

# **RULES AND PROCEDURES ON SELECTION AND CONTRACTING OF GRANTEES**

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## Rules and Procedures on Selection and Contracting of Grantees

### 1. Purpose

These Rules outline the framework and process for selecting recipients of grants from trust funds held and administered by GGGI on behalf of a funding source (the “donor”). This process does not apply to selection of providers of goods and services covered by the Procurement Regulations and Procurement Rules. These Rules neither apply to consortium<sup>1</sup> arrangements where GGGI is a lead or member, nor to selection of GGGI partners under a project or program where GGGI is the main implementor and solely accountable for the delivery of project or program outputs.

### 2. Definitions

- (a) *Call for Proposals* – a competitive method used by GGGI to select grantees.
- (b) *Eligible Cost*- costs incurred by a grantee that are: (1) indicated in the estimated overall budget of the action; (2) necessary for the implementation of the action; (3) identifiable and verifiable, in particular being recorded in the accounting records of the grantee; (4) compliant with the requirements of any applicable tax legislation; and (5) reasonable and justified, and that comply with the requirements of sound financial management, in particular regarding economy and efficiency. Any costs that are not eligible costs should be recovered by GGGI. Indirect taxes, such as VAT or GST, are generally considered ineligible costs, unless the relevant funding agreement allows otherwise.
- (c) *Grant* – a transfer of money by GGGI to a recipient, in accordance with the relevant trust fund agreement with a donor or donors, to support an agreed action, activity, or program to be undertaken by the recipient in line with the objectives of the donor/s.
- (d) *Grant action or action* - the agreed action, activity, or program that the grantee will undertake.
- (e) *Grantee* – the recipient of the grant.
- (f) *Trust Fund Manager* – refers to the designated head of a business unit of GGGI responsible for the trust fund which would issue the grant.
- (g) *Grant Officer* - Program or project Manager/Officer/or Associate that will work directly

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<sup>1</sup> Consortium is a grouping of organizations that jointly participate in the design and delivery of a particular project. The focus is not only on joint delivery but also on joint design. This term includes all partnerships where the parties form a consortium or similar partnership arrangement. GGGI could either be a lead or a member of a Consortium. This definition is taken from the Interim Process for Consortia.

with the grantee.

### **3. Overview**

3.4 GGGI selects grantees and transfers funds on behalf of a donor/s in line with the purpose and terms of the trust fund agreement and the grant agreement between GGGI and the grantee (the “grant agreement”).

3.5 The grantee receives funds for delivering outputs that they themselves have identified in their grant proposal document (the “Proposal”), and which GGGI has assessed as contributing to the trust fund agreement’s intended results. The grantee is solely responsible for the results and GGGI does not take part in the grantee’s delivery of the outputs.

3.6 GGGI is responsible for leading the process of selecting grantees and ensuring that these grantees are held accountable for the use of the grant. Unless a specific grantee selection process is required by the donor/s, grantees are selected through a competitive process set out below and led by GGGI, in line with the principles set out in these Rules.

### **4. Basic Principles**

#### **4.1 Transparency**

GGGI publishes relevant information to provide potential grantees timely and accurate information. Grantees are selected on the basis of a Proposal they have submitted to GGGI. This will be in response to a Call for Proposals issued by GGGI which must specify the following, as a minimum:

- (a) guidelines explaining the purpose of the Call for Proposals, including its objectives and priorities;
- (b) criteria for selection, by which a Proposal will be deemed suitable and eligible, or not, for receipt of a grant;
- (c) procedure for submitting a Proposal, including any relevant deadlines;
- (d) maximum budget available in total, and per grant;
- (e) types of action for financing and eligible costs; and
- (f) any other special conditions required by the donor.

Furthermore, in the interest of transparency, the names of the grantee, the project/action that is being funded, the selection method, and the grant amount awarded will be published in the GGGI website.

#### **4.2 Equal treatment**

No preferential treatment will be given to any applicant that takes part in the Call for Proposals. This principle applies not only to the process of identifying and selecting grantees but also during the implementation of the grant. The principle is also reinforced by GGGI

staff's adherence to standards of conduct under the GGGI's Legal Framework<sup>2</sup> including avoiding any conflict of interest<sup>3</sup> and ensuring impartiality in the selection and decision-making process. Failure to comply with any part of these Rules by staff can lead to disciplinary action.

#### 4.3 Not for profit

Grants must not have the purpose or effect of producing a profit for the grantee, unless the aim of the grant is the reinforcement of the financial capacity of the grantee.

#### 4.4 Non-cumulative award

Each grantee may not get more than one grant per action unless otherwise provided in the applicable Call for Proposals; in which case, the applicant must specify in the application form any applications and awarded grants relating to the same action. A grantee shall not, under any circumstance, receive duplicate funding for the same cost.

#### 4.5 Non-retroactivity

Grants will not be awarded to actions that are already completed or have already started. Similarly, the costs incurred by the grantees in the project proposal preparation and prior to the grant signing are not covered by the grants.

#### 4.6 Ownership of results

The grantees will be owner of the results and products. GGGI will obtain license from the grantee to use them in furtherance of its work if necessary.

#### 4.7 Co-financing (or Match-funding)

Generally, GGGI will not provide a grant that finances the entire cost of the action. The grantee will contribute to the implementation of the action either by contributing its own resources (i.e. staff time) or by financial contribution from third parties (in the form of public or private assistance obtained elsewhere).

### 5. Grantee Eligibility and Registration

#### 5.1 Regardless of the selection process, in order to be eligible for a grant, a grantee shall

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<sup>2</sup> The Staff Rules define "GGGI's Legal Framework" as all regulations or other directives issued by the Council and any rules, guidelines, policies, procedures or other instructions issued by the Director – General or other designated official.

<sup>3</sup> The Code of Conduct define conflict of interest as occurring when, by act or omission, a staff member's personal interests interfere with the performance of his or her official duties and responsibilities or with the integrity, independence and impartiality required by the staff rules. When an actual or possible conflict of interest does arise, the conflict shall be disclosed by staff members to their head of office, mitigated by GGGI, and resolved in favour of the interests of the organization.



not:

- (a) have a conflict of interest;
- (b) be included in the Consolidated United Nations Security Council Sanctions List and/or Debarred by Multilateral Development Banks;
- (c) have been declared ineligible by GGGI (or its donors) to participate in a Call for Proposals or included in an ineligibility list of the donor; and
- (d) have received an unsatisfactory assessment for its past performance if the grantee was previously awarded a grant by GGGI (or its donors).

5.2 A Call for Proposal may include other eligibility criteria to determine which applicants may participate in the selection process. These may include specific criteria relating to an applicant's legal and/or administrative status. Eligibility criteria will be drafted with due regard for the objectives of the action, and must be transparent and non-discriminatory.

5.3 Grantees must be registered in the [e-Green Procurement Portal \(e-GPP\)](#) of GGGI.

## **6. Procedures**

As a main rule, the process set out in Sections 7 and 8 will apply to any Call for Proposals issued by GGGI. However, depending on the specific purpose and circumstances of the donor and facility in question (e.g. limited amount of funds to allocate and/or particular need for speed) the process may differ, as agreed with the donor and stated in the funding agreement. In case of deviation, the process for selecting and awarding grants must, at all times, adhere to the Basic Principles in Section 4, comply with applicable donor requirements, and be clearly stated in the Call for Proposals.

## **7. Call for Proposals**

7.1 To increase efficiency and transparency, Calls for Proposals are published on e-GPP for not less than 25 days unless the Trust Fund Manager approves a different duration. It may also be published in other widely circulated electronic and print media. Applicants are requested to provide all information and documentation through the e-GPP.

7.2 As a minimum, the Call for Proposals will include all information stated in Section 4.1.

7.3 A Call for Proposals will include the submission of the following:

- (a) a technical proposal, detailing the project/ activities the applicant intends to undertake, explaining their details of technical competencies and their expertise and references against the grant criteria;
- (b) a financial proposal, detailing budget/costing for each activity; and
- (c) information to support an operational and financial capacity assessment, which may include information such as the applicant's financial and procurement policies, external audit reports, profit and loss account, and balance sheet.

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7.4 All activities, including the amount involved, schedule, and other details must be clearly stated in the Proposal.

7.5 If the grantee plans to delegate any of its activities to a third party, either a sub-contractor or sub-grantee, all third parties, the activities they will undertake, and their respective budget allocation, must be clearly spelled out in the Proposal. The third party must meet the same eligibility criteria as the grantee.

7.6 Applicants may ask clarifying questions through the e-GPP before the deadline. All questions received are gathered and answered by GGGI in a redacted form. In the interest of equal treatment, the questions and answers are timely made available to all applicants publicly within the e-GPP.

7.7 The Trust Fund Manager, with the assistance of the Procurement Office, will ensure that:

- (a) the Call for Proposals are published accordingly, and will oversee the opening, evaluation, award of grants and publication of results on the e-GPP;
- (b) Proposals are opened immediately after closing date and time;
- (c) Proposals are opened at least by one staff member if received online, otherwise there are at least two staff members, the time and date of receiving are recorded;
- (d) check submissions and mandatory requirements before opening Proposals;
- (e) sends Proposals to the designated evaluators for evaluation through electronic means on time;
- (f) unless any technical error or reason is reported, the late proposals shall not be opened, and applicants are informed; and
- (g) material changes or alteration or modifications in the Proposals are not allowed after closing date and time.

## 8. Evaluation

8.1 The Trust Fund Manager will establish a Committee to evaluate any Proposal. The composition of the Committee will depend on the governance structure established under the relevant trust fund agreement. As appropriate, external experts designated by GGGI will also form part of the Committee.

8.2 The Committee will evaluate the proposal against the criteria set out in the Call for Proposal. The Committee will also assess the applicant's operational and financial capacity to operate the grant in line with the requirements established in the funding agreement.

8.3 The Committee will provide a report that ranks the Proposals based on the score produced by the evaluation process. The report will also specify:

- (a) Proposals recommended for financing;
- (b) the amount of funding for each Proposal; and



- (c) the proportion of eligible costs that will be financed.

8.4 The Committee may decide not to recommend allocating all the available funds if it finds that there are too few proposals meeting the requirements under the Call for Proposals.

8.5 The Committee may also recommend that GGGI:

- (a) require the applicant to meet certain conditions before the grant agreement is signed. Any such conditions must not undermine the equal treatment of applicants; or
- (b) require certain terms or conditions to be included in the grant agreement.

8.6 The Committee's evaluation report will be submitted for approval to the approving authority or governance body/steering committee established under the trust fund agreement.

## **9. Exceptions to Call for Proposals**

9.1 At the request of the donor, GGGI may award a grant to a grantee that has been pre-selected by the donor in accordance with their own applicable rules, regulations and procedures.

9.2 In this case, the name of the grantee, the activities to be implemented with the grant and the estimated grant value must be included in the funding agreement between GGGI and the donor, or in an official letter from the donor to GGGI.

9.3 In pre-selection cases, GGGI remains responsible for the oversight, management, and monitoring of the grantee.

## **10. Due Diligence**

The selection of the grantee shall include a due diligence review to ascertain, prior to contracting, the grantee's financial, operational, organizational capacity and compliance with relevant general policies, safeguards, and requirements of GGGI.

Following forms must be filled as a part of due diligence process :

Due diligence Form I for all grants of USD50,000 or less

Due diligence Form II for all grants exceeding value of USD50,000

## **11. Award and Grant Agreement**

11.1 Grant agreements are negotiated and executed based on a contract template made available to grantees upon their final selection, with only limited possibilities for changes.

11.2 Both GGGI and the grantee must complete and sign the grant agreement prior to the disbursement of funds. The Proposal shall form part of the grant agreement.

11.3 No funds can be disbursed by Finance personnel or spent by the grantee before the



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grant agreement is signed by both parties. The agreement must be signed by a duly authorized official of the grantee and countersigned by the GGGI officer with signing authority similar to procurement of goods, services and works under the Delegation of Authority.

11.4 The Trust Fund Manager must complete a grant amendment if there are any subsequent revisions to either the grant agreement or the Proposal, budget, or duration (including no-cost extensions).

11.5 Once the Grant Agreement is signed, the Grant Officer must ensure that all updated documents are uploaded on GGGI Online for record.

11.5 The Procurement Office will also publish the name of the successful grantees in the GGGI website. Unsuccessful applicants will be notified, and feedback will be provided on their submissions if requested.

## **12. Payments and funds transfer**

Funds are disbursed to a grantee in accordance with the agreed payment schedule, satisfactory outcome of GGGI's monitoring of the grantee under Section 13 below, and verification of the outputs delivered under the grant agreement.

## **13. Monitoring**

13.1 Grants must be properly monitored by GGGI personnel as part of their regular monitoring activities. Regular monitoring of grants includes an assessment on how the Proposal implementation is progressing compared to what was planned. Regular monitoring activities might include an office visit, meeting or conversation between the GGGI and the grantee.

13.2 Any findings, particularly those requiring follow up action must be discussed, agreed upon between the grantee and GGGI, and filed.

13.3 If a grantee fails to comply with the relevant agreement GGGI will take appropriate remedial action, including termination of the grant agreement and possible ineligibility to apply for future grants.

## **14. Reporting**

14.1 The grantee must submit to GGGI a final financial and narrative report within 60 days of the expiration of the grant agreement. The report should summarize results achieved and activities the grant was used.

14.2 It is the responsibility of the Grant Officer to timely collect the report, confirm the activities were completed as planned and confirm funds were used for the intended purposes. The Grant Officer should consult with the operations personnel to review financial reports. The

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Grant Officer must upload the final report in GGGI Online, and ensure that any unspent funds are promptly returned to GGGI as indicated in the Grant Agreement, and credited to the same chart of account where the grant was charged.

14.3 While uploading the final grant report into GGGI Online, the Grant Officer provides certification that all milestones in the grant agreement are achieved.

### **15. Audit**

15.1 The administration of grants is subject to possible audits by internal and external auditors.

15.2 The Grant Officer and grantee personnel associated with the grant must be available to cooperate with the auditors, if needed, and any requested documentation must be made available to auditors upon request.

### **16. Roles and Responsibilities**

16.1 The Trust Fund Manager is primarily responsible to ensure that the process of selecting grantees comply with these Rules.

16.2 The Procurement Office provides technical and administrative assistance to the Trust Fund Manager as set out in Section 7.7 and other relevant provisions of these Rules. The Procurement Office, with its oversight and maintenance of the e-GPP, ensures the security and confidentiality of all Proposals and supporting documents including protection of personal data, and controls access to it by relevant staff only on a needs basis.

16.3 The final approval of the grantee rests with the approving authority designated under the trust fund agreement, which could be the Director General or the Management Team of GGGI, or the Steering Committee established under the trust fund agreement.

16.3 Upon award of the grant, the Trust Fund Manager will keep a file with reports and supporting documentation on the implementation of the grant agreements, and documentation justifying the expenditures and demonstrating they are directly linked to the grant.

16.4 GGGI takes on and understand the risks involved when awarding a grant contract. These contractual responsibilities are set out in detail in the procedure for preparing and reviewing legal agreements.

16.5 Grantee must ensure that all staff working on grants should have the necessary competencies, appropriate to their role, to comply with the programmatic and administrative requirements of the grant. Where necessary, the grantee should provide training for existing staff and/or hire new appropriately skilled staff to deliver on the grant commitment.



## **17. Complaints Procedures**

Applicants that claim to have suffered or claim that it may suffer loss or injury because of the alleged non-compliance of a decision or action of GGGI with the provisions of these Rules may avail of the Complaints and Appeals Mechanism set out in the Procurement Rules. Accordingly, Procurement Rule 2.5 shall apply to these Rules in a suppletory capacity.

## **18. Final Provisions**

18.1. Effectiveness. These Rules shall enter into force on the date of approval by the Director-General.

18.2. Periodic Review. These Rules shall be periodically reviewed to ensure that they reflect the current business needs and best practices among international organizations.

Annexures :

Due Diligence Form I

Due Diligence Form II