

Grant Management Rules

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1. Purpose and Scope

The purpose of this document is to provide a normative framework for sub-granting. It aims to:

- Ensure that grant applications are within the scope of ICMPD’s strategic goals.
- Facilitate the coordination between all stakeholders involved in grant management throughout the grant lifecycle.
- Ensure that ICMPD is compliant with uniform administrative and audit requirements for award.
- Minimise the risks inherent to grant management.

2. Roles and Responsibilities

	Responsibilities
Project Manager	Supervises and monitors the implementation of the action throughout the grant lifecycle in accordance with the grant contract. Develops the call for proposal package. Coordinates with the various internal stakeholders to ensure proper implementation of the grant scheme. Guides the beneficiary and acts as the ICMPD focal point during implementation of the action(s) financed by the grant scheme. Ensures adequate knowledge management and shares lessons learnt for content matters.
Corporate Resource Management (CRM)/Resource Management Unit (RMU) Brussels	Ensures compliance with the legal framework. Contributes to the preparation of the grant scheme. Monitors the overall financial implementation of the grant scheme. Checks and provides feedback on the call for proposal package. Guides the beneficiary and acts as the focal point for third parties during the grant award phase. Ensures that financial reports are in line with the legal framework as well as eligibility rules and regulations. Ensures knowledge management and shares lessons learnt for process matters.
Grant Evaluation Committee (GEC)	Assesses the feasibility, suitability and compliance of an application within the framework defined in the Call for Proposals and ensures transparency, equal treatment and fairness during the grant award process.
Corporate Financial Management (CFM)	Puts in place measures to ensure that the financial risk for ICMPD remains reasonable. Executes payments and/or recovery orders. Defines the principles for the grant contract’s recognition of expenditure. Leads ¹ expenditure verification missions.
Operationally Responsible Director (ORD)	Approves GEC composition.
Director for Resources and Operations Management (Dir ROM)	Endorses the GEC’s recommendations. In case of a recommendation to award, this shall constitute a decision of granting. Approves exceptions to the present rules.

3. Definitions

3.1 Grant

A grant is a direct financial contribution from either ICMPD or a project budget to:

- Finance a certain number of activities that together constitute an action, or to
- Develop operational and/or financial capacities of the grant beneficiaries, thus covering their functional and structural costs.

¹ Under certain circumstances, this could be sub-delegated to the CRM/RMU.

The action's objective must correspond and contribute to achieving either ICMPD's strategic goals or those of the project implemented by ICMPD defined as the framework governing the grant scheme. The objective of the action can never be commercial and under no circumstances may the action generate profits for a beneficiary. In this context, profit is defined as a surplus of the receipts over the eligible costs approved by the contracting authority. ICMPD acts as the 'contracting authority' of the grant.

3.2 Beneficiary(ies) and Coordinator

The beneficiary is the legal entity receiving the grant, and is responsible for its implementation in line with the applicable legal framework (Grant Contract). When a legal entity acts on behalf of and in cooperation with other legal entities (partnership), the beneficiary of the grant becomes the 'coordinator'. In such cases, the word 'beneficiary' is replaced by 'beneficiaries' in the grant contract. The coordinator is the sole entity responsible for the grant vis-à-vis ICMPD.

3.3 Transparency

The process through which a grant beneficiary is identified should be transparent and exempt from all unequal or unfair treatment.

3.4 Non-Retroactivity

In principle, only costs related to activities implemented after the signature of the award contract can be considered eligible. In exceptional and duly justified cases, costs incurred before contract signature may be considered retroactively eligible. In such cases, the contracting authority has to be informed and must formally accept any retroactive costs prior to the signature of the grant contract. Moreover, such costs must be clearly identifiable in the description and budget of the action. The type of expenses and the starting date to cover these costs should also be indicated in Article 7 of the Special Conditions.

3.5 Co-funding

As a general rule, the action shall be co-funded in order to maintain a certain level of ownership on the side of the beneficiary. The minimum percentage of co-funding is variable and should be defined in the grant scheme. Co-funding can be an 'in-kind' (non-monetary) and/or direct 'financial' contribution. Co-funding is always considered as a contribution from the beneficiary, even if a third party provides it. The percentage of co-funding as defined in the Special Conditions of the grant contract is used to establish the final amount of the grant. In exceptional cases, co-funding may not be required.

4. Grant Award

4.1 Grant Schemes

There are two grant schemes via which grant beneficiaries can be identified:

- (1) **Direct Award:** a non-competitive process in which the beneficiary of the grant is pre-determined. Direct Award may be applied in case of a monopoly in which the beneficiary is the only entity able to implement the action. Direct award may also be applied when the beneficiary is already identified within the framework governing the grant scheme.
- (2) **Call for Proposals:** a competitive process in which applicants submit proposals against a restricted or open deadline. In this case, maximum outreach to potential applicants must be ensured. As a minimum requirement, the Call for Proposals must be published on the ICMPD website.

Application deadlines can take the form of:

- a) **Open deadline:** the Call for Proposals is open for a determined period during which proposals can be submitted at any time. The evaluation process is continuous and repeats itself throughout the duration of the Call for Proposals as long as there is budget available.
- b) **Restricted deadline:** the Call for Proposals is published with a fixed deadline. The evaluation process covers all submitted proposals at the same time. No bilateral communication to potential applicants is allowed. Any additional communication must be carried out in an equal and transparent manner.

The call for proposals can be 'open' or 'restricted':

Open Call for Proposals: any entity can apply within the criteria set out in the Call for Proposals

Restricted: only certain types of entities are allowed to apply. The types of eligible entities must be exhaustively listed in the Call for Proposals.

Based on the nature of the Call for Proposals, the amount available for grants can be subdivided into different geographical and/or thematic lots.

4.2 Evaluation Process

An administrative and eligibility check, as well as a financial risk assessment (when necessary), must take place to verify the administrative adequacy and the eligibility of the proposal vis à vis the administrative and eligibility criteria set out in the guidelines of the Call for Proposals. The timing and modalities must be described in the Call for Proposals. The GEC is officially established in line with the process described in the Call for Proposals and based on the overall framework governing the grant scheme. As a minimum requirement, the GEC is composed of a Chairperson (Chair), a Secretary and an uneven number of evaluators.

4.2.1 Role of GEC members and participants

The GEC is created on an ad hoc basis, and its composition should cut across both technical and administrative services. It should always total an uneven number, and superior than one, of voting members. The minimum number of committee members is five, to be comprised of at least the following:

- A non-voting Chair, provided by CRM or RMU, ensuring the integrity of the evaluation process.
- At least three evaluators, who should possess the technical or administrative capacities necessary to give an informed opinion on grant proposals.
- A non-voting Secretary.

Representatives of partner organisations or independent experts may also participate in the GEC as observers.

The composition of the GEC shall be proposed by CRM or RMU as appropriate, and approved by the director responsible for the implementation of the action.

The Chair of the GEC has the role to guide the committee's evaluation. He/she may provide substantive input to the discussion in the form of opinions or concerns. These shall be recorded in the GEC Report.

The Chair is supported in his/her role by the Secretariat of the GEC. The main responsibilities of this position are to prepare the GEC Report and the reserve lists of applications, if relevant.

Additional participants can be invited to the GEC as observers and non-voting members. However, the Chair of the GEC can invite them to express their opinion on the application. The Chair of the GEC and the evaluators are free to decide whether or not they take observers' opinions into consideration.

Any concern about the presence of any evaluator or observer (e.g. risk of conflict of interest) shall be raised at the beginning of the GEC to the Chair, who will take the decision that is deemed the most reasonable.

4.2.2 e-GEC

The GEC may be replaced by an electronic/virtual GEC (e-GEC) to be held by any means deemed appropriate by the GEC Chair. E-GEC can be used in the eventuality that the physical presence of all the evaluators is not possible or economically unreasonable, in the case of re-submissions and second evaluations, in case the nature of the proposal justifies such type of procedure. The above list is not exhaustive and open to the discretion of the GEC Chair.

4.2.3 Evaluation and result

All members of the GEC or e-GEC must sign a declaration of impartiality.

A minimal threshold of points should be set prior to the call and published with the Call for Proposals together with the evaluation criteria. Clear and objective evaluation criteria should be set in order to ensure a proper and transparent process. Evaluation criteria cannot be modified during the process of the Call for Proposals.

A proposal that does not reach the minimum threshold should not be presented to the attention of the GEC. However, in case of a Call for Proposal with a fixed deadline, the GEC Report should mention all the proposals received as well as their respective scores.

The GEC will take a cooperative approach, looking for consensual results. In case consensus is not possible, the Chair will put the decision to the vote.

Some frameworks governing the grant scheme could foresee a consultation process on proposals received involving stakeholders (e.g. EU Delegation or donor). The result of the consultation is informative for the GEC members and should never be considered binding. However, adequate importance should be given to elements raised within the consultation process.

The GEC report lists the proposals that should be considered for award with the related maximum amounts (total eligible costs, ICMPD contribution and related percentages).

A reserve list may be constituted based on the average of the points obtained in the evaluation and annexed to the GEC Report.

In case the funds available are not sufficient to cover the costs of a proposal, the GEC should decide how to proceed between the three options below:

Option 1: The GEC takes into consideration the first proposal in the reserve list that could fit within the budgetary envelope available.

Option 2: In the case of Calls for Proposals with open deadlines, the GEC decides to request resubmission of an equivalent proposal but with lower costs. This option is used when the nature of the activities is innovative and/or very specialised, and it is considered by the GEC members that some components of the proposal can be cut in order to fit the budget available.

Option 3: If the difference between the budget available and the total amounts of the proposals is low, the GEC could request the contracting authority to diminish the amount of one or more grants in order to fit within the available envelope. Changes to the proposals in order to decrease the costs should not modify the nature of the proposal and/or its methodological approach. The duration of the action may be subject to change in order to decrease the costs insofar as the methodology and the nature of the activities are not unreasonably affected.

The GEC Report should state the option chosen, if relevant. The final GEC Report is submitted for the attention of the Dir ROM for final endorsement. His/her approval constitutes the decision of granting.

4.3 Exclusion, Selection and Award Criteria

4.3.1 Exclusion criteria

An applicant will be excluded from participation in grant procedures if it is included in the list of EU restrictive measures, or finds itself in one of the situations listed below:

- a) Bankruptcy, insolvency or winding up procedures.
- b) Breach of obligations relating to the payment of taxes or social security contributions.
- c) Grave professional misconduct, including misrepresentation.
- d) Fraud.
- e) Corruption.
- f) Conduct related to a criminal organisation.
- g) Money laundering or terrorist financing.
- h) Terrorist offences or offences linked to terrorist activities.
- i) Child labour and other trafficking in human beings activities.

4.3.2 Selection criteria

Tenderers must be selected based on clear and non-discriminatory selection criteria for the purpose of assessing that the tenderer has sufficient financial, economic, technical and professional capacity to implement the tasks of the contract. The chosen criteria shall be relevant, proportionate, non-discriminatory, may not go beyond the scope of the contract and must take account of the legitimate interests of the tenderer, in particular its right to the protection of its technical and business secrets. It must be possible to verify compliance with the chosen criteria through documentary evidence.

4.3.3 Award criteria

Contracts are awarded on the basis of award criteria established in the Call for Proposals. The criteria must be precise, non-discriminatory and not prejudicial to fair competition.

4.4 Award Process

Official communication can only be shared following an award decision. The communication should stipulate that such a decision is not a grant or a promise of a grant and should not be considered as such. Grants are awarded based only on the finalisation of the contracting phase.

If foreseen in the grant scheme (based on the nature of the call and the number of the proposals received), the proposals placed in the reserve list and the non-awarded proposals may be subject to official communication.

All documents related to the Call for Proposals, to the GEC as well as communication with the requestors, must be correctly archived and made available upon request by auditors.

Once the grant contracts are signed, the list of the awarded grants should be published on the website of ICMPSD and/or the specific website of the framework/project.

5. Grant contract

The grant contract shall be signed within a reasonable timeframe following the grant decision.

5.1 The Special Conditions and Annexes

The grant contract comprises the Special Conditions and all annexes. Annexes that can be part of the grant contract are:

Annex I: *Description of the Action*

Annex II: *General Conditions*

Annex III: *Budget of the Action*

Annex IV: *Procurement by Grant Beneficiaries*

Annex V: *Payment Request for Grant Contract and Financial Identification Form*

Annex VI: *Model Narrative and Financial Report*

Annex VII: *Terms of Reference for an Expenditure Verification of a Grant Contract*

Annex VIII: *Pre-financing Guarantee Form*

Annex IX: *Transfer of Ownership of Assets*

Annex X: *Provisional Financial Report and Forecast*

All templates are available on *RefNet*.

The Special Conditions are drafted following the granting decision. The total eligible costs, the percentage of ICMPD's contribution and the implementation period cannot be increased during the contracting phase. However, the figures can be lowered, if needed.

Any deviation from the General Conditions that should be foreseen must be stipulated in article 7 of the Special Conditions. Deviations that could be considered and therefore stipulated in Article 7 are more restrictive obligations than those foreseen in the General Conditions. Deviations can also be due to the nature of the beneficiary (e.g. UN agency, pillar-assessed organisations, public entity) that may, by their very nature, require a less restrictive approach than foreseen in the General Conditions.

"Annex I: *Description of the Action*" and "Annex III: *Budget of the Action*" can be modified in the contracting phase to correspond to requirements raised by the GEC and stipulated in the GEC Report. All other annexes are unchangeable.

"Annex VIII: *Pre-financing Guarantee Form*" and "Annex X: *Provisional Financial Report and Forecast*" can be considered not applicable if the documents are not relevant for the grant contract. The two documents still need to be indicated in the Special Conditions with the reference "not applicable". As the General Conditions (Annex II) make reference to those annexes, in case the annexes are not applicable, the contracting authority should indicate in article 7 of the Special Conditions that any reference to those two annexes in any part of the contract and its annexes is null and void.

5.2 Due Diligence Report and Pre-financing Guarantee

In case no pre-financing guarantee is provided by the beneficiary, CFM will prepare a due diligence report. The due diligence analysis may be done at any point before contract signature, depending upon the availability of CFM and/or the grant scheme (e.g. in case of a Call for Proposals with open deadlines).

5.3 Signature of the Contract

The grant contract must be initialled by both parties and signed by a legal representative of each entity.

At least two originals need to be signed, one for each party to the contract. It may be that, based on the implementation location, CFM requires an additional original to be stored at ICMPD headquarters for audit purposes.

6. Amendment

All amendments need to be made formally in writing. Amendments cannot cover activities or costs already incurred. A request for amendment can only be solicited by a formal letter signed by a legal representative of the entity concerned. An electronic version sent by email suffices.

7. Communication

All communication from beneficiaries to ICMPD should pass through the coordinator. It is highly advisable to request communication in writing from the coordinator and to answer communication from the coordinator by the same means. There must be no direct communication with partners on contractual issues.

8. Publication

As a rule, all applicants should be notified of the outcome of the evaluation of their applications within six months following the submission deadline of the full application.

Unsuccessful applicants should be informed in writing without delay, and in any event no later than 15 calendar days after information has been sent to the successful applicants. They may receive, at their request, further information regarding the evaluation of their own proposal (any weakness, poor or insufficient description of the action, budget not matching the proposed activities, overall lack of consistency, etc.).

To ensure the necessary visibility, grant award decisions shall be published in the most appropriate and proportionate manner. Awarded grants shall be listed at least on the ICMPD website and/or the website governing the grant scheme. Additional requirements may be stipulated in the legal framework governing the grant scheme.

A list of all grants awarded in the course of a financial year shall be published the following year on the ICMPD website and, if relevant, in other appropriate media.

In duly justified cases, an exception to the publication of the awarded entity may be granted by the Dir ROM based on a formal request from the beneficiary.

9. Monitoring and Reporting

9.1 Grant Coordination Meeting

At the beginning of the implementation period and within a reasonable delay, the project team may organise a grant coordination meeting between ICMPD and the beneficiary(ies). The purpose of the meeting is to explain and train the beneficiary(ies) in all duties and obligations foreseen in the grant contract.

9.2 Monitoring

A regular monitoring of the action, recommended on a monthly basis, is mandatory. The purpose of the monitoring is to ensure that the activities are developed as per the methodology and related timeline described in Annex I. It ensures proper follow-up of the action and allows ICMPD to take any mitigation measures when needed. Such monitoring can take the form of a telephone call or email exchange. It does not substitute reporting mechanisms stipulated in the grant contract.

9.3 Field Visits

There are two types of missions: verification missions and monitoring missions. The verification mission focuses on the financial and procedural aspects of grant contract implementation and is led by CFM. The monitoring mission focuses on content aspects and is led by the project team. It is highly advisable to conduct joint missions whenever possible.

Both types of mission must be followed by the issuance of a mission report to be shared with the coordinator.

9.4 Reporting and Payments

Reporting and payment timeframes and outputs to be provided to ICMPD by the coordinator are defined in the Special Conditions and Annex II of the grant contract. Any request for divergence from the grant contract must be requested in writing by the beneficiary.

9.5 Recognition of Costs

CFM will assess whether there is a need or not to issue a note on recognition of expenditure of the grant contract. If deemed necessary, this document will state the level of expenditure under a grant contract for a specific period.

10. Closure of the Action

The closure of an action is done in two phases: the closure of the grant contract and the internal closure of the action.

10.1 Closure of the Grant Contract

The grant contract is closed once the final balance payment has been settled, either with a final instalment from ICMPD to the coordinator or with a transfer for reimbursement from the coordinator to ICMPD.

Any requests for clarification and/or modifications must be made in writing.

10.2 Internal Closure of the Action

This task starts once the grant contract is closed. This phase is led by the project team, which has two months to issue an end-of-action report. Once approved by the project manager, the report is submitted to any mandatory and/or relevant stakeholder(s).

11. Relevant References

- *Grant Management Procedures*

The following templates can be adjusted as per the needs of the project.

- *Grant Application_Due Diligence Form*
- *Grant Management_Appointment of Members of the Grant Evaluation Committee*
- *Grant Management_Grant Evaluation Committee Report*
- *Grant Management_Letter Retroactivity of Costs*
- *Grant Management_Award or non Award Letter to Applicant*
- *Grant Management_Monitoring Report*
- *Grant Management_Approval Change of Reporting Date*
- *Grant Management_Pre-Financing and other Intermediate Payments_Internal Request*
- *Grant Management_Final Payment_Internal Request*
- *Grant Management_Admin and Monitoring Tool*