Operational Instruction Ref. OI.IPS.2022.02
Grant Support

This OD will be superseded on the 07th of May.

Authority:

This Operational Instruction (OI) is promulgated by the Director of Implementation Practices and Standards, on the basis of a delegation of authority from the Executive Director, under OD.EO.2017.02 Management of UNOPS Partners and Resulting Agreements.

Purpose:

The purpose of this OI is to outline the requirements for carrying out grant support as a project activity in UNOPS engagements. Grant support is done through the award and provision of monetary and in-kind resources to Implementing Partners and is outside the UNOPS procurement framework.

Effective Date:

This OI shall become effective as of 15 December 2022, in accordance with the implementation schedule. The provisions in OI.IPMG.2019.03 Grant Support shall remain in effect until 14 December 2022.

Promulgation Date:

20 May 2022

Implementation schedule:

This OI will be effective for all ongoing and new UNOPS engagements from 15 December 2022.

All UNOPS engagements in the Closure Stage[1], or in the Implementation Stage[2] within three months of entering the Closure Stage, as of 15 December 2022, shall not be subject to this OI but shall follow the provisions as set out in OI.IPS.2019.03: Grant Support of 20 December 2019.

The rollout of this OI will include webinars and training on specific topics, focused assistance and exception management for all engagements with Grant Support activities to enable full compliance with this OI by 15 December 2022.

Consequential changes:

This OI shall supersede and replace OI.IPS.2019.03: Grant Support of 20 December 2019, subject to section 4 above. The purpose of this OI is to revise the instructions regarding the provision of resources to Implementing Partners, as defined in this OI, to provide specific instructions for each type of Implementing Partner, as well as to update the Grant Support: Delegation of Authority Master Tables.

[signature redacted]

Nicholas O'Regan

Director, Implementation Practices and Standards

1. Introduction

1.1. This OI outlines the mandatory principles and conditions that regulate the implementation of UNOPS Project Activities[3] that are under the Grant Support framework and Grant Support Project Activities[4]. In carrying out UNOPS Project Activities and Grant Support Project Activities through the provision of grants, funding, loans, or credits to Implementing Partners, UNOPS personnel shall refer to this Operational Instruction (OI), the relevant processes and information as set out in the Process and Quality Management System (PQMS), and the templates and guidance material available on the UNOPS intranet or Corporate Intranet Drive.

1.2. Grant support may be undertaken, as follows:

1.2.1. Grants, loans, or credits to grantees (see section 5);

1.2.2. Funding to central-level government entities (see section 6);

1.2.3. Funding to United Nations system organizations (see section 7); or

1.2.4. Funding to non-United Nations intergovernmental organizations (see section 8).

2. Definitions

2.1. For the purposes of this OI, the following terms shall have the meaning provided herein:

2.1.1. Agreement: A written contractual arrangement, and any amendments thereof, between UNOPS and an Implementing Partner in the prescribed form of instrument, for the purposes of Grant Support.

2.1.2. Amendment: A change to an agreement, including but not limited to, any agreement provision(s), activities, duration, amount, and/or outputs (in exceptional cases), that is agreed to by both parties in writing.

2.1.3. Award: The authorization given by authorized UNOPS personnel to establish a commitment, based on the information contained in a request for award.

2.1.4. Basic Human Needs: The basic requirements to achieve a decent life, including, but not limited to, food, clothing, shelter, water, sanitation, education, health, and personal safety.

2.1.5. Commitment: As per the Financial Regulations and Rules (FRR) Regulation 1.02, a commitment is a "legal obligation arising from a contract entered into by UNOPS that is expected to result in the disbursement of resources administered by UNOPS."

2.1.6. Central-level Government Entity: The entity whose political authority extends over the entire territory of the country, such as the federal government.

2.1.7. Credit: An amount of money applied towards a future transaction or a deduction from an otherwise due amount.

2.1.8. Direct Beneficiaries: The final users of the results generated by a Grant Support Project Activity. An Implementing Partner may be a direct or an indirect beneficiary.

2.1.9. Engagement Agreement: Also referred to as 'project agreement' in the FRR, it is a legally binding agreement, together with any amendments thereto, between UNOPS and the Funding Source, whereby the Funding Source provides funds to UNOPS to deliver specific services, including grant support, to or on behalf of the Client[5] through a project, multiple projects, or a programme.

2.1.10. Funding: Monetary or in-kind resources, which are not a loan, and are provided by UNOPS to a United Nations system organization, intergovernmental organization, or central-level government entity for a particular UNOPS project activity that is without a commercial purpose and is outside of the procurement framework.

2.1.11. Funding Source: The entity that provides the funds to UNOPS that are required for a particular engagement and its related project(s), pursuant to an engagement agreement.

2.1.12. Funds Transfer Method: The way the funds are transferred by UNOPS to an Implementing Partner.

2.1.13. Grant: Monetary or in-kind resources, which are not a loan, and are provided by UNOPS to a Grantee for a project activity that is without a commercial purpose and is outside of the UNOPS procurement framework.

2.1.14. Grant Authority: A UNOPS committing officer (as per Regulation 1.02 of the FRR) that has received a delegation of authority to commit UNOPS funds under the Grant Support: Delegation of Authority Master Tables (see Annex 1).

2.1.15. Grant Support: Regulation 1.02 of the FRR defines Grant Support as "a project activity, which is outside the framework of procurement activities, and is undertaken by way of grants, credits or loans carried out through an Implementing Partner." Grant support is a type of activity that is included in a UNOPS project. It is implemented by the provision of grants, credits, or loans to Grantees. When an Implementing Partner is a United Nations system organization, central-level government entity, or an intergovernmental organization, the grant support activity is implemented through the provision of 'funding' (see section 2.1.10).

2.1.16. Grantee[6]: A type of Implementing Partner that is the recipient of a Grant and may include the following:

- Organizations or entities with a legal personality that are not-for-profit bodies, including, but not limited to: non-governmental organizations (NGOs); community-based organizations (CBOs); civil society organizations (CSO); grassroots organizations; indigenous peoples organizations (IPOs), institutions or federations; ethnic organizations; academic and research institutions; charitable organizations; and foundations;
- Local or regional branches of government, such as municipalities;
- Quasi-governmental entities;
- Individuals, including legal representatives; or
- For-profit entities.

2.1.17. Implementing Partner: Regulation 1.01 of the FRR defines an Implementing Partner as "the entity to which the Executive Director has entrusted implementation of activities specified in a project agreement along with the assumption of full or partial responsibility and accountability for the effective use of financial assets and the delivery of outputs, as set forth in such project agreement." Grant Support Project Activities are undertaken by Implementing Partners, which in the UNOPS context include grantees, central-level government entities, intergovernmental organizations, and United Nations system organizations.

2.1.18. Instrument: The type of legal agreement used to establish an obligation to transfer funds or other support from UNOPS to an Implementing Partner for a grant support activity.

2.1.19. Intergovernmental Organizations: Organizations established by a treaty or other instrument of international law, and that have their own international legal personality. Intergovernmental organizations are usually composed of states, but may also include other entities.

2.1.20. Loan: Resources provided to an organization or, exceptionally, to an individual, for a specific non-commercial purpose with the expectation of future repayment, often with interest, but not necessarily.

2.1.21. National Ownership: The effective exercise of a government's authority over development policies and activities, including those that rely entirely or partially on external resources.

2.1.22. Procurement: Regulation 1.02 of the FRR defines procurement as "the acquisition of property, plant and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than United Nations organizations."

2.1.23. Quasi-governmental Entity: An organization with both governmental and private sector legal characteristics, that has a legal relationship or association with the government and is supported by the government in some manner, but is managed privately.

2.1.24. Safeguarding: Protecting people and the environment from unintended harm, including all forms of exploitation, abuse, harassment, or bullying, with the aim to minimize the likelihood and impact of these actions towards UNOPS beneficiaries, partners, and personnel.

2.1.25. Substantially Compliant Proposal: A proposal that meets or exceeds the qualification criteria, which may include financial criteria in addition to the technical criteria.

2.1.26. Works: Activities associated with the construction, reconstruction, demolition, repair, or renovation of infrastructure or activities, such as site preparation, excavation, erection, building, installation of equipment or materials, decoration, and finishing, as well as services incidental to construction, such as exploratory drilling, mapping, satellite photography, seismic investigations, and similar services.

3. General Principles of Grant Support

3.1. Article 8 of the FRR governs the "utilization of resources administered by UNOPS for purposes other than procurement". In accordance with Regulation 8.01 of the FRR, UNOPS Project Activities can be carried out by an Implementing Partner, pursuant to a written contractual arrangement between UNOPS and the Implementing Partner.

3.2. If UNOPS Project Activities are to be carried out by an Implementing Partner, the Engagement Agreement shall include that the implementation of the UNOPS Project Activities may be done through Implementing Partners. If this is not included in the Engagement Agreement, it shall be added through an amendment.

3.3. An Implementing Partner is responsible and accountable to UNOPS for the use of the resources transferred to it by UNOPS to execute the Grant Support Project Activities and/or deliver the outputs in accordance with the Agreement between UNOPS and the Implementing Partner. UNOPS is accountable to the Funding Source, as per the terms of the Engagement Agreement.

3.4. There are three key elements that collectively characterize Grant Support:

3.4.1. Purpose: To pursue UNOPS engagement objectives through the implementation of non-commercial activities, by leveraging, stimulating, and/or building the capacity of Implementing Partners. Such Implementing Partners shall have a mandate, goal, or status that is aligned with the engagement objectives, as described in the Engagement Agreement, and legitimacy or exposure to a particular development challenge and hence can secure local support, presence, knowledge, know-how, and/or cooperation.

3.4.2. Autonomy: The Implementing Partner has independently formulated a grant support project proposal in response to a threat or opportunity as defined in the Engagement Agreement, and is entrusted with significant autonomy to pursue the formally agreed objective and implement the associated activities. UNOPS's role is limited to the due diligence, oversight, and monitoring of the Implementing Partner, and may provide guidance or support their capacity-building, as needed.

3.4.3. Non-commercial: The grant or funding shall not have the purpose of producing a direct financial profit for the Implementing partner and shall not be used to request services, goods, or works matching specific terms of reference, bills of quantity, or statements of work that allow for a profit margin.

3.5. UNOPS personnel shall refer to all available mandatory requirements and guidance to determine whether a UNOPS project activity is to be carried out through grant support or through the Procurement framework. This determination shall be made during the engagement development[7]. Any exception to this determination shall be approved by the Director of Implementation Practices and Standards (IPS). Approved exceptions are valid for the same type of activity in the same engagement for the duration of the engagement.

3.6. The type of instruments, Grant Support Agreement (GSA), Project Cooperation Agreement (PCA), or UN to UN Transfer Agreement (UN2UN), used to enter into an Agreement with the Implementing Partner for the purposes of Grant Support, is determined by the type of Implementing Partner (see Annex 2). Any other type of instruments shall be approved by a UNOPS legal advisor.

3.7. To support work plan activities included in the Agreement, funds will be transferred by UNOPS to cover the obligations and expenditures incurred by the Implementing Partner. The method by which funds are transferred by UNOPS, whether a single method or a combination of different methods, shall be selected in accordance with the risk profile of the Implementing Partner – as identified by a capacity assessment – past experience with the Implementing Partner, or other relevant factors. The three funds transfer methods, in order of highest to lowest risk, are:

3.7.1. Direct cash transfers: Funds are transferred to the Implementing Partner before the Implementing Partner incurs obligations and expenditures. Installment payments under the direct cash transfer method shall not be considered as an 'advance payment' (as per Regulation 122.20 of the FRR).

3.7.2. Direct payments: Funds are paid on behalf of the Implementing Partner directly to the Implementing Partner's vendors and other third parties.

3.7.3. Reimbursements: Funds are provided to the Implementing Partner after obligations have been made and expenditures incurred.

3.8. The number of installments – single or multiple – and the amount of each installment shall be established in the Agreement in accordance with the grant support objective and the duration of the Agreement, as well as the risk profile of the Implementing Partner as identified by a capacity assessment, if applicable, as well as in accordance with the Engagement Agreement.

4. Roles and responsibilities

4.1. The Grant Authority shall be responsible to approve requests for award and sign the associated Agreement, in accordance with their delegated authority, as set out in the Grant Support: Delegation of Authority Master Tables (see Annex 1). This authority is established in accordance with the EOI on the Delegation of Authority and Accountability Framework.

4.2. The Shared Services Centre (SSC) - Integrated Practice Advice and Support (IPAS) shall be responsible for providing reviews and advice when additional information or guidance is needed on the provisions in this OI, for the development and implementation of engagements that include grant support activities, or where a review of the capacity assessment and the request for award is needed.

4.3. Reviews may be sought from reviewers by directors, advisors, and/or technical experts, for presentation to the Chair of the Engagement Acceptance Committee (EAC), or by the delegated grant authority for their consideration in the decision-making process.

4.4. UNOPS legal advisors shall be responsible for providing legal advice and review where guidance is needed on the standard agreement templates and their general conditions, as well as when such templates need to be tailored and/or amended with special provisions.

4.5. During the engagement development, the EAC shall be responsible for reviewing and approving engagements with a high-risk profile, in accordance with the OI on the Acceptance of Engagement Agreements. Any engagement that involves the provision of Grant Support and any of the high risks listed in the Acceptance of Engagement Agreements: List of high risks will require review and approval by the EAC.

4.6. During the Implementation Stage, if a new high risk (as listed in the Acceptance of Engagement Agreements: List of high risks) is identified or there is a substantial modification to a high risk that was approved during the engagement development that requires an amendment of the Engagement Agreement, then the EAC shall be responsible for reviewing and approving such an amendment.

4.7. During the Implementation Stage, the Director of IPS, within the scope of his/her delegation of authority under the Grant Support: Delegation of Authority Master Tables (see Annex 1), shall be responsible for reviewing and approving engagements with grant support activities if a new high risk listed in the Acceptance of Engagement Agreements: List of high risks is identified, or there is a substantial modification to a high risk that was previously approved that does not require an amendment to the Engagement Agreement.

4.8. IPS shall be responsible for establishing and overseeing instructions, procedures, and processes for grant support in accordance with the UNOPS Legislative Framework. IPS shall be further responsible for ensuring that the requirements set out in this OI are incorporated within UNOPS systems and that appropriate learning and guidance material are developed and accessible to UNOPS personnel.

4.9. The authoritative interpretation of this OI shall be made by the Director of IPS, or other personnel as authorized by the Director of IPS, in order to provide clarification on the applicability or interpretation of the requirements stated herein.

5. Provision of grants to grantees

5.1. Selection methodology

5.1.1. There are three methodologies used for selecting a Grantee. In accordance with Regulation 108.02 of the FRR, Grantees shall be selected on a competitive basis by default, unless otherwise stated in the Engagement Agreement.

i. Competitive process: UNOPS selects a Grantee through an open competitive process by distributing a Call for Proposals[8], simultaneously to all potential 8 Grantees, with the intent of ensuring fairness and transparency, comparing Substantially Compliant Proposals and selecting proposals in an equitable manner such that grant-funded project outputs are maximized. When requested by the Funding Source, or when it is not in the best interests of UNOPS to select a Grantee through an open competitive process, the Grant Authority may authorize a limited competitive process, whereby only selected potential Grantees are invited to submit a proposal.

ii. Pre-selection by the Funding Source: UNOPS may award a Grant to a Grantee that has been pre-selected by an eligible Funding Source in accordance with the principles and requirements on pre-selection outlined in the OI on the Acceptance of Engagement Agreements and the FRR.

a. In the case of pre-selection by multiple Funding Sources, where one or more Funding Sources have a Corruption Perception Index (CPI) score below 50, the Director of IPS may exceptionally approve pre-selection, provided that (a) all Funding Sources agree unanimously to the pre-selection of a Grantee, and (b) at least two funding sources have a CPI score of 50 or above.

iii. Ad hoc selection: UNOPS may award a Grant to a Grantee that has been selected through an ad hoc selection methodology specified in the Engagement Agreement. An ad hoc selection methodology may be one or more of the exceptions to the competitive process identified in the UNOPS Procurement policies and procedures or in the provisions contained within Regulation 118.05 of the FRR, which apply to Grants, mutatis mutandis.

5.2. Ineligibility

5.2.1. Regardless of the selection methodology, potential Grantees, prospective Grantees, or Grantees, in any of the following categories are ineligible to participate in a selection process or receive Grants, as applicable:

i. Entities or individuals included within the following ineligibility lists:

a. The United Nations Ineligibility List (UNIL) hosted by UNGM that aggregates information disclosed by UNOPS and other participating agencies. This includes the UNOPS Ineligibility List, further to debarment for engaging in proscribed practices identified in the OI on Vendor Sanctions;

b. The Consolidated United Nations Security Council Sanctions List, including the United Nations Security Council Resolution 1267/1989 list; or

c. The World Bank Corporate Procurement Listing of Non-Responsible Vendors and the World Bank Listing of Ineligible Firms and Individuals.

ii. Entities or individuals that fail to address sexual exploitation and abuse through “appropriate preventive measures, investigation and corrective action” in accordance with the United Nations

Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners or are registered in the United Nations Screening Database "Clearcheck".[10]

5.2.2. Regardless of the selection methodology, potential grantees in either of the following categories are ineligible: **i.** Those with an actual or potential conflict of interest; or **ii.** Those included in an ineligibility list of the Funding Source if provided for in the Engagement Agreement.

5.2.3. Unless written approval is received from the Director of IPS, potential Grantees are ineligible if currently suspended from doing business with UNOPS for reasons other than engaging in proscribed practices identified in the OI on Vendor Sanctions. The reasons may include but are not limited to, the following:

i. They are currently the subject of an Internal Audit Investigations Group (IAIG) investigation;

ii. They have undertaken an action that is so serious or compelling in nature that it could result in harm to UNOPS reputation or image as determined by the Director of IPS; and

iii. They have shown significant or persistent deficiencies – as a result of their own fault or negligence – in fulfilling a substantial obligation(s) under the terms and conditions of a prior agreement with UNOPS that resulted in the early termination of the agreement.

5.2.4. Regardless of the selection methodology, unless approved by the Director of IPS, prospective Grantees that are subject to interim suspension are ineligible, in accordance with the OI on Vendor Sanctions.

5.3. Grants to for-profit entities

5.3.1. Grants may be awarded to for-profit entities, including but not limited to commercial and quasi-governmental entities that generate profits, provided that it complies with the three key elements that collectively characterize Grant Support (see section 3.4).

5.4. Grants to or through individuals

5.4.1. Grants may be awarded to or through individuals and may occur according to, but not limited to, one of the following scenarios:

i. The prospective Grantee cannot directly receive the Grant: When the prospective Grantee does not have a legal personality or a bank account, one or more individuals associated with the prospective Grantee may become the Grant recipient (and therefore, the Grantee in the Agreement) on behalf of the prospective Grantee. In such situations, one or more individuals associated with the prospective Grantee may establish a joint bank account for the specific purpose of receiving the grant and the individual(s) shall demonstrate the following:

a. Significant commitment and dedication to the prospective Grantee;

b. Satisfactory references; and/or

c. Be officially designated as the legal representative(s) of the prospective Grantee.

ii. The prospective Grantee cannot directly receive the Grant but has a legal personality: Where the prospective Grantee cannot open a bank account but has a legal personality, one or more individuals who demonstrate the conditions outlined in 5.4.1.i shall open a bank account for the purpose of the Grant and shall become an additional party to the Agreement. The individual(s) shall guarantee that the funds are used for the purposes specified in the Agreement, whereas the Grantee is responsible for all obligations in the Agreement.

iii. In a conflict or disaster context: In order to deliver quick and cost-effective assistance to individuals and families in conflict or disaster contexts and the aftermath, Grants may be provided to

individuals to purchase specific goods and access specific services, or to achieve an agreed output related to addressing their basic human needs.

iv. Social, economic and environmental stimulation: When the Grant Support objective is to achieve social, environmental and/or economic outcomes by empowering individuals to develop or improve their livelihoods, grants to individuals may be used in the context of sustainable business start-up programmes or to address their basic human needs.

5.4.2. UNOPS shall exercise due diligence when awarding a grant to or through an individual. In the scenario in section 5.4.1.i and 5.4.1.ii of this OI, a capacity assessment for the prospective Grantee shall be conducted.

5.5. Capacity assessment

5.5.1. A capacity assessment is an integral part of the decision-making process to award a Grant and assess the risk profile of a potential Grantee. The assessment determines whether the potential Grantee has the capacity to effectively manage the Grant and successfully implement the Grant Support activities. The assessment is, in itself, not definitive in determining whether a potential grantee will receive a Grant. The areas of assessment include the following:

i. Governance and internal control;

ii. The ability to deliver according to UNOPS standards and quality expectations;

iii. Financial stability; and

iv. Commitment to integrity and ethics.

5.5.2. Where UNOPS will be responsible for a Grantee's performance, conducting a capacity assessment shall be mandatory for potential Grantees managing USD 50,000 or more. However, regardless of the amount managed, the capacity of all potential Grantees to prevent and mitigate the risk of sexual exploitation and abuse in the context of grant support activities shall be assessed before entering into an Agreement.

5.5.3. The requirement for and the extent of the capacity assessment shall be determined by, and is proportional to, the total Grant amount to be transferred to a Grantee from any existing Agreement, in addition to the Grant amount to be awarded, within the same UNOPS office at the time of the award decision.

5.5.4. UNOPS may accept the format and/or the results of a capacity assessment from a Funding Source belonging to one of the categories listed under the eligibility criteria for pre-selection in the OI on the Acceptance of Engagement Agreements or carried out by an ad hoc methodology, provided that such format, results or methodology is included in the Engagement Agreement. In order to avoid multiple assessments, potential grantees need only be assessed by one United Nations system organization or one UNOPS business unit.

5.5.5. The final determination of a potential Grantee's capacity that is based on the results of the capacity assessment, is valid for a period of five years unless an earlier re-assessment is considered necessary by UNOPS or a funding source.

5.5.6. The results of the capacity assessment may be shared with the entity being assessed.

5.5.7. Under pre-selection, a Grantee's capacity may be assessed by a Funding Source. The results of this capacity assessment may be requested by UNOPS to determine the risk profile of a pre-selected Grantee.

5.6. Evaluation of proposals

5.6.1. When UNOPS is responsible for the selection and performance of a Grantee, the majority of the evaluation committee members shall be UNOPS personnel, except when stated otherwise in the Engagement Agreement. The evaluation committee members, as well as observers, shall sign a No Conflict of Interest Declaration Form.[11]

5.7. Award

5.7.1. Once a prospective Grantee has been recommended or pre-selected for an award, the Submitting Officer[12] shall prepare and submit a documented Request for Grant Award (RFGA)[13], to the relevant Grant Authority in accordance with the Grant Support: Delegation of Authority Master Tables (see Annex 1). If high risks are identified, they shall be acted upon in accordance with sections 4.5, 4.6, and 4.7 of this OI.

5.7.2. An award shall take place prior to the signing of an Agreement, giving any instructions to commence the implementation of activities or making any payments to Grantees. An award shall indicate the effective period of the Agreement, which shall be reflected in the Agreement.

5.7.3. The award of a Grant shall align with the conditions set in the Call for Proposals, the Engagement Agreement, and/or the Pre-selection Letter.[14]

5.7.4. When stated in the Call for Proposals, the Grant Authority may consider that the evaluation committee's recommendation for a prospective Grantee to pursue a specific objective will remain valid throughout the entire duration of the Engagement Agreement, and any amendments thereof. In exceptional cases, this recommendation may apply for the duration of a new Engagement Agreement, which is in furtherance or continuation of a previous engagement that was fully implemented.

5.7.5. The threshold value for determining the Grant Authority to award a Grant is the cumulative amounts of all Agreements and amendments thereof, awarded to the same Grantee, under the same engagement, in the 12 months prior to the date of the request for award submission, together with the amount in the current request for award. In addition, amendments have no time limit for the purpose of establishing the cumulative amount.

5.7.6. If, within the 12 months prior to the date of the request for award submission, an award was made by the Level 5 DoA holder and an agreement was issued to the Grantee within the same engagement, the amount approved by the Level 5 DoA holder for the award, and all preceding awards, shall be excluded for the purpose of calculating the cumulative amounts. In such a case, the most recent award by the Director of IPS will reset the cumulative amounts to zero.

5.7.7. Regardless of the selection methodology, the right to approve or reject the award of a Grant to a prospective Grantee always remains with UNOPS.

5.7.8. Following the recommendation of a prospective Grantee, and prior to an award, UNOPS may provide guidance to a recommended Grantee to improve its proposal to maximize the use of the Grant to be awarded, provided that such improvement does not deviate from the objective and scope of activities set out in the Call for Proposals.

5.7.9. If allowed in the Call for Proposals, a request from a potential Grantee to change the agreement and/or the general conditions of the GSA template as part of its proposal submission shall be cleared by a UNOPS legal advisor prior to an award (see section 4.4).

5.7.10. If a Grantee negotiates, at any time, the payment or reporting terms – or other terms in exceptional cases – set out in the GSA in a way that changes the conditions that were approved by the Grant Authority when awarding the Grant, the Grant Authority shall endorse or reject such changes.

5.8. Agreement

5.8.1. Upon an award, a GSA signed by a grant authority on behalf of UNOPS, shall be issued to the Grantee to be signed by duly authorized representatives of the Grantee.

5.9. Amendment to an Award and an Agreement

5.9.1. Amendments typically aim to clarify the agreed expectations of both parties and may originate from the Grantee or UNOPS for:

i. Necessary changes in or additions to the GSA provisions; or

ii. A need for adjustments to the grant-funded activities or the implementation of these activities, in alignment with the formally agreed objective.

5.9.2. Any changes and/or adjustments shall be reasonable and justifiable in terms of cost, time and activities, with the aim to achieve the targeted impact of the grant-support project. Amendments shall not be used for substantial changes, (i.e., changes that are not aligned with the Grant objective and within the scope of activities or intervention identified in the initial Call for Proposals) in cases of selection through a competitive methodology. When a substantial change is needed, a new Call for Proposals shall be issued.

5.9.3. Until the Grant objective is fully achieved, the Grant Authority may issue an amendment to the original Award, provided that the conditions in this section are met. The issuance of an amendment to an award under these conditions is considered to be a continuation of the original selection process and the award amendment(s) may be approved for the same Grantee with no further comparison of proposals (see section 5.7.3.). The conditions are as follows:

i. The proposed changes or adjustments are aligned with the scope of activities identified in the initial Call for Proposals; and

ii. The budget proposal, per expense categories for the changes or adjustments, remains consistent with the budget originally approved, taking into consideration inflation indexes.

5.9.4. The Grant Authority shall evaluate the Grantee's performance to date when making a decision on an amendment to an award. The Grantee's capacity may be reassessed, as necessary.

5.9.5. An amendment to an Award or an Agreement, in the case of changes as described in sections 5.9.1., 5.9.2. and 5.9.3. of this OI, shall be approved and signed by the relevant Grant Authority.

5.9.6. Upon an award amendment, an amendment to an Agreement, signed by a grant authority on behalf of UNOPS, shall be issued to the Grantee to be signed by duly authorized representatives on behalf of the Grantee.

5.10. Narrative and financial reports

5.10.1. Interim and final financial and narrative reports shall include, at a minimum, reporting on all activities financed by the Grant during the reporting period and how the activities contributed to the achievement of the stated or agreed objectives.

5.11. Grantee performance evaluation

5.11.1. Where UNOPS is responsible for a Grantee's performance, the performance shall be evaluated at the time of award amendments and at the end of the effective period of the GSA or at the termination of the GSA.

5.11.2. Following a performance evaluation, and upon the review of a substantiated request from the relevant UNOPS project team, the Director of IPS may decide that the Grantee is suspended from receiving further Grant from UNOPS.

5.12. Asset management, ownership and disposal

5.12.1. The management, ownership and disposal of equipment, supplies, and other property, including intangible property, purchased or developed with the funds provided through a GSA shall be consistent with the provisions in the GSA, which shall conform to the Engagement Agreement provisions on asset management.

5.12.2. A UNOPS project manager shall ensure that the asset disposal requests from a Grantee are reviewed and approved.

5.13. Retroactive or post facto cases

5.13.1. Retroactive and post facto cases are administrative procedures, which allow for the review and possible ratification of actions that were not undertaken in full conformity with the provisions on Award and Agreement included in this OI (see sections 5.7 and 5.8).

i. A post facto situation occurs in the following cases:

ii. Before the Award has been approved by the Grant Authority, where Grant Support Project Activities have been partially or fully completed and acknowledged by UNOPS and/or UNOPS made one or more payments to the Grantee.

5.13.2. Outside the effective period covered by the Award, as approved by the Grant Authority, where the Grantee is reporting on commitments made and/or expenditures incurred, which UNOPS has accepted and/or UNOPS made one or more payments to the Grantee.

5.13.3. A retroactive situation occurs in the following cases:

i. Before the Award has been approved by the Grant Authority, where a commitment or a verbal instruction to implement Grant Support Project Activities has been made by UNOPS. However, the Grantee has not yet implemented the activities or has just commenced the implementation of the activities and UNOPS has not yet made any payments but a request for payment may have been submitted by the Grantee.

ii. Outside the effective period covered by the Award as approved by a Grant Authority, where the Grantee is reporting on commitments made and/or expenditures incurred. However, UNOPS has not yet made any payments but a request for payment may have been submitted by the Grantee.

5.13.4. All UNOPS personnel are expected to make every effort to avoid post facto or retroactive cases. Post facto and retroactive cases shall be submitted to the EAC Secretariat for note-taking before seeking approval from the appropriate Grant Authority. The approval of the relevant Grant Authority shall not constitute a precedent or justification for not taking timely and appropriate action as per UNOPS policies. Any irregularity identified in the review of post facto or retroactive cases may lead to disciplinary actions as per UNOPS policies.

6. Provision of funding to central-level government entities

6.1. Eligibility

6.1.1. The provision of funding is made to a central-level government entity, which is collaborating with UNOPS to implement Grant Support activities. A central-level government entity may be engaged for the delivery of Grant Support Project Activities as a result of the recognition of national ownership. For

Grant Support Project Activities to be implemented by governmental entities at any other level, such as municipal, regional, provincial, state or local, or with quasi-governmental entities, the provisions in section 5 of this OI shall apply.

6.1.2. The provision of funding to a central-level government entity may occur where there is a pre-existing agreement between UNOPS and a central-level government entity. Pre-existing agreements may include, but are not limited to, the following: a UNOPS Host Country Agreement; an exchange of letters, providing that a UNDP Standard Basic Assistance Agreement (SBAA) or another United Nations host country agreement applies mutatis mutandis to UNOPS; or a Status of Forces Agreement (SOFA) or Status of Mission Agreement (SOMA) between the United Nations and the host country that fully covers UNOPS and its activities, unless authorized otherwise by the EAC at the Engagement Agreement level.

6.2. Restrictions on funding government salaries

6.2.1. The payment of government salaries may be permissible when the following conditions are met:

i. The specific roles and/or individuals to be paid are identified in the proposal;

ii. The government is unable to pay the salary from its own resources, such as in the creation of new positions without a budget allocation, or the role or individual is allocated to the project;

iii. The proposed salary amounts are consistent with official or established government salary scales. If there are no reference salary scales, the proposed salary amounts shall not exceed the amounts indicated in the UNOPS local salary scales; and

iv. The proposed salary amounts do not represent or include salary supplements, which are amounts in addition to the salary established as per the official or established government salary scales.

6.2.2. Alternatively, the prepayment of government salaries is permissible where UNOPS provides pay agent services to recipients who are government personnel.

6.3. Selection methodology

6.3.1. A central-level government entity may be engaged via the following selection methodologies:

i. Pre-selection by a Funding Source (in accordance with section 5.1.2);

ii. The review and acceptance by UNOPS of a proposal – solicited or unsolicited – from a central-level government entity, as per the terms of the Engagement Agreement or alternatively, upon the request or further to the non-objection of the Funding Source (or the designated Funding Source in the case of multiple funding sources, if applicable); or

iii. The issuance of a Call for Proposals that is open to central-level government entities only, or to all types of Implementing Partners (in such a case, the Call for Proposals shall specify the type of agreements to be issued to each type of Implementing Partner).

6.3.2. Where a central-level government entity has a CPI score below 50, an adequate risk mitigation plan shall be established at the local level.

6.4. Evaluation or review of proposals

6.4.1. Regardless of the selection methodology, it is mandatory to perform a review or evaluation of the proposal – narrative, technical and financial sections – which is then documented in a review or evaluation report that takes into account, among other factors, alignment to the broader context of similar United Nation-wide and/or international donor initiatives in the territory of operation.

6.4.2. The principles regarding the evaluation committee in section 5.6 of this OI apply to the evaluation or review of proposals from central-level government entities.

6.5. Capacity assessment

6.5.1. The Grant Authority shall decide if a capacity assessment shall be conducted to determine risk mitigation measures, including, but not limited to, the funds transfer method and appropriate preventive measures, investigation and corrective actions required for addressing sexual exploitation and abuse.

6.6. Award

6.6.1. Section 5.7 of this OI applies to the award of provision of funding to a central-level government entity mutatis mutandis.

6.7. Agreement

6.7.1. Upon an Award, a PCA signed by a Grant Authority on behalf of UNOPS shall be issued to the Implementing Partner to be signed by duly authorized representatives of the Implementing Partner.

6.8. Amendment to an Award and an Agreement

6.8.1. Regardless of how a central-level government entity is selected, sections 5.9.1., 5.9.4., 5.9.5. and 5.9.6. apply to the provision of funding to a central-level government entity mutatis mutandis.

6.8.2. Where a proposal is received pursuant to a Call for Proposals, section 5.9. of this OI applies in its entirety to the provision of funding to a central-level government entity mutatis mutandis.

6.9. Narrative and financial reports

6.9.1. Section 5.10 of this OI applies to the provision of funding to central-level government entities mutatis mutandis.

6.10. Asset management, ownership and disposal

6.10.1. Section 5.12 of this OI applies to the provision of funding to central-level government entities mutatis mutandis.

6.11. Retroactive or post facto cases

6.11.1. Section 5.13 of this OI applies to funding provided to central-level government entities mutatis mutandis.

7. Provision of funding to United Nations system organizations

7.1. Eligibility

7.1.1. The provision of funding and other support to a United Nations system organization is a specialized form of cooperation, by which a United Nations entity provides programmatic or service-oriented support to another United Nations entity within the context of a project or programme, in exchange for a financial contribution.

7.2. Selection methodology

7.2.1. A United Nations system organization may be engaged in the delivery of a particular UNOPS project activity or UNOPS project as a result of the recognition of its mandate via the following selection methodologies:

i. Pre-selection by a Funding Source (in accordance with section 5.1.2);

ii. The review and acceptance by UNOPS of a proposal – solicited or unsolicited – from a United Nations entity, as per the terms of the Engagement Agreement or alternatively, upon the request of or the non-objection of the Funding Source (or the designated Funding Source in the case of multiple Funding Sources, if applicable); or

iii. The issuance of a Call for Proposals that is open to United Nations entities only, or all types of Implementing Partners (in such a case, the Call for Proposals shall specify the type of Agreements to be issued to each type of Implementing Partner).

7.3. Evaluation or review of proposals

7.3.1. Regardless of the selection methodology, it is mandatory to perform a review or evaluation of the proposal – narrative, technical and financial sections – which is then documented in a review or evaluation report.

7.3.2. The principles regarding the evaluation committee in section 5.6 apply to the evaluation or review of proposals from United Nations system organizations.

7.4. Capacity Assessment

7.4.1. A capacity assessment is not required for United Nations system organizations.

7.5. Award

7.5.1. Section 5.7 of this OI applies to the award of funding to United Nations system organizations mutatis mutandis.

7.6. Agreement

7.6.1. Upon an award, a UN2UN agreement signed by a grant authority on behalf of UNOPS shall be issued to the Implementing Partner to be signed by duly authorized representatives of the Implementing Partner.

7.7. Amendment to an Award and an Agreement

7.7.1. Regardless of how the United Nations system organization was selected, sections 5.9.1., 5.9.4., 5.9.5. and 5.9.6. of this OI apply to the provision of funding to United Nations system organizations mutatis mutandis.

7.7.2. Where a proposal is received pursuant to a Call for Proposals, section 5.9 of this OI applies in its entirety to the provision of funding to United Nations system organizations mutatis mutandis.

7.8. Administration of the funding contribution

7.8.1. The recipient United Nations system organization is fully responsible for administering the contribution in accordance with its financial regulations, rules, policies, procedures and administrative instructions, and for carrying out the grant support activities efficiently and effectively.

7.8.2. UNOPS or its representatives can perform the monitoring of activities, supported by the contribution.

7.9. Retroactive or post facto cases

7.9.1. Section 5.13 of this OI applies to the provision of funding to United Nations system organizations mutatis mutandis.

7.9.2. In situations of service-oriented support, where a funding source instructs UNOPS to retroactively or post facto pay for services rendered to a project, and where budget availability is confirmed,

mandatory notification to the Director of IPS is not required. Regional Directors can approve retroactive and post facto cases as per their DoA.

7.10. Using procurement services of or procuring directly from a United Nations system organization

7.10.1. When using procurement services of a United Nations system organization (see section 14.1.4 of the UNOPS Procurement Manual, Rev. 7) or procuring directly from a United Nations system organization (see section 14.1.5 of the UNOPS Procurement Manual, Rev. 7), all of section 7, except section 7.2, of this OI, shall apply.[15]

8. Provision of funding to non-UN intergovernmental organizations

8.1. General

8.1.1. The provision of funding to non-UN intergovernmental organizations should be conducted in accordance with the provisions in this OI on the provision of funding to central-level government entities (see Section 6), except as provided in this section.

8.2. Agreement

8.2.1. A PCA may be used for the provision of funding to non-UN intergovernmental organizations where the following conditions are met:

i. The proposed activities are of an essentially public character or there is no competitive marketplace for the proposed activities in the area of operations;

ii. The proposed activities are within the scope of the organization's mandate;

iii. The organization is constitutionally able to receive the Funding and carry out the proposed activities;

iv. The organization accepts the relevant obligations to enable UNOPS to comply with its obligations to the Funding Source; and

v. The Director of IPS confirms agreement with the award of a Funding to the organization by direct selection.

8.2.2. If the conditions in section 8.2.1. are not met, a GSA should be used for the provision of Funding to non-UN intergovernmental organizations.

8.2.3. Where a simple association or grouping of states is represented by a national government, for the purposes of grant support activities because the association or grouping of states does not have its own legal personality, a PCA should be used.

Annex 1: Grant Support: Delegation of Authority Master Tables

The Grant Support: Delegation of Authority Master Tables[1] are located on the Delegation of Authority[2] intranet page.

Annex 2: Grant support: recipients, awards and instruments

Resource Type	Recipient	Award Approval Document	Instrument
Grants	Organizations or entities with a legal personality that are not-for-profit bodies, including, but not limited to: • non-governmental organizations (NGOs); • community-based organizations (CBOs); • civil society organizations (CSO); • grass-roots organizations; indigenous peoples organizations (IPOs), institutions or federations; • ethnic organizations; • academic and research institutions; • charitable organizations; and • foundations.	Request for Grant Award (RFGA)	Grant Support Agreement (GSA)
	Local or regional branches of government, such as municipalities		GSA
	Quasi-governmental entities		GSA (tailor-made)
	Individuals, including legal representatives		GSA (tailor-made)

1. https://drive.google.com/file/d/1eGeHkRRer0l6a5edAA1jilYn_ZWOhzTb/view
2. https://www.google.com/url?q=https://intra.unops.org/operations/oversight/risk-management/delegation-of-authority-doa&sa=D&source=apps-viewer-frontend&ust=1717759754492653&usg=AOvVaw2PKyQTCxurkdCY5fDBbkF8&hl=en

Resource Type	Recipient	Award Approval Document	Instrument
	For-profit entities		GSA
Funding	United Nations system organizations	Request for UN2UN Award	UN to UN Transfer Agreement (UN2UN)
	Central-level government entities	Request for PCA Award	Project Cooperation Agreement (PCA)
	Intergovernmental organizations (outside the United Nations system)	Request for PCA Award	PCA (tailor-made), if the conditions in section 8.2.i of this OI are met.
Funding	Intergovernmental organizations (outside the United Nations system)	Request for PCA Award	GSA (tailor-made) if the conditions in section 8.2.i of this OI are not met.
	National governments, on behalf of an association or grouping of states	Request for PCA Award	PCA (tailor-made)

[1] As per the definition included in the OI on Project Management and the Project Management Manual.

[2] Ibid.

[3] UNOPS Project Activities refers to the activities identified in the Engagement Agreement signed between UNOPS and the Funding Source.

[4] Grant Support Project Activities refers to the activities proposed by the Implementing Partners and accepted by UNOPS, which are reflected in the Agreement between UNOPS and the Implementing Partner.

[5] As defined in the UNOPS Financial Regulations and Rules.

[6] A 'potential Grantee' is an applicant. Once selected, the 'potential Grantee' becomes a 'prospective Grantee'. When a Grant is awarded and an agreement is signed, a 'prospective Grantee' becomes a 'Grantee'.

[7] Engagement Development comprises of the first three stages of the project life span, in accordance with the OI on the Acceptance of Engagement Agreements

[8] A 'Call for Proposals' is a formal method of seeking technical and financial proposals by way of identifying a suggested suggesting approach and associated activities that offers a solution to the requirements specified in the document.

[9] The United Nations Protocol On Allegations Of Sexual Exploitation And Abuse Involving Implementing Partner available at https://www.un.org/en/pdfs/UN Protocol on SEA Allegations involving Implementing%20Partners%20-%20English_Final.pdf[3], accessed 20 May 2022

[10] UN System Chief Executives Board for Coordination, 'United Nations Screening Database "ClearCheck", available at https://unsceb.org/screening-database-clearcheck, accessed 20 May 2022.

[11] The 'No Conflict of Interest Declaration Form' is the template available in the Corporate Intranet Drive, which shall be used by the Evaluation Committee members to make a declaration that they do not have any conflict of interest related to the evaluation.

[12] Submitting Officer is the UNOPS personnel making a submission and who is accountable for the submission.

[13] The 'Request for Grant Award' is the template available in the Corporate Intranet Drive, which shall be used when the submitting unit requests the Grant Authority to approve the Award.

[14] The 'Pre-selection Letter' is the letter issued by the Funding Source, which indicates the details of the Implementing Partner that has been pre-selected by the Funding Source.

[15] In this case section 7, except section 7.2, shall apply by the decision of the Executive Chief Procurement Officer (ECPO), in accordance with the FRR.

3. https://www.un.org/en/pdfs/UN%20Protocol%20on%20SEA%20Allegations%20involving%20Implementing