

Competitive procedures to award grants

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PART I - GENERAL PROVISIONS

Article 1 - Scope of the Framework

- 1.1. This framework lays down the procedures applicable when the CEB considers it appropriate, in light of the type of project to be financed, to award grants following a competitive procedure, or when so required pursuant to the terms and conditions governing the use of funds held in a trust account.
- 1.2. For the purposes of this framework, a grant shall constitute a provision of financial assistance from the CEB which is intended to assist a grant beneficiary in implementing an eligible project in accordance with the Loan and Project Financing Policy.
- 1.3. This framework shall not apply to contracts governed by the Guidelines for the Procurement of Services, Goods and Works for the CEB's own account.

Article 2 - General principles

Competitive procedures for the award of grants shall be based on the principles of transparency and non-discrimination, as further described below.

Article 2.1 Principle of transparency

- 2.1.1 Grants shall be awarded following a call for proposals, as referred to in Article 7.
- 2.1.2 Notwithstanding Article 2.1.1 above, grants under this framework may exceptionally be awarded directly without a call for proposals to a particular grant beneficiary in the following cases:
 - a. exceptional and duly substantiated emergencies (urgency);
 - b. for the purposes of humanitarian/crisis management aid and civil protection projects;
 - c. when the grant beneficiary is a body with a *de jure* or *de facto* monopoly; or
 - d. for projects with special characteristics requiring a particular grant beneficiary on account of its distinctive technical competence, its high degree of specialisation or its specific administrative powers.
- 2.1.3 Information about grants awarded under this framework shall take place in accordance with the CEB's Public Information Policy.

Article 2.2 Principle of non-discrimination

The competitive procedures for the award of grants shall not discriminate on grounds of gender, disability, age, marital or parental status, colour, ethnic origin, religion, belief, citizenship, nationality, sexual orientation, language, political or other opinion, social origin, association with a national minority, property, birth or other status.

PART II - COMPETITIVE PROCEDURE

Article 3 - Responsibility for the competitive procedure

- 3.1. The Director entrusted with the management of the project(s) financed by the grant(s) (the "Initiator") shall be responsible for the competitive procedure.
- 3.2. He/she shall be in charge of:
 - a. approving the publication, when applicable, of the call for proposals;
 - b. appointing a Grant Proposals' Evaluation Committee (GPEC), as referred to in Article 11; and
 - c. deciding on the award of grants on the conditions laid down in Articles 8, 12 and 13.
- 3.3. The Procurement Division (TAM-PROC) shall be in charge of handling the administrative aspects of the call for proposals, including overall planning and organisation of the applications' reception and evaluation process. To this end, the Head of TAM-PROC shall assign a Chairperson and a Secretary of the GPEC, who shall act independently from the Director entrusted with the implementation of the grant.

Article 4 - Exclusion grounds

Article 4.1 General exclusion criteria

4.1.1 Applicants shall be excluded from the grant award procedure where they (or persons having powers of representation, decision making or control over them):

- (i) have engaged in Prohibited Practices, as outlined in Article 1.4.2.1 of the Guidelines for the Procurement of Services, Goods and Works for the CEB's Own Account and Article 3.4 a) of the Guidelines for Procurement of Goods, Works and Services for Projects Financed by the CEB, to obtain the award of a grant;
- (ii) have been convicted by a final court decision of one of the following offences: fraud, corruption, money laundering, participation in a criminal organisation or any other unlawful activity;
- (iii) have directly or indirectly been subject to financial sanctions imposed by the EU¹ either autonomously or pursuant to the financial sanctions decided by the United Nations Security Council on the basis of Article 41 of the Charter of the United Nations;
- (iv) have participated in preparatory work for a grant activity, unless they can prove that the involvement in previous stages of the project does not constitute unfair competition and/or conflict of interest; or
- (v) are not eligible for financing pursuant to the Bank's Policy on Non-compliant/Uncooperative Jurisdictions.

4.1.1 Applicants may be excluded from the grant award procedure where they (or persons having powers of representation, decision making or control over them):

- are subject to bankruptcy or is being wound up, have suspended its business activities or are having their affairs administered by the courts, have entered into an arrangement with creditors, or are in any analogous situation arising from a similar procedure under national laws or regulations;
- have been convicted of an offence concerning their professional conduct by a judgement which has the force of *res judicata*;
- have been found guilty of grave professional misconduct established by any means available to the CEB;
- have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which the applicant is established or those of the country where the grant agreement will be performed;
- following a tender procedure or procedure for granting a subsidy funded by the budget of an international organisation, have been declared by a court or an arbitration tribunal to be in serious breach of contract or grant agreement for failure to comply with contractual obligations;
- have been cross debarred by the Multilateral Development Banks having signed the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010;
- are guilty of misrepresentation in supplying information requested by the CEB;
- have been deemed by the CEB to be in breach of its rules of ethics (e.g. in accordance with the Bank's Anti-Corruption Charter and with the provisions on Prohibited Practices) or if excluded by any of the EU Institutions or any major Multilateral Development Bank (including World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, or Inter-American Development Bank) from participation in tendering and/or grant procedures on the grounds of a Prohibited Practice;
- if, as a matter of law or official regulation, the Borrower/Grant Beneficiary's country prohibits commercial relations with the applicant's country, provided that the CEB is satisfied that such exclusion does not preclude effective competition for the supply of goods, works or services required;
- if, a Government-owned enterprise, cannot establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent on agencies of the government; or

¹ Pursuant to Chapter 2 of Title V of the Treaty on European Union and the objectives of the Common Foreign and Security Policy set out in Article 21 of the Treaty on European Union and Article 215 of the Treaty on the Functioning of the European Union.

- have been excluded based on grounds for exclusion specified in the Borrower/Grant Beneficiary's national procurement legislation in compliance with EU law provided that the CEB is satisfied that such exclusion does not preclude effective competition for the supply of goods, works or services required.

4.1.3 Applicants shall deliver, when submitting their application, a signed declaration on their honour, whereby they undertake to observe the principles herein when submitting their respective applications and/or in executing a Contract concluded with the CEB.

4.1.4 The CEB reserves the right to ask applicants to supply, *inter alia*, the following supporting documents:

- a. an extract from the record of convictions or, failing, that an equivalent document issued by the competent judicial or administrative authority of the country where the applicant is established, indicating that these requirements are met; or
- b. a certificate issued by the competent authority of the country of establishment.

Article 4.2 Other exclusion grounds

4.2.1 Applicants shall also be excluded from the grant award procedure:

- a. if they fail to comply with the arrangements for the submission of their applications as set out in the call for proposals; or
- b. if they are subject to a conflict of interest.

4.2.2 The CEB reserves the right to add other exclusion grounds pursuant to the terms and conditions governing the use of funds held in the relevant trust account.

Article 5 - Eligibility and award criteria

5.1. The eligibility criteria set out in the call for proposals shall be such as to make it possible to assess the applicant's ability to implement the proposed project.

5.2. The award criteria set out in the call for proposals shall be such as to make it possible to assess the quality of the applications submitted in the light of the objectives and priorities set. Award criteria shall be weighted.

5.3. The eligibility and award criteria shall be objective, in the sense that they shall not confer any unfair advantage on an applicant and shall not constitute an unjustified obstacle to competition.

5.4. Environmental and social criteria, in line with the Bank's Environmental and Social Safeguards Policy, may also be taken into account.

5.5. In accordance with the principle of equal treatment, the eligibility criteria, once made public, shall not be changed. The same principle applies to the weighting of each of the award criteria.

Article 6 - Eligible costs

6.1. Grants shall not exceed an overall ceiling expressed in terms of an absolute value which shall be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

6.2. To be eligible, costs shall:

- a. be necessary for the purpose of the grant;
- b. comply with the principles of sound financial management, in particular best value for money, and cost-effectiveness;
- c. have actually been incurred by the grant beneficiary during the implementation period as defined in the grant agreement, unless the terms and conditions governing the use of funds held in the relevant trust account permit otherwise;
- d. be identifiable and verifiable, in particular being recorded in the grant beneficiary's accounts and determined according to the accounting standards applicable to the grantee;
- e. comply with the requirements of applicable tax and social security legislation;

- f. be backed up by originals or certified copies of supporting documents; and
 - g. be indicated in the estimated overall budget of the project.
- 6.3. The eligible costs for each project will be specified on the basis of the criteria set forth in the Bank's Handbook for the preparation and implementation of projects. Additional criteria may apply based on the terms and conditions governing the use of the funds held in the relevant trust account.

Article 7 - Publication of calls for proposals

- 7.1. Subject to the provisions of Article 2.1.2, calls for proposals shall be published.
- 7.2. The means of publication chosen shall target relevant audience, be non-discriminatory in nature and shall not have the effect of restricting the access of applicants to the award procedure. Besides the CEB's website, the call for proposals may also be published in official journals (such as the Official Journal of the European Union) or, when appropriate, in local newspapers or electronic media, depending on the specificities of the call for proposals.
- 7.3. The call for proposals will include a document called "Guidelines for applicants" that shall specify as a minimum:
- a. the purpose of the project to be implemented;
 - b. the grounds for exclusion, and the list of relevant supporting documents to be submitted by applicants;
 - c. the eligibility criteria, including the financial and operational capacity required for the implementation of the project, and the list of relevant supporting documents to be submitted by applicants;
 - d. the award criteria that will be used to evaluate the proposals, their respective weighting, and the relevant supporting documents to be submitted by applicants, as may be appropriate given the nature of the grant to be awarded;
 - e. the eligible costs, the maximum amount of the grant and, if applicable, the maximum percentage of the project eligible costs that can be financed by the grant; and
 - f. the arrangements for the submission of applications, including details about the way in which applications are going to be received and registered by the CEB, about any information sessions open to all potential applicants, if applicable, about the deadline to submit request for supplementary information and about the planned indicative timetable for the evaluation of applications and signature of the related grant agreement.
- 7.4. The "Guidelines for applicants" will include, as a minimum, the following annexes:
- a. an application form that applicants need to fill in to apply for the grant, instructions on how to fill it in and supporting documents required to apply; and
 - b. a draft grant agreement, drawn up on the basis of the model grant agreement established by the CEB for this purpose.
- 7.5. Applicants shall be given, at least, sixty (60) calendar days to submit applications. This period of time can be shortened to a minimum of fifteen (15) calendar days only in cases of urgency or humanitarian aid related grants which by nature of the simplicity of the operations that are to be financed by the grant allow a short period of time for preparation of proposals. The approval of the shortening of this period of time is to be obtained by the competent Director from TAM-PROC, that shall give, if applicable, its consent within one week from the receipt of the request.
- 7.6. Potential applicants may request supplementary information, in accordance with the conditions specified in the "Guidelines for applicants", not later than fifteen (15) calendar days before the deadline to submit applications. The information given to that applicant shall be made available to all potential applicants not later than ten (10) days before the deadline to submit applications.
- 7.7. If information sessions for potential applicants are held, these shall take place at the latest twenty-one (21) days before the deadline to submit applications.

Article 8 - Direct award

- 8.1. In accordance with Article 2.1.2, the initiating Director may decide to directly award a grant to a particular grant beneficiary. For this purpose, he/she shall obtain prior consent from TAM-PROC confirming that the conditions set out in Article 2.1.2 are effectively met. TAM-PROC shall give, if applicable, its consent within one (1) week of the receipt of the initiating Director's request.
- 8.2. In the event that TAM-PROC is the Initiator of a request for a direct award to a particular grant beneficiary, the Chief Compliance Officer (CCO) shall be in charge of issuing his/her approval or rejection in accordance with provisions in Article 2.1.2.
- 8.3. The Director's decision must be duly substantiated, in light of the criteria set out in Article 2.1.2.

Article 9 - Submissions of applications

- 9.1. Applications shall be submitted in accordance with the requirements of the call for proposals.
- 9.2. An estimated budget for the project shall be attached to the application, indicating the estimated eligible costs of the project.
- 9.3. Applicants shall further be required to indicate whether they have received or applied for any additional funding from other sources in respect of the same project and what are the respective amounts of additional funding.
- 9.4. Applicants may be asked to submit their proposals in two stages. In this case, they shall be first asked to submit a concept note. The applicants whose concept notes successfully pass the first-stage evaluation shall be asked to develop their respective concept notes and to submit a detailed proposal for the second-stage evaluation.
- 9.5. Applications submitted after the deadline shall automatically be excluded from the procedure, unless the applicant proves that his/her application could not be submitted in time because of a situation of *force majeure*. The GPEC shall indicate in its report to the Director concerned whether it considers that there has been a situation of *force majeure* or not.

Article 10 - Receipt of applications

- 10.1. The reception process shall ensure that the integrity of data, the confidentiality of applications and the protection of personal data protection in accordance with the CEB's legal framework concerning data protection (CEB Data Protection Regulations) are observed.
- 10.2. Applications shall only be opened after the deadline for their submission. They shall be opened by the Chairperson of the GPEC in the presence of the members of the committee. A record of the applications shall be established and signed by the members of the GPEC.
- 10.3. The applications shall be given identification numbers and an acknowledgment of receipt shall be provided to each applicant.

Article 11 - Grant Proposals' Evaluation Committee

- 11.1. The nominal composition of a GPEC is: (i) a Chairperson (non-voting), (ii) a Secretary (non-voting), and (iii) an odd number of Evaluators. Best practice for the composition of a GPEC is to avoid having voting members with a hierarchical link. The GPEC shall be appointed in writing by the Initiator's Director.
- 11.2. Members of the GPEC shall:
 - a. act objectively and impartially and shall treat all applicants equally;
 - b. not disclose any information other than that intended to be made available to applicants;
 - c. protect the confidentiality of the information imparted by applicants; and

- d. declare any conflict of interests and withdraw in case of such a conflict.
- 11.3. Members of the GPEC shall be considered as faced with a conflict of interest if they are in particular in any of the following situations:
- a. were involved in the preparation of a proposal;
 - b. benefit directly or indirectly if a proposal is accepted;
 - c. have a family or personal relationship with an applicant;
 - d. are involved in the management of an applicant; or
 - e. are employed or contracted by an applicant or any of its subcontractors.
- 11.4. All members of the GPEC shall sign a declaration on the absence of any conflict of interests and a declaration of confidentiality.

Article 12 - Evaluation of applications

- 12.1. The Chairperson, with the assistance of the Secretary, shall make a preliminary evaluation of the applications against the exclusion and eligibility criteria set out in the call for proposals. A draft report shall be drawn up and shall, together with all the applications, be handed over to the GPEC.
- 12.2. The GPEC shall verify whether the submitted applications fulfil the eligibility criteria set out in the call for proposals. Only applications considered eligible shall be evaluated against the announced award criteria.
- 12.3. In accordance with the principle of proportionality and equal treatment, the GPEC may decide to request an applicant to provide additional information or to clarify the supporting documents submitted in connection with the application, provided that such information or clarification does not substantially change the application.
- 12.4. Each Evaluator shall give scores and elaborate on their attribution of points to each proposal. Evaluators' individual reports shall be communicated to the Chairperson. If needed, the members of the GPEC may seek advice from contributors with specific technical expertise. If so, such contributors shall also sign a declaration on the absence of any conflict of interests and a declaration of confidentiality. The contributors' draft report shall be verified and validated by the GPEC.
- 12.5. On the basis of the Evaluators' individual reports, the Chairperson with the assistance of the Secretary, shall prepare a draft report representing the findings of the GPEC. The draft report shall contain an assessment of each proposal and rank the proposals according to the scores obtained and announced weighting. An arithmetic average (median value) of the individual scores shall be taken as the final score for each application. If necessary, a meeting of the GPEC may be organized to agree on the final score and comments.
- 12.6. Once adopted by the GPEC, the report shall be transmitted to the initiating Director, who shall take a decision on:
- a. The overall amount of funding;
 - b. The list of selected proposals; and
 - c. The list of non-selected proposals.
- 12.7. The decision of the Director shall be documented in a written note to the file, shall provide for reasons of his/her choices, particularly if those depart from the report transmitted by the GPEC, and shall be based on whether:
- a. The grant(s) is (are) in line with the objectives pursued;
 - b. The costs and other aspects appear reasonable;
 - c. That sufficient funds are available; and
 - d. The report is fully justified and documented.
- 12.8. If a call for proposals has elicited no applications or if, in the opinion of the GPEC, no application meets the minimum required standards, the Director may decide that the grant shall not be awarded, that the grant shall be awarded directly, or that a new call for proposals shall be launched.

Article 13 - Grant award

- 13.1. TAM-PROC shall inform the successful and the unsuccessful applicant(s) of the award in writing. The notification, which shall notify the applicants of the outcome of the call for proposals, shall be sent at least 10 (ten) calendar days before signature of any grant agreement (the so-called standstill period), shall indicate the reasons for their rejections, and modalities for enquiries by the unsuccessful applicants.
- 13.2. In the event that only 1 (one) acceptable application was received for a competitive procedure to award grants, the standstill period does not need to be applied for that procedure.

Article 14 - Enquiries and complaints procedure

- 14.1. Unsuccessful applicants can request an explanation on the reasons for rejection from the contact point indicated in the notification letter. The explanation will be provided in written format.
- 14.2. If an applicant is not satisfied with the given answer and believes that there have been shortcomings in the handling of its application, and that a perceived error or irregularity may have jeopardized the outcome of the evaluation process, the applicant may lodge a written complaint within ten (10) calendar days after receiving the answer to an enquiry referred to under Article 14.1. The complaint shall indicate the reference of the call, the identification number of the proposal, a detailed statement on the grounds of the complaint and an explanation on how the complainant was directly affected, and relevant documentation supporting the claim.
- 14.3. The Head of TAM-PROC shall acknowledge receipt of the complaint and shall defer it to the Procurement Complaints' Committee (PCC).
- 14.4. The proceedings of the PCC shall be governed *mutatis mutandis* by Article 7 of the Procedural Framework for the Procurement of Services, Goods and Works for the CEB's Own Account.

Article 15 - Allegations of fraud, corruption or misconduct

Article 14 shall not be interpreted as preventing applicants from reporting to the CCO any allegation of fraud, corruption or misconduct of a person involved in the grant award procedures in accordance with the CEB's applicable Codes of Conduct.

Article 16 - Grant agreement

- 16.1. Grants shall be instrumented through a written grant agreement concluded between the CEB and the grant beneficiary/ies.
- 16.2. The CEB and the grant beneficiary/ies shall enter into a grant agreement drawn up on the basis of the standard grant agreement established by the CEB for this purpose.
- 16.3. The grant agreement shall allow for the project to be clearly identified and specify at least the subject, the grant beneficiary/ies, the implementation period, the maximum amount of funding, a detailed provisional budget, the procedure for disbursement of the grant, the obligations of the grant beneficiary/ies and the events that may give rise to the suspension, cancellation or early reimbursement of the grant.
- 16.4. In the case of a competitive procedures to award grants, the CEB shall announce the outcome of the procedure, after the 10 (ten) day standstill period is over, in the same way as it published the call for proposals.

Article 17 - Record-keeping

The responsibility of keeping complete records of each grant award procedure under this framework shall be governed *mutatis mutandis* by Articles 2.1.2.2 and 2.1.2.3 of the Procedural Framework for the Procurement of

Services, Goods and Works for the CEB's Own Account. These documents shall be kept by the administrative entity concerned, for a minimum of ten (10) years.

PART III - FINAL PROVISIONS

Article 18 - Interpretation

This framework shall be interpreted in good faith, in accordance with the ordinary meaning to be given to the terms used in the framework.