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Directorate of Corporate Management and Operations

Distribution: All staff members at Headquarters and established offices

ADMINISTRATIVE INSTRUCTION

Grants Manual (including implementing partners)

1. The Administrative Instruction is issued in line with UNIDO Financial Rule 112.1.1 and aims to amplify provisions of the UNIDO Financial Rule 109.5.10 relating to grant beneficiaries and implementing partners, of technical cooperation programmes and projects. The Grants Manual aims to define the rules, procedures, requirements and structure for the management and implementation of grants within technical cooperation programmes and projects. It is intended to supplement the existing body of policies, regulations, rules and guidelines in relation to the management of technical cooperation programmes and projects.
2. For the purposes of this manual, implementing partners are considered types of grant beneficiaries. In this regard, the provisions of this manual apply to the selection of grant beneficiaries including implementing partners as well as to the conclusion and administration of grant and implementing partner agreements for technical co-operation programmes and projects. Additionally, the Grants Manual replaces chapter 23 of the Procurement Manual, dated 1 July 2018, on special provisions in regard of project execution agreements.
3. For further information, please contact Mr. Jason Slater, Chief of Financial Management of Technical Cooperation, telephone: +43 1 26026 3063, email: j.slater@unido.org or Mr. Michael Dethlefsen, Chief, Procurement Services Division, telephone: + 43 1 26026 4831, email: m.dethlefsen@unido.org.
4. All agreements being reviewed and/or finalized as well as agreements concluded between UNIDO and grant beneficiaries including implementing partners pursuant to the former chapter 23 of the Procurement Manual and prior to the entry into force of this Administrative Instruction shall be excluded from the scope of the Grants Manual.
5. This Administrative Instruction comes into force with immediate effect.



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



GRANTS MANUAL (INCLUDING IMPLEMENTING PARTNERS)

FOR TECHNICAL COOPERATION PROGRAMMES AND PROJECTS

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This document has been produced without formal United Nations editing. The document provides technical guidance for colleagues and bodies involved in implementation of technical cooperation programmes and projects on how to structure and administer Technical Assistance projects with Grant components.

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GLOSSARY

APT	Accounting, Payment and Treasury
CfP	Call for proposals
CMO	Directorate of Corporate Management and Operations
GEC	Grants Evaluation Committee
EU	European Union
FMT	Financial Management of Technical Cooperation
HACT	Harmonized Approach to Cash Transfers
ISID	Inclusive and sustainable industrial development
ITC	International Technology Centre
ITPO	Investment and Technology Promotion Office
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MSME	Micro, small and medium-sized enterprise
MTPF	Medium-term Programme framework
NCPC	National Cleaner Production Centre
PC	Procurement Committee
PM/AH	Project Manager/Allotment Holder
PPM	Portfolio and project management
SDGs	Sustainable Development Goals
SME	Small and medium-sized enterprise
SPX	Subcontracting and Partnership Exchange
SRM	Supplier relationship management
TA	Technical assistance
TC	Technical cooperation
UNIDO	United Nations Industrial Development Organization

DEFINITIONS

Action	An operation or project implemented by the grant beneficiary to achieve an objective agreed with the funding partner.
Applicant	An entity which responds and applies to a call for proposal issued by UNIDO.
Authorized Official	The Managing Director, Directorate of Corporate Management and Operations (CMO), or such other official of UNIDO to whom grants related authority has been delegated on an individual, personal, and non-transferable basis by the Managing Director, CMO, in accordance with the Financial Regulations and Rules.
Grant beneficiary	An entity, eligible through the due process, which receives a grant from UNIDO. It includes implementing partners.
Call for proposal	A call for proposal, open or restricted, with specific qualification requirements/criteria and evaluation criteria targeting categories of applicants, to propose grant proposals within the framework of a specific programme or project.
Day	A UNIDO official working day.
Department Director	UNIDO personnel who occupies the position of Director in the technical cooperation department in which the programme or project is managed.
Direct award procedure	The award of one or more grants without publishing a call for proposals.
Division Chief	UNIDO personnel who occupies the position of Chief in the technical division in which the programme or project is managed.
Grants Evaluation Committee	An evaluation committee made up of an odd number of members (at least three) with the necessary technical and administrative expertise to examine and evaluate grant proposals. For certain funding partners or projects, the grants evaluation committee may be constituted by the project steering committee or equivalent body.
Grant	Funds transferred to a grant beneficiary to implement an action (or, in some cases, to finance part of its budget) in accordance with this Manual.
Grant agreement	A legal instrument which governs the rights and obligations of the grant beneficiary and UNIDO. The description of the grant activity and the grant budget form an integral part of the grant agreement. The agreement may also include other requirements/information as additional annexes. These documents together serve as the legally binding framework against which the grant beneficiary's performance will be verified. The term grant agreement also comprises agreements with implementing partners.
Grant component	A component or output of the technical cooperation programme or project under which grants to beneficiaries are to be paid. As a minimum, the grant component should have a short narrative description, its expected duration and amount of funding,

	information on its anticipated impact and contribution to the project's objectives.
Instructions to applicants	<p>A document providing instructions to potential applicants for a call for proposals.</p> <p>It sets out the conditions regarding who may apply, the types of actions which may be financed, and the qualification requirements/criteria as well as evaluation criteria. It also provides practical information on how to complete the application forms, which documents must be attached, and the rules and procedures for submitting grant proposals.</p>
Implementing Partner	An entity selected for the implementation of activities entailing a whole technical cooperation programme, project or major outcome thereof. Implementing partners are a sub-category of grant beneficiaries.
Project Manager	UNIDO personnel tasked with the responsibility to manage and administer a technical cooperation programme or project, including a grant component.
Qualification requirements/criteria	Admissibility, eligibility and exclusion criteria.
Verification	Control carried out in order to verify the delivery and expenditure claimed in case of reimbursement of costs actually incurred as well as compliance with the terms of the grant agreement.

1. Aim

This Grants Manual sets out the framework, including rules, procedures and requirements, for the award, management and implementation of grants within UNIDO technical cooperation (TC) programmes and projects.

For the purposes of this manual, implementing partners are considered types of grant beneficiaries. The provisions of this manual apply to the selection of grant beneficiaries, including implementing partners, as well as to the conclusion and administration of grant agreements for TC programmes and projects. The provisions of this manual shall also apply in cases where there is an explicit requirement to segregate implementation and execution functions.

The key features of the grant award scheme are as follows. (i) The grant must be used by the grant beneficiary solely for the purposes for which the grant was provided. (ii) The proposed activity must be consistent with the aims, mandates and activities of UNIDO. Under specific programmes or projects, the grant may also enable the grant beneficiary to achieve its programme objective and build its capacity consistent with UNIDO's policies and in line with Inclusive and Sustainable Industrial Development (ISID).

The manual is intended for internal use and meant to supplement the existing body of policies, regulations, rules and guidelines in relation to the management of TC programmes and projects, including, but not limited to, the Procurement Manual. UNIDO is committed to ensuring the highest standards with regard to the rationale, efficiency and effectiveness in the use, management and impact of grants for TC programmes and projects.

The focal point for the administration of the manual is the Office of the Managing Director, CMO. The focal point, in collaboration with the TC departments and CMO's support services, is responsible for:

- Monitoring the proper application of the manual throughout UNIDO;
- Providing advice and clarifications regarding the application of the manual; and
- Proposing to the Executive Board any required revision of, or amendment to, the manual.

2. Structure of the manual

The Grants Manual consists of five chapters, as follows:

Chapter 1	Strategic and institutional framework
Chapter 2	Programming and award of grants
Chapter 3	Monitoring, verification and closure
Chapter 4	Irregularities and exclusion from funding

3. Revision of the manual

The Grants Manual may be subject to periodic refinement and/or revision, as and when necessary, to reflect changes and/or evolving trends with major funding partners, changing requirements of UNIDO, beneficiary countries or the United Nations system of organizations. Any changes will be promulgated in accordance with established procedures. This document constitutes the first edition of the Grants Manual.

Chapter I

INSTITUTIONAL AND REGULATORY FRAMEWORK

1.1 Regulatory framework

1.1.1 UNIDO Regulations and Rules

UNIDO's grant policies, procedures and practices are governed by the Financial Regulations and Rules of UNIDO and in compliance with UNIDO's accountability and internal control framework and enterprise risk management policy and other internal policies. A non-exhaustive list of UNIDO rules and regulations as well as internal policies that are relevant to the grant award system of UNIDO is presented in **Annex A**.

1.2 Institutional framework

Grant instruments continue to play a critical part in complementing technical assistance provided under TC programmes and projects. These funds are transferred to a grant beneficiary to implement a programme or a project (or in some cases to finance part of its budget) and thus bridge the financial gap allowing for the attainment of goals and objectives.

The grant component within TC programmes and projects shall normally be approved as part of the programme and project formulation and approval process and serves as the basis for structuring the detailed management of the grant during implementation of the project. Accordingly, it is important to reflect the objectives, the target sectors as well as the selection process during the design stage of the project.

1.3 Strategic framework

The medium-term programme framework (MTPF), integrated results and performance framework (IRPF) and results-based Programme and Budgets provide strategic guidance for the programmatic activities of UNIDO to realize its mandate of supporting countries in achieving inclusive and sustainable industrial development (ISID). The MTPF also reflects the long-term vision of UNIDO Member States, as stated in the 2013 Lima Declaration and the 2019 Abu Dhabi Declaration, i.e. the eradication of poverty in all its forms and dimensions, including extreme poverty, through inclusive and sustainable industrial development.

UNIDO's ISID results at the impact level range across four dimensions of sustainable development that thematically define ISID:

- creating shared prosperity;
- advancing economic competitiveness;
- safeguarding the environment; and
- strengthening knowledge and institutions.

Activities that could be financed by grants shall contribute to the achievement of ISID as follows:

Creating shared prosperity: Advancing poverty eradication and social inclusiveness through restoring and upgrading local productive capacities, providing renewable energy sources; transfer of food processing technologies, upgrading of food processing skills, promotion of food safety in the processing environment, promotion of technologies and practices for the reduction of post-harvest losses and increased food security, interventions to improve competitiveness and productivity at the processing level; access to infrastructure and modern energy, and sustainable production methods; entrepreneurial training to women, introducing gender-neutral business regulatory environments.

Advancing economic competitiveness: Advancing industrialization and rapid growth and supporting investment and technology opportunities to help enterprises, especially SMEs, achieve systemic competitive advantages and improve productivity and innovation through building trade capacities in industries, digital infrastructure, upgrading production and processing systems that enhance the quality of local products and that conform to the standards required by international markets; testing and conformity assessment infrastructure; introduction of practical entrepreneurship curricula at secondary and vocational training institutions, information and communications technology training, digital education and skills; innovation, technological learning and development.

Safeguarding the environment: Advancing environmentally sustainable industrial development and building institutional and industrial sector capacities for greening industries through resource efficiency and cleaner production technologies and practices; waste management and recycling; new energy-efficient industrial technologies, smart energy, e-mobility, renewable smart grids, urban-industrial synergies facilitating the transition to a circular economy, environmentally sustainable technologies and practices; greening the supply chain, resource-efficient and cleaner patterns of production, resource recovery and/or the environmentally sound treatment and disposal of wastes, waste waters and toxic and/or hazardous chemicals; demonstration and transfer of low-carbon energy technologies, eco-design methodologies, creation of eco-industrial parks.

Strengthening knowledge and institutions: This priority is essential to better identify and showcase the contribution of UNIDO's mandate on ISID to the achievement of the 2030 Agenda for Sustainable Development. It describes UNIDO's strategic direction towards strengthening the knowledge base for ISID at the programme, project, country and international level, as well as the institutional capacity at the technical, policy and normative level. On the one hand, this priority describes activities that are, to some degree, already being undertaken by UNIDO; be it within other strategic priorities, in identified cross-cutting areas or through analytical and statistical work. Elevating these activities to a higher priority level shows UNIDO's intention to increasingly focus on these activities and their associated development results. On the other hand, strengthening knowledge and institutions prioritizes knowledge and institutional support activities that do not fall within any of the other three strategic priorities, but that are instrumental to

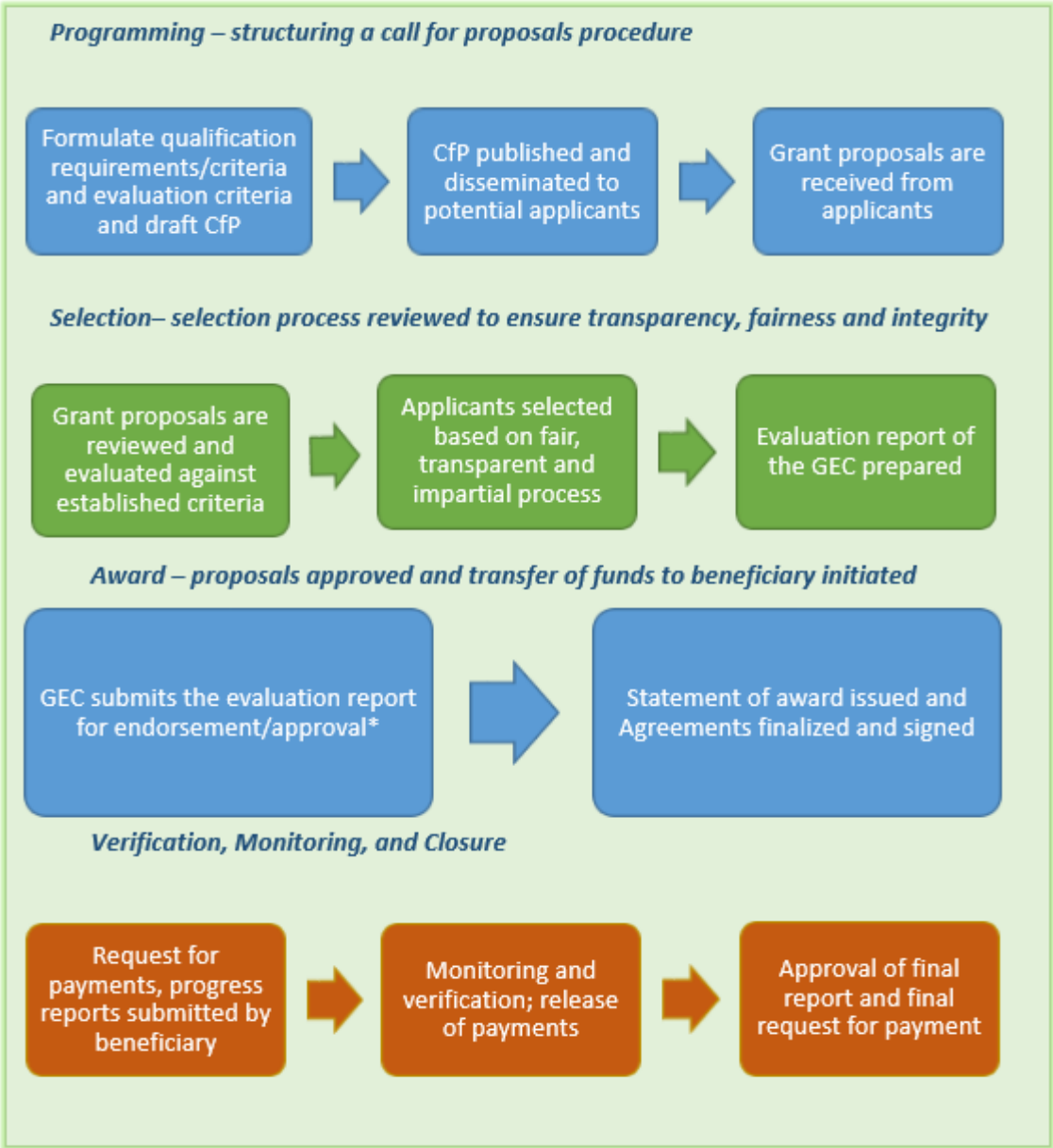
advance ISID and to fulfil UNIDO’s enhanced role in a new and dynamic development context. This fourth strategic priority thus both strengthens and complements the three “thematic” priorities. It allows UNIDO to better integrate its activities across its functions and to achieve a greater contribution to the 2030 Agenda.

The above dimensions are indicative types and examples of activities that may be supported through grants. They do not constitute an exhaustive list in terms of their potential for impact.

1.4 Overview of a grant award process

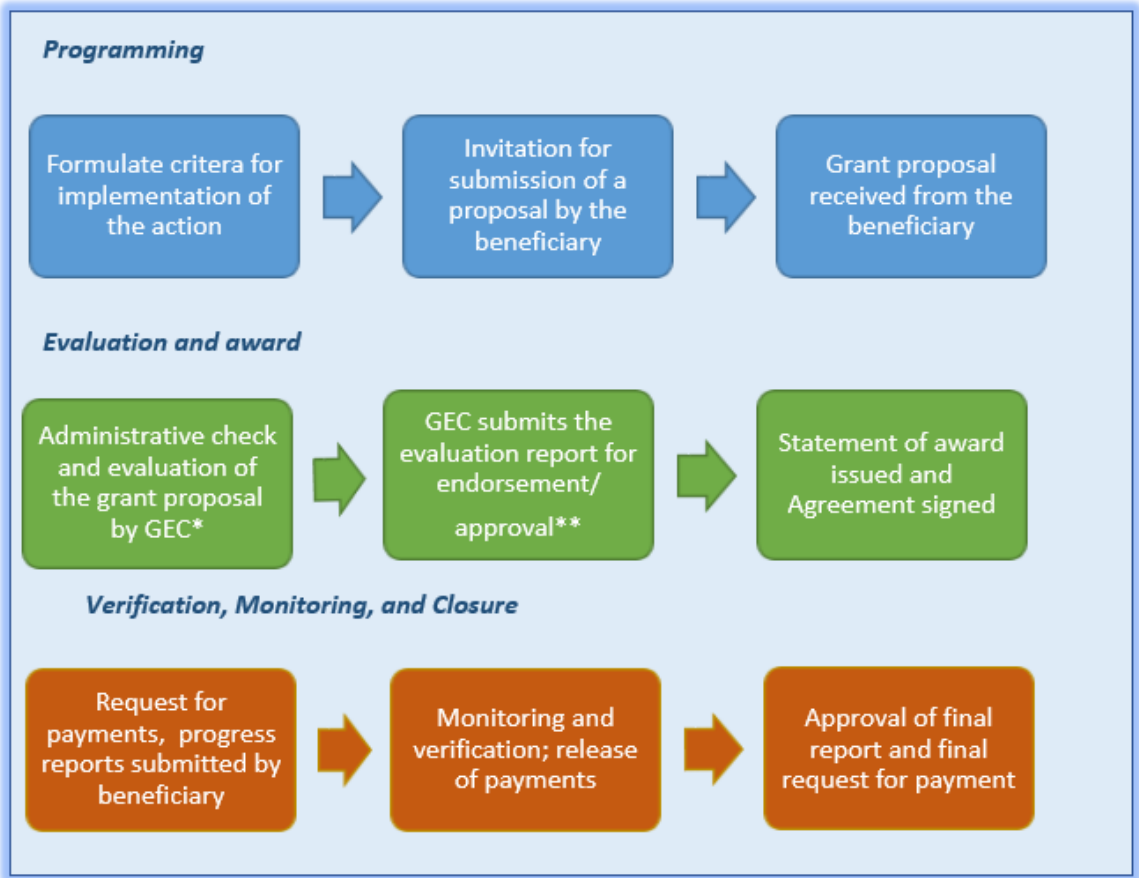
Grants are awarded to grant beneficiaries through a competitive call for proposals or a direct grant award procedure.

Figure 1 below presents the main steps in the call for proposals procedure:



Note: *For grant proposals recommended for award, where the awarded amount to an individual grant beneficiary is equal to or above € 200,000, or to an Implementing partner is equal to or above € 1,000,000, the evaluation report shall be reviewed and endorsed by the Procurement Committee.

Figure 2 below presents the main steps in the management of grants in regard of a direct award procedure¹:



Note: *At the discretion of the Procurement Officer, a Grants Evaluation Committee for direct award may not be formed. In this case, the Department Director approves the evaluation methodology.

**For grant proposals recommended for award, where the awarded amount to an individual grant beneficiary is equal to or above € 200,000, or to an implementing partner is equal to or above € 1,000,000, the evaluation report shall be reviewed and endorsed by the Procurement Committee.

Depending on the specifics of the respective grant component, part or all of the evaluation, monitoring and verification activities may be sub-contracted. The engagement of a third party shall be governed by the procedures of the Procurement Manual. Nevertheless, UNIDO should keep its supervisory role and obtain reasonable assurance that the third party has policies and procedures in place to perform its duties with due diligence.

1.5 Types of grant beneficiaries

Under TC programmes and projects, grants may be provided to the following grant beneficiaries:

- Implementing partners;
- Other grant beneficiaries.

¹ Dependent on specific funding partner requirements, the programming, evaluation and award stages may vary.

In certain cases, implementing partners may give financial support to third parties, which are referred to in this manual as final recipients. The terms of such financial support, including maximum amount of financial support per final recipient, shall be clearly specified in the relevant TC programme or project document, or, in the absence of this, in the minutes of the Project Steering Committee, or any other equivalent body. Such financial support can include unconditional cash transfers, vouchers, etc. The TC programme or project shall specify the qualification requirements/criteria, which will be applied for the financial support, such as types of persons or categories of persons that may receive financial support or the types of activities eligible for financial support. The maximum amount of financial support that may be paid to a final recipient must not exceed € 40,000 per final recipient, except where achieving the objectives of the action would otherwise be impossible or overly difficult. In that case, no limits shall apply.

If agreed with the funding partner, UNIDO will provide the financial support to the final recipient directly instead of through an implementing partner. The terms of such financial support shall be clearly specified in the relevant TC programme or project document, or, in the absence of this, in the minutes of the Project Steering Committee, or equivalent body.

1.5.1 Implementing partners

In line with the objective of ISID, UNIDO may collaborate with organizations and entities in order to augment the efficient and effective implementation of its TC programmes and projects with the objective of enhancing the national institutional capacity of beneficiary countries in line with their priorities.

The relationship between UNIDO and the implementing partner is best characterized as one which is collaborative and complementary to enable a TC programme or project to achieve its objectives, outcomes and outputs in an efficient and effective manner.

The collaboration may also include support by UNIDO in capacity-building measures, both technical and administrative, for the implementing partner insofar as they are funded by the funding partner(s), especially when it is considered that utilizing TC programme or project resources for such activities is essential to promote inclusive and sustainable industrial development.

Implementing partners are entities selected for the implementation of activities entailing a whole UNIDO programme, project or major outcome thereof. Implementing partners are a sub-category of grant beneficiaries.

The types of entities that are eligible as implementing partners include the following not-for-profit entities:

- Government organizations²;
- Inter-governmental organizations³;
- Eligible civil society organizations, including non-governmental organizations. Eligible civil society organizations are those that are legally registered (if required) in the country where they operate;
- Specialized/technical institutions/centres, universities/training centres, bilateral and/or multilateral organizations, industry associations and chambers of commerce;
- International, regional, sub-regional and national public organizations.

In certain cases, i.e., when considered acceptable with specific funding partners, for-profit entities may be eligible as implementing partners.

ITPOs, NCPCs, ITCs, SPXs may be eligible as implementing partners if they are legally and financially independent organizations and do not have the status of UNIDO operated projects. In the event that such entities are still legally and financially bound to UNIDO, i.e. form an integral part of UNIDO, they may only be involved through a sub-allotment mechanism, subject to UNIDO rules and regulations. When such entities cease to be UNIDO projects, their successor entities may be eligible for consideration as future implementing partners.

1.5.2 Other grant beneficiaries

Besides implementing partners, other entities may qualify for UNIDO grants. Such grant beneficiaries may come from the private or public sectors, and include micro, small and medium-sized enterprises (MSMEs) as well as large companies, etc. The grant beneficiary is required to take ownership over its grant proposal and will be accountable for the ensuing results.

1.6 Forms of grants

The terms of a grant, including but not limited to the minimum and maximum amount of the grant, shall be in compliance with funding partner requirements and aligned with project objectives.

Grants provided to grant beneficiaries may take one or more of the following forms, in line with specific funding partner requirements:

² UNIDO should encourage line ministries to be involved during project appraisal stages; in any case, it is recommended that the detailed implementation arrangements should be conducted by relevant organizations possessing the required expertise and capacities. If so wished by the host government, line ministries can instead be assigned Project Steering Committee chairing roles, which allow them to perform a political coordinating function within a project, leaving the implementation activities to specialized entities.

³ UN System Organizations, with whom a UN to UN Agency Transfer Agreement shall be signed, shall not be subject to a due diligence process.

- **Reimbursement of eligible costs actually incurred** by a grant beneficiary, which is paid if the predefined terms of agreement on activities and/or outputs are completed and complied with;
- **Unit costs** - all or part of the eligible costs under the grant will be calculated on the basis of quantified activities, input, outputs or results multiplied by standard scales of unit costs established in advance; or
- **Lump sum** - all or part of the eligible costs under the grant are calculated on the basis of a pre-established lump sum, in accordance with predefined terms of agreement on activities and/or outputs. The grant is paid if the predefined terms of agreement on activities and/or outputs are completed and complied with.

In case all or part of the grant takes the form of unit costs or lump sum, the calculation method for establishing the unit costs or lump sum should be fair, equitable and verifiable.

1.7 Key principles

The following **key principles** should be followed when managing grants under TC programmes and projects:

- **Principle of transparency**
Grant beneficiaries shall normally be selected through an open call for proposals. In justified cases, grant beneficiaries may be awarded a direct grant in line with the grant component requirements. With a view to strengthening accessibility and transparency of information about funding opportunities and grant beneficiaries, information will be made available through commonly used dissemination and communication channels.
- **Principle of equal opportunities**
Award procedures shall ensure equal opportunities in relation to access to grants and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.
- **Principle of integrity**
When awarding and managing grants, UNIDO personnel shall maintain the highest standards of integrity, including honesty, truthfulness, fairness and incorruptibility. Where a conflict of interest might occur with regard to the selection of grant beneficiaries, measures must be adopted to prevent or to resolve such a conflict, including cancelling the grant if necessary.
- **Principle of co-financing**
Unless a funding partner permits otherwise, the grant shall not finance the entire costs of the project, and the project must be funded by sources of co-financing other than the grant (e.g. grant beneficiary's own resources, financial contributions from third parties).
- **Principle of non-double funding**
Under no circumstances may a grant finance the same costs of a grant component that are already financed by any other source.

- **Principle of non-retroactivity**

Unless a funding partner permits otherwise, no grant may be awarded for an action that has already been completed (in other words, retroactively). When a grant is awarded for an action that has already begun, due justification should be provided and costs eligible for financing shall not have been incurred prior to the date of submission of the grant proposal.

1.8 Engagement principles

- Grant beneficiaries **should not use the grant to reimburse support** received through other financial instruments.
- In formulating the objectives of a grant component, the Project Manager/Allotment Holder should **articulate clearly what the grant is intended to achieve**. This information will feed into the requirements of the grant award scheme.
- Grants must contribute to the achievement of **outcome and impact indicators** related to ISID and/or SDGs.
- Grants are provided solely in sectors that are considered to be **compatible with ISID** and which support the mandate and mission of UNIDO.

1.9 General requirements for eligibility of costs

Costs shall be considered eligible for financing under a grant if they meet the following **general requirements**:

- are directly attributable to the grant activities, arise as a direct consequence of their implementation and are charged in proportion to the actual use;
- are not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;
- are necessary for carrying out the grant and comply with the principles of sound financial management, in particular economy, efficiency and effectiveness;
- have actually been incurred during the implementation period of the grant and in accordance with the grant agreement;
- are recorded in the grant beneficiary's accounts and identifiable, as well as backed by originals of supporting evidence and verifiable;
- comply with the tax and social security legislation, if any, as applicable to the grant beneficiary.

1.10 Eligibility requirements for implementing partners

In order to ensure sound financial management of the funds awarded and alignment with ISID, an implementing partner shall meet the following minimum eligibility requirements, where relevant:

- Be registered in a national jurisdiction or recognized as a separate legal entity with legal capacity to contract;
- Have a not-for-profit status, unless a funding partner permits otherwise;
- Contribute to inclusive and sustainable industrial development;
- Have a proven track record in terms of contributing to beneficiary country ownership, and improving efficiency and accountability;
- Have certified and recognized quality standard(s) as appropriate considering the scope and nature of implementation;
- Demonstrate sufficient experience and operational capacity considering the scope and nature of implementation;
- Demonstrate that adequate systems are in place to ensure institutional efficiency as well as to mitigate risk;
- Possess sufficient technical, research and/or scientific capacities and abilities to provide services to augment the efficient and effective delivery of UNIDO projects;
- Its mandate and operations are not in conflict with UNIDO's TC programme and project objectives and the fiduciary standards of the funding partner(s);
- Where relevant, it possesses sufficient experience, qualifications and capabilities as evidenced by similar activities carried out for other organizations, substantially complying with the due diligence requirements of those organizations;
- The institutional setup and structure, governance, key personnel, qualifications and capacities, financial strength, etc. are adequate to perform the substantive tasks necessary to augment the efficient and effective delivery of TC programmes and projects in conformity with UNIDO's requirements and the fiduciary standards of funding partner(s);
- Its governance structure and administrative procedures are in line with fiduciary standards and requirements established by UNIDO and the funding partner(s) or with best practice;
- It has adequate risk management procedures and controls in place;
- When expressly required by a funding partner, it provides an audit report produced by an approved external auditor in conformity with funding partner requirements;
- It places priority on the prevention of harmful social and environmental impacts or compensates adverse project impacts and enhances positive impacts through environmental planning and management;
- It promotes gender equality.

Subject to the requirements of funding partner(s), the selection process for an implementing partner may be carried out during the project design stage, since this will speed up the project inception, once the project is approved.

Chapter II

PROGRAMMING AND AWARD OF GRANTS

2.1 Purpose and scope of the chapter

This chapter describes the procedures related to UNIDO's programming and grant award system.

The purpose of the procedures described in this chapter is to ensure an efficient and effective process of selection of beneficiaries in compliance with the principles of transparency, free and fair competition, equality, non-discrimination and avoidance of conflicts of interest, as well as taking into account the best interest of UNIDO, the TC programme or project, and where applicable, the specific requirements of the funding partner(s).

When part of the procedures relating to UNIDO's programming and grant award system are assigned by UNIDO to a third party, the functions provided by the third party shall be verified by UNIDO in line with the agreed upon terms and requirements.

2.2 Programming of the grant component

Grant components should be budgeted under **BL 2600** for grants provided to **implementing partners**, and under **BL 2700** for all **other grant beneficiaries**.

The grant component is approved as part of the TC programme or project approval process and, subject to funding partner requirements, serves as the basis for structuring the grant award scheme during the implementation of the TC programme or project.

2.3 Types of procedure

Grants may be awarded on the basis of either an open or a restricted call for proposals procedure or through a direct grant award. Grant proposals that are received following a call for proposals procedure will be selected and evaluated based on criteria and requirements defined in advance.

2.3.1 Call for proposals procedure

In the **open call for proposals procedure**, all applicants are free to submit a full grant proposal form. In case of a **restricted call for proposals procedure**, a preliminary selection of concepts for grant proposals is carried out. Such a case is referred to as a pre-selection of grant concepts. The concepts for grants proposals are evaluated and shortlisted based on qualification requirements/criteria, evaluation criteria and ranking set forth in the announcement. On the basis of the evaluation and shortlisting made, applicants are thereafter invited to submit grant proposals.

If so required by the funding partner in the approved project document or during the project design, the procedure may be limited to shortlisted entities.

2.3.2 Direct grant award procedure

The **direct grant award procedure** is one in which the Authorized Official specifically determines through a due process, as set out below, that a call for proposals procedure shall not be applied. In such cases, a written record shall be made, providing appropriate reasons for such determination.

While the preferred option should be to perform a call for proposals procedure, the direct grant award procedure normally applies when arrangements can be made with only one entity.

The prerequisites for applying the direct grant award procedure shall be the submission of a sound justification by the PM/AH for review and approval by the Department Director, and shall require that:

- The applicant has been specified in the approved TC programme or project document. If the funding partner so allows, such approval is considered granted also in cases where the applicant is explicitly approved in the minutes of the Project Steering Committee, or other equivalent body. In cases where the applicant is engaged during the formulation or appraisal stages of a project, the approval shall be deemed given on the date the relevant project document is approved by UNIDO; or
- The applicant is selected based on a compelling and urgent need that does not result from poor planning or management, or from concern over the availability of funds, and which could lead to serious damage, loss or injury to property or persons, or delays in the performance of the TC programme or project, if not addressed immediately; or
- The action is of a kind that requires a particular type of grant beneficiary on account of its technical competence, its high degree of specialization or its administrative power; or
- The applicant is an entity with a de jure or de facto monopoly. 'De facto' or 'de jure' monopoly means that the grant beneficiary:
 - has exclusive competence in the field of activity and/or geographical area to which the grant relates pursuant to any applicable law; or
 - is the only organization operating, or capable of operating, in the field of activity and/or geographical area to which the grant relates by virtue of all considerations of fact and law.

2.4 Preparation of methodology and criteria for selection of grant proposals

The methodology and criteria for grant selection describe the basic qualification requirements/criteria of applicants and of the action, as well as the eligible costs for each indicative group of activities funded through the grant component. The methodology covers the applicable type of grant award procedure, technical and financial evaluation criteria to be applied for ranking the applicants (**call for proposals procedure**), or quality

assessment in the case of a direct award to a specific beneficiary (**direct award procedure**).

To ensure flexible but consistent and strategic allocation of grant component resources to beneficiaries, the PM/AH shall develop the methodology and qualification requirements/criteria for the selection of applicants in accordance with the specific objectives and intended results of the project, as well as funding partner requirements. Furthermore, in keeping with the principles of non-discrimination and inclusive and sustainable industrial development. The methodology and criteria/requirements shall be developed in consultation with relevant national counterparts and project stakeholders. In the case of grants awarded without a call for proposals, even though a Grants Evaluation Committee (GEC) is considered best practice, it is not compulsory.

A grant beneficiary selected for a direct award shall complete a due-diligence questionnaire, which will address the following:

- non-involvement in the activities or practices listed under the UNIDO exclusion criteria;
- any other criteria and requirements as determined by UNIDO.

Alternatively, any other form of institutional assessment process may be applied, if required by a funding partner. In this case, consideration shall be made to complement or replace the above-mentioned methodology with other equivalent assessment tools to ascertain the experience, qualifications and capacities of applicants, such as application of capacity assessments using recognized tools such as the Harmonized Approach for Cash Transfers (HACT) presented in **Annex B**.

Subject to funding partner requirements, either the call for proposals or other form of institutional assessment may be initiated during the preparatory phase of a project design or, if foreseen in the project document, during the implementation of the project by UNIDO.

Where required, the Department of Finance and the Procurement Services Division may provide guidance and advice on the draft methodology and criteria/requirements. The final methodology and criteria/requirements shall be documented in the form contained in **Annex C** and shall be submitted for clearance to the relevant Division Chief and responsible Procurement Officer.

2.5 Call for proposals

2.5.1 Draft and issuing of call for proposals

The purpose of carrying out a call for proposals procedure is to ensure adequate planning, transparency and open competition, as well as to streamline implementation in line with the overall project objectives, and to provide for an efficient and effective use of the funding partner's funds.

With a view to ensuring a flexible, consistent and coherent allocation of grant resources, the PM/AH, in consultation with the relevant project counterparts and stakeholders, will draft the detailed documents for announcing the call for proposals procedure. The detailed documents should include instructions to applicants, including conditions for applying and conditions for implementation of the grants. The call for proposals should describe the qualification requirements/criteria, eligible costs and activities, the expected duration of the grant, minimum and maximum amounts of funding, as well as information on the desired impact and contribution to the grant’s objectives. They should also indicate the evaluation criteria/requirements and the scoring system to be applied.

Depending on the requirements of funding partners, the call for proposals may vary and may include an institutional assessment form.

The Division Chief clears the call for proposals. After clearance, the call for proposals is submitted to the Procurement Services Division for review and issuance.

Draft and issuing of call of proposals			
	Actor	Action	Estimated Timeline (up to)
1.	PM/AH	Drafting of the call for proposals <ul style="list-style-type: none"> • PM/AH in consultation with counterparts/stakeholders and relevant departments drafts the call for proposals; • The PM/AH submits for clearance the call for proposals documents to his/her Division Chief 	14 days
2.	Division Chief	Clearance of the call for proposals <ul style="list-style-type: none"> • The Division Chief clears the request to publish the call for proposals or returns it for further elaboration; • The Division Chief clears the call for proposals and sends it to the relevant Procurement Officer. 	2 days
3.	Procurement Officer	Review and issuance of the call for proposals <ul style="list-style-type: none"> • The Procurement Officer reviews and endorses it or returns it for further elaboration. • The Procurement Officer publishes the call for proposals on the UNIDO and UNGM websites, and, other relevant 	7 days

		platforms and websites as requested by the funding partner.	
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The qualification requirements/criteria, eligible activities and evaluation criteria applied shall:

- ensure contribution to achievement of the outcomes of the project;
- be clear, non-discriminatory and transparent;
- properly identify and assess risk and mitigation ;
- support ISID and promote gender equality and empowerment of women.

The following mandatory qualification requirements/criteria for potential applicants shall normally be used in call for proposals:

- Confirmation that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the grant proposal, have been given, received, or promised in connection with the selection process or in the execution of the grant agreement;
- Confirmation of satisfactory past performance;
- Confirmation that none of its affiliates participated in the preparation of the design of the call for proposals that are the subject of the grant proposal.

The calls for proposals are developed according to standard templates substantially in accordance with **Annex D**. They define the overall parameters of the grant including, as a minimum, the overall scope (thematic, geographical, duration), purpose (envisaged results, impact) and conditions (eligibility of applicants, eligibility of activities, eligibility of expenditures) for awarding a grant. Ensuring due regard for the principles of free and fair competition, equality and non-discrimination and good financial management, and integrity and transparency of the selection process.

The call for proposals shall indicate the deadline for submission of the grant proposal form, which shall not be more than 60 days after the date of publication of the call for proposals, unless the deadline for submission has been extended beyond 60 days.

In addition to the instructions to applicants on how to prepare and submit a grant proposal, they shall also include instructions on the procedure for submitting complaints/objections/requests for clarifications in relation to the decision concerning a given grant proposal.

Conditions for applying. In order to express its interest to receive a grant, the applicant shall submit a grant proposal, as a minimum, in the form provided in **Annex E**. In specific cases, when it is necessary for the applicant to submit information that is not covered by the grant proposal form, annexes to the grant proposal form shall be attached.

Conditions for implementation. The conditions for implementation shall contain rules and instructions regarding the technical and financial performance of the grant beneficiary. The conditions for implementation shall contain:

- Model form of a grant agreement;
- General conditions of the grant agreement;
- Other applicable documents.

Attached to the call for proposals shall be the evaluation methodology and criteria for selection of grant proposals, as well as a Statement of Confirmation and other applicable documents depending on the specifics of the procedure.

2.5.2 Publication of call for proposals

The call for proposals shall be published at least on the UNIDO and on the UNGM websites and other relevant websites as agreed with the funding partner. The date of commencement of the grant award procedure is the date of publication of the call for proposals.

In order that the information for the launch of call for proposals reaches as many potential applicants as possible, it is recommended to advertise via the most common and easily accessible means of communication (e.g., UNIDO website; local media, social media, etc.). Information briefings for potential grant beneficiaries may also be held. The time and means of conducting the information briefing shall be agreed upon prior to the publication of the call, and the call shall include clear guidance on how the information briefing shall be conducted.

2.5.3 Amendments to the call for proposals

An amendment of the call for proposals may be required by UNIDO or based on a request for clarification received from a potential applicant.

In cases when it is required to amend the call for proposals, the responsible Procurement Officer drafts the amendment note, in consultation with the PM/AH where applicable. The amendment(s) shall refer to the original call for proposals, contain an amendment number, and set forth in a clear and complete manner the exact changes made. All applicants that have acknowledged their intention to participate in the call for proposals procedure shall, at a minimum, be notified simultaneously and in writing of any amendments. Any and all amendments made pursuant to the provisions of the call for proposals procedure shall be binding on the applicants.

The responsible Procurement Officer shall evaluate whether ample time remains for potential applicants to consider the amendment made to the call for proposals. If ample time is not available, the responsible Procurement Officer shall, in consultation with the PM/AH, extend the deadline to provide potential applicants with sufficient time to take the amendment into consideration.

Any modifications/changes to the call for proposals related to the criteria and methodology of evaluation are permissible only in exceptional cases. Particular attention shall be paid to the completeness and clarity of the requirements before the call for proposals are published to avoid modification/changes of the documents provided.

2.5.4 Clarifications of call for proposals

Potential applicants may request clarifications related to the call for proposal. For this purpose, the call for proposals shall indicate the deadline for submission of requests for clarification and the procedure for how to submit requests for clarification.

The responsible Procurement Officer must endeavor to respond in writing to any request for clarification that UNIDO receives no later than the deadline indicated in the call for proposals.

All responses to requests for clarification submitted by potential applicants are published at least on the SRM portal, thus ensuring transparency and equality of information for potential applicants.

Requests for clarification from potential applicants, which may arise during the call for proposals, should be addressed only if they are in writing and/or uploaded in the SRM portal in line with the instructions provided in the call for proposals. If the request is oral or addressed to any UNIDO personnel other than the responsible Procurement Officer and his/her team, the potential applicant shall be advised to forward the request for clarification, in writing, to the responsible Procurement Officer.

Provision of clarification notes to potential applicants procedure			
	Actors	Action	Estimated Timeline (up to)
1.	Responsible Procurement Officer	Review of the request for clarification received from a potential applicant and consultation with the PM/AH where applicable.	10 days
2.	Responsible Procurement Officer	Preparation of the clarification note.	5 days
3.	Responsible Procurement Officer	Publication of the clarification note and upload on the SRM portal	5 days

2.5.5 Submission of grant proposals

Grant proposals shall normally be submitted electronically through the SRM portal. In case an applicant cannot access the portal, a proposal may be received outside the portal, including in the relevant Field office, through sealed envelopes or through a dedicated e-mail account set up specifically for the call, or other secure means. Grant proposals

received outside the portal shall be kept secured until the opening date specified in the call for proposals.

2.5.6 Receipt and opening of proposals

Applicants must submit grant proposals strictly in compliance with the call for proposals. When call for proposals are published through the SRM portal, grant proposals shall normally be submitted via the portal. In case an applicant cannot access the SRM portal, grant proposals may, on an exceptional basis, be received outside the portal.

Grant proposals received exceptionally outside the SRM system shall be uploaded in the portal before the opening date. All grant proposals received in sealed envelopes outside of the SRM portal shall be opened in the presence of three staff members/ISA holders. The relevant Procurement Officer and the PM/AH shall not attend. The opening protocol shall be prepared and signed by all members attending the opening session. The opening protocol shall record the date and time of opening, the name of the participants and list all grant proposals received, including reference, name and country of applicant, amount and currency (if applicable), remarks (if any) etc. They shall thereafter be uploaded in the SRM portal. As of the opening date and time, grant proposals may be accessed/opened directly in the portal by the Authorized Official.

2.5.7 Grants evaluation committee

The preliminary examination, evaluation, ranking and selection of grant proposals are performed by a Grants Evaluation Committee (GEC), in accordance with the principles of fair and transparent competition, equality and non-discrimination, good financial management, transparency, the absence of any conflict of interest, and following the rules described in the Terms of Reference of the Evaluation Committee.

2.5.8 Procedure for preliminary examination, evaluation, ranking and selection of grant proposals

Subject to funding partner requirements, the evaluation methodology as well as the criteria/requirements may vary.

Depending on the requirements of the relevant funding partner, a GEC for direct award may not be formed. In this case, the responsible Procurement Officer, in consultation with the PM/AH, determines the manner of evaluation of the received grant proposal and the documents that should be used to support the evaluation.

The composition of the GEC is approved by the Department Director. The mandate, responsibilities and procedures of work of the GEC are defined in the Terms of Reference of the GEC, presented in **Annex F**.

Immediately after starting its work within the GEC on the respective procedure and after being acquainted with the list of grant proposals received under the procedure, the Chairperson, and all members of the GEC shall sign the Declaration of Objectivity,

Impartiality and Confidentiality in the form of **Appendix I** to the Terms of Reference of the GEC. The completed and signed forms shall be attached to the evaluation report of the GEC.

The declaration includes the obligation of the declarant to report a change in circumstances which results in a conflict of interest. Such report shall be made immediately and in writing to the Department Director who cleared the structure of the GEC. The Director shall immediately terminate the declarant's participation in the evaluation process.

In this regard, unless the TC programme or project explicitly describes the establishment, roles and responsibilities of an evaluation committee (e.g. Project Steering Committee, grant review committee, etc.), an evaluation committee shall be established as per the provisions of the Grants Manual. In all cases, the established evaluation committee shall follow the steps described in the Terms of Reference of the GEC as well as the provisions for validation and approval of the evaluation report described in this Chapter II.

All grant proposals received on time shall be examined and evaluated strictly in accordance with the criteria and methodology described in the call for proposals, through the following steps:

- a) Review of qualification requirements/criteria (hereinafter referred to as "preliminary examination");
- b) technical and financial evaluation;
- c) ranking of the grant proposals, found technically and financially acceptable, in descending order;
- d) Identification of the grant proposal(s) for which funding shall be provided.

In the event a potential implementing partner, within the last four years, has been subject to a positive assessment undertaken by UNIDO, by an international organization or by an entity being part of the United Nations system of organizations, the scope of the preliminary examination and technical and financial evaluations of grant proposals undertaken by UNIDO may be limited solely to those specific qualification requirements/criteria that were not addressed and reviewed under such previous assessment, provided that the previously assessed criteria follow the same parameters currently being assessed. In any case in the checklists a clear audit trail shall be provided, including at a minimum, the parameters that were previously checked, the date of the assessment and the entity who has performed the previous assessment.

2.5.8.1 Preliminary examination of grant proposals

The preliminary examination includes a review of matters such as compliance with the qualification requirements/criteria specified in the call for proposals, completeness of the grant proposals, duly signed certified supporting documents.

The preliminary examination of each grant proposal is performed by the relevant Procurement Officer, who shall be a member of the GEC, and another voting member, independently from each other.

The Secretary, in consultation with the Procurement Officer, may contact the applicant to obtain clarifications/additional information required to assess the compliance. Clarifications shall be limited to the actual material issue, and not be utilized to modify the grant proposal. All correspondence with the applicants shall be duly documented in the secured grants folder in the UNIDO's document management system, which shall have restricted access to the relevant officials involved.

Any information and/or documents received after the deadline shall not be taken into account, with the exception of such information and/or documents that were requested by the GEC.

All grant proposals found to comply with the qualification requirements/criteria are passed on to the next stages, namely, the technical and financial evaluations. The Chairperson, the Secretary, and the members of the Committee to whom the preliminary examination was assigned, shall draw up minutes according to the model of **Appendix II** of the Terms of Reference of the GEC.

2.5.8.2 Technical and financial evaluations

The technical and financial evaluations are evaluations on the merits of the grant proposal. The evaluations should be carried out strictly in accordance with the technical and financial evaluation criteria set out in the call for proposals. The technical and financial evaluations of each grant proposal can be performed as soon as the grant proposal has successfully passed the stage of the preliminary examination, without waiting for the completion of the preliminary examination of all other grant proposals.

It is strictly prohibited to change the technical and financial evaluation criteria specified in the call for proposals.

The technical and financial evaluations of the grant proposals shall be performed by a minimum of two voting members of the Committee, independent of each other.

The members of the Committee document the technical and financial evaluations by filling out evaluation sheets.

During the technical and financial evaluations, the Secretary, in consultation with the Procurement Officer, may request additional clarifications from the applicants by e-mail. In case additional clarifications are requested at this stage, the responses should not lead to substantive alterations of the grant proposal.

Technical evaluation

The final technical evaluation score is the arithmetic mean of the sum of technical evaluation scores from all voting members evaluating the same grant proposal. When an evaluation is performed by two members only, in case of a difference in the score of the evaluations amounting to more than 25 percent from each other, the Chairperson shall assign a third voting member to perform the technical evaluation. The final technical evaluation score is the arithmetic mean of the third member's score and the score from the first two members which is closest to the score of the third member.

Financial evaluation

The final financial evaluation score is the arithmetic mean of the sum of financial evaluation scores from all voting members evaluating the same proposal. When an evaluation is performed by two members only, in case of a difference in the score of the evaluations amounting to more than 25 percent from each other, the Chairperson shall assign a third voting member to perform the financial evaluation. The final financial evaluation score is the arithmetic mean of the third member's score and the score from the first two members which is closest to the score of the third member.

The financial evaluation is performed only for grant proposals that have successfully passed the technical evaluation.

Adjustments in the proposed budget of a grant proposal are allowed if the financial evaluation establishes that:

- a) there is an arithmetical error;
- b) a proposed activity or cost is found ineligible;
- c) a discrepancy between proposed planned activities and the corresponding proposed costs is found;
- d) a duplication of costs is identified;
- e) there is a non-compliance with the terms and requirements set forth in the call for proposals in relation to percentages set/cost thresholds.

Adjustments may be carried out upon UNIDO's request for additional clarifications from the applicant.

The check for the presence/absence of double funding is performed by one or more participants in the evaluation process, as determined by the Chairperson. In the event that double funding of an eligible expenditure is identified, the GEC may reduce the amount of the grant by the amount duplicated.

The Chairperson, the Secretary, and voting members of the GEC shall draw up minutes of the technical and financial evaluations in the form of **Appendix III** of the Terms of Reference of the GEC.

2.5.8.3 Ranking of grant proposals

The ranking of the grant proposals shall be in line with the scoring system published in

the call for proposals. Proposals scoring higher than the minimum admissible threshold, shall be ranked in descending order.

Based on the results of the evaluation processes, the GEC prepares the evaluation report. It shall be signed by the Chairperson, the Secretary and all members. The evaluation report is prepared in the format of **Appendix IV** to the Terms of Reference of the GEC.

2.5.9 Statement of award

After completion of the evaluations, the Chairperson of the GEC submits the evaluation report and the accompanying documents to the Department Director for clearance.

Applicants considered for funding shall be invited to submit within 10 days documented evidence that they meet the requirements specified in the call for proposals, if these documents are not attached to the application form. The Procurement Officer performs a documentary check. In case a check of the documents submitted by the successful applicant reveals a discrepancy between the data/information declared by the applicant and the data/information specified in the submitted official documents, no grant agreement shall be concluded with the applicant. In this case, the Procurement Officer, in consultation with the PM/AH where applicable, recommends that the applicant is rejected.

In case the evaluation report contains a recommendation for awarding of a grant of €200,000 or above to an individual grant beneficiary or a grant to an implementing partner in the amount of € 1,000,000 or above, the Department Director submits the evaluation report and the accompanying documents to the responsible Procurement Officer for review and submission to the Procurement Committee (PC). The PC recommends for approval/rejection the evaluation report to the Managing Director, CMO, or returns it for corrections.

In all other cases, the Department Director submits the evaluation report to the responsible Procurement Officer for review and submission to the relevant Authorized Official for approval or rejection.

A summary of the approval process is presented in table 1 below:

Table 1 Approval process

	IMPLEMENTING PARTNERS <i>(Call for proposals or direct award)</i>		OTHER BENEFICIARIES <i>(Call for proposals or direct award)</i>	
	Amount of the individual grant(s)			
	<i>Less than € 1,000,000</i>	<i>€ 1,000,000 and above*</i>	<i>Less than € 200,000</i>	<i>€ 200,000 and above*</i>
Evaluation	Grants Evaluation Committee**			
	<ul style="list-style-type: none"> Performs preliminary examination and evaluation Drafts evaluation report 			
Validation	Department Director			
	<ul style="list-style-type: none"> Clears the evaluation report 			
Review	N/A	Procurement Committee <ul style="list-style-type: none"> Reviews the cleared evaluation report 	N/A	Procurement Committee <ul style="list-style-type: none"> Reviews the cleared evaluation report
Approval	Chief Procurement Services Division Approves the evaluation report and issues the statement of award.	Managing Director Directorate of Corporate Management and Operations Approves the evaluation report and issues the statement of award.	Chief Procurement Services Division Approves the evaluation report and issues the statement of award.	Managing Director Directorate of Corporate Management and Operations Approves the evaluation report and issues the statement of award.

Note: *For grant proposals recommended for award, where the awarded amount to an individual grant beneficiary is equal to or above € 200,000, or to an Implementing partner is equal to or above € 1,000,000, the evaluation report shall be reviewed and endorsed by the Procurement Committee.

** At the discretion of the relevant Procurement Officer, a GEC under the direct award procedure may not be formed. In this case, the Department Director approves the evaluation methodology.

The approval of the evaluation report leads to the issuance by the relevant Authorized Official of the statement award in the format as set out in **Annex G**, which shall contain the list of all grant proposals approved for award, the date of the award and the grounds therefor, the list of the reserved grant proposals, who have successfully passed the evaluation, as well as the list of the rejected grant proposals. The statement of award shall be submitted to the relevant Procurement Officer for further action, i.e. preparation of the grant agreement, debriefing applicants, and publication of the award.

2.5.10 Concluding grant agreements

The approved statement of award is submitted to the responsible Procurement Officer for preparation of the grant agreement(s) with the successful applicant(s). The preparation of the grant agreement shall be done in consultation with the relevant PM/AH and other relevant Departments, where applicable. Any material deviation from the model agreement in regard of any legal matter may require prior clearance by the Office of Legal Affairs, based on a submission from the Procurement Services Division.

The grant agreement sets out the rights and obligations of the parties, including, where applicable, financial, personnel, procurement and asset management components, as well as payment, monitoring and reporting requirements, recovery of funds, control and verification system. The agreement shall also take into account UNIDO's privileges and immunities, and contain necessary or appropriate fiduciary, record-keeping and audit-related standards. Any special requirements and terms and conditions, including but not limited to those which are based on the outcome of work of the GEC, funding partner requirements, and risk-mitigating measures, shall be taken into consideration in the preparation of the agreement and reflected therein. Risk-mitigating measures identified during the evaluations and institutional assessment review shall be reflected in the relevant grant agreement.

All model grant agreements⁴, (General Conditions of Agreement, Special Conditions of Agreement, Operational Guidelines, etc.) are available and maintained by the Procurement Services Division.

Relations between UN development system entities should be consistent with the principles and funding agreement templates that have been endorsed by the UNSDG Group and accepted by UNIDO.

For estimating the threshold of delegated authority of the relevant Authorized Official who shall sign the grant agreement, consideration shall be given to the aggregate value of the relevant grant agreement over the complete duration of the grant and to be signed with each grant beneficiary, irrespective of the value of the grant component. If accepted by the grant beneficiary, agreements may be digitally signed.

One original copy of the signed grant agreement is kept by the grant beneficiary. The second original copy of the agreement is uploaded by the relevant Procurement Officer in the relevant secured grants folder in UNIDO's document management system, whose access shall be restricted to the relevant officials involved, and thereafter archived.

Upon approval of award and signature of the grant agreement, a record in this regard shall be made in the grant beneficiary's relevant master data in UNIDO's ERP.

⁴ Including implementing partner agreements and other relevant agreements.

Measures to provide information support to grant beneficiaries is ensured in the form of regular information sessions, set up of a contact point / helpdesk function, FAQ mechanism, guidelines to applicants, etc.

2.5.11 Notifications and debriefing procedures

Within 5 days from receipt of the approved statement of award, the responsible Procurement Officer shall send a notification of award to the successful applicant(s), a notification to the applicants in the reserve lists, and a notification of rejection to the unsuccessful applicant(s). The notification of rejection to the unsuccessful applicant(s) should, where required by the relevant funding partner, state the grounds for the rejection based on the evaluation report, the date of the statement of award and the procedures and deadlines to protest the grant award.

UNIDO does not routinely debrief unsuccessful applicants or applicants in the reserve lists. However, a debriefing may be conducted upon written request. The scope of the debriefing is to identify the deficiencies or weaknesses of an applicant's grant proposal. Debriefings shall not discuss the following:

- Trade secrets or other proprietary information including the methodology or approach of other applicants;
- Financial or cost information about other applicants;
- Evaluation scoring or the ranking of the applicants; and
- Details about other applicants.

2.5.12 Protest procedures

An applicant who believes that they have been unjustly treated in connection with a call for proposals process may lodge a protest through the chief.procurement@unido.org email address.

2.5.13 Information to applicants

All applicants must be informed of UNIDO's protest procedures in the call for proposals, as well as in the notifications as specified in paragraph 2.5.11. Unless otherwise specified, protests of a grant award shall be received by the relevant Procurement Officer within 10 days of receipt of such notification. If no protests have been received within the deadline, the Procurement Officer shall proceed with the conclusion of the grant agreement with the successful applicant(s).

2.5.14 Receivability of protests

For a protest to be received and substantially assessed by UNIDO, it shall satisfy the following criteria:

- a) The protest is submitted within the deadline to the protest email inbox (chief.procurement@unido.org);
- b) The protest is for a call for proposals procedure, for which the applicant actually submitted a grant proposal, thus making the applicant an interested party;
- c) The protest is for an award exceeding € 200,000 in value;

- d) The protesting applicant must show prejudice and substantiate its allegations. The following types of prejudice will be considered to be receivable in principle: (i) the qualification requirements/criteria, evaluation, and award criteria established in the call for proposals were violated, and, but for the violation, the protester would have been awarded the grant; (ii) a significant or material deviation or breach of the procedures and principles governing grants, including irregularities such as misconduct, conflict of interests, fraud, etc., occurred;
- e) The protest must be submitted in an official working language of UNIDO;
- f) The protest must contain the following information:
 - The protestor's name, address, telephone number and email address;
 - The call for proposals reference number and the name of the responsible Procurement Officer;
 - A detailed statement of all factual and legal grounds for the protest and an explanation of how the protester was prejudiced or wronged;
 - Copies of relevant documents supporting the protester's statement, i.e., information establishing that the protester is an interested party for the purpose of filing a protest.

Receivability determinations shall be made by the Chief, Procurement Services Division. The Chief, Procurement Services Division shall have the discretion to request additional information from the applicant if he/she deems it appropriate. Unsupported allegations and assertions are not sufficient for the process to continue. A decision rejecting the receivability of the protest by the Chief, Procurement Services Division is final and shall be communicated in writing to the protesting applicant.

2.5.15 Review on the merits and conclusion of protests

Upon review of a protest, the Chief, Procurement Services Division shall decide, in consultation with the relevant Authorized Official, on the merits of the protest. However, in the event the nature of the protest requires the expertise of other functions in UNIDO, the Chief, Procurement Services Division, may submit the protest to the MD, CMO, who shall draw on a pool of UNIDO personnel and/or experts to establish an advisory ad hoc panel to review the protest. The panel should be comprised of an odd number of members, a minimum of which shall be three members. Members may include, depending on the subject matter, representatives from CMO/FIN, CMO/HRM, CMO/OSS/PRO and CMO/EAO. Subject matter experts shall recuse themselves in cases where their involvement will entail real or apparent conflicts of interest. In cases where an ad hoc panel is formed, the panel's recommendations shall be approved by the MD, CMO.

In any case, the relevant Procurement Officer shall notify the protester of the final decision on the merits of the protest. If the protest received involves allegations of misconduct or fraudulent practices by UNIDO personnel, the protest shall be referred to ODG/EIO.

The grant agreement(s) will be concluded with the successful applicant(s), unless the responsible Authorized Official (Chief, Procurement Services Division, or MD, CMO) determines either to suspend the process until the merits of the protest have been decided upon, or, if the totality of the circumstances militate, to cancel the grant award process and start a new call for proposals.

Nothing in the above procedures or in any procedure or action by or relating to UNIDO with respect to or in connection with a debriefing or a protest procedure shall be deemed in any way to constitute a waiver of any of the privileges and immunities of UNIDO.

2.5.16 Publication of award

Within 14 days from the date of receipt of the countersigned grant agreement, the relevant Procurement Officer publishes, subject to applicable thresholds and other conditions required by relevant funding partners, the award notice. The award notice should, at a minimum, contain the following information:

- Grant beneficiary name⁵ and address;
- Grant description, including nature and purpose;
- Grant amount;
- Grant award date;
- Grant end date⁶;
- Grant location/country;
- Funding partner.
-

The award notice shall, at a minimum, be published on the websites of UNIDO and UNGM, in addition to other relevant websites as agreed with the funding partner(s). For a step-by-step guidance, please click here (for internal use only).

The award notice shall be published on the above-referenced websites no later than 30 June of the year following the financial year in which the awarded funds were legally committed or as otherwise agreed with the funding partner(s).

2.6 Direct grant award

In the event a GEC is formed to evaluate a direct grant award in regard of a grant beneficiary not being an implementing partner, the evaluations of the grant proposal shall be performed by all members of the GEC.

With respect to implementing partners, an obligatory element is the assessment of the administrative, financial and operational capacity (e.g. HACT) of the recommended implementing partner for the implementation of the action. In case the results of the performed assessment of the administrative, financial and operational capacity and grant proposal show gaps or weaknesses, these need to be addressed and mitigated accordingly

⁵ Only legal entities; natural persons shall not be named.

⁶ Expected date for physical completion or full implementation of the TC programme or project.

in the grant agreement. The procedure of identification, assessment and award follows similar relevant steps applicable for open procedures.

2.7 Additional requirements for concluding agreements with implementing partners

The approved evaluation report is submitted to the responsible Procurement Officer for preparation of the grant agreement(s) with the successful applicant(s). The preparation of the grant agreement shall be done in consultation with the relevant PM/AH and other relevant Departments, where applicable. Any material deviation from the model agreement in regard of any legal matter may require prior clearance by the Office of Legal Affairs, based on a submission from the Procurement Services Division.

The relevant Procurement Officer shall be the focal point in regard of all agreement-related discussions with the successful applicant(s).

If the funding partner allows so, where an implementing partner is identified during the project preparation process, the PM/AH may prepare and finalize the scope and terms of implementation jointly with the implementing partner. This should contain elements such as the proposed budget components/lines, work plan, methodology and services, which are foreseen to be carried out by the implementing partner. Throughout this process, relevant Departments should be consulted, as and when required.

No agreement with an implementing partner shall be signed unless and until the following conditions have been met:

- The engagement of the implementing partner recommended by UNIDO has been endorsed by the relevant authority of the funding partner (where relevant) and the beneficiary country (where relevant) in accordance with the project document;
- The funds, or parts thereof, for the relevant inputs/activities have been deposited in, or have been confirmed by the relevant authority of the funding partner(s) to have been transferred to, UNIDO's account and all conditions set by the funding partner(s) have been met;
- The engagement of an implementing partner does not conflict with the modality approved under the TC programme or project and/or UNIDO's obligations vis-à-vis the funding partner(s);
- The risk mitigating measures, if any, identified during the proceedings of the GEC and/or institutional assessment review and to be applied for the project have been reflected in the grant agreement and agreed upon by the implementing partner;
- The final implementation terms have been reviewed by the relevant PM/AH and Procurement Officer.

2.8 Cancellation of the grant award procedure

The responsible Procurement Officer, upon request by the Division Chief, may cancel the grant award procedure:

- when no grant proposals have been received by the set deadline for receipt of grant proposals or all submitted grant proposals have been withdrawn;
- in case the evaluation report is not approved due to significant violations of the procedure;
- in case of a cancellation of the funding under the respective TC programme or project;
- when it is in the best interest of UNIDO, the funding partner, or the Government.

The cancellation shall be documented and applicants informed accordingly.

Chapter III

MONITORING, VERIFICATION AND CLOSURE

3.1 Purpose and scope of the chapter

This chapter covers the procedures for verification, monitoring and control of grant agreements and aims to provide reasonable assurance on the adequacy of the systems for financial control and verification performed by UNIDO.

The checks should ensure the eligibility of costs incurred and declared, the accuracy of the payment claims submitted by the grant beneficiary and the compliance of the costs with the rules and requirements of the funding partner. The checks also include procedures designed to avoid double funding.

3.2 General rules related to monitoring and verification

The monitoring and verification aims to:

- ensure compliance with the procedures and effective implementation of the activities by the grant beneficiaries, according to the terms of the grant agreements;
- certify that products and services that are funded by the grant and co-financed by other source(s) have been provided;
- monitor the degree of progress of the grant in relation to project purposes and results, including the achievement of the set indicators in the agreement; check and confirm the eligibility of the costs actually incurred against the eligibility requirements in force at the date of the grant agreement.

The monitoring and verification functions are performed by a **monitoring expert**, under the supervision of the PM/AH, and a **verification and financial control expert**, under the supervision of CMO/FIN.

The **monitoring expert** performs documentary verification and on-the-spot checks (where applicable) of the delivered equipment / performed services; reviews and evaluates progress / final technical reports, respectively; and evaluates the implementation of the activities and achievement of the objectives and results as stated in relevant grant agreements, incl. indicators.

The **verification and financial control expert** is responsible for the financial management of the grant component and the financial control of the grant beneficiary. In this role, he/she performs verification of advance, progress and final payments.

The above-mentioned experts should verify that:

- the implementation of the grant is in compliance with the conditions of support set out in the grant agreement;
- the amount of expenditure claimed by the beneficiaries in relation to the progress and final payments has been paid by the beneficiaries and that beneficiaries maintain separate accounting records for all transactions relating to the grant;

- where costs are to be reimbursed in the form of unit costs and lump sums, that the conditions for the reimbursement of expenditure to the grant beneficiary have been met.

Any clarification needed from grant beneficiaries shall be communicated through the relevant Procurement Officer.

Upon decision of the PM/AH, the verifications might be risk based and proportionate to the risks identified ex ante. The justification of the sampling shall describe how the sample was selected (e.g. statistical/judgmental sampling, stratification, etc.), what type of transactions were prioritized for verification, what the coverage ratio in terms of amount and number of transaction covered by the verification will be.

In case the verification of grants is contracted to an external entity, UNIDO should keep its supervisory role and obtain reasonable assurance that the external entity has policies and procedures in place to perform verifications and record and store the results of the verifications in a computerized form. The external entity must be fully accountable to UNIDO for the services provided.

Where UNIDO engages with external experts/contractors for the provision of monitoring and control services, the contracts should require that all involved external experts complete the Declaration of Objectivity, Impartiality and Confidentiality in the form of **Appendix I** to the Terms of Reference of the GEC.

3.3 Documenting verifications

In the process of monitoring and verification, the responsible experts must maintain a complete and well-organized file for each individual grant agreement, which includes the original grant agreement and the relevant checklists, certifying the documentary checks and on-the-spot visits.

All verifications shall be documented in a secured grants folder in the UNIDO's document management system, which shall have restricted access to the relevant officials involved. The records should state the check performed, the date when the check was carried out, the results of the verifications, including the overall level and frequency of the errors detected, a full description of irregularities detected with a clear identification of the related contribution of the grant and the corrective measures taken. Any findings requiring follow up action must be discussed and agreed upon between the grant beneficiary and the project management team.

3.4 Management information system

For an efficient and effective management of grants, UNIDO's ERP uses the SAP modules FA, GM, FI, PPM and SRM.

Analytical accounting information on grants through standard accounting entries are provided for:

- agreed grant amount (commitments under agreements);
- receivables from the grant beneficiaries in case of amounts unduly paid;
- performed advance, progress and final payments.

In case management of grants is sub-contracted to an external entity, UNIDO should require that the external entity records and stores in electronic form all data related to the grant, including information on monitoring, verification and payments. The external entity shall be accountable to UNIDO for its services.

3.5 On-the-spot checks

Taking into account the clauses and specifics of the individual grant agreement, information on suspected irregularity, status of the implementation of the grant and information from the technical and financial reports, the PM/AH or CMO/FIN may appoint a monitoring expert and/or a verification and financial control expert to perform on-the-spot checks of a certain grant beneficiary. This function may also be sub-contracted to another entity such as an external auditors or audit firm.

At each on-the-spot check (which may take place either during the implementation period of the grant agreement or after its completion), the expert fills in a form for the on-the-spot check, confirming the performed checks using the template in **Annex H** and/or **Annex I**, depending on the scope of the on-the-spot check.

Depending on the nature of the grant, some of the checks may be performed virtually or based on scanned documents submitted by the grant beneficiary related to the scope of the check.

Documents from each performed on-the-spot check shall be up-loaded in the secured grants folder in UNIDO's document management system.

The main purposes of the on-the-spot checks are:

- to check the progress of implementation of the grant, in particular, compliance with the objectives, activities, results and time schedule set in the grant agreement;
- to check the observance of information and publicity measures;
- to identify any potential problems and risks, and to give recommendations for their remedy / elimination or mitigation;
- to confirm (through physical inspection and documents) that the purchased equipment is available, installed, put into operation and meets the relevant specifications;
- to confirm that the delivered equipment and the performed services are accounted in the accounting system of the grant beneficiary;

- to confirm the existence of primary accounting documents or those with equivalent probative value, which substantiate the acquisition of equipment or performance of the services;
- to confirm that the general principles of sustainable development and promotion of equality between men and women and non-discrimination are being respected;
- to determine the facts and circumstances on registered reports for irregularities.

For the preparation of each on-the-spot check, the monitoring expert must be well acquainted with the following documents:

- the grant agreement and its annexes;
- amendments to the agreement (if any);
- progress/final technical and financial reports and financial reports submitted by the grant beneficiary;
- documentation of performed procedures by the grant beneficiary for the selection of contractors under the grant;
- findings and recommendations from previous on-the-spot checks (if any);
- correspondence between UNIDO and the grant beneficiary;
- other relevant information.

3.6 Approval of advance, progress⁷ and/or final payments

Depending on the payment terms in the grant agreement, the grant beneficiary may submit a request for **advance, progress and / or final payment**.

An administrative / documentary check is carried out on each request for payment sent by the grant beneficiary. The request for payment is accompanied by technical and financial reports sent by the beneficiary, or by relevant accompanying documents in the case of an advance payment.

In case the monitoring and verification of the status of implementation of the grant and information from the technical and financial reports is contracted to an external entity, the payment could be released upon receipt and approval by the PM/AH of the verification report submitted by the external entity.

3.6.1 Approval and payment of requests for advance payment

The grant beneficiary submits to the PM/AH a request for advance payment, as well as all other applicable documents, according to the terms of the grant agreement.

For advance payments, a bank guarantee for advance payment may be required. A bank guarantee for an advance payment shall not be required for:

- United Nations system organizations;
- Government organizations;
- Inter-governmental organizations;

⁷ The term “progress payment” should be considered equivalent to the term “interim payment”

- International, regional, sub-regional and national public organizations;
- Grants valued below € 40,000.

The **verification and financial control expert** checks the request for advance payment and records the checks in the format of **Annex J**.

A written notification of the advance payment as well as the payment order is prepared by the verification and financial control expert. The payment order is submitted to Accounts, Payments and Treasury Division for payment. Once the payment is executed the grant beneficiary is informed through a written notification for the amount of payment.

Procedure for approval and payment of advance payment			
	Actor	Action	Estimated Timeline (up to)
1.	Grant beneficiary	Submits request for advance payment.	As per the grant agreement clause
2.	Verification and financial control expert	Checks the request for advance payment. In case of approval, prepares a letter to the grant beneficiary.	6 days
3.	PM/AH	Clears the approved for payment amount.	3 days
4.	FMT Division	Approves the request for payment	2 days
5.	Procurement officer	Sends the written notification to the grant beneficiary and requests the grant beneficiary to submit an invoice ⁸ for the amount to be paid.	2 days
6.	Procurement officer	Checks the invoice	2 days
7.	APT Division	Executes the payment.	10 days

3.6.2 Approval of technical and financial reports and requests for payment

3.6.2.1 Verification by the grant beneficiary

The grant beneficiary is fully responsible for the implementation of the specific grant according to the grant agreement. Before sending a request for payment, the grant beneficiary is required to make a complete check of the documents submitted by the contractors under the grant and to perform checks to certify the implementation of the activities requested for payment.

⁸ For some entities, such as Ministries, the invoice might be substituted with another type of official request.

In order to demonstrate proper implementation and progress towards achievement of the grant's objectives, the grant beneficiary shall submit regular technical and financial reports.

Technical and financial reports shall cover the whole of the action described in the relevant grant agreement and attached budget, regardless of whether the action is wholly financed or co-financed by UNIDO. The technical reports should be commensurate with the description of the action and focus on results attained during the reporting period. The financial reports shall present the actual expenses paid or incurred by the grant beneficiary, in line with the requirements of the grant agreement. Examples of areas to be covered by the **technical report** are:

- summary and context of the action;
- activities carried out during the reporting period;
- risks or difficulties encountered and measures taken to mitigate them;
- changes introduced during implementation;
- achievements/results by using indicators;
- work plan for the following period.

In the **financial report**, the grant beneficiary shall indicate all expenditures incurred and paid in the given reporting period, supported with invoices and required supporting documents.

When submitting a request for payment, the grant beneficiary shall certify the following:

- the grant activities are implemented in accordance with the principles of sound financial management;
- the payment request includes only expenditures that are eligible and have been actually incurred and paid for the implementation of the action, in accordance with the grant agreement;
- the progress of the action (financial and technical) complies with the provisions of the grant agreement;
- the activities under the action are duly documented. All documents supporting expenditures are and will remain available for inspection for a minimum period of seven years after the final date of the grant agreement, and for as long as required by the funding partner;
- the expenditures declared in the request for payment are not subject to double funding from other funding sources and have not been included in any other previous requests for payment;
- the total amount declared for reimbursement does not exceed the respective budget;
- audits and / or on-the-spot checks have not revealed any weaknesses and omissions in the management of the grant or, where applicable, actions have been taken to eliminate them according to an approved schedule with corrective measures;

- the action or share of the action for which a payment is requested has been fully and properly implemented, and the proper implementation can be substantiated by adequate records and supporting documentation, which will be produced upon request or in the context of checks, reviews, audits and investigations (applicable for lump sums).

3.6.2.2 Process of verification of technical and financial reports by the project management team

As per the clauses of the grant agreement, the grant beneficiary can submit progress and final requests for payment, accompanied respectively by technical progress and interim financial reports and final technical and final financial reports.

Progress and final payments are performed after verification of the information contained in the technical reports and financial reports in order to ascertain the eligibility of the costs incurred and the technical and financial progress of the action. For all expenses actually incurred and paid, the grant beneficiary submits the relevant supporting documents, i.e. invoices and / or accounting documents with equivalent probative value. The supporting documents for the reported costs are scanned originals of the original documents stored with the grant beneficiary, which shall be uploaded by the PM/AH in the respective secured grants folder in UNIDO's document management system, which shall have restricted access to the relevant officials involved⁹.

Verification of reports and progress /final requests for payments			
	Actor	Action	Estimated Timeline (up to)
1.	Grant beneficiary	Submits progress/final technical report, interim/final financial report, and progress/final request for payment.	As per the terms in the grant agreement
2.	Monitoring expert	1. Performs verification checks of the progress/final technical report. 2. Upon completion of the checks, submits the progress/final technical report, interim/final financial report and request for progress/final payment for further checks to the verification and financial control expert.	10 days
3.	Verification and financial control expert	Performs verification of the interim/final financial report and request for progress/final payment. Prepares a letter to the grant beneficiary for the verified amount and	10 days

⁹ In case a sample check is performed, only those documents that are covered by the sample are stored

		the amount to be paid under the request for payment.	
4.	PM/AH	Clears the checks performed by the monitoring expert and verification and financial control expert.	2 days
5.	FMT Division	Approves the request for payment.	2 days
6.	Procurement officer	Notifies in writing the grant beneficiary of the verified amount and the amount to be paid and requests the grant beneficiary to submit an invoice ¹⁰ for the amount to be paid.	2 days
7.	Procurement officer	Checks the invoice submitted by the grant beneficiary.	2 days
8.	APT Division	Executes the payment.	10 days

Verification of technical reports

Based on the technical progress/final report and other relevant information submitted by the grant beneficiary, the monitoring expert is required to check the following:

- the activities have actually been carried out in accordance with the grant agreement and have been awarded to contractors, where applicable, in compliance with grant requirements;
- the procedures for selection of contractors are approved by UNIDO, if required by the funding partner;
- the activities are eligible and carried out in accordance with the principles of good governance;
- there is clear and sufficient evidence for the implementation of the activities;
- the results set in the grant agreement are on track/have been achieved;
- the rules for information and publicity are observed;
- no irregularities or alleged irregularities have been identified.

The monitoring expert records the checks performed in a checklist (**Annex K**). After approval of the technical report, the monitoring expert submits the technical report, the financial report and the request for payment to the verification and financial control expert.

Verification of interim / final financial reports and approval of request for payments

The verification and financial control expert performs the check of the interim / final financial report and request for payment and supporting documents. The expert verifies the actual expenditure incurred by the grant beneficiary and the declaration of eligible costs as well as other applicable documents. The verification and financial control expert performs the check of the interim / final financial report and request for payment along with attached documents. He/she also performs checks on double funding.

¹⁰ For some entities, such as Ministries, the invoice might be substituted with another type of official request.

The verification and financial control expert records the checks performed in a checklist (**Annex J**).

3.7 Check for double-funding

In order to safeguard UNIDO and funding partner funds, efforts shall be undertaken to avoid double funding. Double funding occurs when a grant beneficiary receives grant fund support for the same technical assistance package twice. In order to avoid such situations, evidence supporting the completion of the activities including supply, delivery and installation of equipment should be checked for compliance with the terms and conditions of the grant agreement prior to confirming acceptance of the deliverable by UNIDO. Payment requests/invoices should clearly reflect and reference the project, signed grant agreement number (obligation number), details of the delivered equipment (including model/serial number, as applicable), etc. Documents including invoices received should be uploaded in the secured grants folder in UNIDO's document management system for record and future reference.

3.8 Amendment of a grant agreement

An amendment of a grant agreement may be initiated by the grant beneficiary or UNIDO. Where an amendment is required, the PM/AH shall submit the request, together with the background and justification, to the relevant Procurement Officer for review and appropriate action.

Amendments cannot make changes to the grant agreement that would call into question the grant award decision, or which contravene the key principles of the Grants Manual, including equal treatment of applicants. Additionally, amendments are not allowed:

- if they put into question the achievement of the main goal and the planned results of the grant;
- if they violate the conditions set out in the call for proposals or in the direct grant award procedure.

3.8.1 Amendments to be submitted for review to the Procurement Committee

The following amendments shall be submitted for review by the Procurement Committee:

- Any proposed amendment of a grant agreement with a beneficiary, which is not an implementing partner, previously reviewed by the Committee, which, alone or in aggregate, increases the originally approved amount by more than twenty (20) percent or €200,000, whichever is lower;
- Any proposed amendment of a grant agreement with a beneficiary, which is not an implementing partner not previously submitted to the Committee, where the aggregate amount equals to or exceeds €200,000;
- Any proposed amendment of a grant agreement with an implementing partner, previously reviewed by the Committee, which, alone or in aggregate, increases the

originally approved amount by more than twenty (20) percent or €1,000,000, whichever is lower;

- Any proposed amendment of a grant agreement with an implementing partner not previously submitted to the Committee, where the aggregate amount equals to or exceeds €1,000,000.

Procedure for checking a request for amendment requiring prior approval/additional agreement to the grant agreement			
	Actor	Action	Estimated Timeline (up to)
1.	Grant beneficiary and/or UNIDO	Submits request for an amendment.	
2.	Monitoring expert	Performs check of the request for amendment.	4 days
3.	PM/AH	Clears the check performed by the monitoring expert.	3 days
4.	Verification and financial control expert	In case of a modification of the budget and/or duration of the grant agreement, the amendment is checked by the verification and financial control expert.	4 days
5.	Chief, CMO/FIN/FMT	Clears the request for budget and duration modification.	1-2 days
6.	Relevant Procurement Officer	Reviews the request for amendment. If the request requires submission to the PC, prepares and submits submission to Chief, CMO/OSS/PRO for review and submission to the PC.	4 days
7.	Procurement Committee (only for cases described under article 3.8.1)	Reviews the request for amendment and recommends to endorse approval by MD, CMO.	7 days
8.	Relevant Procurement Officer	Prepares the amendment document for signature by the Authorized Official.	2 days

3.9 Termination of a grant agreement

Grant agreements may be terminated by UNIDO under certain circumstances, such as for cause, lack of sufficient funds from the funding partner, or upon the mutual agreement of the parties. Unspent/uncommitted grant funds may be recoverable from the grant beneficiary in accordance with the terms of the grant agreement.

3.10 Closure

Final payment under the grant agreement is executed only after approval of the final technical report and final financial report following the procedure appended to the model grant agreement. The final payment under the grant agreement shall be the difference between the total value of the grant, and the sum of the advance payment and progress payments. Before proceeding with the release of the final payment, the PM/AH may at his/her discretion carry out on-the-spot and other checks. When expressly required and agreed with the funding partner, the grant beneficiary shall provide an audit or similar report produced by an approved external auditor/audit firm in accordance with the requirements of the funding partner.

3.11 Collection and summary of the achieved indicators

The values of the outcome and impact indicators related to ISID will be reported by the PM/AH, and the grant beneficiaries will not be required to provide information about such indicators. However, specific indicators may be introduced by the PM/AH besides the outcome and impact ISID indicators. In this case, the grant beneficiary is obliged to report their values.

Upon verification of the final report, the monitoring expert shall submit to focal points within relevant departments information on the indicators reported by the grant beneficiary.

Chapter IV

IRREGULARITIES AND EXCLUSION FROM FUNDING

4.1 Purpose and scope of the chapter

This chapter summarizes the procedures related to the prevention, detection, reporting and management of irregularities and the recovery of funds unduly paid. This chapter also summarizes the procedures under the UNIDO Policy on Exclusion from Funding (DGB/2021/15) pursuant to which grant applicants and beneficiaries may be excluded from access to UNIDO funding under certain circumstances.

4.2 Irregularities

4.2.1 Prevention

An irregularity for purposes of this manual is defined as any act or omission by the grant beneficiary that violates, or is not in conformity with, a requirement, duty or condition under the respective grant agreement. If the result of a willful or reckless action, the irregularity may also rise to the level of misconduct, as defined in the UNIDO Investigation Policy (DGB/2021/13, dated 21 September 2021).¹¹

Irregularities may occur at any stage of the implementation of the programme, project or agreement, as well as in the performance of day-to-day responsibilities of the grant beneficiary. The prevention of irregularities is achieved through the effective operation of the internal control system and include measures such as:

- Approval of internal rules and procedures preventing irregularities;
- Application of four eyes principle;
- Regular briefings on fraud awareness, organized by the Office of the Managing Director of the Directorate of Corporate Management and Operations;
- Informing beneficiaries on corrective actions that might be undertaken by UNIDO in cases where irregularities are detected in the course of the implementation of a grant.

4.2.2 Detection of irregularities

When approving requests for payment, UNIDO takes into account each report of irregularity / case of established irregularity and, if necessary, takes corrective actions to improve the control. Allegations of misconduct should be submitted via the UNIDO hotline page https://www.unido.org/contact/ios_report.

4.2.3 Corrective actions and their follow-up

Upon establishing the existence of an irregularity, the relevant Authorized Official is obliged to take the following actions:

1. to notify in writing the relevant officials in order to ensure that corrective actions, including but not limited to, repayment of unduly paid and overpaid amounts, are

¹¹ Misconduct is defined as any action taken in violation of a standard of conduct, a binding legal, moral or ethical norm or duty, or a regulation, rule or policy, which is applicable in the Organization. Misconduct encompasses all breaches of conduct and all forms of wrongdoing, including, without limitation: fraud, misrepresentation and all forms of deceitful or dishonest practices; all forms of financial irregularities, abuse or misuse of property or funds; all corrupt, coercive, collusive or obstructive practices; harassment and abuse of position in all their forms; sexual exploitation and abuse; retaliation; and mismanagement and waste of resources.

- undertaken and to ensure monitoring of the implementation of the corrective actions;
2. to notify in writing ODG/EIO, in case of allegations of misconduct or fraudulent practices committed by UNIDO personnel, for further action.

4.2.4 Recovery of amounts unduly paid

In implementation of the grant the overall responsibility for compliance with UNIDO and funding partner requirements rests with the grant beneficiary.

After establishment of an amount unduly paid or overpaid, the amount is communicated to the Chief, Procurement Services, who sends to the grant beneficiary an invitation in writing for voluntary refund. The period for voluntary refund is 14 days from the date of receipt of invitation by the grant beneficiary.

UNIDO is obliged to ensure the recovery of all amounts in regard of detected irregularities. In case the grant beneficiary does not reimburse the amounts due within the period for voluntary refund, UNIDO has the right to offset the amounts due from subsequent payments under the grant agreement and/or initiate other appropriate measures for recovery.

If an irregularity is suspected to fall under one of the practices/activities under UNIDO's exclusion criteria, the procedures established in section 4.3 below shall apply.

4.3 Exclusion Criteria

4.3.1 Assessment of the Exclusion Criteria

UNIDO shall exclude from access to funding any prospective or current grant beneficiary, including its affiliates, that has been the subject of a final judgment or of a final administrative decision in respect of one or more of the grounds defined as exclusion criteria pursuant to the UNIDO Policy on Exclusion from Funding.

As part of the documents requested through the call for proposal or upon signature of a grant agreement, applicants or grant beneficiaries will be required to sign a statement of confirmation by which they accept to abide by the terms of the UNIDO Policy on Exclusion from Funding.

The statement of confirmation is a declaration by which the applicant or grant beneficiary accepts to abide by the terms of UNIDO Policy on Exclusion from Funding, and represents and warrants that it is not and has not been the subject of any of the exclusion criteria as stated in said policy.

By signing the statement of confirmation, the grant beneficiary also covenants and agrees to notify UNIDO promptly in the event that the grant beneficiary becomes subject to any

of the exclusion criteria as stated in UNIDO's Policy on Exclusion from funding during the term of the grant agreement.

If the applicant or grant beneficiary will not sign the statement of confirmation, or a notification pursuant to the statement of confirmation is received by UNIDO, the Authorized Official shall require the applicant or grant beneficiary to submit, within ten (10) business days, a statement and accompanying documentary evidence covering the following:

- a) A summary explaining the applicable grounds for exclusion from funding;
- b) Whether any steps have been or will be taken to correct, mitigate or remediate the grounds for exclusion from funding, including details and expected completion date;
- c) Justification for receiving UNIDO funding.

The Authorized Official shall review the statement of confirmation and/or the statement with the accompanying documentary evidence as referenced in the previous paragraph, and take the decision whether to exclude the applicant or the grant beneficiary from funding. To facilitate the review, the Authorized Official may request additional supporting documents, as deemed necessary. The decision shall give due regard to all relevant circumstances, including: the principle of proportionality; whether corrective or remedial action has been taken or is feasible; the existence of a prior similar exclusion determination; and the best interests of UNIDO as well as the concerned project or programme. A decision to exclude from funding is hereinafter referred to as the Exclusion Determination.

4.3.2 Exclusion Determination

The Exclusion Determination shall specify the grounds for, effective date, and duration of the exclusion, as well as the conditions for lifting the exclusion from funding, if any. The Authorized Official shall communicate the Exclusion Determination to the applicant or grant beneficiary without undue lay.

The Authorized Official may suspend, terminate or take such other action in respect of a grant agreement where a party thereto is or may be found to be the subject of an Exclusion Determination.

Unless the Authorized Official determines otherwise, the Exclusion Determination shall be without appeal. The Exclusion Determination shall not be lifted until corrective or remedial action has been taken and substantiated to the satisfaction of the Authorized Official or the duration of the exclusion has lapsed.

The Exclusion Determination shall be duly recorded in UNIDO's database (e.g. supplier master data), archived and made public or shared upon request, in accordance with UNIDO's document retention and other policies, such as information disclosure, personal data protection, etc.

If an exclusion criterion involves allegations of misconduct or fraudulent practices committed by UNIDO personnel, the case shall be referred to ODG/EIO for further investigation.

ANNEX A – LIST OF RELEVANT UNIDO POLICIES, RULES AND REGULATIONS ¹

List of UNIDO rules and regulations as well as internal policies that are relevant to the grant award system of UNIDO. This list is not exhaustive.

1. Constitution of the United Nations Industrial Development Organization. Vienna, 8 April 1979.
2. DGB/2021/16 Financial Rules of UNIDO of 01 December 2021.
3. DGB/2021/03 UNIDO accountability framework of 25 January 2021.
4. DGB/2021/02 UNIDO internal control framework of 25 January 2021.
5. DGB/2021/01 UNIDO Enterprise risk management policy of 22 January 2021.
6. DGB/2020/07 Progress arrangements for the programme and project formulation and approval function and TC programme/project revisions, budget revisions and extensions including funds availability controls of 24 July 2020.
7. DGB/2020/05 UNIDO Policy on Financial Disclosure and Declaration of Interests of 10 June 2020.
8. DGB/2020/04 UNIDO Secretariat Structure 2020 of 26 May 2020.
9. DGB/2019/16 Policy on Gender Equality and the Empowerment of Women of 18 September 2019.
10. DGB/2019/12 Prohibition, prevention and resolution of harassment, including sexual harassment, discrimination and abuse of authority of 04 June 2019.
11. DGB/(M) 94/2005 Policy on fraud awareness and prevention of 06 June 2005.
12. DGB/2010/(M).116 Protection from Retaliation for Reporting Misconduct or Cooperating with Audits or Investigations of 01 March 2010.
13. DGB/2021/15, UNIDO Policy on Exclusion from Funding, dated 17 November 2021.

The following Director General Bulletins and Administration Instructions are in the process of being finalized and promulgated in due course:

- Updated Procurement Manual.
- Terms of reference of the Procurement Committee.
- Information Disclosure Policy.
- Personal Data Protection Policy.

¹ The present list may be changed and updated.

ANNEX B – HARMONIZED APPROACH TO CASH TRANSFERS (HACT)

The Harmonized Approach to Cash Transfers (HACT) framework was first adopted in 2005 by UNDP, UNICEF, UNFPA and WFP, pursuant to United Nations General Assembly Resolution 56/201 on the triennial policy review of operational activities for development of the United Nations system.

The HACT framework represents a common operational (harmonized) framework for transferring cash to government and non-governmental implementing partners, irrespective of whether these partners work with one or multiple United Nations agencies.

The objective of the HACT framework is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability, with the ultimate objective of gradually shifting to national systems. It is understood that ‘harmonized’ in the context of the HACT framework refers to agencies implementing a common operational framework using the same, consistent, standardized approach and tools.

The HACT framework represents a shift from assurance for cash transfers derived from project level controls and audits towards a method of assurance derived from risk/system-based assessments and audits.

1. Risk ratings

- High – Response to question/subject matter provides a risk to the overall financial management system that has both a high likelihood of occurring and a potentially negative impact on the implementing partner’s ability to execute the project in accordance with the work plan¹ and stated objectives. Additionally, this risk has not been mitigated by any other controls/process that have been implemented by the implementing partner;
- Significant – Response to question/subject matter provides a risk to the overall financial management system that has either a significant likelihood of occurring or a potentially negative impact on the implementing partner’s ability to execute the project in accordance with the work plan and stated objectives;
- Medium – Response to question/subject matter provides a risk to the overall financial management system that has a moderate likelihood of occurring and a potentially negative impact on the implementing partner’s ability to execute the project in accordance with the work plan and stated objectives; or
- Low – Response to question/subject matter provides a risk to the overall financial management system that has a low likelihood of occurring and a potentially negative impact on the implementing partner’s ability to execute the project in accordance with the work plan and stated objectives.

2. Risk assessment subject areas

- Governance and legal status of the implementing partner
- Funds flow management
- Organizational structure and staffing
- Accounting Policies, procedures and staffing
- Existence and functioning of internal controls
- Results of financial audits
- Frequency and quality of reporting and monitoring
- Existence of automated information systems
- Procurement policies, procedures and practices

ANNEX C - METHODOLOGY AND CRITERIA/REQUIREMENTS FOR SELECTION OF GRANTS

1. Basic parameters	
SAP ID and programme/ project title (if known)	
Grant component title	
Objectives	
Justification	
Expected results	
Duration	
Regional/country scope	
Total amount of the grant component in €	
2. Methodology and criteria and requirements	
Type of grant award procedure	
Deadline for applications	
Eligible applicants	
Eligible activities	
Eligible costs	
Minimum amount of the requested single grant	
Maximum amount of the requested single grant	
Co-financing rate by the grant beneficiary	
Duration of the grant	
Qualification requirements/criteria (i.e. admissibility, eligibility and exclusion criteria)	
Technical evaluation criteria	
Financial evaluation criteria	
Ranking methodology	
Indicators	

Note: The template may be adjusted to reflect specific funding partner requirements.

Approvals

	Name	Signature
Prepared by PM/AH		
Approved by Division Chief		
Approved by Responsible Procurement Officer		

ANNEX D - CALL FOR PROPOSALS TEMPLATE

1. SAP ID and project title:

2. Regional / Country scope:

3. Objectives and expected results of the grant component:

4. Total amount of the grant component by budget line(s):

5. Individual grant thresholds:

Minimum amount and currency	Maximum amount and currency
<input type="text"/>	<input type="text"/>

6. Required co-financing rate of the grant beneficiary:

7. Admissibility criteria for applications:

8. Eligible applicants

8.1 Eligibility criteria for applicants:

8.2 Exclusion criteria for applicants:

Grant Beneficiaries shall be excluded from access to UNIDO funding, when found to be the subject of an Exclusion Determination pursuant to the UNIDO Policy on Exclusion from Funding.
In addition, the following exclusion criteria shall apply: <insert>

9. Activities eligible for funding:

10. Categories of expenditure eligible for funding:

10.1. Eligibility of costs:

10.2. Eligible costs:

10.3. Ineligible costs:

11. Policies on non-discrimination and environmental sustainability:

12. Minimum and maximum duration of grant implementation:

13. Technical evaluation criteria and max scores:

14. Minimum threshold for passing technical evaluation

15. Financial evaluation criteria and max scores:

16. Means of submission of grant proposals:

17. Number of grant proposals that can be submitted by one applicant:

18. List of documents to be submitted by applicants:

19. Deadline for the receipt of grant proposals:

20. Procedure for the submission of requests for clarification

21. Address for the submission of grant proposals:

22. Additional information:

23. Annexes (Grant agreement, agreement templates and annexes, declarations, etc.)

ANNEX E - STRUCTURE OF THE APPLICATION FORM

1. General data (name of the grant, duration of the grant, requested amount, place of implementation of the grant, short description of the grant proposal, purpose of the grant, etc.)
2. Applicant's data (name of the applicant, type of organization, main address, address for correspondence, telephone, fax, e-mail for correspondence, etc.)
3. Data for applicant's partners if any (type of partner, activities that the partner will perform)
4. Financing (Budget by BL, including funding sources – funding partner contribution, own co-financing, rate of co-financing)
5. Action plan (activity, description, way of implementation, achieved result, starting date of the activity, duration, amount, etc.)
6. Indicators (type of indicator, base values, targeted values)
7. Team (name, position, responsibilities)
8. Procurement plan (procedure, object of procurement)
9. Additional information needed for the grant proposal
10. List of attached documents (statement of confirmation, declarations, etc.)

ANNEX F - TERMS OF REFERENCE OF THE GRANTS EVALUATION COMMITTEE

Scope of these Terms of Reference

1. These Terms of Reference apply to all grant procedures. They may be adapted to reflect specific funding partner requirements.

Mandate of the Committee

2. The Grants Evaluation Committee (hereinafter referred to as “the Committee” or “the GEC”) shall appraise, evaluate and recommend for award grant proposals received under a grant component relating to a TC programme or project.
3. In summary, the GEC performs reviews of qualification requirements/criteria (hereinafter referred to as “preliminary examination”), as well as a technical and financial evaluations of the submitted grant proposals in compliance with the Grants Manual and rules and procedures set out in these Terms of Reference. It ensures an efficient and effective process of selection of grants in compliance with the principles of transparency, free and fair competition, equality, non-discrimination and the avoidance of conflicts of interest.
4. Grants may be awarded to the following grant beneficiaries:
 - Implementing partners;
 - Other grant beneficiaries.

Composition of the Committee

5. The composition of the GEC is proposed by the relevant Division Chief in consultation with the Project Manager/Allotment Holder (hereinafter referred to as “PM/AH”) as well as the relevant Procurement Officer.
6. The composition of the GEC is approved by the Department Director of the Department under which the TC programme or project is implemented (hereinafter referred to as the “Department Director”).
7. The proposed members of the Committee should be nominated for their broad sectoral experience and/or familiarity with UNIDO’s procedures and ethics, taking into account integrity, professional and other considerations. This will enable them to perform an objective and impartial review of grant proposals submitted. The composition should also comply with the requirements of the funding partner, where relevant. In order to capitalize on knowledge and experience, it is recommended that the members of the GEC may optionally include members from the Grants and Financial Instruments task force.
8. The Committee shall be composed of a non-voting Chairperson, a non-voting Secretary, an odd number of voting members (at least three), and alternative voting members who shall attend in the absence of the main members (at least three).
9. In line with UNIDO policy on gender equality and empowerment of women, the nomination of members and alternate members of the Committee should, to the extent possible, ensure gender balance.
10. If the relevant Division Chief and the PM/AH consider that specific expertise is needed, external evaluators can be invited to participate in the evaluations. The number of external evaluators shall be lower than the number of UNIDO personnel. When more than one person for external evaluator is nominated, the invitation should contain an explicit indication that the nominees shall not be in a hierarchical

dependence.

11. The Chairperson, the Secretary and all members of the Committee shall not be in a hierarchical dependence on each other.

Limitations

12. The Chairperson, the Secretary and all members shall not:
 - be in a conflict of interest situation with any of the applicants under the grant award procedure;
 - be persons who are in a hierarchical dependence between each other.

Responsibilities of the members in the evaluation process

Absence of conflict of interest and confidentiality

13. Immediately after the disclosure of the names of the applicants in the grant award procedure, the Chairperson, the Secretary and the members of the Committee and the observer(s) shall sign the Declaration of Objectivity, Impartiality and Confidentiality in the form of Appendix I. The completed and signed declarations of objectivity, impartiality and confidentiality shall be attached to the evaluation report of the GEC.
14. The declaration includes the obligation for the declarant in case of change of the declared circumstances regarding absence of conflict of interests to immediately inform in writing the Department Director, who shall immediately terminate his/her participation in the evaluation processes.
15. When a member has declared a conflict of interest under point 5.1.1, the same member shall be replaced by the alternate member. In the event that some of the circumstances under point 5.1.1 exist from the beginning of the evaluation procedure, all grant proposals evaluated by the person for whom a conflict of interest has been identified, should be reassessed.
16. The Chairperson, the Secretary, the members of the Committee and observer(s) shall not disclose any circumstances, which they have become familiar with in relation to their work in the Committee.
17. The work of the Committee is strictly confidential. Any attempt by an applicant, or through a third party, to influence the evaluation processes in any way (e.g. by contacting a member of the Committee) may lead to the exclusion of that applicant's grant proposal from further evaluations.

Responsibilities

18. The **Chairperson** coordinates and directs the work of the Committee in compliance with these Terms of Reference.
19. The Chairperson must possess the necessary qualifications and professional competence to ensure objective and impartial evaluation processes. He/she should be a regular staff member of UNIDO at the P4 or P5 level.
20. The **Secretary** of the Committee assists the Chairperson, implements all administrative activities related to the evaluation processes and provides technical support. He/she must possess the necessary qualifications and administrative competence to perform his/her duties objectively and impartially. The Secretary shall inter alia:
 - a) provide for signature of the Chairperson and all members of the

Committee the Declaration of Objectivity, Impartiality and Confidentiality (Appendix I);

- b) prepare and send requests for clarification and any other correspondence to applicants related to the evaluations;
 - c) assist the Chairperson of the Committee in preparing the evaluation report and its annexes;
 - d) ensure that proper records are maintained and timely distributed to the relevant Procurement Officer.
21. The **voting members**, individually and independently, evaluate, score and rank grant proposals by strictly applying the criteria and requirements set out in the call for proposals.
 22. The voting members shall have equal rights in decision-making and equal responsibility for the results of the evaluation processes.
 23. The **Observer** provides the Committee with independent advice on the conduct and fairness of all phases of the evaluation processes, including but not limited to, how members apply evaluation criteria.

Principles

24. **Sound financial management.** The implementation of the grant component budget is in accordance with the principles of economy, efficiency and effectiveness.
25. **Transparency.** The methodology and criteria and requirements for the evaluations of grant proposals shall be published in advance
26. **Free and fair competition.** The evaluations of grant proposals shall be carried out in the absence of conflicts of interest and shall observe equal treatment of all applicants.
27. **Equality of treatment and non-discrimination.** Grant proposals proposed for funding must strictly be evaluated in accordance with the criteria and requirements set out in the call for proposals. The Committee must treat each grant proposal in the absence of any conflict of interest and shall observe equal treatment of all applicants. It is strictly not permitted to apply additional, or change existing, criteria and requirements during the evaluation processes.
28. **Principle of integrity.** When awarding and managing grants, UNIDO personnel shall maintain the highest standards of integrity, including honesty, truthfulness, fairness and incorruptibility. Where a conflict of interest occurs with regard to the selection of grant beneficiaries, measures must be adopted to prevent or to resolve such a conflict, including cancelling the grant award procedure if necessary.
29. **No double-funding.** The grant shall not be awarded for financing costs, which are, financed by any other source.
30. **Confidentiality of the evaluation processes.** The complete process of evaluations of the grant proposals shall be carried out under strict confidentiality. No information regarding the preliminary examination, evaluations, ranking or award decisions of the Committee shall be disclosed to third parties not participating in the evaluation processes.

Procedure for the preliminary examination, evaluations, ranking and selection of grant proposals

31. All grant proposals received on time shall be examined and evaluated strictly in

accordance with the criteria and methodology described in the call for proposals, through the following steps:

- review of qualification requirements/criteria (admissibility, exclusion and eligibility criteria),hereinafter referred to as “preliminary examination” ;
 - technical and financial evaluations;
 - ranking of the grant proposals, found technically and financially acceptable, in descending order;
 - Identification of the grant proposal(s) for which funding shall be provided.
32. In the event a potential applicant, within the last four years, has been subject to a positive assessment undertaken by UNIDO, by an international organization or by an entity being part of the United Nations system of organizations, the scope of the preliminary examination and technical and financial evaluations of grant proposals undertaken by UNIDO may be limited solely to those specific qualification requirements/criteria that were not addressed and reviewed under such previous assessment, provided that the previously assessed criteria follows the same parameters currently being assessed. In any case in the checklists of the GEC a clear audit trail shall be provided, including as a minimum, the parameters that has being previously checked, the date of the assessment and the entity who has performed the previous assessment.

Preliminary examination

33. The preliminary examination includes review of matters such as compliance with the qualification requirements/criteria specified in the call for proposals, completeness of the grant proposals, and duly signed certified supporting documents.
34. The Chairperson distributes for evaluation the grant proposals using a random principle.
35. The preliminary examination of each grant proposal is performed by the relevant Procurement Officer, who shall be a voting member of the GEC, and by another voting member from the GEC, independently from each other.
36. The preliminary examination shall include the following:
- completeness of the grant proposal - duly completed application form(s) with all sections, which are indicated as mandatory, as well as other required supporting documents as set forth in the call for proposals;
 - required declaration forms contained in the call for proposals – required declarations are completed in the format provided and signed; proposed duration of the grant is within the period of minimum and maximum duration as specified in the call for proposals;
 - compliance with other admissibility requirements specified in the call for proposals ;
 - compliance of applicants / partners with the eligibility criteria and exclusion criteria
37. The Secretary, in consultation with the Procurement Officer, may contact the applicant to obtain clarifications/additional information required to assess compliance. Clarifications shall be limited to the actual material issue and not be utilized to modify the grant proposal. All correspondence with the applicants shall be

duly documented in the secured grants folder in the UNIDO's document management system, which shall have restricted access to the relevant officials involved.

38. The members of the Committee, to whom the preliminary examination has been assigned, shall draw up minutes according to the model of Appendix II. Annexes to the minutes for the evaluations are checklists and correspondence with the applicants.
39. The results of the preliminary examination shall be shared with the other members of the GEC. All grant proposals found to comply with the qualification requirements/criteria are passed on to the next stages for technical and financial evaluations.
40. Any information and/or documents, other than those requested by the GEC or submitted after the deadline, should not be taken into account.

Technical and financial evaluations

41. The technical and financial evaluations are an evaluation on the merits of the grant proposals. The evaluations shall be carried out strictly in accordance with the technical and financial evaluation criteria set out in the call for proposals. The technical and financial valuations of a grant proposal can be performed as soon as the grant proposal has successfully passed the stage of the preliminary examination, without waiting for the completion of the preliminary examinations of all other grant proposals.
42. It is strictly prohibited to change under any circumstances the technical and financial evaluation criteria specified in the call for proposals.
43. The technical and financial evaluations of the grant proposals shall be performed by a minimum of two voting members of the Committee, independent of each other.
44. The members of the Committee document the technical and financial evaluations by filling out evaluation sheets.
45. During the technical and financial evaluations, the Secretary, in consultation with the Procurement Officer, may request additional clarifications from the applicants by e-mail.
46. In case additional clarifications are requested at this stage, the presented information should not lead to substantive alterations of the grant proposal.

Technical Evaluation

47. The final technical evaluation score is the arithmetic mean of the sum of technical evaluation scores from all voting members evaluating the same proposal. When an evaluation is performed by two members only, in case of a difference in the score of the evaluations amounting to more than 25 percent from each other, the Chairperson shall assign a third voting member to perform technical evaluation. The final technical evaluation score is the arithmetic mean of the third member's score and the score from the first two members which is closest to the score of the third member.

Financial Evaluation

48. The final financial evaluation score is the arithmetic mean of the sum of financial evaluation scores from all voting members evaluating the same proposal. When an evaluation is performed by two members only, in case of a difference in the score of the evaluations amounting to more than 25 percent from each other, the Chairperson

shall assign a third voting member to perform financial evaluation. The final financial evaluation score is the arithmetic mean of the third member's score and the score from the first two members which is closest to the score of the third member.

The financial evaluation is performed only for grant proposals that have successfully passed the technical evaluation.

49. Adjustments in the proposed budget of a grant proposal is allowed if the financial evaluation establishes that:
 - there is an arithmetical error;
 - a proposed activity or cost is found ineligible;
 - a discrepancy between proposed planned activities and the corresponding proposed costs is found;
 - a duplication of costs is identified;
 - there is a non-compliance with the terms and requirements set forth in the call for proposals in relation to percentages set / cost thresholds.
50. Adjustments may be carried out upon request for additional clarifications by the applicant.
51. The check for the presence / absence of double funding is performed by one or more participants in the financial evaluation process, determined by the Chairperson. In the event that double funding of an eligible expenditure is identified, the Committee may reduce the amount of the grant by that cost.
52. The results of the financial evaluation shall be shared with the other members by the Chairperson in writing.
53. The Chairperson, the Secretary and voting members of the GEC shall draw up minutes of the technical and financial evaluations in the form of Appendix III to these Terms of Reference.

Ranking of grant proposals

54. The ranking of the grant proposals shall be in line with the scoring system published in the call for proposals. Proposals scoring higher than the minimum admissible threshold shall be ranked in descending order.

Evaluation report

55. Based on the results of the evaluation processes, the Committee prepares an evaluation report according to the sample contained in **Appendix IV**. It shall be signed by the Chairperson, the Secretary and all members.
56. The evaluation report shall include:
 - the list of all grant proposals received,
 - a list of grant proposals withdrawn during the evaluations, if applicable;
 - the list of grant proposals having passed the preliminary examination;
 - A list of grant proposals proposed for rejection and the grounds for their rejection.
 - the list of grant proposals found technically and financially acceptable, in the order of their ranking, and the amount of the grant to be awarded to each applicant.
57. The evaluation report shall include the following attachments:
 - A copy of the approval of the composition of the committee and changes in it, if any;

- Declarations of absence of conflict of interest and confidentiality, signed by the Chairperson, the Secretary, all members of the committee and the observer(s);
 - Evaluation sheets from each stage of the evaluation.
58. The evaluation report shall be signed by the Chairperson, the Secretary and all members of the committee.
 59. After completion of the evaluation, the Chairperson of the evaluation committee submits the evaluation report and the accompanying documents to the Department Director for screening and endorsement.
 60. The Department Director submits the evaluation report and the accompanying documents to the responsible Procurement Officer for further action.
 61. In case the evaluation report contains a recommendation for awarding of a grant to an individual grant beneficiary in the amount of € 200,000 or above or of a grant to an implementing partner in the amount of € 1,000,000 or above, the Procurement Officer shall submit the proposed award to the Procurement Committee for endorsement and subsequent approval by the Managing Director, CMO.

Direct Grant Award Procedure

62. The direct grant award procedure is one in which the Authorized Official specifically determines through a due process, as set out below, that a call for proposals procedure shall not be applied. In such cases, a written record shall be made, providing appropriate reasons for such determination.
63. While the preferred option should be to perform a call for proposals procedure, the direct grant award procedure normally applies when arrangements can be made with only one entity thus pre-empting any competitive procedure.
64. The prerequisites for applying the direct grant award procedure shall be the submission of a sound justification by the PM/AH for review and approval by the Department Director, and shall require that:
 - The applicant has been specified in the approved TC programme or project document. If the funding partner so allows, such approval is considered granted also in cases where the applicant is explicitly approved in the minutes of the Project Steering Committee, or any other equivalent body. In cases where the applicant is engaged during the formulation or appraisal stages of a project, the approval shall be deemed given on the date the relevant project document is approved by UNIDO; or
 - The applicant is selected based on a compelling and urgent need that does not result from poor planning or management, or from concern over the availability of funds, and which could lead to serious damage, loss or injury to property or persons, or delays in the performance of the TC programme or project, if not addressed immediately; or
 - The action is of a kind that requires a particular type of grant beneficiary on account of its technical competence, its high degree of specialization or its administrative power; or
 - The applicant is an entity with a de jure or de facto monopoly. 'De facto' or 'de jure' monopoly means that the grant beneficiary:
 - has exclusive competence in the field of activity and/or geographical

- area to which the grant relates pursuant to any applicable law; or
 - is the only organization operating, or capable of operating, in the field of activity and/or geographical area to which the grant relates by virtue of all considerations of fact and law.
65. Dependent on the requirements of the relevant funding partner, an evaluation committee for direct award may not be formed. In this case, the responsible Procurement Officer determines the manner of evaluation of the received grant proposal and the documents that should be used to support the evaluations.
 66. In the event a Grants Evaluation Committee for direct grant award is formed, the evaluations of the grant proposal shall be performed by all members of the GEC. The methodology covers quality assessment (technical and financial evaluation) of the grant proposal and capacity and qualifications of the potential grant beneficiary to implement the grant.
 67. Alternatively, any other form of institutional assessment process may be applied, if so required by a funding partner. In this case, consideration shall be made to complement or replace the above-mentioned methodology with other equivalent assessment tools to ascertain the experience, qualifications and capacities of applicants, such as application of capacity assessments using recognized tools like the Harmonized Approach for Cash Transfers (HACT).

Appendices:

Appendix I Declaration of objectivity, impartiality and confidentiality;

Appendix II Minutes in regard of preliminary examination

Appendix III Minutes in regard of technical and financial evaluation

Appendix IV Evaluation report



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT
INDUSTRIEL**

Appendix I - DECLARATION OF OBJECTIVITY, IMPARTIALITY AND CONFIDENTIALITY

From:

.....

(First name, middle name, last name; position),

.....(date of issue) (place of issue)

in my capacity of

(Chairperson, Secretary, Member, or Observer of the Grants Evaluation Committee)

in the Grants Evaluation Committee under the following grant award procedure:

.....

(type and name of the procedure) (hereinafter referred to as “procedure”)

I DECLARE THAT:

I, the undersigned, agree to participate in the preliminary examination and evaluations of the above mentioned grant award procedure in accordance with the terms of this Declaration of Objectivity, Impartiality and Confidentiality. I confirm that I am aware of all available information on the procedure, including the requirements set out in the documentation for the purposes of evaluating grant proposals under the procedure, and I undertake to comply with them. By making this Declaration, I confirm that I have reviewed the documentation available to date concerning the call for proposals. I will perform my duties in good faith, objectively and impartially.

I acknowledge that I am bound by the Standards of Conduct for the International Civil Service, UNIDO’s Code of Ethical Conduct, the UNIDO Staff Regulations and Rules and related administrative issuances. Accordingly, I agree to discharge my functions in the interests of UNIDO only and will neither seek nor accept instructions, gifts or remuneration from any authority external to the Organization nor use my official position to private advantage. I am free of any personal or business interest in connection with the present grant award procedure. My preliminary examination and evaluations will be objective, transparent, honest and free from discrimination.

I will keep confidential the circumstances I have learned in relation to my work in the Grants Evaluation Committee.

I am not in a conflict of interest with any of the applicants or partners under the procedure for awarding grants, including:

- I do not own shares or stocks in any of the companies, applicants or partners participating in the procedure;
- I am not a manager or a member of management or control body in any of the companies, applicants or partners participating in the procedure;
- I have not performed consulting activities in relation to individuals and legal entities associated with any of the companies, applicants or partners participating in the procedure.

I hereby declare that I have no past or present relationship of any kind, whether financial or professional, and whether direct or indirect, or otherwise, with any of the applicants in the procedure. I am independent of all parties that stand to gain from the outcome of the preliminary examination and evaluation processes. I further declare that, to the best of my knowledge, there are no circumstances, which could reasonably cast doubt on my ability to evaluate the grant proposals ethically and free from conflict of interest.

I agree to hold in trust and confidence any information or documents disclosed to me or discovered or prepared by me in the course of or as a result of the preliminary examination and evaluations ('confidential information'), and I further agree to use the confidential information only for the purposes of the preliminary examination and evaluations. No confidential information shall be revealed to a third party or to any person, employee or expert unless he or she agrees to execute and be bound by the terms of this Declaration. I also agree not to retain copies of any written information supplied. I am not in a hierarchical relationship with the other participants in the evaluation processes of the procedure.

Should I discover during the course of the preliminary examination and evaluations that an actual or potential conflict of interest exists or in case of a change of the above circumstances, I will immediately disclose the information to the Department Director, who has approved the composition of the Grants Evaluation Committee. I understand that this may result in my resignation from the Committee.

I understand that failure to provide true, complete and correct information in this form, to the best of my knowledge and belief, may result in serious consequences for me, including sanctions as defined in the Policy on Financial Disclosure and Declaration of Interests, relevant Staff Rules and UNIDO/AI/2016/5 Framework for Individual Service Agreement (ISA).

Date:..... Signature:

APPENDIX II - MINUTES IN REGARD OF PRELIMINARY EXAMINATION

Name and type of the procedure for awarding grants [.....]

MINUTES OF PRELIMINARY EXAMINATION

1. Grant Evaluation Committee meetings

	Date	Time
Opening of the procedure for awarding grants		
Deadline for the receipt of grant proposals (in case the procedure has a defined deadline)		
Meetings held for the preliminary examination	From: To:	

2. Participants

Last name, first name	Organizational Unit	Function ¹

After having read the names of the applicants in the current grant award procedure (indicate the name and reference number of the procedure), the Chairperson, the Secretary, the voting members and observers of the Grants Evaluation Committee have all signed the Declarations of Objectivity, Impartiality and Confidentiality in the form of Appendix I to the Terms of Reference of the GEC. All declarations are attached to these minutes.

3. Assessment

A total number of <insert> grant proposals were received within the deadline for submission of grant proposals <indicate the deadline>.

3.1. Part 1: Verification of compliance with the deadline for receipt of grant proposals <provide details>

3.2. Part 2: Assessment of qualification requirements/criteria

All grant proposals received within the specified deadline are subject to the preliminary examination, i.e. review of qualification requirements/criteria (i.e. admissibility, eligibility and exclusion criteria). During this stage a check was performed on the formal submission of the grant proposals, after which the preliminary examination was carried out by reviewing the applicants' compliance with the eligibility criteria and the applicants and partners (where applicable) and with the eligibility criteria of the grant activities set forth

¹ E.g. Chairperson, Secretary, voting member, Observer

in the call for proposals. Check with the exclusion criteria for applicants is performed as well.

The assessment of the eligibility of applicants / partners, where applicable, was carried out against the eligibility criteria set out in the call for proposals on the basis of declarations submitted by applicants as well as supporting documents.

The evaluation of the eligibility of the grant activities was performed against the eligibility criteria specified in the call for proposals, based on the submitted application forms.

Based on the preliminary examination, the voting members of the Grants Evaluation Committee found that in <insert> grant proposals there are missing documents and / or discrepancies.

<In these cases, the Grants Evaluation Committee shall send written requests for submission of documents and / or additional explanatory information (clarifications). The actions of the Committee are described in detail here.>

4. Conclusion

Grant proposals proposed for rejection at this stage and those proposed for further evaluation

Based on the preliminary examination, the Grants Evaluation Committee recommends the following <insert> grant proposals should be rejected at this stage and not to be admitted to the technical and financial evaluations:

No	Registration number	Name of the applicant	Name of the grant proposal	Grounds for rejection

Based on the preliminary examination performed, the Grants Evaluation Committee proposes the following <insert> grant proposals to be admitted to the technical and financial evaluations:

No	Registration number	Name of the applicant	Name of the grant proposal	Requested amount of the grant

5. Signatures

	Name	Signature
Chairperson		
Secretary		
Voting members		

APPENDIX III - MINUTES FROM TECHNICAL AND FINANCIAL EVALUATIONS
Name and type of the procedure for awarding grants [.....]

MINUTES OF TECHNICAL AND FINANCIAL EVALUATION

1. Grant Evaluation Committee meetings

	Date	Time
Meetings held for technical and financial evaluations	From: To:	

2. Participants

Last name, first name	Organizational Unit	Function¹

3. Technical and financial evaluations

The technical and financial evaluations are on the merits of the grant proposals. The evaluations are carried out in accordance with the criteria for technical and financial evaluation of the grants set out in the call for proposals.

The technical and financial evaluations of the grant proposals have been performed by <insert; minimum two> voting members of the Grants Evaluation Committee, independently of each other. Each voting member has filled in evaluation grids, providing comments for each criteria to justify the scores granted.

3.1. Technical evaluation

The Grants Evaluation Committee recommends <insert> grant proposals to be admitted to the financial evaluation and <insert> grant proposals to be rejected and not to be admitted to the financial evaluation.

3.2. Financial evaluation

3.2.1. Financial evaluation of the grant proposals, successfully passed technical evaluation

<Briefly describe the discussions and the approach taken by the voting members of the GEC>

3.2.2. Adjustment of the budgets of the grant proposals under section 3.2.1, which contain ineligible costs, according to the requirements in the call for proposals.

¹ E.g. Chairperson, Secretary, voting member, Observer

Adjustments in the budget of the grant proposals should be made in case the evaluation establishes:

- a) There is an arithmetical error;
- b) A proposed activity or cost is found ineligible ;
- c) a discrepancy between proposed planned activities and the corresponding proposed costs is found;
- d) duplication of costs is identified;
- e) there is a non-compliance with the terms and requirements set forth in the call for proposals in relation to percentages set / cost thresholds.

Adjustments under section 3.2.2 are carried out upon request of additional clarification(s) by the applicant(s).

Based on the financial evaluation, the voting members of the Grants Evaluation Committee found that <insert> grant proposals have ambiguities and / or inconsistencies, as a result of which written request(s) for clarification were sent. The clarification(s) had to be provided within <insert> days from the date of receipt of the request (if applicable).

<In these cases, the GEC shall send written requests for submission of documents and / or additional explanatory information (clarifications). The actions of the GEC are described in detail here>.

3.2.3 Results of the performed double-funding checks of the grant proposals

The following person appointed by the Chairperson of the Grants Evaluation Committee <specify person and in what capacity he/she participates in the GEC> have carried out double-funding checks of the grant proposals recommended for award.

As a result of the check, the following was established:

<Briefly describe the results of the check>.

4. Conclusion

The results (final evaluations and the amount of the grant) of the technical and financial evaluations carried out are set out in the annexes to these minutes. A total of <insert> grant proposals were evaluated, of which <insert> are recommended for award.

5. Signatures

	Name	Signature
Chairperson		
Secretary		
Voting members		

APPENDIX IV - MODEL EVALUATION REPORT

Name and type of grant procedure:.....

Reference No of the procedure:

EVALUATION REPORT

**from the work of the Grants Evaluation Committee,
approved by**

Date of the evaluation report:

Address of the meetings:

Composition of the Grants Evaluation Committee:

Role	Last name, first name	Organizational Unit
Chairperson		
Secretary		
Voting Member		
Alternate Member		
Voting Member		
Alternate Member		
Voting Member		
Alternate Member		
Observer		

1. GRANT SELECTION PROCEDURE

The grant selection procedure is _____.
(Call for proposals procedure or Direct grant award procedure)

Pursuant to the Terms of Reference of the GEC, the preliminary examination and evaluations of grant proposals under this procedure includes:

- a) review of qualification requirements/criteria (admissibility, eligibility and exclusion criteria), hereinafter referred to as “preliminary examination”;
- b) technical and financial evaluations;
- c) ranking of the grant proposals, found technically and financially acceptable, in descending order;
- d) Identification of the grant proposal(s) for which funding shall be provided.

The assessment of the above mentioned stages is performed by the voting members of the Grants Evaluation Committee.

For each stage, the Committee uses checklists and evaluation grids to apply the criteria for evaluation under the respective procedure.

2. PRELIMINARY EXAMINATION OF THE GRANT PROPOSALS

	Date	Time
Opening of the procedure for awarding grants		
Deadline for receipt of grant proposals (in case the procedure has a defined deadline)		
Meetings held for reviews of qualification requirements/criteria (admissibility, exclusion and eligibility criteria)	From: To:	

The preliminary examination was performed by the following voting members of the Grants Evaluation Committee:

Last name, first name	Organizational Unit	Function ¹

A total number of <insert> grant proposals were received within the deadline set for the receipt of grant proposals, as follows:

No	Registration number	Name of the applicant	Name of the grant proposal

A total number of <insert> grant proposals were received after the deadline set for the receipt of grant proposals, as follows:

No	Registration number	Name of the applicant	Name of the grant proposal

After having read the names of the applicants in the current grant award procedure, the Chairperson, the Secretary, all members and observers of the Committee have signed the Declaration of Objectivity, Impartiality and Confidentiality. The declarations are attached as **Appendix I** to the evaluation report.

The preliminary examination included a review of the following:

- completeness of the grant proposal - duly completed application form(s) with all sections, which are indicated as mandatory, as well as other required supporting documents as set forth in the call for proposals;
- required declaration forms contained in the call for proposals – required declarations are completed in the format provided and signed; proposed duration of the grant is within the period of minimum and maximum duration as specified in the call for proposals;
- compliance with other admissibility requirements specified in the call for proposals ;

¹ E.g. Chairperson, Secretary, voting member, Observer

- compliance of applicants / partners with the eligibility criteria and exclusion criteria ; specified in the call for proposals.

Based on the preliminary examination, the Committee found that in <insert> grant proposals there were missing documents and / or discrepancies. In these cases, the Committee sent written requests for clarification and/or for submission of additional documents.

The actions of the Committee are described in detail here: <complete>.

Results of the preliminary examination:

Based on the preliminary examination carried out, the Committee recommends that the following <insert> grant proposals should be rejected at this stage of evaluation. They shall not be admitted to the technical and financial evaluations:

No	Registration number	Name of the applicant	Name of the grant proposal	Grounds for rejection

Based on the preliminary examination, the Committee recommends the following <insert> grant proposals to be admitted to the technical and financial evaluation stages:

No	Registration number	Name of the applicant	Name of the grant proposal	Requested amount of the grant

3. TECHNICAL AND FINANCIAL EVALUATIONS

	Date	Time
Meetings held for the technical and financial evaluations	From:	
	To:	

The technical and financial evaluations were performed by the following voting members of the Committee:

Last name, first name	Organizational Unit	Function

The technical and financial evaluations were evaluations on the merits of the grant proposals. The evaluations were carried out strictly in accordance with the technical and financial evaluation criteria set out in the call for proposals.

The technical and financial evaluations of each grant proposal were performed by a minimum of two voting members of the Committee, independent of each other. During the evaluations, the voting members of the Committee used pre-approved evaluation sheets.

During the technical and financial evaluations, where relevant, the Secretary, in consultation with the Procurement Officer, requested additional clarifications from the applicants by e-mail.

The Committee hereby acknowledges that, where additional clarifications were requested, the responses did not lead to substantive alterations of the original grant proposals.

Technical evaluation

The Committee recommends <insert>grant proposals to be rejected and not be admitted to the financial evaluation, for the following reasons:

No	Registration number	Name of the applicant	Name of the grant proposal	Grounds for rejection

The Committee recommends <insert> grant proposals to be admitted for the financial evaluation:

No	Registration number	Name of the applicant	Name of the grant proposal	Requested amount of the grant

Financial evaluation

The financial evaluation of the grant proposals, which successfully passed the technical evaluation: <briefly describe the discussions and the approach taken by the voting members of the Evaluation Committee>.

Adjustments in proposed budget(s)

In accordance with Article 2.5.8.2 of the Grants Manual, adjustments in the proposed budget(s) were made in regard of the following grant proposals:<please describe> Upon request(s) for additional clarification(s), the adjustments were confirmed and agreed upon by applicants.

Ambiguities/inconsistencies

Based on the evaluation, the Committee found that <insert> grant proposals have ambiguities and / or inconsistencies, as a result of which written requests for clarifications were sent. The information had to be provided within <insert> days from the date of receipt of the request (if applicable).

<In these cases, the GEC shall send written requests for submission of documents and / or additional explanatory information (clarifications). The actions of the GEC are described in detail here.>

Double funding checks

The following participant(s) appointed by the Chairperson of the Committee <specify person and in what capacity he/she participates in the committee> has carried out

double-funding checks of the grant proposals that meet the eligibility criteria and are recommended for award.

As a result of the check, the following was established: <briefly describe the results of the check>.

Results of the technical and financial evaluation:

As a result of the technical and financial evaluations, the following grant proposals were found to comply with the technical and financial evaluation criteria and requirements set out in the call for proposals:

No	Registration number	Name of the applicant	Name of the grant proposal	Requested amount of the grant

4. RANKING OF GRANT PROPOSALS

The total funds available under this grant component amount to < insert >

Based on the preliminary examination and technical and financial evaluations, considering the budget available under the grant component, the Committee has prepared and proposes for approval the following grant proposals:

The results of the technical and financial evaluations carried out are set out in annexes to this evaluation report. <insert> grant proposals were evaluated, of which <insert> meet the minimum criteria for receiving a grant, as specified in the call for proposals.

I. List of grant proposals proposed for funding, arranged in the order of their ranking, and the amount of the grant to be awarded for each of them:

Name of the applicant	Name of the grant proposal	Average score (number of points)	Total proposed eligible costs of the grant	Total amount of the grant	% of the grant in relation to the total eligible costs

Total number of grant proposals submitted for funding by the grant: <insert>.

Total amount of grant proposals recommended for approval: <insert currency and amount>.

II. List of reserve grant proposals, arranged in the order of their ranking, which have successfully passed the evaluation, but for which there is a lack of funding:

No	Reg. number	Name of the applicant	Name of the grant proposal	Average score (number of points)	Total eligible costs of the grant	Total amount of the grant	% of the grant in relation to the total eligible costs

III. List of grant proposals proposed for rejection and the grounds for their rejection:

No	Reg. number	Name of the applicant	Name of the grant proposal	Grounds for rejection

The work of the Grants Evaluation Committee ended on <date>.

5. SIGNATURES

	Name	Signature
Chairperson		
Secretary		
Voting members		

Attachments:

As integral part of this evaluation report are the following annexes:

1. A copy of approval of the composition of the Grants Evaluation Committee;
2. Declarations of Objectivity, Impartiality and Confidentiality signed by the Chairperson, Secretary, all voting and non-voting members and Observer of the Committee;
3. Requests for clarification submitted by potential applicants and clarifications provided before the deadline for receipt of grant proposals, amendment notes issued, as well as the correspondence held with applicants during the evaluation process;
4. Evaluation sheets/checklists from each stage of the evaluation;
5. Minutes (signed by the Chairperson, Secretary, and all attending voting members) from the preliminary examination stage (Appendix II) and the technical and financial evaluation stages (Appendix III);
6. List of grant proposals withdrawn during the evaluation (if any);



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT
INDUSTRIEL**

STATEMENT OF AWARD

Project Title and ID: <insert: Project Title and SAP ID>
 Grant Component: <insert reference to grant component>
 Total Grant amount: <insert>
 Funding Partner: <insert>

Based on the evaluation report (**Annex A**) received on <insert date> from the Grants Evaluation Committee, which has been duly established in accordance with the Grants Manual, [insert where applicable: and the approval, dated <insert> by the Managing Director, CMO, of the list of applicant(s) endorsed for award by the Procurement Committee], the following is hereby confirmed:

1. The evaluation report [insert where applicable: and the recommendations made by the Procurement Committee] are hereby endorsed;
2. The following list of grant proposals is hereby endorsed for award of grant funding as follows:

Name of the applicant	Name of the grant proposal	Average score (number of points)	Total proposed eligible costs of the grant	Total amount of the grant	% of the grant in relation to the total eligible costs

3. The following list of grant proposals is hereby endorsed as reserved grant proposals:

No	Reg. number	Name of the applicant	Name of the grant proposal	Average score (number of points)	Total eligible costs of the grant	Total amount of the grant	% of the grant in relation to the total eligible costs

4. The following list of grant proposals is hereby endorsed for rejection:

№	Reg. number	Name of the applicant	Name of the grant proposal	Grounds for rejection

5. In accordance with paragraph xxx of the Grants Manual, all applicant(s) shall be notified within five (5) days of the date of the statement of award.

6. All applicants who believe that they have been unjustly treated in connection with the subject call for proposals process shall have the right to lodge a protest complaint through the [chief.procurement@unido.org] email address.

Protests shall only be received if:

- a) they were submitted within ten (10) days of receipt of the notification to the applicants in the reserve list or the notification of rejection to the unsuccessful applicants;
- b) the protest is for a call for proposals procedure, for which the applicant actually submitted a grant proposal;
- c) the protest is for an award exceeding € 200,000 in value;
- d) the protesting applicant is able to show prejudice and substantiate its allegations. The following types of prejudice will be considered to be receivable in principle: (i) the qualification requirements/criteria, evaluation and award criteria established in the call for proposals were violated, and but for the violation, the protester would have been awarded the grant; (ii) a significant or material deviation or breach of the procedures and principles governing grants, including irregularities such as misconduct, conflict of interests, fraud, etc., occurred;
- e) the protest is submitted in an official working language of UNIDO; and,
- f) the protest contains the following information: (i) the protestor’s name, address, telephone number and email address; (ii) the call for proposals reference number and the name of the responsible Procurement Officer; (iii) a detailed statement of all factual and legal grounds for the protest and an explanation of how the protester was prejudiced or wronged; and (iv) copies of relevant documents supporting the protester’s statement, i.e., information establishing that the protester is an interested party for the purpose of filing a protest.”

Authorized Official: <insert name and position>

Date: <insert date>

Signature

ANNEX H - ON-THE-SPOT CHECKLIST

I. SECTION - GENERAL INFORMATION

General data	Grant agreement №: Place of performance of the grant agreement:
Period of implementation of the activities:	Start date: Completion date: Duration: Changes:

On the-spot Checklist №.....Date:.....

Place / address of the on-the-spot check:

Purpose and scope of the on-the-spot check			
Observed implementation period			
Observed activities and results	Planned activities (№ / name)	Implementation of the planned activities at the time of the visit	Results of the implementation of the planned activities (if applicable)
Available documentation related to the implementation of the activities			

Publicity	
<input type="checkbox"/> sign / billboard <input type="checkbox"/> stickers <input type="checkbox"/> posters, brochures <input type="checkbox"/> publications <input type="checkbox"/> events <input type="checkbox"/> others <input type="checkbox"/> missing	<input type="checkbox"/> meets the requirements <input type="checkbox"/> does not meet the requirements Comments:

Activities action plan and actual implementation	
<input type="checkbox"/> according to the action plan <input type="checkbox"/> delay	Comments:

Are the horizontal policies (those that are applicable) observed in the implementation of the monitored activities					
No	Components for inspection	Yes	No	N/A	Comments
1.	Equality and non-discrimination				
2.	Sustainable development and environmental protection				
3.	Others				

II. SECTION - OVERALL ASSESSMENT OF THE PROGRESS OF THE GRANT

Bottlenecks and difficulties encountered during the grant implementation

Findings	Recommendations and deadline (if applicable)

III. SECTION - PHYSICAL INSPECTION OF SUPPLY/SERVICES

1. Delivered equipment						
Article	Model	Quantity	Serial No	Contractor	Date of delivery	Available documents
						<input type="checkbox"/> handover protocol <input type="checkbox"/> warranty card <input type="checkbox"/> passport <input type="checkbox"/> operational manual <input type="checkbox"/> others
Comments:						
The equipment is installed						
<input type="checkbox"/> yes <input type="checkbox"/> no		Comments:				
The equipment has been put into operation						

<input type="checkbox"/> yes <input type="checkbox"/> no	Comments:
---	-----------

Instructions for working with the equipment were provided	
<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> not applicable	Comments:

2. Services provided			
Description of the service	The result	Contractor	Period of execution
Comments:			

Monitoring expert	Name: Signature:
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Beneficiary / Representative of the grant beneficiary	Name: Signature: Position (in the project team):
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Applications:

1. Photos from the site visit
2. Others

ANNEX I - ON-THE-SPOT CHECKLIST - FINANCIAL

I. GENERAL INFORMATION		
Name and number of the grant agreement		
Grant beneficiary		
II. FINANCIAL VERIFICATION OF THE PERFORMANCE OF THE GRANT AGREEMENT		
<p>1.The incurred costs are relevant to the grant activities and necessary for its implementation, including:</p> <ol style="list-style-type: none"> 1. Original supporting documents are available - invoices and / or other documents with equivalent probative value for the received goods / services; 2. Delivered goods and services and invoice correspond to those described in the grant beneficiary's agreement (type, budget and quantity) ; 3. The amount of the cost reported with the invoice / s corresponds (i) with the value of the contract / s for supply of goods / services and (ii) with the budget within the grant agreement; 4. Relevant payment documents proving the actual payment of the goods / services are available; 	<p>Yes Yes, but there are gaps No</p> <p>Yes Yes, but there are gaps No</p> <p>Yes Yes, but there are gaps No</p> <p>Yes Yes, but there are gaps No</p>	Comment (if necessary) :
<p>2.The costs incurred are reflected in the accounting records of the grant beneficiary, including:</p> <ol style="list-style-type: none"> 1. Proper and regular keeping of accounting documents and registers; 2. Correct recording of the incurred costs / payments to the respective items of the budget , including: <ul style="list-style-type: none"> • The funds received for advance, progress, final payments are correctly reflected in the accounting system of the grant beneficiary and appear in the bank statements; • The costs and payments made to contractors for goods and / or services under the grant are correctly reflected in the accounting system of the grant beneficiary and appear in the bank statements; 	<p>Yes Yes, but there are gaps No</p> <p>Yes Yes, but there are gaps No</p> <p>Yes Yes, but there are gaps No</p>	Comment / (if necessary) :

3. It is clear from the available documentation that costs that are ineligible are not reported	Yes No	Comment / (if necessary) :
4. The costs were actually incurred and paid during the eligibility period	Yes No	Comment (if necessary) :
5. The costs for the activities that are being implemented are not financed under another programme or project	Yes No	Comment / (if necessary) :
III. FINDINGS FROM THE ON-THE-SPOT CHECK		
Key findings		

Submitted by verification and financial control expert	Name: Signature:
---	---------------------

ANNEX J - REQUEST FOR ADVANCE/PROGRESS/FINAL PAYMENT - CHECKLIST

Number and name of the grant agreement :	
Amount requested for advance payment (if applicable)	
Amount requested for progress payment (if applicable)	
Amount requested for final payment (if applicable)	
Reporting period :	

Request for payment № /
(request number) (date)

Part I: REQUEST FOR ADVANCE PAYMENT

	Verified positions	Verification and financial control expert		Note
		Yes	No	
1	All documents attached to the request for payment are signed by the person authorized under the grant agreement.			
2	There is an advance payment clause in the grant agreement.			
3.	A bank guarantee is presented (if applicable).			
4.	The bank guarantee is for an amount not less than the requested advance amount (if applicable).			
5.	A statement for bank account, opened for the purposes of the grant is presented.			
6.	The amount requested for an advance payment has been correctly calculated in accordance with the terms of the grant agreement and does not exceed the allowable amount of the advance payment.			
7.	As a result of the check, I approve the request for an advance payment.			
8.	Approved amount for advance payment			
9.	I propose that the approved amount should be paid.			
11.	A notification letter to the grant beneficiary with the approved amount has been prepared.			
12.	I propose that the amount in the request for advance payment should not be approved.			
13.	A notification letter to the grant beneficiary with a request for corrections has been prepared.			

Submitted by Verification and Financial Control Expert	Date	Signature
Cleared by PM/AH Cleared by Chief, CMO/FIN/FMT	Date	Signature

Part II: REQUEST FOR PROGRESS / FINAL PAYMENT¹

	Verified positions	Verification and financial control expert		Note
		Yes	No	
2.	Request for progress / final payment under grant agreement			
1.	The period specified in the request for payment is within the term of the grant agreement.			
2.	Statements of individual bank accounts opened for the grant is attached.			
3.	Extracts from the separate bank accounts opened for the grant or accounting reports reflecting the implementation of the grant are attached.			
4.	The costs reported for the period are in line with the grant agreement in financial terms.			
5.	Attached is an audit report for the performed audit under the grant agreement (if applicable).			
6.	The costs incurred are eligible according to the conditions and requirements set in the grant agreement.			
7.	A check has been made for double funding (if applicable).			
8.	The costs were actually incurred and paid during the reporting period.			
9.	For all declared costs the supporting documents - list of transaction invoices or other documents of equivalent probative value are described in the financial report.			

¹ When as a result of previous verifications/on-the-spot checks there are no irregularities found and following risk-based approach, the verification may not cover 100 % check of all the documents. In this regards, a justification of the sample shall be attached to the checklist, describing as a minimum how the sample was selected (e.g. statistical/judgemental sampling, stratification, etc.), what type of transactions were prioritized for verification, what is the coverage ratio in amount and number of transaction covered by the verification.

	Verified positions	Verification and financial control expert		Note
		Yes	No	
10.	For all ¹ declared costs scanned originals of supporting documents are provided - invoices or other documents of equivalent probative value.			
11.	The supporting documents with which the expenses are reported include the necessary requisites.			
12.	The declared interest from the implementation of the grant is deducted from the amount of the grant - applicable for final payment (if applicable).			
13.	Amount of costs reported by the grant beneficiary (in €)			
14.	The sum of the amount currently paid (advance + progress) and / or the amount approved for payment under this request shall not exceed 100% of the grant.			
15.	As a result of previous verifications/on-the-spot checks there are no irregularities essential for the process of verification of all or part of the reported in the current Request for Payment			
16.	The verified amount contained in the submitted financial report (the sum of the grant amount and the co-financing by the beneficiary) is:			
17.	A notification to the grant beneficiary with the verified amount is drafted.			
18.	An amount suggested not to be verified.			
Submitted by Verification and Financial Control Expert		Date		Signature
Cleared by PM/AH Cleared by Chief, CMO/FIN/FMT		Date		Signature

¹ In case a sample check is performed, only those documents that are covered by the sample are requested

ANNEX K - TECHNICAL REPORT - CHECKLIST

Section A

Number and name of grant agreement:	
Grant Beneficiary:	
Date of submission of the report:	
Reporting period:	

Number and date of sending the request for clarifications and additional documents	Number and date of receipt of the required documents

No	Verified positions	Note
1.	It is necessary to request additional documents and / or explanations from the grant beneficiary in relation to detected discrepancies / errors in the technical report.	

Section B

No	Verified positions	Monitoring expert	Note
1.	The report is submitted in time, according to the terms of the grant agreement.	<input type="checkbox"/>	
2.	All procedures for selection of contractor (s) have been pre-approved by Procurement Services Division – CMO/OSS/PRO (if applicable).	<input type="checkbox"/>	
3.	All activities set in the grant agreement for the reporting period have been completed.	<input type="checkbox"/>	
4.	The reported activities have been carried out in accordance with the grant agreement and applicable rules and regulations and have been registered during the on-the-spot checks, where applicable.	<input type="checkbox"/>	
5.	Sufficient evidence (documents) for the implementation of the reported activities is presented, which show the existence of an adequate audit trail.	<input type="checkbox"/>	
6.	The expected results set in the grant agreement have been achieved and the objectives have been met.	<input type="checkbox"/>	
7.	The report contains information and evidence of compliance with horizontal policies in the implementation of the grant.	<input type="checkbox"/>	
8.	The report contains information on the outcome indicators, including specific indicators for the grant (relevant for the final report)	<input type="checkbox"/>	
9.	Information on the values of the indicators reported by the beneficiaries for inclusion in the database has been sent to the reporting focal points (relevant for final report)	<input type="checkbox"/>	

No	Verified positions	Monitoring expert	Note
10.	All information in regard of the grant agreement and the report and supporting/clarifying documents has been entered and updated in SAP SRM and OpenText, as applicable.	<input type="checkbox"/>	
11.	Double-funding checks were performed	<input type="checkbox"/>	
Verification of delivered equipment (insert for each supply and delivery contract entered into by the grant beneficiary)			
Contract №			
Supplier:			
No	Verified positions	Monitoring expert	Note
1.	A physical inspection of the delivered equipment was performed during an on-the-spot check.	<input type="checkbox"/>	
2.	Clear and legible photos from the on-the-spot check of the delivered equipment, as well as the serial numbers, models and visualization are attached.	<input type="checkbox"/>	
3.	The delivered equipment complies with the grant agreement.	<input type="checkbox"/>	
4.	The delivered equipment is located at the place of performance provided for in the grant agreement.	<input type="checkbox"/>	
5.	The equipment was delivered within the deadline for the implementation of the grant agreement.	<input type="checkbox"/>	
6.	Where relevant, the equipment is installed, commissioned and put into operation and is used as intended.	<input type="checkbox"/>	
7.	The publicity requirements are met.	<input type="checkbox"/>	
Comments:			

Verification of performed services (insert for each service)			
Service contract №:			
No	Verified positions	Monitoring expert	Note
1.	A physical inspection of the services performed during the on-the-spot checks w s (if applicable).	<input type="checkbox"/>	
2.	Attached are clear and legible photos from the on-the-spot checks of the services provided, incl. visualization (if applicable).	<input type="checkbox"/>	
3.	The services provided comply with the grant agreement.	<input type="checkbox"/>	
4.	The services were provided within the deadline for the implementation of the grant agreement.	<input type="checkbox"/>	
5.	The publicity requirements are met.	<input type="checkbox"/>	
Comments:			

	Date	Name and signature
Monitoring expert		
Cleared:		
Procurement Officer		
PM/AH		
Chief FMT division		
Chief, Procurement Services Division		



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