Operational Instruction Ref. OI.IPS.2019.03
Grant Support

Authority:

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

Purpose:

The purpose of this OI is to outline the requirements for the management of Grant Support activities within UNOPS engagements. In carrying out Grant Support activities for or on behalf of UNOPS, UNOPS personnel shall refer to this OI, the Grant Management Services Manual, and the Process and Quality Management System (PQMS).

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

Consequential changes:

This OI shall abolish and supersede OI.IPMG.2018.04 – Grant Support. The purpose of this revision is to reflect the changes related to the UNOPS corporate structure from 14 August 2019 and to update the Grant Support - Delegation of Authority - Master Tables, included in Annex 1 of this OI.

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1. Introduction

1.1. The following sections outline the instructions, procedures, and processes applicable to all Grant Support activities undertaken for or on behalf of UNOPS and its funding sources, as defined in the Financial Regulations and Rules, Regulation 1.01 (h).

1.2. Authorities for approving Grant Support Agreements, Project Cooperation Agreements, and Inter-Agency Agreements are defined as part of this OI, in line with the Executive Office Instruction (EOI) on UNOPS Delegation of Authority (DoA) and Accountability Framework. Please see Annex 1 for the DoA master table.

1.3. Further instructions and guidance can be found in the Grant Management Services Manual (GMSM) on the Corporate - Intranet Drive and in the PQMS as issued by the Director, IPMG, and that may be amended as required to ensure relevancy and quality of the Grant Support process.

2. Definitions

2.1. For the purpose of this OI, the following terms shall have the meaning provided herewith:

Grant Authority

2.2. A Grant Authority is defined as a UNOPS personnel member who has the appropriate DoA in accordance with the DoA master table in Annex 1 of this OI, to approve the request for the award and to sign the Grant Support Agreement, Project Cooperation Agreement, and Inter-Agency Agreement.

Grant Support

2.3. Grant Support is defined in UNOPS Financial Regulations and Rules, Regulation 1.02, 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."*

Grantee

2.4. Financial Regulation 8.02 defines Grantees as entities that include, but are not limited to, *"non-governmental, community-based and grass-roots organizations."*

2.5. Grantee may therefore also include other entities, such as community groups, research institutions, non-governmental organizations, indigenous groups, charitable organizations, foundations and individuals, as well as governments and other UN entities.

2.6. A Grantee is responsible for implementing the activities outlined in the Grant Support or Cooperating Agreement and is accountable to UNOPS for the use of the funds, UNOPS, as the contributing agency, remains accountable to the Funding source(s).

Grant Support Agreement, Project Cooperation Agreement, and Inter-Agency Agreement

2.7. A Grant Support Agreement shall be used when Grant Support is provided to a Grantee other than governments or UN entities. Grant Support Agreements shall be subject to the provisions of this OI as set out below.

2.8. A Project Cooperation Agreement (PCA) and an Inter-Agency Agreement (IAA), shall be used when funds are transferred respectively to governments (PCA) and UN entities (IAA) to assist in the financing of an agreed specific public activity or program (in line with relevant Engagement Agreement). These Agreements shall not be subject to sections 4 to 10 of this OI as set below, but to specific guidance which can be found on the Corporate - Intranet Drive and in PQMS or by seeking advice from Integrated Policy Advice and Support Project Management and Infrastructure (IPAS PMI).

2.9. Note, however, that the above provisions do not prevent, on a case-by-case basis, to open a call for proposals, as per section 4 below, to all possible Grantees, including UN entities and governments. In this case, UNOPS and the selected Grantee shall enter the agreement stated in the call-for-proposal in consultation with IPAS PMI and IPAS Legal.

3. General Principles and Considerations

Principles

3.1. Purpose: The principal purpose of the relationship between UNOPS and the Grantee is the transfer of funds from UNOPS (on behalf of a funding source) to the Grantee, in line with the relevant Agreement, that will be used to assist in the financing of an agreed specific public activity/program, and to support and stimulate the Grantee in the successful completion of that activity/program. This is to engage the Grantee in pursuing a formally agreed objective rather than to contract an institution to provide standard goods/services/works.

3.2. Autonomy: Within the constraints of the signed Agreement to be signed by UNOPS and the Grantee, the Grantee will enjoy significant autonomy in pursuing its stated purpose/objective. This means that the Grantee develops the agreed initiative/proposal, deploys its own resources and that UNOPS relinquishes involvement in the day-to-day management of the Grant. The role of UNOPS shall be limited to reasonable monitoring of agreed milestone achievements.

3.3. Not-for-Profit: Grantees should usually be constituted as not-for-profit organizations. Grants should not have the purpose of producing a direct financial profit for the Grantee, however this does not refer to the reasonable recovery of a Grantee's overhead or operational costs up to a limit of 10% of the total Grant Award. Not-for-profit organizations may be contracted through standard procurement contracts, in non-grant scenarios, when appropriate.

Grant Support Distinguished from Procurement Activities

3.4. The key difference between Grant Support and procurement activities is the principal purpose. Procurement is defined in UNOPS FRR 1.02 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 UN system organizations.

3.5. In the case of Grant Support, the principal purpose is the transfer of funds by UNOPS, on behalf of a funding source, to the Grantee to assist in the financing of an agreed-upon and specific public activity/ program, and to support and monitor the implementation of such activity/program in accordance with the overarching Engagement Agreement (between UNOPS and its funding source) and the Grant Support, Project Cooperation or Inter-Agency Agreement (between UNOPS and the Grantee).

3.6. Discretion must be exercised when determining whether a case is Grant Support (and therefore subject to this OI and the GMSM) or a procurement action (and therefore subject to procurement rules). In cases of uncertainty, decisions should be made in consultation with IPAS PMI).

Mixed Grant Support and Procurement Cases

3.7. Cases that involve elements of Grant Support but are considered overall as standard services/ works with a majority of procurement elements shall be treated as a procurement action, and appropriate procurement procedures must be followed.

Private Individuals

3.8. UNOPS may only enter into Grant Support Agreements with private individuals, where approval is obtained in writing from the Engagement Acceptance Committee (EAC)

3.9. In addition, in circumstances where the intended Grantee does not have the ability to directly receive the grant (for example, in cases where a small NGO does not have a bank account, or access to a bank account), one or more senior members of the Grantee may together establish a joint bank account for the specific purpose of receiving the Grant funds on the Grantee's behalf. In such cases, the private individual(s) must have demonstrated a significant commitment and dedication to the Grantee, and shall become a party to the Grant Support Agreement between UNOPS and the Grantee, acting as the legal representative(s) of the Grantee, for formal purposes.

3.10. Due to the increased risk level of these arrangements, local due diligence is required in all cases. IPAS Legal shall be consulted regarding the preparation of the Grant Support Agreement in these particular circumstances.

Overarching Engagement Agreement

3.11. The relevant Project Initiation Document or Engagement Agreement between UNOPS and its funding source shall clearly state that grant support (as opposed to procurement) shall be used as a funding modality. If this is not included in the original Project Initiation Document or Engagement Agreement, it shall be added through an amendment between UNOPS and its partner.

Advice on General Principles

3.12. Where reasonable doubt exists as to whether any of the above general conditions have been fulfilled, the request for award shall be referred to IPAS PMI (or a regional or advisory focal person, if established by region or country office) for advice.

4. Grantee Selection through a Competitive Process

4.1. Unless a specific Grantee selection methodology is contained within the overarching Engagement Agreement between UNOPS and its funding source, Grantees shall be selected through a competitive process led by the Submitting Officer (SO), in line with the principles of fairness, transparency, and integrity.

4.2. Subject to the specificities of a particular Engagement Agreement, a Call for Proposals (CFP) should be published in accordance with the below instructions:

Documents Required for CFP

4.3. For Grants under USD 50,000, there is no prescribed list of documents required.

4.4. For Grants over USD 50,000, the following documents shall be required, as a minimum:

i. Instructions stating how, when, and where to submit proposals, together with eligibility criteria;

ii. a description of the purpose and outputs sought;

iii. sector area and specific activities to be funded;

iv. method of evaluation;

v. and evaluation criteria; and

vi. Include submission templates, and a standard Grant Support Agreement template containing the UNOPS General Conditions.

4.5. The CFP documents shall be approved by the respective Project Manager in each case.

Publication/Advertising of CFP

4.6. For Grants in excess of USD 50,000, the CFP must be published on the UNOPS website and/or locally in order to increase chances of receiving three (3) or more proposals (see below).

4.7. The recommended period for publication is two weeks.

Receipt of Proposals

4.8. Proposals must be submitted to UNOPS in accordance with the CFP. A standardized reply/receipt should be sent, or posted locally, or given by hand by UNOPS to all potential grantees that have submitted a proposal, acknowledging receipt of the proposal.

4.9. Ideally, at least two or three proposals should be received. In the event only one proposal was received, request for award to the entity that has submitted such proposal shall be subject to the prior review by IPAS PMI.

Grant Evaluation Committee and Review

4.10. The Evaluation Committee shall comprise a minimum of three (3) individuals. Where UNOPS is responsible for the selection of the Grantee, the majority of the Evaluation Committee must be UNOPS personnel. This requirement is not applicable in situations where an independent Project Board or Steering Committee is responsible for the Grant review and selection process as outlined in the Engagement Agreement.

4.11. The Evaluation Committee shall review the proposals in accordance with the CFP.

4.12. All members of an Evaluation Committee shall sign the 'No Conflict of Interest' declaration form available through the Corporate - Intranet Drive, or such other form that has been approved by a person designated as Legal Advisor.

Substantially Compliant Proposals

4.13. The Grant shall be awarded to a 'substantially compliant' proposal, that is where the proposal meets or exceeds the quantitative and qualitative criteria requirements.

4.14. Any non-compliant proposals should be eliminated from further consideration.

5. Grantee selection through pre-selection in the overarching Engagement Agreement

5.1. At the request of the funding source, UNOPS may award a Grant to a Grantee that has been pre-selected by the funding source in accordance with their own applicable rules, regulations, and procedures.

5.2. In this case, the name of the Grantee, the activities to be implemented with the Grant, and the estimated Grant value must be included in the Engagement Agreement between UNOPS and the funding source, or in an official letter from the funding source to UNOPS.

5.3. In addition, the Engagement Agreement or official letter shall include a statement that UNOPS does not guarantee that the Grantee is the optimal entity to perform the Grant Support activities and shall not be accountable for any failures on the part of the Grantee relating to issues of pre-selection.

5.4. In pre-selection cases, UNOPS shall remain responsible for the oversight, management, due diligence, and monitoring of the Grantees.

6. Grantee selection through another methodology specified in the overarching Engagement Agreement

6.1. Other methodology(ies) for the selection of Grantees may be included in the overarching Engagement Agreement between UNOPS and its funding source. In this case, the right to approve or reject a Grantee remains with UNOPS.

6.2. In the event that the methodology refers to the UNOPS procurement policies and procedures, the exceptions to the formal competitive process contained within Financial Regulation 118.05 will apply to Grants, mutatis mutandis.

7. Grantee Registration and Eligibility

7.1. Regardless of the selection process, in order to be eligible for a grant, a Grantee shall not:

i. have a conflict of interest;

ii. be included in any of the following ineligibility lists (which are consolidated and can be checked at the United Nations Global Marketplace): The United Nations Ineligibility List (UNIL) which includes UNOPS' ineligibility list; The World Bank Corporate Procurement Listing of Non-Responsible Vendors and The World Bank Listing of Ineligible Firms and Individuals; and the Consolidated United Nations Security Council Sanctions List;

iii. be included in an ineligibility list of the client/partner, if such provision is included in the Engagement Agreement signed with UNOPS; or iv. be currently suspended from doing business with UNOPS.

7.2. Grantees must be registered as a supplier within the ERP system (oneUNOPS). The Operational Instruction on Vendor Sanction, which includes grants, shall be checked for further details.

8. Award

8.1. Once a Grantee has been selected, the Submitting Officer shall submit a Request for Award (RFA) to the relevant Grant Authority in accordance with the Grant Support Agreement DoA master table in Annex 1.

8.2. To avoid any conflict of interest, in cases where the Submitting Officer is also the relevant authority as per below (for example, also acts as the Project Centre Manager), the authority to award that particular Grant shall vest in the next higher authority level.

8.3. When the cumulative threshold for Level 3 is exceeded within a 12-month period, the Award shall require approval from a Grant Authority DOA level 4 or 5. ~~For regions and engagements which do not have a local Grant Authority with DOA level 4, the Award shall be submitted to the Engagement Acceptance Committee (EAC) for review and approval.~~ [Removed on 2 September 2022 to reflect updated DOA Master Table in Annex 1 until OI.IPS.2022.02: Grant Support became effective on 15 December 2022]

8.4. Funds allocated under Grant Support Agreements with the same Grantee, within the same Engagement, over a twelve-month period are to be considered cumulatively in order to determine the appropriate threshold authority and prevent avoidance of the proper formal channels for Grant approval.

8.5. In situations where approval by the EAC is given in 12 months, future awards relating to the same project and the same Grantee will be reset to a zero dollar value.

9. Grant Support Agreement

9.1. Upon award of the grant, the Grant Authority with an appropriate Delegation of Authority shall sign the Grant Support Agreement with the Grantee.

9.2. Where a Grantee proposes any amendments to the General Conditions of the Grant Support Agreement prior to award, such amendments shall be reflected in the Special Conditions, and in all cases, shall be submitted to IPAS Legal for review.

10. Disbursement of funds to the Grantee

First instalment payment of Grant funds

10.1. To ensure the proper management of UNOPS' financial liability, payment of an instalment to the Grantee shall be authorized by the appropriate Grant Authority. Note that payment of a first installment to a Grantee shall not be considered as an 'advance payment' under UNOPS FRRs.

Narrative/Financial Reports

10.2. Further payments to the Grantee shall be made on the basis of interim financial and narrative reports, in accordance with the Grant Support Agreement (GSA).

10.3. Standard reporting format, as annexed to the GSA, should be used.

10.4. Except for the first instalment, any payment to the Grantee shall be based on demonstrated expenses, not fixed price.

Retroactive or Post-Facto Cases

10.5. Grants shall not be awarded retroactively or on a post-facto basis. Grants should only cover costs incurred after the date on which the GSA is signed. In both cases, proper award of the Grant activity has not taken place, and no GSA has been entered into. However, in certain circumstances and with properly substantiated reasons, expenditure incurred by a Grantee before the date of submission may be eligible for Grant financing.

10.6. Cases where the GSA has formally ended and additional expenses are incurred after such completion date, and without any formal extension or GSA amendment in place, should also be treated as retroactive or post-facto cases.

10.7. All above cases shall be submitted with a justification to the EAC for information, and subsequently approved by a Regional Director having the relevant Grant Authority in accordance with the Grant Support Agreement DoA master table in Annex 1.

11. Grant Support Guidelines and Questions on Grant Support, Project Cooperation and Inter-Agency Agreements and Process

11.1. UNOPS IPAS Legal may be consulted for additional information on standard provisions in legal agreements.

11.2. Questions related to the Grant process and procedures may be directed to IPAS Project Management and Infrastructure unit.

11.3. Any alternatives to the competitive Grant selection specified above must be directed to the IPAS Legal and/or LG.

11.4. All current guidance, templates and forms related to Grant Support are available on the Corporate - Intranet Drive.

12. Project Management Process for Grant Support Activities

12.1. The project management process for Grant Support activities shall be in accordance with the OI on Project Management. This includes but is not limited to overall project management activities such as planning, controlling, assurance, reporting and closure.

13. Authoritative Interpretation

13.1. 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.

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 intranet page[2]. [the Grant Support DOA Master Tables was updated on 2 September 2022, effective immediately.]

1. https://drive.google.com/file/d/1eGeHkRRer0l6a5edAA1jilYn_ZWOhzTb/view
2. https://intra.unops.org/operations/oversight/risk-management/delegation-of-authority-doa