



**REGULATIONS ON PROJECT FINANCING**  
of the Committee and Service for Charitable Action  
in the Third World

(approved by the Presidency of the Italian Bishops' Conference  
At the March 27, 2015 meeting)



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**Art. 1**  
***General Principles***

Following the 1984 revision agreements of the Lateran Concordat signed between the Holy See and the Italian Republic and in accordance with the provisions of Law n. 222/1985, the share of 8 per thousand of total income tax revenue, allocated to the Catholic Church by taxpayers, is used for the purposes set forth in art. 48 of the above mentioned law:

- a) religious needs of the population;
- b) support of the clergy;
- c) charitable activities in Italy and third world countries.

The Italian Bishops' Conference is aware that its commitment is placed within a context of evangelical testimony and solidarity. The Italian Bishops' Conference has set up an ad-hoc committee for the evaluation of actions in favor of Third World countries called "Committee for Charitable Action in the Third World" (Committee). The Committee performs its tasks free of charge and with transparency.

**Art. 2**  
***Committee***

The Committee provides its evaluation regarding the approval or rejection of projects in accordance with these Regulations.

The composition and powers of the Committee shall be established by regulations adopted by the Permanent Council of Bishops.

The Committee is validly constituted with the presence of a majority of its members and shall act by an absolute majority of those present.

The Committee shall meet at least six times a year, according to the calendar and agenda set by the President.

**Art. 3**  
***Service for Charitable Action for the Third World***

The office of the Secretary-General of the Italian Catholic Bishops' Conference called "Service for Charitable Action for the Third World" (Service), working in close collaboration with the Committee, in accordance with this Regulation:

- takes care of the preliminary investigation of the applications and forwards the projects to the Committee for the necessary assessment, based on the order in which applications were received;
- communicates the decisions of the President of the Italian Catholic Bishops' Conference to the applicants;
- verifies that authorized funding is disbursed to the persons entitled to receive it and is actually and appropriately used for the specific actions that were approved;

- verifies periodic and final reports for each project;
- might carry out inspections, that are planned and coordinated with the Person in charge of the Service, to verify progress made on site related to approved activities.

#### **Art. 4** ***Applicants***

The entities that may apply for funding to support projects, referred to in Article 7, are:

- National Bishops' Conferences;
- Third World dioceses and Italian dioceses that support a missionary presence in the Third World;
- Catholic Charities;
- Institutes of Consecrated Life and Societies of Apostolic Life;
- Ecclesial Associations and Movements;
- volunteer organizations (established in compliance with existing legislation and recognized by the Italian government), NGOs/non-profit organizations and institutes of education and research, which must be sponsored by their respective dioceses.

Bishops' Conferences and Dioceses have priority. Bishops' Conferences are the reference point for all initiatives: it is their responsibility to indicate local priorities in their context and to ensure an equitable distribution of financial and human resources.

#### **Art. 5** ***Recipient Countries***

Projects must take place in Third World countries, fostering cooperation between organizations and people in order to benefit beneficiaries irrespective of their religion.

Recipient countries are countries included in the lists of countries receiving public aid as defined by the relevant international organizations.

#### **Art. 6** ***Projects that Are Eligible for Financing***

Projects aimed at training and supporting local populations to promote their economic, civil and social development are eligible for financing. In particular, the ones that pursue the following aims:

1. basic literacy, adult education, training of trainers;

2. university education, excluding education for individuals (scholarships), that are not part of specific development projects, and, in any case, only for universities located in Third World countries;
3. leadership training for middle and senior executives;
4. supporting local associations for the acquisition of management skills;
5. promotion of ethnic minorities and training of refugees;
6. training and promotion of women;
7. qualification and training of teachers at all levels, provided they participate in a specific development project;
8. specific vocational training in health care, and in technical, agricultural, environmental, economic, cooperative and social communications fields;
9. educational projects centered on productivity and entrepreneurship aimed at encouraging the development of local crafts, savings and banking systems, and cooperative initiatives.

#### **Art. 7**

#### ***Recognizable and Non-recognizable Expenses within Projects that are Eligible for Financing***

- a) Within projects that are eligible for financing, expenses that are necessary for project execution, whose contents are consistent with activities listed in Art. 6,, are recognized.

More specifically, the following kinds of expenses:

- teaching provided by local staff or people coming from Third World countries in relation to specific training courses and workshops;
- food, lodging, transportation, and education expenses for interns;
- scholarships that are granted locally or in Third World countries;
- small-scale revolving funds for training and production activities in cooperative associations, targeted mostly at women;
- educational materials: books, handouts, scientific texts that are useful for the implementation of planned activities;
- consumables that are strictly necessary to provide training courses;
- equipment, instruments, tools and simple machines, possibly produced in the recipient country or in other Third World countries; basic school furniture, only in connection with specific vocational training activities. If goods are purchased in Italy (because they cannot be found in Third World countries), such purchases must be specifically authorized by the Service and it is necessary to ask for exemption from VAT (under Law 49/87 art. 14 paragraph 3 and later amendments) and prove that the goods have actually been shipped to the recipient country;

- basic building structures that are deemed essential for training (schools, laboratories, clinics, health centers, workshops ...).

If required, the Committee might decide, at its sole discretion, to recognize documented project running expenses for activities carried out on site, up to maximum 5% of the amount that was agreed for the project and, in any case, never exceeding €30,000.00;

- b) Within projects that are eligible for financing, except for what is provided for at point a), the following kinds of expenses are not recognized:
- activities carried out in industrialized countries (conferences, congresses, meetings, study programs, research, surveys, etc.);;
  - project preparation and planning both in Italy and on site, transfers, travels, technical and study missions, (pre/in/post) evaluation missions from industrialized countries to Third World countries;
  - fixed costs for the routine management of existing or future structures, including the staff working for the applicant organization: recruitment, hiring, wages, travel and transfers, social security, insurance, miscellaneous refunds, training of European nationals.

### **Art. 8**

#### ***Documents to be Submitted with Projects***

Projects must include the following documents:

1. official application by the applicant organization, written on letterhead, addressed to the "Service for Charitable Action for the Third World" of the Italian Catholic Bishops' Conference, consistently with the "submission guidelines" **including the statement you find in annex 1 of the "submission guidelines" (template)** –;
2. project description;
3. statement of approval by the Bishops' Conference, signed either by the President or the Bishop Secretary General;
4. statement of approval by the Bishop of the Diocese where the project will take place;
5. statement of the Superior General or Provincial Superior for religious and missionaries;
6. project fact sheet;
7. budget – template in "project submission guidelines".

If one or more of the above-mentioned documents are missing, if the project is eligible for financing the Service will ask for the missing documents to be sent by a specific deadline. If missing documents are not sent by that date, the project will be rejected.

## **Art. 9**

### ***Procedure for Project Approval and Funding***

Procedures for the reception, analysis, verification and possible approval and funding of projects are described in the forms provided by the Service.

Once the preliminary investigation is completed, if the Committee gives a positive evaluation, the project will be sent to the Presidency of the Italian Bishops' Conference for their decision.

The Committee can give a favorable opinion on a whole project or a part of it.

## **Art. 10**

### ***Project Approval and Applicant Notification***

Once the preliminary investigation is over, if the whole project is approved as it was initially submitted, the applicant will receive a letter of approval from the Italian Bishops' Conference.

The letter will specify the way in which funding will be paid out.

If the approved amount is paid out in several instalments, the letter will state that the applicant must provide periodic reports by specific deadlines in order to be able to receive additional instalments. The deadline for the final report will also be indicated.

If the project is partially approved, the applicant organization will receive a letter from the Service stating that the project was only partially approved.

If the applicant organization accepts the funding proposal, it must reply by standard mail, email or fax. If the letter is sent by email or fax, the original copy, duly signed by the applicant organization's legal representative, will have to be sent to the Italian Bishops' Conference by standard mail.

## **Art. 11**

### ***Payment***

Once the requirements listed in art. 10 have been met, funds are transferred by the Service to the applicant's current account indicated in the application.

Payments will be made on the account that was indicated in the application; no payment will be made on banking accounts held by individuals.

If payment is made in several instalments, payments after the first instalment will be made only after having received and verified the reports indicated in article 12.

If, three months after an instalment deadline, the Service has not received the report concerning the previous instalment yet, and the Entity has not reported this delay and has not obtained an extension of the deadline, the following instalments will not be paid and allocated amounts, that have not been paid yet, will be used to fund other projects.

Under no circumstances will additional contributions be granted for projects that have already been approved and funded. To apply for additional funds, a new project must be submitted.

The operational procedures related to this article are explained in the forms provided by the Service.

### **Art. 12** ***Reporting***

Applicants must provide a complete and documented report regarding expenses incurred during the implementation of the approved project.

If funding is paid out in one single instalment, the report will have to be provided at the end of the project, by the established deadline. Time will start running on the date when the first and only payment is made.

In case of multiple instalments, reports must be sent by the deadlines that apply to each instalment. New instalments will not be paid unless reports regarding previous instalments have not been duly received and verified.

Reports must be written using the forms provided by the Service and sent together with the documents related to expenses incurred.

The operational procedures related to this article are illustrated in the forms provided by the Service.  
Expenses incurred before project approval will not be considered valid, even if they are related to the project and to funded activities.

### **Art. 13** ***Checking Procedures***

After receiving the reports, the Service will verify them and, if necessary, will ask for any missing document or clarifications regarding the documents it has received. Once this check has been completed, if the outcome is positive, the Service will prepare the necessary documents to pay the following instalment; if it is negative, it will inform the Entity about issues that have been found and actions that apply to the situation (suspension of future payments, asking for a partial or total refund of the instalment, etc.).

### **Art. 14** ***Monitoring Compliance with the Regulations***

The General Secretariat of the Italian Bishops' Conference will constantly check whether these Regulations are being implemented properly.