication, Capacity building in planning and Finance are designed and implemented by the Staff at the Head Office of the Church.

It is essential that even at this level, the planning directorate should coordinate such projects by following this policy. The strategic mandates of the CW however, calls for the phasing out of such projects and encourage dioceses to initiate them with only facilitation role of the staff at the head office. Meanwhile, the role of the Planning directorate at the Common work level is not to control but to coordinate the planning of projects from different departments so that coherence as per the Strategic Plan could be created.

This coordination could enhance efforts for joint fundraising, synchronized monitoring, evaluation learning and a good reporting system. Communication with all donors both internal and external funding agencies could be monitored here. Planning guidelines are done here and central data base is done here. The planning and development directorate shall continue to facilitate the planning process and send planning guidelines to the Dioceses.

Several policies formulated to cover the various projects should be synchronized with this policy for coherence. Gender policy, communication policy, Advocacy Policy, health policy and any other policies that shall be formulated for specific areas shall be linked with this policy. Projects under the health and education sectors should adhere with the relevant government policies. Here is the health policy AACCC/8. [The\\_Nat\\_Health\\_Policy\\_2017\\_6th\\_\\_24\\_October\\_\\_2017.pdf](#).

Since all of the projects are to be derived from the Strategic Plan, they should be fully integrated to the plan and resonate the KRAs.

#### ***4.4.2 Resource Mobilization for financing Projects***

There should be a resource mobilization unit for financing projects at

the Common Work level. When all projects are known, the unit can use them to prepare a budget that can then be sent out for support by partners. The party submitting project requests should contribute at least 10 % of the project budget as own contribution either in form of labor, staff time for the project and usage of space and utilities or other forms that can be computed to show their financial value. Since such projects will be within the confines of the Church Strategic plan, a consolidated budget will be crucial in serving as a source for financial resource mobilization.

#### ***4.4.3 Diocesan Projects***

Dioceses have numerous projects that are managed directly by them but since now such projects will be derived from the Church Strategic Plan, information should be shared with the ELCT Planning and Development Directorate. There are also bilateral projects funded by several external donors. Information regarding these projects should also be sent to the ELCT Planning and Development Directorate for coordination.

#### ***4.4.4 Institutional Projects***

Projects at Institutional level include but not only IGAs at the Training Institutions. There is a problem that the head of a training institution cannot manage production efficiently while at the same time overseeing training. It is essential to separate training and production areas by employing a production manager to run the production unit effectively. The ELCT Common Work institutions have land that could be developed to generate income for the Church.

This is also an area of estate management and a policy could be developed to give guidelines on how to utilize such land profitably. At times such capital assets should be weighed against cash-flow needs of the institutions by converting them to financial investments. Instead of keeping land undeveloped for years (dormant capital), it is profitable to sell part of it and the funds accrued to be invested in financial markets for high returns.

## ***4.4.5 Projects with Partners***

There are cases where partners will be involved in jointly initiating and implementing projects together. Such partners could also involve the government. In such cases clear Memoranda of Understanding should be worked out.

### ***4.4.5.1 Sub-granting policy***

The ELCT recognizes the need to formulate a sub-granting policy. This policy provides guidance to the Church and subsequent sub-grantees for the development, execution, monitoring and reporting of sub-grants. The purpose of the policy and procedures in this policy are to ensure that funds are used for the purposes for which they are awarded and to safeguard donor's funds to the greatest extent possible, the policy therefore provides guidance to ELCT entering formal financial agreement with other ecumenical bodies, the Government of Tanzania and Civil Society Organizations (CSOs) qualifying for the sub award with ELCT. The details of this policy are found in ANNEX 1 of this policy document.

## ***4.4.6 Interfaith or interdenominational Projects***

Due to addressing people's problems there are cases where the Church will be obliged to relate to other faiths and or denominations in formulating joint projects. Here a well worked out Memorandum of Understanding is imperative.

## ***4.4.7 The Church/ Government relations***

The Church shall continue to work closely with the government in addressing the problems of the people particularly in the provision of health, addressing pandemics like Covid-19, water services, education and poverty eradication. The Church Strategic Plan touches the Development Plan of the government and the sustainable Development goals.

This relationship shall be nurtured. The government is expected to offer grant in aid for Health and education as it used to do. The Government is expected to provide the Church with staff needed for special education and health. Together they are partners in development. There are also certain projects that might require government endorsement, such as acquisition of security instruments like wireless software. Here clarity should be sought before implementation is done.

#### ***4.4.8 Church projects and Sustainable Development Goals***

Global policies regarding sustainable Development Goals and their future review shall be part of the content of most of the service and development projects of the Church. Projects shall be designed to eradicate hunger, by embarking on Agriculture, small scale industries and eradicate poverty by creating capacity in entrepreneurship, promoting credit and saving societies, integrating people with disabilities in the Church and fostering gender rights through advocacy and awareness building. In general Church development projects should be drawn following current global, regional and national agenda.

#### ***4.4.9 Stakeholder analysis***

Stakeholders to a project are individuals, groups of people, institutions or firms that may have a significant interest in the success or failure of a project. These could be implementers, decision makers, financiers, facilitators, or beneficiaries/target group. A basic reason behind a stakeholder analysis is that different groups have different concerns, capacities and interests and these need to be explicitly understood and recognized in the process of problem identification, objective setting and strategy selection. The following are basic questions to guide stakeholder analysis:

1. *What agencies, organizations, groups and people will influence/be influenced by the project directly or indirectly? Define their roles in relation to each other and in relation to the expected target group.*
2. *Describe the target group (sex, age, income, work situation etc.) and analyze effects on different parts of the target group.*
3. *What is the current status of the target group with respect to the effect of the current problem in the area?*
4. *In what way shall the target group participate in the planning, implementation and follow up of the project? To what extent does the target group own the current problem?*
5. *How will the effects of the project help/hinder weak/poor people or groups?*
6. *How men and women are likely to be affected by the project.*
7. *Can any group be affected negatively by the project?*

A key purpose of stakeholder analysis is to understand and address effectively the needs of vulnerable groups (such as the poor, women, children and the disabled). It also helps to promote equitable access to project benefits across the target group. Gender analysis therefore should be one of the core elements of stakeholder analysis. Project planners are encouraged to conduct this analysis in community-based development projects.

## **4.5 Project Management**

Failure of Church projects is a result of poor management. Project management is a skillful controlled and coordinated process of initiating, planning, executing all aspects of a project and the motivation of all those involved in it in order to achieve the project objectives while optimizing the use of resources such as time, labor, space, money, materials, energy, provisions, communication and quality.

It is the application of knowledge, skills, tools and techniques in organizing and managing resources to a broad range of project activities in order that the project is completed within defined time. The activities fall under each stage of the project cycle which are programming, identification, appraisal, financing, implementation, monitoring and evaluation. Projects activities are often carried out by a team of people who have been assembled for that specific purpose to form a project team composed of skilled people from different organizations.



### **4.5.1 The Project Manager**

The project manager is a person who is responsible for coordinating all the activities done by the project team. He is responsible for organizing the rest of the team members in doing all the project activities including establishing the organizational structure, acquiring human and material resources, scheduling activities, assigning responsibilities, directing, motivating controlling project execution, tracking and reporting progress, assessing and controlling/managing project risks as mentioned under 4.3.2.

In whatever field, a successful project manager must be able to envision the entire project from start to finish, have the ability to ensure that his vision is realized and should be a good communicator, not just with the project team itself, but with the rest of the organization and the outside bodies as well. In addition, the project manager should be conversant with all the major project management tools like the work breakdown structure, Gantt charts, network diagrams and financial statements.

The project manager and the overall project team should collectively possess the necessary and requisite interpersonal and technical skills to facilitate the control over the various activities and resources within the project. The roles and responsibilities of the project manager are centered on the following major areas:

- 1. Planning and defining the project scope*
- 2. Activity planning and sequencing*
- 3. Project resource identification, planning and control*
- 4. Developing activity charts and schedules*
- 5. Time estimation*
- 6. Cost estimation*
- 7. Developing and controlling project budgets*
- 8. Controlling quality*
- 9. Identifying, analyzing and managing project risks*
- 10. Control of project benefits*
- 11. Documentation and communication of project activities, resources, progress and outcomes*
- 12. Team building, leadership and control*

*The ELCT should ensure they engage good project managers who will successfully manage projects*

## ***4.6 Monitoring and evaluation of Projects***

Planning and implementation of projects have always been a practice within ELCT, with Monitoring and Evaluation seldom being done. It has to a large extent done for Common Work Projects, but mainly on the demand of donors rather than internal practice. In fact, the template of donors are the ones used to conduct evaluation. Due to the internal lack of measurements of achievements, projects/plans have performed poorly without any good explanations as to why it is so.

### ***4.6.1 The Purpose of the Monitoring and Evaluation Guidelines***

Often people think that monitoring and evaluation is complicated. The purpose of stressing the need for Monitoring and Evaluation for both planning and designing projects is: To show that monitoring and evaluation is easy and can be done by the Church and communities.

To provide simple principles which can be used by anyone wishing to conduct such an exercise at any level of the Church structure within the ELCT, particularly practitioners and trainers.

### ***4.6.2 Monitoring and Evaluation (M&E) - Similarities and Differences***

M&E usually refer more to continuous and collection and analysis of information related to immediate activities and objectives: 1) to compare progress with the original plan: to observe changes/ effects and impacts caused by the project and to check the risks, which might hinder the project.

Monitoring and Evaluation are the two sides of one coin in both we check, reflect and assess what we did in relation to what we wanted to achieve to be able to do the necessary corrections in time. M+E enables one/us to improve the/our performance.

Monitoring and evaluation (M&E) allow for the assessment of the performance of a project. M&E should be thought of as a single process, utilizing data collected on an ongoing basis and at different time points.

M&E data support learning and accountability for all stakeholders, including funders, beneficiaries, implementers, and policy makers.

**Monitoring** is a continuous process of collecting data throughout the lifecycle of a project. It involves the collection, analysis, communication, and use of information about the project's progress. Monitoring systems and procedures should provide the mechanisms for the right information to be provided to the right people at the right time, to help them make informed decisions about project progress. Monitoring data should highlight the strengths and weaknesses in project implementation and enable problems to be solved, performance to improve, success to be built on and projects to adapt to changing circumstances. Often routine monitoring data feeds into process evaluations as described below.

**Evaluation** refers to the systematic assessment of whether a project is achieving its stated goals and objectives as determined at the design stage and/or the extent to which the program has resulted in the anticipated outcomes and impact among the target population and if any unanticipated outcomes or impact have resulted. Evaluations often take place at baseline, midterm and end-line. Evaluation can be distinguished from monitoring and regular review by the following characteristics:

**Scope:** Evaluations are typically designed to answer focused questions on whether the project outcomes and impacts were achieved, how these impacts were achieved, if the proper objectives and strategies were chosen, and whether the intervention was delivered as designed.  
**Timing:** Evaluations are less frequent and most commonly take place at specific times during the project cycle.

**Staff involved:** Evaluations are often undertaken by external or independent personnel to provide greater objectivity. This is because if project staff conduct the evaluation results may be biased.

**Users of the results:** Planners and policy makers concerned with strategic policy and programming issues, rather than just managers responsible for implementing projects may use Evaluations.

### 4.6.3 Reasons for M&E

There are different reasons to do monitoring and Evaluation.

1. *To see what has been achieved (the success of the project, it's legitimization).*
2. *To measure progress and if we are on the right track.*
3. *To identify strengths and weaknesses (to improve the program)*
4. *To collect information for re-planning new project phases.*
5. *To see the impact of project/programs (important changes for the target group).*
6. *To check the cost benefit*
7. *To adapt a project to changing circumstances*
8. *To improve performance.*
9. *To increase peoples' confidence in own capacities ( to observe own success consciously*
10. *To prove accountability*
11. *To respond to the request of funding agency, ministry or sponsor.*

The two main reasons for M+E are: control of a project (not only self-control but external control to verify the results is necessary from time to time, for example an auditor.) and support to a project (a learning process is started by reflecting the project and drawing conclusions for improvement).

In the case of evaluation, two types can be identified namely the formative evaluation and summative evaluation. The purpose of a formative evaluation is to assess initial and ongoing project activities. It is sometimes known as process evaluation because it examines the development of a project and may lead to changes in the way the project is structured and carried out. Such types of evaluations are often called interim evaluations. One of the most commonly used formative evaluations is the mid-term evaluation.

The purpose of the summative evaluation is to assess the quality and

impact of a fully implemented project. This type of evaluation is sometimes referred to as impact evaluation. It looks at what a project has actually accomplished in terms of its stated goals.

There are two types of summative evaluations namely end of project evaluations which aim to establish the situation when external aid is terminated and to identify the possible need for follow-up activities and Ex-post evaluation which are carried out two to five years after external support is terminated.

The main purpose is to assess what lasting impact the project had had or is likely to have and to extract lessons of experience. The Church should envisage conducting such evaluations.

#### ***4.7 A standard Planning, Monitoring, Evaluation Reporting and Learning (PMERL) System.***

The ELCT level shall design a good PMERL and Reporting Template to be used by the Church at different levels. Such a system will enhance coherence in monitoring, evaluation and reporting not only projects but the whole Church Strategic plan. There is a perennial problem of reporting after the implementation of projects. Lack of reports or delayed reports irritates those that have put in their resources in financing projects on the one hand and delays the refinancing of such projects. A good practice of a PMERL should be a panacea for such a problem and for unleashing lessons for the way forward.

##### ***Project Evaluations and Monitoring structure***

*Projects shall be evaluated at least twice depending on their duration namely the formative evaluation and the summative evaluation. Ongoing monitoring of projects and regular reporting is recommended.*

*PMERL offices shall be established in Dioceses and Church Institutions to align*

#### ***4.8 Phasing Out Projects***

Projects have a life span and hence there is need to plan for their phasing out. The key issue is to ensure that they have had their impacts both intended and unintended. This planning should ensure that there is sustainability of some of the elements in communities even when the project has phased out. Some impacts might even be felt long after the project life ended. It is not advisable to continue running a project for a long period especially when resources begin to dwindle and a bleak future for more resources begin to creep in. Timing for phasing out projects is crucial before experiencing problems.

#### ***4.9 Capacity Building and Facilitation of Project Officers***

The planning and financing units of the ELCT common work shall draw funded schemes for training project officers at the diocesan and other levels of the Church. The purpose should be to ensure that projects are initiated, implemented and managed efficiently. This means there should be a budget available for this item.

### **5.0 The ELCT Planning and Development Council**

The ELCT Planning and Development Council shall be responsible for monitoring the Church compliance to the Planning and Projects Policy.

### **6.0 Review of the Policy**

This policy shall be reviewed by the Executive Council of The Evangelical Lutheran Church in Tanzania every 5 years when need arises.

# ANNEX 1

## *SUB- GRANTING POLICY*

### 1. BACK GROUND

Evangelical Lutheran Church in Tanzania (ELCT) is a faith-based organization registered in 1963 with headquarters in Arusha. ELCT administrative areas are organized under 26 dioceses across the country Main land and Zanzibar respectively. ELCT has four main directorates which are Mission and Evangelism, planning and development, finance and administration and social services and women work where issues of health, education and gender are found. Also, ELCT has an independent audit department which conducts internal audit twice a year and report directly to the ELCT executive council which is formed by Bishops and general secretaries from all 26 dioceses. ELCT Head Quarters Tanzania- Arusha has four main roles which leads implementation of the ELCT Mission and Vision to across the country to all people regardless of faith, race, age, sex differences. Implementation of the roles of ELCT cross over the boundary of the ELCT network involving other local and international ecumenical organizations, civil society organizations and the Government of Tanzania.

The main roles are: -

1. **Coordination:** This is regular management of information, tasks and reports at various levels of the organization and its institutions. Further ELCT regulates roles of various stakeholders, partners and donor agencies working together with ELCT to ensure smooth implementation of planned activities to realize results.
2. **Capacity building and Facilitation:** This role involves training, supportive supervision and equipping manage-

ment and staff to increase their performance in all areas of professionalism. It involves looking at existing ELCT systems, structures and roles to optimize organizational performance in service delivery and executing projects and programs. The facilitation component involves aligning different functions, activities, ideas, partners and resources to meaningfully bring results and sustained roles and functions of the ELCT.

3. **Advocacy:** In the ELCT context it implies lobbying through communication with different authorities and decision makers.
4. **Church Identity and Unity:** The Church management is set to maintain the identity and unity of the Church and to keep the history and tradition of the Church and how to accommodate new change without eroding its identity.

### ***1.1 PURPOSE OF THE ELCT SUB-GRANTING POLICY***

The following policy and procedures are intending to provide guidance to church and subsequent sub-grantees for the development, execution, monitoring and reporting of sub-grants. The purpose of the policy and procedures in this manual are to ensure that funds are used for the purposes for which they are awarded and to safeguard donor's funds to the greatest extent possible, the policy therefore provides guidance to ELCT entering formal financial agreement with other ecumenical bodies, the Government of Tanzania and Civil Society Organizations (CSOs) qualifying for the sub award with ELCT.

The policy is divided into pre-award and post-award requirements. Pre-Award requirements in address the sub-grant development phase and primarily focus on the selection of sub-grantees and preparation of the sub-grant agreement. Post-Award requirements address activities that take place after the sub-grant agreement is executed in-



cluding, but not limited to, modifying the agreement, monitoring the sub-grantee's performance, payments to the sub-grantee, and closing out the sub-grant.

## ***DEFINITION OF TERMS***

The definitions will be used purposely for this policy

### **a) Grant.**

As per IAS 20 (International accounting standard 20 issued in 1983) defines grant as an assistance by government or organization in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

### **b) Granter.**

The party who transfers title in real property (donor) to another (recipient, donee) by grant deed or quit claim deed.

### **c) Sub grantee**

Means the government or other legal entity to which a sub grant is awarded and which is accountable to the grantee for the use of the funds provided.

**d) Sub-grant** – An award provided by a pass-through entity to a sub-grantee, through a legal instrument (i.e., sub-grant agreement), to carry out part of the prime award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a non-federal program. A sub-grant is an assistance agreement, similar to grants and cooperative agreements,

intended for the sub-grantee to carry out a public good.

- **Cost Reimbursed Sub-grant** – A type of sub-grant agreement under which the sub-grantee Invoices ELCT for actual costs incurred under the sub-grant to be reimbursed.
- **Fixed Amount Sub-grant** – A type of sub-grant agreement under which the pass-through entity provides a specific level of support without regard to actual costs incurred by the Sub-grantee. Accountability is based primarily on performance and results.

**(e) Uniform Guidance** – The Office of Management and Budget’s (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called

“Uniform Guidance”) is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.

**f) Contract** – Legal instrument used to obtain property, goods, or services to carry out a project or program under an award and creates a procurement relationship with the contractor. (As per law of contract Act of United Republic of Tanzania Cap 345 RE 2019 S.2h, S.10)

**g) Modification** – A legal instrument that alters or amends an active sub-grant agreement.

**g) Pass-Through Entity** – A non-federal entity that provides a sub-grant to a sub-grantee to carry out part of a prime award.

**h) Prime Award** – The initial award received by ELCT such as Federal award, SIDA, Church of Sweden, Private award, state funds and other Donors

**i) In-kind Match:** In-kind match does not involve a monetary trans-

action. 'In-kind' is the value of something received or provided, which is beneficial to the program, but for which no cash exchanges hands. In-kind contributions related to a particular grant program must be allowable under the grant program, verifiable from grantee records, necessary and reasonable, allowable under cost principles, and not included as a contribution under any other award.

## ***OTHER POLICIES APPLICABLE TO ELCT SUB-GRANTS***

The sub-grant process is also governed by the following ELCT policies.

- i) Travel Policy
- ii) Financial Policy
- iii) Hiring policy

## ***2. ELCT ELIGIBILITY CHECK, CERTIFICATIONS, ASSURANCES, REPRESENTATIONS AND OTHER PREAWARD TERMS***

### ***2.1. CONSIDERATION FOR IDENTIFYING SUB GRANTEE:***

ELCT considers suitable sub-grantee basing on the set criteria;

- Sub grantee able to deliver comprehensive, quality and holistic services to targeted population, credibility in the community.
- Sub-grantee coverage, mission and values in relation to ELCT.
- Financial management experience, service delivery history and possibility for scaling up, openness to technical support, change management needs.
- Capacity building needs in relation to time needed to bring out results.

#### **Types of Sub-awardees**

ELCT will have several types of sub-awardees, as described below.

For any individual buy-in, the types of sub-awardees will be selected based on the scope of work for activities in that country.

**I. Traditional Partners** are identified as those which, given their current capacities, are best suited for a traditional sub-recipient role where they are responsible for delivering services and conducting programmatic activities as described in a well-defined program description. In these cases, ELCT, has to affirm that these organizations require more “practice” at program delivery and award management prior to becoming a traditional Track Partner. Traditional partners also include sub-awardees whose scope of work is intended only to be service delivery or other activities under the project and will not be positioned for consideration of a Transition Award for direct USAID funding.

**II. Transition Track Partners** are identified, as those whose current capacity indicates that they are within reach of becoming a direct recipient of donor funding. They will participate in a rigorous capacity development and continual assessment process that will prepare them to graduate to direct recipient status through a Transition Award or competitive application process within the life of ELCT activity. Once they graduate to becoming a prime awardee, ELCT may continue to support them with coaching, mentoring, and technical support.

**III. Consortium Partners** are the implementing partners with whom ELCT identified in its application. They will be issued with work orders under those agreements based on the specific program activities they will be tasked with under each Mission Buy In. ELCT will be responsible for issuing work orders, in consultation with its respective department. ELCT will also be responsible for managing agreements in accordance with partner management policies and procedures.

## ***2.2: SUB GRANTEE SELECTION PROCESSES***

ELCT Sub grantee partners are of two categories namely;

Selection without competition-sole source:

The sole source selection is made basing on unique qualifications and expertise of the partner in regard to what is to be implemented (the project contents) and how (the approaches), enough justification is made under such circumstances.

i. Competitive awards:

This entails the process of selection from Competition. Sub grantee should apply from Request for Application (RFA) announced by ELCT for CSO to apply

Announcements of the sub grantee opportunity: The ELCT secretary general (SG) will be responsible to announce publicly the award opportunities highlighting key information as mentioned below; -

- i. Project goal, objectives, catchment area and target groups
- ii. Minimum eligibility requirements
- iii. Criteria for evaluating applicants
- iv. Funds available, period of performance and number of awards anticipated
- v. Type of activities and costs that will not be funded
- vi. Suggested elements of cost-share commitment
- vii. Required format and deadline for submitting the applications
- viii. How interested parties may obtain application materials
- ix. How interested parties may ask questions and get response concerning the award

## ***3. NEGOTIATING COSTS***

Selected sub grantee financial and technical elements will be refined to align with ELCT financial guidelines and regulations as stipulated in the ELCT financial manual and donor requirements. ELCT technical review and cost analysis will be made under the following; -

- i. Analysis of the budget presented-determine cost breakdown and evaluate specific elements of cost
- ii. Verify cost data
- iii. Assess the necessity, reasonability and allowability of items budgeted
- iv. Ensure that budget items are allowed under applicable ELCT financial rules and regulations

Negotiation of costs will be documented on a Memorandum of Negotiation including the documentation of cost analysis.

#### ***4. AGREEMENT ON COST SHARE***

The requirement of cost share is well stipulated in the cost share policy of the ELCT. However, contributions to cost share will be accepted basing on the following criteria; -

- i. Contributions are verifiable from the sub grantee records
- ii. Contributions are not counted for other ELCT funded projects/ programs
- iii. Contributions are reasonably related to proper and efficient accomplishment of project objectives and would have been allowable under ELCT financial regulations
- iv. Contributions was not paid for by ELCT another grant of agreement

This stage is finalized by development of cost-share plan and reflection in the sub-grantee budget

#### ***5. Selection of mechanisms of sub-award:***

##### **CO-CREATION**

ELCT will hold a Co-Creation a joint meeting for selected local part-

ners, where the project will work across all local partners to design service delivery and programmatic activities for grants, which will serve as a kick-off for potential sub-awardees LPs to develop programmatic concept notes to apply for grants. A key focus of the conference will be providing potential sub-awardees with opportunities to identify ways to work together to deliver services more efficiently by leveraging resources more effectively, enhancing referral networks and coordination, and strengthening collaboration and information-sharing.

## **6. MANAGING SUB-GRANTEES**

**Management of the award:** The ELCT management will provide oversight on the implementation of the sub grantee award both financial and technical to ensure the project objectives align with the project progress. The following are the crucial steps to be considered; -

- I. Pre-performance/post award meeting will be held with all sub grantees to review agreements and project requirements, roles and responsibilities and chain of command.
- II. Payment's modalities, requirements and invoicing will be discussed including reporting timelines.
- III. Annual/semiannual meetings will be held for review of project progress, address challenges and agree on improvement plans
- IV. Quarterly supportive supervision and mentorship will be conducted to respective sub grantee
- V. ELCT management will develop and implement a capacity building plan to sub grantees depending on the outcomes of pre-award assessment to ensure that the sub grantee has necessary management competence to practice mutually agreed methods of accountability for funds and assets provided by the grant.

When capacity development activities are to be part of the program description of the sub-award agreement, activity facilitators will

assist sub-awardees to develop CAPs that set out priority activities to address capacity needs. The CAPs will include a designation of the resources needed for CD support and where those resources will be accessed, with a focus on linking the sub-awardees to local CD providers to address their needs. CAPs may be integrated with the supportive supervision plans as appropriate.

ELCT may meet with sub-awardees on a specified period of time to review progress of CAP implementation, which will be tracked online through ELCT's Capacity Solutions Platform (CSP). Monthly meetings will include a review of progress against service delivery targets established in each PBA and will provide a venue for ELCT technical advisors to coach and mentor sub-awardees to troubleshoot challenges, facilitate access to CD resources where needed, and celebrate successes. When a sub-awardee needs TA to address CD needs, ELCT may connect them with local CD service providers or directly provide support when deemed necessary to do that. Focus will be placed on CAP activities that enable sub-awardees to address deficiencies in technical program implementation and organizational systems that are required

In cases where a sub-awardee has a CAP, the CAP will be integrated into the Supportive Supervision Plan. Nonetheless, CAP activities are still distinct from sub-award supervision activities and will be clearly labeled as such in the integrated plan

### ***7.1: PRE-AWARD ASSESSMENT***

Pre-award assessment: ELCT management will evaluate applications based on pre-determined requirements and make partner selection. The finance department will conduct pre-award assessment of the partner on the following:



- I. Sub grantee valid registration/legal status and registration documents
- II. Financial policy and regulations (financial manual, procurement, human resources, financial control systems, accounting, travel and adherence to the same) and other relevant documents depending on the project theme
- III. Review of most recent financial reports
- IV. Review of external audit reports
- V. Review of domestic requirements (tax identification number and official documentation of tax payment)
- VI. ELCT management will approve grant
- VII. Monitoring and reporting plans will form a part of the agreement describing the performance benchmarks

ELCT secretary general will issue and sign award agreements

The scope of service delivery sub-awards will be determined based on scope and work plan of the Mission buy-in. Depending on the scope and agreement with the Mission, ELCT may hold co-creation meetings with sub-awardees to develop their sub-award program descriptions. In addition to service delivery activities, traditional sub-awards may fund capacity development activities for traditional partners. Independent consultant to identify capacity development needs will conduct capacity Assessments. Capacity Action Plans (CAP) will then be developed in conjunction with the sub-awardee to prioritize needs and establish goals and objectives for CD activities to be funded through the sub-award. Training and coaching will be provided to support sub-awardees in the implementation of their CAP

### ***Post-Award Orientation***

ELCT team members designated as each sub-award's Technical Monitor and Award Officer will schedule a kick-off meeting to provide sub-awardee staff an overview of the terms and conditions of their sub-award. Such an initial meeting sets the tone for ELCT to pro-

vide guidance to the sub-awardee with regards to reporting, financial management, and discuss sub-award or management-related issues.

## ***Sub-award Performance Monitoring***

### ***I. Implementation of Supportive Supervision Plan***

The Sub-Award Technical Officer will be responsible for monitoring a sub-awardee's progress and providing support as needed per the Supportive Supervision Plan. This plan will be tailored to each sub-awardee's needs pre the pre-award assessment. Mandatory monitoring activities are as follows:

- a. Programmatic and Financial Reporting. Post Award Process, Subpart 1 in ELCT Organizational Grants Manual is responsible for this requirement.
- b. Follow up on Requested Corrective Action. The Technical Officer and Sub-award team must ensure that sub-awardees undertake requested corrective actions in a timely and appropriate manner. Requests for corrective action, ELCT staff follow up activities and sub-awardee's corrective actions must all be documented and incorporated into the sub-award file. For example, copies of follow up by email must be placed in the file. It is insufficient for that to remain in a staff person's individual Inbox.
- c. Audit Review. ELCT may have review results of previous audits during its pre-award assessment of a sub-awardee and used those results in making its risk determination and/or developing its supportive supervision and/or CAP. As part of its required monitoring responsibilities, ELCT must verify that a sub-awardee is

audited as required by donor's regulations.

In addition, ELCT must take the findings of those audits into consideration for future years of the sub-award, determining unallowable costs and making adjustments to its own records as needed. Or, making adjustments to the sub-award itself, the supportive supervision plan, CAP or other aspects of the sub-award as deemed necessary.

Other monitoring activities to be considered and included in the Supportive Supervision Plan may include but are not limited to the following:

- a. **Standing Meetings.** It is good practice to have regular meetings on a predetermined schedule with sub-awardees to discuss progress, challenges, needs, etc. The frequency of the meetings will be determined based on the pre-award assessment. Meetings should be no more frequent than monthly and no less frequent than quarterly.
- b. **Site Visits.** The Supportive Supervision Plan should include a site visit schedule. Site visits may include visits to the organization's main office, any service delivery sites or facilities, and/or visits with beneficiaries. While the schedule will depend on the assessed management needs for each sub-award, good practice would be a minimum of quarterly visits and a maximum of monthly visits. All supportive supervision focused site visits will be coordinated with the partner in advance to provide adequate notice and planning to meet with the relevant participants.
- c. **Lessons Learned Sessions.** Also called "after action reviews", such

sessions are helpful to review how a major activity/event was implemented to assess what was successful and should be repeated and what can be improved for future similar activities/events. These sessions can also be done on an annual basis as part of the annual work plan preparation and/or at the end of a sub-award.

- d. Coaching, mentoring, and technical assistance. If not already provided for in a CAP, ELCT may also chose to provide mentoring and/or technical assistance to a sub-awardee. This may be for technical/programmatic issues or management/sub-award management issues. Mentors or technical

## ***9. MANAGEMENT OF AWARD PAYMENTS:***

ELCT management will reimburse sub grantee amounts of funds defined and approved in the budget as per activities on quarterly basis following verified expenditure reports submitted by sub grantee to ELCT on monthly basis

All costs involved in achieving the target must be identified and analyzed for cost realism. Some service delivery activities may already have market or government-set pricing schedules, such as HIV/AIDS care and treatment or community volunteer incentive fees. Others, such as OVC service delivery, may have more variable costs particularly in different geographic and catchment areas across a country. Variations in cost might include, but are not limited to, transportation costs, materials, venue rentals, and supplies.

In order to establish a mutually agreeable payment structure that is fair and reasonable, ELCT, through use of consultant will provide training for its staff and may engage specialized technical assistance.

The sub-award must describe the possible incentives, the amount of

progress on targets that is necessary to be eligible for the different incentives, and the need for verification. Illustrative incentives include but are not limited to training and capacity building activities, staff incentive awards, and innovation funding.

### ***10. Report on schedule:***

ELCT will make clear on the reporting requirements and schedules in the sub-grantee agreements as follows;

- Sub grantee will submit monthly reports on finances and budget expenditure trend (dates to be stipulated on the agreement)
- Sub grantee will submit quarterly report on project/program implementation showing the progress in implementation of the project activities and detailed results, progress of process indicators, success stories and monitoring and evaluation report
- Semiannual report shall cover six-month implementation while annual reports will be of 12 months' implementation
- Final reports: The sub grantee shall submit a final performance report which summarizes accomplishments or the sub agreement activities undertaken, problems encountered and recommendations regarding unfinished work or program continuation

ELCT will use monitoring and evaluation staff to conduct routine monitoring of performance-based sub-awards to ensure reporting and data validity. However, in some cases, third-party validation of results may also be used.

ELCT will consider using existing structures or other options as deemed appropriate for the specific circumstances. Data validation structures will be based on the nature of the performance incentives, pricing structure, and specific targets set for performance. The data

validation structure will be developed in collaboration with the ELCT M&E Manager and Finance and Administration Manager.

The Capacity Development Program Agreement (CDPA) is in the form of memorandum of understanding. A memorandum of understanding (MOU) is a written document between two parties describing how they will cooperatively work together on an agreed upon project or meet an agreed upon objective. Its purpose is to have a written understanding of the agreement between parties to which they can hold each other accountable throughout the CD process.

Key features of the agreement are:

1. **Non-Disclosure Clause:** The agreement includes a clause focused on confidentiality of materials shared, given that both ELCT and the Transition Partner will need to share program materials, which may be proprietary, in order to carry out the CD process.
2. **Termination:** The agreement recognizes that both partners are expected to work together under their Prime Awards from US-AID. In this respect, the agreement includes a clause that provides for termination in the event of non-cooperation that cannot be amicably resolved, coupled with notification to USAID.
3. **Program Description:** The agreements will include program descriptions tailored to each individual partner that aligns with relevant project work plans and CD processes. These program descriptions should be developed in collaboration with the Transition Partner in advance of execution of the agreement.

Given that the CDPAs are high level MOUs, when ELCT initially begins engagement with transition partners, the scope and purpose of these agreements should be discussed. This may include a need to

meet with and discuss the agreements with senior leadership within the Transition Partner's organization.

### ***11. Plan for close out***

11.1. Sub grantee agreements shall specify that the final grant payments will not be made until the final close out of the grant is completed.

At the end of the grant period when the end of the grant period has been reached the grant must be closed out. Closeout requires certification- ELCT shall request the following from a sub grantee before close- out:

- That sub grantee has received all the funding due under the sub agreement
- That the sub grantee is due no outstanding funding
- That the partner has no outstanding debts to ELCT

### ***11.2. Equipment inventory and transfer***

If the sub grantee has purchased any equipment using the funding on the agreement, ELCT shall review the inventory and guide on disposition of the equipment

### ***11.3. Publications and materials produced***

Sub grantee will require approval from ELCT before production of any publication using the sub granted funds and hence share the copies and submit all remaining copies to ELCT at the end of the project.

