

SOROS FOUNDATION KAZAKHSTAN GRANT REGULATIONS

1. Grant Decision Principles

SFK provides Grants based on the principles of **transparency** and **equity**, the SFK Grant Regulations, the Founder's policies and procedures, and the laws of Kazakhstan.

Transparency in providing grants is ensured by publishing information about the Grants provided on SFK website (the Grants section) and its Annual Report.

Equity in grant competitions should be ensured by omitting Applicants' names during the vote on Applications at the meeting of the program's Expert Committee. Applications for travel grants are the exceptions. The names of the members of Expert Committees will not be disclosed. The decisions on Grants must be taken based on the criteria and/or compliance with the priorities of the program and the Foundation.

Any **conflict of interest** will be taken into consideration during the Grant decision-making process and in the course of its performance. If an Applicant and/or their affiliate is a member of the Board of Trustees, Expert Committee and/or family members¹ of the affiliates of the Foundation, the Application will also be considered in accordance with the conflict of interest resolution procedure. In that event, a decision on the Grant should be taken by a superior body (the Board of Trustees in the event of a possible conflict of interest for an employee or a member of an Expert Committee, or the Founder in the event of a possible conflict of interest for a member of the Board of Trustees).

Grants may not be used to support the activities of political parties, professional unions and/or religious organizations, or other legal entities and/or individuals promoting political and/or religious goals.

When Applications are considered, the **discrimination** of Applicants on account of religion, political convictions, gender or other status is **prohibited**.

The Foundation should register all Applications, completed as shown in a sample filled-in form. Applications will not be commented, stored and returned to Applicants. SFK will not provide explanations as to why an Application has been turned down.

2. Grant Provision Procedures

A Grant will be submitted to a Grandee based on the Application, if the Expert Committee of the respective SFK program and/or the Board of Trustees has decided to approve the Application.

The Grant should be provided within the initiatives and programs fulfilled by SFK at the moment when the Application is considered; the initiatives and programs will define the Application acceptance procedure and conditions, as well as evaluation criteria.

Grants can be provided through a competition or out-of-competition.

All Grants will be provided to Grantees in strict compliance with these procedures; the process comprises the following steps:

Step 1. Registration of Applications. An Applicant must submit to SFK a completed Application form for individuals or legal entities, and other documentation required for timely and correct consideration of

¹ Family members are parents, children, adoptive parents, siblings, including fostered brothers and sisters and half-brothers and half-sisters, grandparents and grandchildren. The Law of the Republic of Kazakhstan *On Marriage and Family* dated December 17, 1998.

the Application (the list of documents is provided in the application form). All Applications emailed to application@soros.kz, sent to SFK postal address or submitted at the office of the Foundation should be registered by the Grant Manager.

Step 2. Consideration of Applications. Applications must be considered by the Expert Committee of the corresponding program. Opinions and decisions made with respect to Applications will be recorded in the minutes of the meeting of the Expert Committee. SFK can request additional documents, recommendations or any other information from an Applicant to evaluate their capacity. If the Applicant does not have a Grant History, the Expert Committees and/or the Board of Trustees can request research to be carried out before funding a Grant in order to define the Applicant's capacity for the project applied.

Step 3. Making the Decision. All decisions about the submitted Applications should be taken by the Expert Committee of the respective program. If the limit established by the Board of Trustees is exceeded, a potential conflict of interests exists or if there is disagreement of an associated member of the Board of Trustees with the decision made, etc., the Expert Committee should submit the Application to the Board of Trustees. All decisions will be recorded in the minutes of the meetings of the Expert Committees and/or the Board of Trustees.

The Program Department will notify the Applicant of the decisions taken on the Application and conduct a pre-grant review of the supported application in order to test the Applicant's capacity to fulfill the project. If the pre-grant review confirms the Applicant's capacity to fulfill the project effectively, the Program Department will prepare the Grant Agreement. Otherwise, the results of the pre-grant review should be reported to the Expert Committee or the Board of Trustees in order to enable them to make a decision on the Application. The information on awarded grants will be published on the SFK website and in its Annual Report.

If a grant is funded jointly by SFK and the Founder, the Application should undergo a preliminary consideration on the part of the Expert Committee of the corresponding program and, if necessary, on the part of the Board of Trustees before being submitted to the Founder. The Program Department has the right to request the Applicant to provide a translation of the Application and other corresponding documents into English.

If an Application for a grant is rejected, an employee of the Program Department should notify the Applicant by sending an official letter within twenty (20) working days from entering the minutes into the GMS.

Step 4. Grant Formalization. The Program Department must advise the Applicant of all issues regarding the grant, make corresponding changes to the GMS and request all missing documents. The Grant Manager prepares a Grant Agreement² and an employee of the Program Department requests the Applicant to sign the Grant Agreement. All appendices to the Agreement and, if necessary, the copyright assignment agreement should be signed along with the Grant Agreement.

Based on the prices for goods and services at the moment of consideration of the Application, the coordinator must estimate the budget efficiency and, if necessary, recommend reducing the amount of the grant. The grant budget will be approved by the Expert Committee and the decision will be documented as an appendix to the corresponding minutes of the meeting.

Step 5. Grant Administration. At this phase, the Program Department makes grant payments, receives the performance and financial reports and verifies the accuracy of the provided information. If necessary, the Program Department and/or the Project Learning, Monitoring and Evaluation

² See details on Grant Agreement in clause 3 of this section.

Coordinator will advise the Grantee on project management issues and provide support for successful implementation of the project.

If the amount of goods or services to be purchased within the grant in tenge exceeds the equivalent of one thousand and five hundred (1,500) US dollars at the exchange rate set by the National Bank of Kazakhstan, the Grantee must invite bids. The Program Department and the Grant Manager must ensure that the tender is carried out in due form.

Step 6. Grant Monitoring and Evaluation. The Program Department monitors the implementation of the Grant Agreement by verifying the availability and proper use of Grant money, the financial documents and observing that the Grant activities comply with the goals and objectives specified in the Application. The Project Learning, Monitoring and Evaluation Coordinator will monitor the following grants:

- grants approved by the Board of Trustees;
- grants co-funded by third parties; and
- grants upon request by the Grant Manager, Programs Director or Chair of the Executive Council.

The Program Department may monitor the Grant at any moment with or without prior notification to a Grantee.

During the implementation of an Agreement, which provides for a seminar, training, conference or other events within the established timeframes, a representative of SFK has the right to carry out monitoring during the event. The Grantee may familiarize themselves with the monitoring results.

If the monitoring report rates the performance of a Grant Agreement as poor, an issue of Grant cancellation must be raised. The monitoring report will be entered into the GMS.

Step 7. Grant Closure. Once an employee from the Program Department ensures that the provided information about the Grant implementation is correct, they will accept and approve the financial and performance reports submitted by the Grantee. The Grant is considered closed if the SFK approves the final financial report and the report on implementation of the activities provided in the Agreement and Application. The Grant cannot be closed if the financial report amounts to less than 98 (ninety-eight) percent of the Grant budget or the unused amount exceeds ten thousand (10,000) tenge. An employee from the Program Department should write their comments on the grant fulfillment in the GMS.

3. Grant Agreement

The grant agreement should be prepared by an employee from the Program Department and the Grant Manager, based on a decision by the Expert Committee of the corresponding program, the Board of Trustees or the Founder, and should be signed by the Chair of the Executive Board on behalf of SFK.

If, during the implementation of the Agreement, the necessity to change the items budgeted for arises (i.e. the Grant budget is to be modified whereas the overall amount of the Agreement remains the same), the Grantee can change the corresponding items (except for increasing the amount in the remuneration item) within ten (10) percent of the amount of the Agreement, upon the approval of the Grantee's written request by an employee of the Program Department and the Grant Manager. The issue should be submitted for consideration to the body that provided the grant in the following cases:

- if the budget is to be modified by more than ten (10) percent of the amount of the grant;
- if a new expense item is to be recorded; and
- if remuneration is to be increased.

The Grantee should return unused Grant funds to SFK.

The Agreement on the fulfillment of a project funded by OSI-NY must not envisage the purchase of fixed assets. OSI-NY funded projects are also subject to other restrictions as set forth in the relevant agreements.

If acquisition of fixed assets is to be funded, the term of the Agreement should be three (3) years from the day of signing. All fixed assets handed over under acceptance statements and/or acquired with the Grant funds are the property of the Foundation until the effective period of the Agreement is over. They should be recorded on the balance sheet of the Grantee, who is to be granted the right of ownership. When the Agreement expires, except for termination as a result of Grant cancellation, all assets become the property of the Grantee.

If the provided funds are not used for acquisition of fixed assets, the Agreement should be valid for one (1) year from the date of signing or while the Grant is under implementation.

If the travel of a Grantee to any event is to be funded, the Agreement should be valid for one (1) year from the date of signing.

If the Grantee's participation in SFK events is to be funded, the Chair of the Executive Council should sign an Invitation Agreement with the participants to the event. The Invitation Agreement should include the venue and time of the event and the list of participants.

4. Obligations Concerning the Use of the Grant

The Grantee should use the Grant strictly in compliance with the purpose stipulated in the Agreement. The Grantee cannot transfer the rights and obligations under the Grant to third parties, unless otherwise specified in the Application.

SFK and the Founder do not bear responsibility for:

- the obligations of a Grantee to third parties;
- claims against a Grantee;
- methods and results produced within the Agreement;
- relationships between a Grantee and governmental bodies, legal entities and individuals;
- liabilities of a Grantee to the state budget; or
- damages inflicted by a Grantee intentionally or unintentionally as a result of using the Grant funds.

If a Grantee intentionally or unintentionally infringes copyright, the Foundation will not accept liability for the actions of the Grantee. All third party copyright claims against a Grantee must be settled without involving the Foundation in compliance with applicable laws. If a project envisages the creation of a copyrighted work, a separate appendix to the agreement must be signed to give SFK non-exclusive rights to the work of the Grantee.

5. Grant Cancellation

A Grant should be cancelled in the following circumstances:

- failure to perform the Agreement;
- providing inadequate information in the Grant Application for the Grant or in the Grant report;
- the legal status of the Grantee changes and this change affects the implementation of the Agreement; and
- the Grantee disseminates information that brings discredit to the name and reputation of SFK.

A Grant can be cancelled by the Board of Trustees based on recommendations provided by the Expert Committee of the corresponding program. An agreement monitoring report and, if available, the opinion of the Grantee should be included with the recommendations.

The decision on Grant cancellation must be communicated to the Grantee in writing. The letter is to indicate what should be returned to SFK and how it should be returned.

The decision to cancel the Grant must be published on the SFK website.

If the Grant is cancelled or the activities under the Agreement were assigned a poor rating, the Grantee should be registered on the list of mala fide grantees. The Board of Trustees should take a decision whether to include or exclude the Grantee from the list of mala fide grantees based on a recommendation from the Expert Committee.

6. Bonus Grants

The winners of creativity competitions should be awarded with bonus grants based on a decision by a competition jury, which can be represented by the Expert Committee and/or the Board of Trustees, or a body specially set up for the competition. The jury members must be elected when the terms of the competition are approved. A report needs not to be provided for bonus grants. An applicant should submit their work and information about themselves. If the work is a copyrighted material, a separate appendix to the agreement should be signed to give SFK non-exclusive rights to the work of the Grantee.

7. Distribution of Goods and Materials within a Grant

An acceptance statement should be completed along with a grant agreement.

The following types of goods or materials can be distributed:

- **Distribution of equipment that is recorded on the SFK balance sheet.** Applications for equipment documented as request letters are to be collected by the Grant Manager after the Executive Council makes the decision that SFK has equipment that the Foundation is not going to use. The book value of the equipment must be indicated in the grant agreement. If the equipment is of a zero value, only specifications and the number of items handed over should be indicated in the grant agreement.
- **Distribution of literature published and/or purchased by SFK for distribution among stakeholders.** An application is not required for this grant, however an employee from the Program Department must in advance discuss with the Grantee the terms of the receipt of the literature and of the target group interested in the literature. A list of those who received the literature and the acceptance statement will substitute a grant report. All assigned books and their price are to be listed in the grant agreement and the acceptance statement. If the literature that has been written off the SFK balance sheet is to be assigned, the assignment can be fulfilled without identification of the value.
- **Distribution of specially purchased goods and materials.** The Expert Committee and/or the Board of Trustees must define the terms of distribution.

8. Procedure for Awarding a Travel Grant

SFK can pay travel costs for those who have to travel in order to participate in events in Kazakhstan or abroad ("events" are conferences, symposia, trainings, seminars, education programs, rounds, etc.).

Terms and conditions of travel grants

The Foundation can provide travel grants for participation in events if all of the following conditions are met:

1. The application is directly related to the prioritized programs of SFK as defined in the SFK strategy and the screening criteria confirm that the applicant can efficiently fulfill the goals and objectives of the project.
2. The applicant is not a member of the Expert Committee or the Board of Trustees. If any conflict of interest arises, the Conflict of Interest Policy should be referred to.
3. The application must include the applicant's CV, official invitation, program of the event, and, if a speech is to be delivered at the event, the abstract of the report that should not exceed two (2) pages.
4. Information about travel grants should be widely disseminated (via the SFK website, social networks, emailings and other methods of distribution not prohibited by law).
5. The grant provision terms should be indicated in the grant agreement.
6. After the event, performance and financial reports are to be requested from the Grantees.
7. The reports should be verified in terms of compliance with the goals and terms of the grant.

Applicant Screening

An applicant can be chosen based on criteria reasonably connected with the goals of a grant, including the quality of application, applicant's qualification, relevance of application to the activities of the Foundation and the priority of the application.

An Applicant can be chosen based on the following criteria:

- 1) From a group of three or more eligible applicants within a competition, provided that the information about travel grants has been widely disseminated (SFK website, social networks, emailings and other means of communication not prohibited by law); and

- 2) Out of competition, if the Applicant submits an application for an event or the Foundation recommends a candidate for the event related to the activity of the Foundation. In this case, the Applicant should have an exclusive qualification in the prioritized activities of the Foundation or a unique expertise and experience in order to efficiently achieve the goals of the grant.

Travel grant applications should be submitted to the Foundation at least **forty-five (45) calendar days prior to an event to be held abroad and fifteen (15) calendar days prior to an event to be held in Kazakhstan and the CIS**. Following the decision to send a grantee to an event, a grant agreement should be signed. A request for the purchase of tickets by a grantee should be approved by the Grant Manager and the Finance Director in electronic form.

If a travel grant is financed from OSI-NY funds, the Foundation must notify OSI Grants Management that it intends to provide an individual grant from OSI-NY funds and receive their written approval.

If the Foundation takes a decision to provide funds, the Foundation should define the route and book and purchase tickets through a travel agency. The tickets must be purchased against a payment request. The tickets should be purchased so that the grantee arrives before the event (i.e. one (1) day prior to the event) and depart the next day after the event. If there are no options on the required date, a ticket for the next available flight should be taken. The cheapest ticket should be purchased. A grantee is not allowed to change the date of their ticket and the route themselves.

To receive tickets, a grantee should bring an entry visa and international health insurance for the period of staying abroad. Tickets should be given to the grantee upon signing of the agreement.

Provided that it is justified, apart from the travel costs, the Expert Committee or the Board of Trustees can take the decision to cover accommodation expenses, meals, the event administration fee, visa expenses and international health insurance.

A copy of tickets, other documentary evidence of expenses, as well as a narrative report should be requested to prepare a report on the implementation of the grant agreement.

Similar requirements (whether selection through a competition or based on the applicant's exclusive competence) apply to individual research grants provided from OSI-NY funds. These grants are subject to additional approval by the OSI Grants Management and may only be provided after receiving written approval from OSI-NY.