

EUROPEAN FOREST INSTITUTE
GRANT RULES

Adopted by the Board

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Amended as decided by the Director

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SECTION I – GENERAL PROVISIONS ON GRANTS

Article 1 Applicability

- 1.1. These rules lay down instructions for the awarding of grants at the European Forest Institute (“EFI”).

Article 2 Grants

- 2.1. Grants are financial contributions by way of donation payment from EFI to an external recipient (“Beneficiary”), to finance activities carried out by the Beneficiary, or to finance the general operating costs of the Beneficiary, in support of an operational or strategic objective of EFI.
- 2.2. Awarding a grant means supporting activities or general operations proposed and carried out by a Beneficiary in response to a *Call for grant*, subject to negotiations and conditions in the grant agreement as applicable.
- EFI will exercise oversight and control in relation to the proper use of the grant, but typically not otherwise in relation to work, deliverables or results from activities funded under a grant.
- The Beneficiary is typically the owner/rights holder of intellectual property rights to deliverables and results following from activities funded under a grant, with granting of rights to EFI.
- 2.3. A Beneficiary can be a natural person, a legal person or a grouping of economic operators represented by a coordinator.
- 2.4. Grants can take the form of:
- Lump sum payments
 - Reimbursement of eligible costs; generally expressed as a maximum amount and a percentage of the eligible costs
 - A combination of lump sum payments and reimbursement of eligible costs
- 2.5. Grants can be awarded as a general grant or (section II) as a direct grant (section III).
- 2.6. The maximum grant value is counted as the maximum sum funded by EFI.

Article 3 Principles for the grant process

- 3.1. A person who is subject to a conflict of interests shall not participate in any part of the grant process.

There is a conflict of interests where the impartial and objective exercise of the functions of any person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or shared interest with another party.

A person becoming subject to a conflict of interests during a grant process shall not take any further part in the process, and a new person shall be appointed in accordance with the applicable provisions.

- 3.2. For all grant processes it shall be ensured that the Beneficiaries comply with the principle of sound financial management in its activities.

For grant processes, where the maximum grant value is more than 25,000 euro, it shall be ensured that Beneficiaries, that are legal persons, meet internationally accepted standards for internal control, accounting and external audit.

- 3.3. For each grant process it shall be ensured that the following principles are upheld:

- No double funding: Grants may not fund activities or operating costs already funded from another source.
- No profit: Grants may not have the purpose or effect of producing a profit for the Beneficiary.
- No retroactive funding: A grant may not be awarded for activities that have already been completed or for general operational costs for a period prior to the entry into force of the grant agreement.

- 3.4. For each grant process it shall be ensured that economic operators having submitted an application for a grant (“Applicant”), and Beneficiaries, are excluded from funding if they or a person having powers of representation, decision-making or control over them or a member of their administrative, management or supervisory body have been the subject of a final judgment or of a final administrative decision for one of the following reasons:

- bankruptcy, insolvency or winding-up procedures
- breach of obligations relating to the payment of taxes or social security contributions
- grave professional misconduct, including mis-representation
- fraud

- corruption
- conduct related to a criminal organisation
- money laundering or terrorist financing
- terrorist offences or offences linked to terrorist activities
- child labour and other trafficking in human beings
- irregularity
- creating or being a shell company

Before an Applicant or Beneficiary is excluded from funding according to the preceding, it shall be given a chance to submit its observations and clarifications to EFI, subject to a deadline as decided by EFI.

- 3.5. Grants can be fully financed by EFI or co-financed by the Beneficiary. Co-financing means that the Beneficiary bears some of the costs for implementing the activities for which the grant is awarded. Co-financing may take the form of in-kind contributions.
- 3.6. Head of Unit for the unit providing the grant will for each process appoint a Grant manager. The Grant manager will oversee the grant process.
- 3.7. A grant process can be cancelled at any time. A decision to cancel a grant process shall be done in writing by the Director. If a *Call for grant* was published, the decision to cancel shall be published in the same way as the *Call for grant* was published.

SECTION II – GENERAL GRANTS

Article 4 Call for grant

4.1. General

4.1.1. For each general grant to be awarded, a *Call for grant* and *Grant submission guidelines* must be established.

4.1.2. EFI shall in the *Call for grant*, as a minimum, specify:

- i) Activity to be supported by the grant and maximum grant value
- ii) Admissibility requirements: Format required for the application, information to be included, and what procedures to follow for applying
- iii) Eligibility requirements: Criteria that relate to the economic operator or the type of activities to be funded under the grant, such as financial capacity or operational capacity
- iv) Award criteria: Criteria that will be applied for awarding of the grant

4.1.3. The *Grant submission guidelines* must address the conditions for receiving the grant, subject to negotiations as stated in article 6, and may also otherwise include more detailed specification on the information provided in the *Call for grant*, as well as other information or requirements in relation to the grant.

4.1.4. Any economic operator applying for a general grant shall where EFI so requests, and as further instructed by EFI, show that it meets the requirements in the *Call for grant* and *Grant submission guidelines*.

EFI may at its own discretion decide whether to accept the proof submitted in support of meeting the requirements.

Applications may be rejected at any stage of the grant process in not fulfilling the admissibility or eligibility requirements.

4.1.5. A general grant process may be restricted to certain categories of economic operators if necessary to achieve the purpose of the grant.

Without prejudice to the foregoing, no preferential treatment may be given to any economic operator. All economic operator shall have access to the same information relating to the grant process.

4.2. Publishing the Call for grant

4.2.1. The *Call for grant* and the *Grant submission guidelines* shall be published on the EFI website and in any other way as decided by EFI.

4.2.2. The *Call for grant* and the *Grant submission guidelines* may also be sent by EFI to any economic operator.

4.2.3. For general grants where the maximum grant value is 25,000 euro or less: A *Call for grant* shall be published for at least 14 calendar days.

For grants where the maximum grant value is more than 25,000 euro: A *Call for grant* shall be published for at least 30 calendar days.

4.3. Modifications and amendments

4.3.1. The *Call for grant* or *Grant submission guidelines* can at any time be modified or amended as decided by the Grant manager. Such amendments and modifications shall be communicated in the same way as the *Call for grant* or *Grant submission guidelines* it is amending or modifying were communicated.

Article 5 Evaluation

5.1. General

- 5.1.1. Applications in response to a *Call for grant* shall be evaluated on the basis of pre-announced criteria, determining how to award the grant.
- 5.1.2. Applications not fulfilling requirements as stated in the *Call for grant* or the *Grant submission guidelines* may be disregarded in the further process.
- 5.1.3. EFI may allow correction of manifest written errors or erroneous calculations or some other manifest error in an application.
- EFI may ask for clarifications regarding an application, including submission of additional supporting documentation.
- Applications not following the specified format after note of clarification may be disregarded in the further process.
- 5.1.4. Evaluation is done in two steps: (1) admissibility and eligibility criteria, (2) award criteria. The two steps in the evaluation can be done by different persons.
- 5.1.5. Evaluation committee members may not be in a hierarchical/subordinate relationship.
- 5.1.6. The meetings of the committees evaluating the applications shall be closed and its members bound by confidentiality.
- 5.1.7. Evaluators not being EFI staff members (External Evaluator) must sign a declaration on absence of conflict of interests and a non-disclosure agreement.
- EFI may claim damages from an External Evaluator if that person is breaking the commitment of non-disclosure or has provided EFI with false information on the absence of conflict of interests. Any such claim shall be settled following the EFI Dispute settlement rules.

5.2. Evaluation committees

Admissibility and eligibility criteria

- 5.2.1. An application's fulfilment of admissibility and eligibility criteria shall be assessed by an Inspection committee consisting of at least two persons appointed for this purpose by the Grant manager.
- 5.2.2. A report on the applications' fulfilment of admissibility and eligibility criteria shall be compiled and submitted to the Grant manager.
- All members of the Inspection committee are allowed to state their findings in the report to the Grant manager.

5.2.3. The Grant manager will decide whether an application fulfils the admissibility and eligibility criteria or not.

5.2.4. If an application fulfils the admissibility and eligibility criteria it will be evaluated on award criteria.

If an application is found to not fulfil the admissibility or eligibility criteria it will be rejected.

5.2.5. The Applicant shall be informed in writing about the outcome of the assessment of the application's fulfilment of admissibility and eligibility criteria.

An Applicant can, within 14 calendar days of having been sent information on the outcome of the assessment, request a review of the assessment of the application's fulfilment of admissibility and eligibility criteria.

Following a review, the Grant manager can change the decision that an application does not fulfil the admissibility or eligibility criteria.

Once the deadline for requesting a review has passed, or the review has been requested and performed and the outcome notified the Applicant, the Applications fulfilling the admissibility and eligibility criteria will be evaluated on award criteria.

Award criteria

5.2.6. Evaluation of an Application's fulfilment of award criteria shall be done by an Evaluation committee consisting of the Grant manager as non-voting chairperson and two or more Evaluators, appointed for this purpose by the Grant manager.

Evaluators shall have technical competence in the area of the call.

More than one Evaluation committee can be formed if the *Call for grant* is divided into several different topics. Each Evaluation committee will evaluate the respective topic.

5.2.7. The Evaluation committee must be given enough time to conduct the evaluation properly and in accordance with these rules.

5.2.8. When voting is called for in the Evaluation committee, each Evaluator shall have one vote. Decisions shall be made by a majority of votes.

5.2.9. An Evaluation committee can convene although not physically present on the same location, e.g. through video or telephone conference. The Evaluation committee members shall attend all meetings.

5.3. Evaluation report

- 5.3.1. When the applications have been evaluated, an evaluation report will be established. The evaluation report is considered established when signed and dated by the Grant manager.
- 5.3.2. The evaluation report will contain: information on the applications, information on the assessment of the admissibility and eligibility criteria, assessment of award criteria, and where applicable ranking of applications.
- 5.3.3. The evaluation report shall be signed by the Grant manager, and shall require co-signature according to the following:
 - Up to a maximum grant value of 100,000 euro – Head of Unit for the unit providing the grant
 - A maximum grant value of more than 100,000 euro – Director
- 5.3.4. The grant process will be terminated if the evaluation report has not co-signed within 30 calendar days of having been established.

5.4. Conclusion of the evaluation

- 5.4.1. When evaluation report has been co-signed, and following positive evaluation, negotiations in accordance with article 6 may be initiated.
- 5.4.2. If, following evaluation, no application can continue to negotiation phase, the grant process will be cancelled.

Article 6 Negotiations

- 6.1. The negotiation aims at finalising the details of the activities to be financed by EFI, as well as financial and legal aspects of the grant or the grant agreement.
- 6.2. Negotiations in accordance with this article can be conducted, but are not mandatory.
- 6.3. Based on the outcome of the evaluation, EFI will invite one or more Applicants to grant agreement negotiations. For a consortium, the negotiations are conducted solely with the coordinator of the consortium.
- 6.4. Negotiations are conducted in the following steps:
 - i. Invitation to negotiate a grant agreement
 - details on results of evaluation
 - aspects of the activities to be carried out to be reviewed and finalised
 - deadlines for completion of negotiations
 - ii. Negotiations on technical and financial/legal aspects
- 6.5. Negotiations are conducted through a written exchange, but may also include one or more meetings if EFI finds that necessary. Meetings shall be documented in writing.
- 6.6. The process and outcome of the negotiations shall be documented.
- 6.7. The negotiations can be terminated by EFI at any point, in which case no grant agreement will be signed. If negotiations in relation to all positively evaluated applications are terminated, the Grant process will be considered terminated.

Article 7 Decision and signing of grant agreement

- 7.1. Following evaluation, and conclusion of negotiation where applicable, a decision on award of the grant or cancellation of the grant process must be made.
- 7.2. A decision on the award of the grant or cancellation of the grant process will be made in writing by the Director, or a person with delegated authority.
- 7.3. A decision to award a grant shall at least contain the following information:
 - Maximum grant value
 - Beneficiary
 - Activity to be supported by the grant
 - The reasons for the award
 - Applicants not awarded the grant, and the reasons therefore.
- 7.4. The Director, or a person with delegated authority, may until the contract has been signed by both EFI and the successful Applicant, and when substantiated, change the decision to award the grant or cancel the grant process.
- 7.5. If the grant agreement is not signed by the successful Applicant within a time limit set by EFI, EFI may in a new decision award the contract to another Applicant having submitted a positively assessed application.

Article 8 Information on evaluation and publication of information on the award

- 8.1. Applicants shall be notified as soon as possible after an award decision, but not later than 30 calendar days after the decision has been signed. The notification shall at least contain information on the maximum value of the grant, and the evaluation of Applicant's own application.
- 8.2. A notice on the award shall be published in the same way that the *Call for grant* was published. The notice on the award shall be published no later than 30 calendar days after the decision on the award.
- 8.3. Notice shall at least contain the following information on economic operator awarded the grant: name of Beneficiary, domicile of Beneficiary, activity supported by the grant, and maximum value of the grant.
- 8.4. EFI may decide to not publish information in accordance with the preceding if so required due to reasons of confidentiality and security, if publishing the information would threaten the rights and freedom of an individual or harm a contractor's commercial interest, or to safeguard EFI's legitimate interests.

SECTION III – DIRECT GRANTS

Article 9 Direct grants

General

- 9.1. Direct grants can be awarded to a certain pre-identified economic operator when required:
- due to requirements in funding agreements
 - due to statutory regulations
 - for reasons of intellectual property rights
 - in response to a natural disaster event
- 9.2. Direct grants can be awarded regardless of maximum grant value.
- 9.3. It must be documented why a direct grant is provided.

Grant specifications

- 9.4. EFI shall in *Grant specifications for direct grant*, as a minimum, specify the activity to be supported by the grant and maximum grant value, the format required for the application, information to be included, and what procedures to follow for applying.
- 9.5. The *Grant specifications for direct grant* shall be sent to the economic operator, with a time limit within which to submit an application
- 9.6. The *Grant specifications for direct grant* can at any time be modified or amended as decided by the Grant manager. Such amendments and modifications shall be communicated to the pre-identified economic operator if required for submission of the application.

Submission and assessment of application

- 9.7. The application shall be submitted as stated in the *Grant specifications for direct grant*.
- 9.8. EFI may allow correction of manifest written errors or erroneous calculations or some other manifest error in an application.
- EFI may ask for clarifications regarding an application, including submission of additional supporting documentation.
- 9.9. If the application is not following the specified format after note of clarification it may be rejected.

- 9.10. Assessment of the application shall be done by an Assessment committee consisting of the Grant manager and one or more Assessors, appointed for this purpose by the Grant manager. The Assessors must be EFI staff members.
- 9.11. The Assessment committee is a non-voting body that decides by consensus.
 - 9.11.1. The Assessment committee can convene although not physically present on the same location, e.g. through video or telephone conference. The Assessment committee members shall attend all meetings.
 - 9.11.2. Assessment committee members may not be in a hierarchical/subordinate relationship.
- 9.12. When the application has been assessed, an assessment report shall be established.

Negotiation

- 9.13. Negotiations can be conducted, as required in relation to details of the activities to be financed by EFI, as well as financial and legal aspects as applicable.

Decision

- 9.14. A decision on the award of the grant will be made in writing by the Director, or a person with delegated authority.
- 9.15. The decision to award a grant shall at least contain information on maximum grant value, Beneficiary, and activity to be supported by the grant.
- 9.16. Cancellation can be done at any point until the grant has been disbursed if substantiated. A decision on cancellation is made by the Director, or a person with delegated authority, if a decision on award has been made, and otherwise by the Grant manager.
- 9.17. The grant can be disbursed without a grant agreement between EFI and the Beneficiary, if a written explanation is provided by the Grant manager.

Publication of information on the award

- 9.18. Information on the award shall be published when the maximum value of the grant exceeds 50,000 euro or if otherwise due to provisions in an EFI donor funding agreement.
- 9.19. Notice shall contain the following information on economic operator awarded the grant: name of Beneficiary, domicile of Beneficiary, nature and purpose and maximum value of the grant.

- 9.20. The information shall be published on www.efi.int and may also be published elsewhere if so decided by the Head of Unit for the unit providing the grant.
- 9.21. EFI may decide to not publish information in accordance with the preceding if so required due to reasons of confidentiality and security, if publishing the information would threaten the rights and freedom of an individual or harm a contractor's commercial interest, or to safeguard EFI's legitimate interests.

SECTION IV – FINAL PROVISIONS

Article 10 Amendments to grant agreements

- 10.1. Amendments to grant agreements are allowed, as long as such amendments do not call into question the grant decision or the equal treatment of the Applicants otherwise.

Article 11 Appeals and damages

11.1. No appeals are available against any decision made by EFI under these grant rules.

11.2. An Applicant in a grant process can, within 30 calendar days of notification of the award decision, request a review of the grant process.

The review shall be conducted by a person appointed for this purpose by the Director. The outcome of the review will be established in a decision, signed by the Director.

The decision will be sent to the Applicant having requested the review within 60 calendar days of the request for review having been received by EFI, unless this deadline is extended by the Director due to exceptional circumstances.

11.3. EFI shall not be liable to pay any damages or other compensation on the basis of any decision under these rules, or anything in the process leading to such a decision.

Article 12 Amendments to the rules

12.1. The Director decides on amendments to these rules.