

## **DISCLAIMER**

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## **Order of the Minister for Foreign Trade and Development Cooperation of 18 July 2016, nr. IGG-2016.380605, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Sustainable Water Fund Grant Programme)**

The Minister for Foreign Trade and Development Cooperation;

Having regard to articles 6 and 7 of the Ministry of Foreign Affairs Grants Decree;

Having regard to article 5.1 of the Ministry of Foreign Affairs Grant Regulations 2006;

Orders:

### **Article 1**

The administrative rules appended as an annexe to this Order apply to grants awarded under article 5.1 of the Ministry of Foreign Affairs Grant Regulations 2006 with a view to financing activities in the areas of flood prevention and water security that promote inclusive green growth.

### **Article 2**

1. Grant applications under the Sustainable Water Fund Grant Programme may be submitted in two rounds.
2. Applications for Sustainable Water Fund grants in the first round may be submitted from 26 September 2016 until 15:00 CET on 27 February 2017.
3. Applications for grants in the second round for the Sustainable Water Fund Grant Programme may be submitted from 1 October 2017 until 15:00 CET on 5 February 2018.
4. Applications for Sustainable Water Fund vouchers may be submitted from the date on which this Order enters into force until 15:00 CET on 8 December 2017.
5. Applications for grants and vouchers under the Sustainable Water Fund Grant Programme must be submitted using the digital model application form made available by the Minister for Foreign Trade and Development Cooperation and accompanied by the documents stipulated in the form.<sup>1</sup>

### **Article 3**

1. An overall ceiling of €30 million applies to Sustainable Water Fund grants referred to in article 2, paragraph 2 that are awarded from the date on which this Order enters into force up to and including 31 December 2017.
2. An overall ceiling will be announced at a later date for Sustainable Water Fund grants referred to in article 2, paragraph 3 that are awarded from the date on which this Order enters into force up to and including 31 December 2018.
3. If the grant ceiling referred to in paragraph 1 is not fully depleted, the residual amount will be made available for applications referred to in article 2, paragraph 3.

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<sup>1</sup>[english.rvo.nl/FDW](http://english.rvo.nl/FDW)

4. An overall ceiling of €500,000 applies to Sustainable Water Fund Grant Programme vouchers referred to in article 2, paragraph 4 that are awarded from the date on which this Order enters into force up to and including 31 December 2018.

#### **Article 4**

The funds referred to in article 2, paragraphs 2 and 3 will be allocated in accordance with an assessment based on the criteria set out in the annexe to this Order, on the understanding that of the applications that meet the criteria, those that meet them best will be given priority, with due regard for the need for an even distribution as referred to in article 8, paragraph 3 (d) of the Ministry of Foreign Affairs Grants Decree.

#### **Article 5**

This Order enters into force on the day after the date of the Government Gazette in which it appears and lapses with effect from 1 January 2021, with the proviso that it continues to apply to grants awarded prior to that date.

This Order and its accompanying annexe, including the appendices, will be published in the Government Gazette.

R.M. Buijs  
Deputy Director-General for International Cooperation  
For the Minister for Foreign Trade and Development Cooperation

## **ANNEXE**

### **Sustainable Water Fund (FDW) Grant Programme**

#### ***Part 1: General***

##### ***1.1 FDW Grant Policy Framework***

The grant programme described in this Order is part of the Sustainable Water Fund Policy Framework ('the policy framework'), which also provides scope for the use of other instruments besides grant funding. The policy framework is available on the Netherlands Enterprise Agency website (<http://english.rvo.nl/fdw>).

The policy framework contributes to the implementation of the government's agenda for aid, trade and investment (set out in 'A World to Gain', published in April 2013<sup>2</sup>).

Problems relating to flood safety and water security are complex and often involve wide-ranging interests. As a result solutions cannot usually be provided or funded by a single organisation. The policy framework encourages the formation of public-private partnerships (PPPs) made up of public bodies, businesses, NGOs and knowledge institutions. By combining their individual strengths they can develop innovative and sustainable solutions to water-related problems. Partnerships also offer opportunities for the Dutch private sector, especially in the field of water, and help build local SMEs.

##### ***1.2 FDW policy principles***

The policy framework is aimed at initiatives that contribute substantially to game changers. This means it must be possible for the results to be scaled up or have a sector-wide impact. Attention must also be paid to creating an enabling environment and setting up revenue models that benefit the very poorest people.

The policy principles below, which include sustainability and gender sensitivity, are key. How and to what extent these principles can be integrated depends on the context. Preference will be given to initiatives in which these principles play an important role. The policy principles are:

###### Focus on development:

- Inclusive green growth by improving water security and flood prevention in developing countries.
- Improving the living conditions of vulnerable groups.
- Integrating the theme of gender, preferably by involving women in decision-making, planning and implementation, for example in the role of change agent, and through activities that help to achieve or create the necessary conditions for women's social and economic empowerment.
- Supported initiatives should be based on thorough equity and gender analyses.

###### Sustainability:

All interventions must lead to sustainable results. The concept of sustainability is defined on the basis of the FIETS model which distinguishes between Financial, Institutional, Ecological (environmental and climate-related), Technological and Social sustainability.

- Revenue models should be based on a solid analysis (including willingness to pay). The revenue model should in any case include vulnerable groups, like the very poorest people, in its market or target group.

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<sup>2</sup> <https://www.government.nl/documents/letters/2013/04/05/global-dividends-a-new-agenda-for-aid-trade-and-investment>

- Initiatives are expected to make a positive contribution to sustainable use of natural resources, reduction of waste flows, conservation of ecosystems, climate mitigation and climate adaptation.
- To safeguard sustainability, the proposed interventions should take an integrated approach to water management aspects. A sound analysis of the project's environmental impact is key.
- From a sustainability perspective it is important that support is based on local demand. Involving local stakeholders and the target groups is crucial.
- To increase the chance of a game changer project, complementarity of the project with bilateral water programmes may have added value.
- Interventions should always comply with the rules for international corporate social responsibility (ICSR) as set out in the 2011 OECD Guidelines for Multinational Enterprises.<sup>3</sup>

#### Partnerships:

Tackling the issues targeted by FDW calls for public-private partnerships. This kind of partnership can take up opportunities and issues on the interface of the public and private domains, which are beyond the capacity of a single party. It is vital for the justification of a public-private partnership and for the success of such an initiative that a local public body has a major role. For partnerships to function effectively, clear agreements need to be made on the various tasks, roles and responsibilities.

#### Dutch knowledge and expertise:

Dutch knowledge and expertise should be used where it can help to achieve the intended objectives.

### **1.3 Goal of the FDW grant programme**

The goal of the grant programme is to contribute to inclusive green growth by improving water security and flood prevention in developing countries through public-private partnerships (PPPs). Projects should focus on opportunities and problems which can be picked up successfully by public-private partnerships.

Given the focus themes and the fact that partnerships are made up of public and private parties, interventions will be aimed particularly at creating the necessary preconditions, for example through institutional capacity building or revenue models in places where the market falls short or the risks are too high. A combination of these two types of interventions is also possible. For both types, cooperation between the public and private sectors in a PPP must have demonstrable added value.

Activities should focus on one or more of the following three themes:

1. Sustainable access to clean drinking water and sanitation (including waste);
2. Efficient water use, especially in agriculture;
3. Improved river basin management and safe deltas.

Combining these themes is possible and may even increase the activities' sustainability.

The grant programme offers two options: FDW project grants (see part 3) and FDW vouchers (see part 4).

### **1.4 Implementing organisation**

The Minister for Foreign Trade and Development Cooperation has mandated the Netherlands Enterprise Agency (RVO.nl) to implement the grant programme.

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<sup>3</sup> In observance of the Dijkers motion (32505/27) as well as the Ferrier (32602/45) and El Fassed (32605/34) motions.

## **1.5 Administrative burden**

A test based on a standard cost model has been carried out to explain the administrative burden that the applicant will face over the course of the grant programme, from drafting and submitting the application to the management phase and project conclusion – at which point the applicant must submit a request to determine the definitive grant amount – and any objection and appeal procedures. The calculation shows that the administrative burden expressed as a percentage of the total available grant budget is 0,4%.

## **Part 2: Definitions**

- *Capital goods (hardware)*: goods used in production processes, like machines, buildings and technical systems (including any computer software). Costs for goods that only last one production cycle or that will be written off within one year are not categorised as investments in capital goods, but as operational costs.
- *Commercially viable*: a project is commercially viable if the entire project costs can be recouped through one or more business cases supported by the project during the project period and the two subsequent years, or if the necessary funding can be obtained on the market.
- *Company*: any entity that carries out economic activities, not being a foundation, association or NGO, that offers goods or services in an economic market, regardless of the way it is financed. Entities that carry out economic activities on a not-for-profit, not-for-loss basis may also qualify as a company in the partnership.
- *Efficient water use in agriculture*: an FDW focus theme. Making water usage in irrigated and rain-fed farming more efficient and sustainable, thus increasing yields of food and other crops in a sustainable way and ensuring the food supply is less vulnerable to the effects of climate change.
- *Government*: all central, regional and local government bodies. Semi-public bodies, like supervisory authorities in the water sector, implement certain statutory tasks or serve the public interest and are financed from the public purse. They may take the role of 'public body' in a partnership.
- *Improved river basin management and safe deltas*: an FDW focus theme. Sustainable river basin management is aimed at ensuring that enough water of sufficient quality is available for all groups of water users (i.e. households, fisheries, agriculture, industry, hydro power, and flora and fauna) and preventing disasters like severe flooding. The effects of climate change must be taken into account.
- *Knowledge institution*: an educational or research institution that contributes to knowledge exchange. To qualify as a knowledge institution, an institution's core tasks must be independent research and/or knowledge transfer, regardless of whether it also carries out economic activities or is a public body.
- *Lead party*: member of the partnership who applies for the grant on its behalf. If the application is approved, the lead party is the grant recipient and, as such, bears full responsibility towards the Minister for implementation of the proposed activities and compliance with the obligations in respect of the grant.
- *Non-governmental organisation (NGO)*: a not-for-profit organisation neither established by a public authority nor connected to a public authority either de facto or under its constitution, which possesses legal personality under civil law in the country where it has its registered office. For the purposes of the FDW, an NGO must also be registered as such.
- *Preparatory phase*: project startup phase, during which the basic conditions for further implementation are safeguarded. The preparatory phase is defined as part of the project plan that must be appended to the application.
- *Private contribution*: the financial contribution to the project budget provided by the companies participating in the project.
- *Project budget*: the total costs associated directly with project implementation which are eligible for a grant. Also referred to as eligible project costs.

- *Public body*: a government institution.
- *Public-private partnership (PPP)*: a partnership without legal personality, consisting of at least one public body in the target country, one company and one NGO. At least one of the parties must have legal personality under Dutch law and have its registered office in the Netherlands. The maximum number of partners is six. Individual members of the FDW project's target group cannot be partners in the PPP. The PPP's grant application is made by a lead party.
- *Small enterprise*: an enterprise in the private sector as described in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ 2003 L 124/36).
- *Sustainability*: sustainability as defined in appendix 3 (Guidance note on sustainability) to these administrative rules.
- *Sustainable access to clean drinking water and sanitation (including waste)*: an FDW focus theme. Providing sustainable access to safe drinking water and improved sanitation and waste treatment, not only in homes, but also in institutions like schools, coupled with efforts to improve hygiene.
- *Technical assistance (TA)*: includes such activities as project management, training, monitoring and evaluation, certification, legal advice and engineering advice. The costs incurred cannot be assigned to capital goods or interest.

### **Part 3: FDW project grants**

#### **3.1 General**

FDW project grants aim to support PPPs in carrying out projects that will help to achieve the goals of the FDW.

#### **3.2 Size of the grant**

The maximum percentage of project costs eligible for a grant and the maximum grant amount depend on the focus theme addressed by the application. The maximum percentages are shown by theme in Table 1.

The minimum grant amount is €500,000.

Applications which are submitted under the theme 'Improved river basin management and safe deltas', but which are found upon closer examination not to fall into this category will not be eligible for a grant if the necessary adjustments are not made before the deadline for submitting applications.

**Table 1: Maximum grant size in per cent, maximum grant amount in euros, and minimum own and private contributions by theme<sup>1)</sup>.**

<b>Theme</b>	<b>Maximum grant in %</b>	<b>Maximum grant amount in euros</b>	<b>Minimum own contribution in %</b>	<b>Minimum private contribution in %</b>
Sustainable access to clean drinking water and sanitation (including waste)	60%	€3 million	40%	20%
Efficient water use in agriculture	60%	€3 million	40%	20%
Improved river basin management and safe deltas	70%	€3 million	30%	10%

*Ad <sup>1)</sup> All percentages are expressed in relation to the project budget of the application.*

### **3.3 Own contribution**

The portion of the project costs not covered by the grant is funded from the PPP's own contribution (own resources or resources obtained from third parties). The minimum own contribution for each theme is shown in Table 1. A minimum percentage of the eligible costs must be covered by the company or companies taking part in the application as project partners. This percentage is also shown for each theme in Table 1. The PPP must demonstrate in its grant application that it has sufficient resources at its disposal to fund its own contribution.

The own contribution must come from other sources than the Ministry of Foreign Affairs and may include other grants, loans and third-party donations to or investments in partners or the partnership. If the PPP's contribution is funded through a loan or investment, this amount will be seen as a contribution from the project partner that received the loan or investment.

Individual members of the project's target group cannot be partners in a PPP for which a grant application is made, nor can their economic growth or loans taken out by them be capitalised as the partnership's 'own contribution'. The own contribution may not include future income to be generated within the project itself.

Own contributions higher than the minimum are encouraged, and will have a positive effect on the assessment of applications.

### **3.4 Eligible costs**

A project grant is a contribution towards the costs associated directly with the implementation of the project. Costs are only eligible for a grant if they can be directly attributed to project implementation and if the obligations specified in the decision awarding the grant are met.

The costs of capital goods (hardware) and technical assistance are eligible for a grant, but only after the project's preparatory phase has been completed, i.e. when all the activities foreseen for this phase have been carried out and the results have been achieved. This condition, which does not apply to costs associated with the implementation of the preparatory phase, will be set out in the grant decision. At the PPP's request RVO.nl may depart from this rule. To this end RVO.nl will assess the request as well as the submitted report, including appendices, on the preparatory phase.

The rate that partners may charge for technical assistance provided in the FDW project is calculated on the basis of wage costs and a 50% mark-up.

Costs of capital goods (hardware) eligible for a grant are:

- investments in durable capital goods that are necessary for implementing the project;
- investments in new common infrastructure or improvements to existing infrastructure, excepting normal maintenance;
- mandatory levies on the acquisition of capital goods, excluding VAT.

Costs of technical assistance (TA) eligible for a grant are:

- costs of project management, including the costs of activities such as organising meetings, drawing up business plans and reporting;
- costs for monitoring and external evaluation of the project; project-related operational costs, namely the demonstrable costs of maintaining all or part of the product or service delivered by the project throughout the agreed project period;
- costs of activities that exceed the capacity of individual organisations and contribute directly to the objectives cited in the application, such as multi-stakeholder dialogue, market development, joint risk analysis for water management, institutional capacity building etc.;
- costs of quality marks or ICSR certification (e.g. ISO certification and environmental certification), permits, marketing and advice;
- costs of other technical assistance, including knowledge transfer and training of staff within the PPP and third parties.

The follow costs are not eligible for a grant:

- costs incurred before the start date and after the end date of the project. The start date of the project may not be earlier than the date on which the application is submitted;
- costs of the FDW grant application;
- financing costs and interest payments;
- the cost of purchasing, renting or leasing existing buildings;
- the cost of purchasing, renting or leasing land;
- the cost of research and development (R&D), apart from demonstration activities;
- operational costs, other than project-related operational costs;
- value-added tax (VAT) (unless the implementing organisation can demonstrate that they are not exempted from paying VAT);
- costs incurred by third parties, i.e. costs that are not incurred by partners in the PPP;
- costs resulting from inflation and exchange rate fluctuations;
- salary costs for staff at local public partners.

### **3.5 External advice**

The Dutch embassies advise on the quality of grant applications, in particular with regard to the extent to which applications are aligned with the embassy's Multi-Annual Strategic Plan (MJSP) and embedded in the local context.

RVO.nl may consult external experts during the assessment procedure.

RVO.nl will submit its assessment of the proposals to an independent FDW advisory committee appointed by the Minister for Foreign Trade and Development Cooperation. The committee advises the Minister on the outcome of RVO.nl's assessment of FDW grant applications. Under the mandate of the Minister for Foreign Trade and Development Cooperation, RVO.nl will decide on the grant applications.



### **3.6 Submitting applications**

- Applications must be in writing and bear a valid signature, and must be submitted on a USB flash drive and/or by email to RVO.nl. Visiting address: Prinses Beatrixlaan 2, Den Haag; postal address: Postbus 93144, 2509 AC Den Haag; email address: [fdw@rvo.nl](mailto:fdw@rvo.nl).
- Applications must be *received* by RVO.nl no later than 15:00 CET on 27 February 2017 for the first round and no later than 15:00 CET on 5 February 2018 for the second round.
- Applications must be drawn up in English, using the form stipulated by the Minister, which can be downloaded from [www.english.rvo.nl/fdw](http://www.english.rvo.nl/fdw). The form must be accompanied by the documents specified in it, including a confirmation of receipt of the RVO.nl advice concerning the concept note and the following appendices:
  - Partner forms
  - Project plan
  - Project budget
  - Project partners' financial statements.
- A written cooperation agreement signed by all partners must be submitted with the application form, guaranteeing their cooperation and compliance with the agreements made, as well as fulfilment of the obligations towards the minister in respect of the grant. The cooperation agreement must be drawn up using the model form provided by RVO.nl.
- The lead applicant and their PPP partners must declare that they are aware of and will act in accordance with the OECD Guidelines for Multinational Enterprises on responsible business conduct and the ILO Declaration on Fundamental Principles and Rights at Work, and that they are aware of the Entrepreneurial Development Bank's (FMO) exclusion list and will not carry out any activities on the exclusion list as part of this project.
- With regard to the application procedure, particular attention is drawn to article 7, paragraph 3 of the Ministry of Foreign Affairs Grants Decree. If an incomplete application is submitted, the Minister may request a supplement. In this case, the date of receipt of the application will be the date on which the application was supplemented. If the application is submitted less than two weeks before the deadline, the applicant (lead party) runs the risk that, if it is incomplete, the Minister will not use her discretionary powers to request a supplement; this in connection with the time required to check all applications are complete. In this case, no supplement will be requested and the application will be assessed as it stands.

### **3.7 Allocation of resources**

After receiving the applications RVO.nl will check their admissibility. Applications which meet all the formal requirements will be deemed admissible and will be processed further and assessed on the basis of the threshold criteria. The quality of applications that satisfy the threshold criteria will be assessed further on the basis of all of the ranking criteria. The better applications satisfy the criteria, the more points they will be awarded.

In aid of its assessment RVO.nl may undertake action to verify any assumptions or points made in the application. To this end, it may contact any of the parties in the PPP and any relevant stakeholders to obtain the information needed to correctly assess the quality of the application.

The provisions of the General Administrative Law Act, the Ministry of Foreign Affairs Grants Decree and the Ministry of Foreign Affairs Grant Regulations 2006 are fully applicable to the assessment of applications and the award of grants. Applications will be assessed in accordance with the above legislation and pursuant to the requirements set out in these administrative rules.

The available resources in each round are allocated to the highest ranking applications for each theme.

Applications will be ranked by theme based on:

- the total number of points awarded in the assessment of the ranking criteria;
- any extra points awarded for proposed activities in development cooperation partner countries and economic focus countries (see appendix 1 for these administrative rules).

If insufficient resources are available in either round for all applications that satisfy the requirements to receive a grant, grants will be awarded in accordance with the ranking in each FDW theme. The order of priority given to the themes is 1) 'Improved river basin management and safe deltas', 2) 'Efficient water use, especially in agriculture' and 3) 'Sustainable access to clean drinking water and sanitation'.

First, grants will be awarded to the applications that ranked highest for each FDW theme. Grants will then be awarded to the applications that ranked next highest for each theme, and so on until the available resources are exhausted.

See *Points system and bonus points* below for details.

### 3.7.1 Threshold criteria

Applications must satisfy all of the threshold criteria below. Those that do not will be rejected.

- a. With regard to the lead party and other project partners in the PPP:
- All project partners – there may be up to six – must have legal personality.
  - The application must be submitted on behalf of the PPP by one of the project partners, the lead party.
  - The PPP must comprise at least one public body from the target country or countries, one company and one NGO.
  - At least one of the parties must have legal personality under Dutch law and have its registered office in the Netherlands.
  - Individual members of the FDW project's target group cannot be partners in the PPP.
  - None of the project partners may be an organisation that will redeem or has redeemed an FDW voucher in connection with the grant application.
  - None of the project partners may appear on the World Bank Listing of Ineligible Firms & Individuals.<sup>4</sup>
  - Participating companies must have a good reputation in terms of ICSR. Participating companies must provide information on their ICSR policy with their grant application or demonstrate that they will draw up such policy during the grant period. The ICSR policy must be based on the principles established by the OECD.
  - Project partners must have sufficient financial resources at their disposal to fund their own contribution and the working capital for the project.
  - In each round, organisations may be involved in no more than two applications, either as lead party or as project partner.

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<sup>4</sup> <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&-menuPK=116730&pagePK=64148989&piPK=64148984>

b. With regard to the application:

- The application focuses predominantly on one of the FDW themes referred to in section 1.3. At least half of the project budget is allocated directly to activities that are related to this theme. The project will be submitted, assessed and ranked within this theme. Other activities and costs can be related to other FDW themes as referred to in section 1.3. The project must be demand-driven and aim to improve the living conditions of vulnerable groups.
- The application must relate to activities in at least one of the countries listed in appendix 1 to these administrative rules.<sup>5</sup> Only projects that fall under the theme 'Improved river basin management and safe deltas' may have a transboundary character. The proposal must demonstrate the need for these transboundary activities to at least one of the application's target countries.
- The application must include an ICSR risk analysis of the project activities and their indirect impact, based on the principles established by the OECD (see 3.6). Mitigating measures must be set out for relevant risks and carried out as part of the project.
- The project has a maximum duration of seven years.
- The minimum grant application is €500,000 and the maximum is given in Table 1 in section 3.2.
- The partnership's own contribution must be at least the percentage of the eligible costs given in Table 1 in section 3.2. It may not include grants or contributions from the Ministry of Foreign Affairs, made directly or indirectly.
- The private contribution must be at least the percentage of the eligible costs given in Table 1 in section 3.2. It may not include grants or contributions from the Ministry of Foreign Affairs, made directly or indirectly.
- The project is not commercially viable for the duration of the project and subsequent two years.
- The project proposal must not distort the market in the partner country or in Europe.
- The project proposal must not include activities that are on the FMO's exclusion list.<sup>6</sup>
- The project must not involve initiatives aimed wholly or partly at proselytisation.

### 3.7.2 Ranking criteria

Applications must achieve minimum scores on the various ranking criteria (see Table 2) to be eligible for a grant. Eligible applications will be ranked according to their total score on the following criteria plus any bonus points awarded.

a) Policy contribution

- The size of the projects expected impact regarding the focus on development and the objectives of FDW and the likelihood that this impact will be achieved.
- The extent to which the project delivers positive results for the target groups, and is tailored to their needs.<sup>7</sup> The project's contribution to improving the living conditions of the very poorest and other vulnerable groups will be explicitly considered.
- The quality of the gender and equity analyses and the positive contribution of the resulting project activities aimed at gender and equity aspects.
- The extent to which project activities are consistent with the policies of the target country or the local Dutch government.

b) Partnership

- The added value of the partnership: the extent to which the PPP is suited to achieving the project objectives and impact.
- Relevance of partners: the extent to which the selection of partners will result in efficient implementation of the project.

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<sup>5</sup> See the list of countries in appendix 1 for the specific conditions that apply to projects in certain countries.

<sup>6</sup> <https://www.fmo.nl/exclusion-list>

<sup>7</sup> In accordance with the Dijkers motion (32605/28) and the El Fassed motion (32605/34).

- The partnership's capacity: the extent to which the PPP partners, in particular the lead party, have relevant expertise and influence on decision-making, as well as the organisational capacity to achieve the project objectives.

c) Intervention strategy

- The extent to which the project intervention is based on sound and accurate contextual-, stakeholder- and problem analysis.
- Effectiveness of the intervention strategy: the extent to which the project intervention follows logically from the contextual-, stakeholder- and problem analysis and the likelihood that it will result in the achievement of the project objectives. A good qualitative risk analysis and –mitigation is part of this.

d) Sustainability

The extent to which the project will achieve sustainable results. To this end, the project's financial, institutional, ecological, technological and social sustainability will be assessed, in line with the FIETS model included in appendix 3 to these administrative rules.

e) Operational project details

- The quality of the project plan: the extent to which the project activities, outputs and outcomes have been formulated in SMART terms (Specific, Measurable, Acceptable, Realistic and Time-related).
- The quality of the project budget: the extent to which the project budget is accurate and consistent with the project activities.
- The quality and effectiveness of the system for monitoring, evaluation and corrective action.
- The availability and quality of project staff.
- Cost effectiveness: the relation between the project costs and the requested grant on the one hand and the project results on the other.

*Points system and bonus points*

Applications that meet the threshold criteria and score at the least the minimum number of points on the various ranking criteria will be ranked on the basis of their score and any bonus points awarded. A maximum of 1,000 points can be obtained on the ranking criteria. Table 2 below shows the maximum number of points that can be awarded on each criterion and the minimum that must be obtained in order to be eligible for a grant.

**Table 2: Maximum number of points available and minimum number of points required on each ranking criterion**

	<b>Criterion</b>	<b>Maximum</b>	<b>Minimum</b>
a	Policy contribution	250	200
b	Partnership	200	140
c	Intervention strategy	200	140
d	Sustainability	250	160
e	Operational details	100	60
	Total number of points	1000	700

In addition to the 1,000 points that can be scored on the criteria relating to project quality, an extra 50 bonus points will be awarded to applications proposing activities in one of the 14 development cooperation partner countries and economic focus countries, as indicated in appendix 1 of these administrative rules.

**3.8 Decision on the grant application, and implementation**

In addition to the grounds for rejection set out in section 4:35 of the General Administrative Law Act, a grant application will be rejected if it does not satisfy these administrative rules and/or if the budget available is insufficient to award a grant given the application's ranking with regard to a particular theme.

### 3.8.1 The grant award and obligations tied to the grant

RVO.nl will decide on grant applications on behalf of the Minister within 22 weeks of the deadline for submitting applications.

At least the following obligations will apply to any grant award.

#### **Progress reports and monitoring of project results:**

The grant recipient must report on activities performed, results and costs at the conclusion of the project's preparatory phase and annually thereafter. These progress reports must be submitted to RVO.nl within four weeks of the end of the reporting period. Reports must be written in English using the model provided (see: <http://english.rvo.nl/FDW>).

Each progress report should be accompanied by a report on the monitoring indicators laid down in the grant decision and the monitoring and evaluation plan drawn up by the partnership, explicitly addressing how contributions to the policy objectives are monitored. The indicators laid down in the grant decision will be selected from the list of indicators in appendix 2 based on their relevance to the project. The report submitted on completion of the preparatory phase must report on the baseline situation and the project objectives, on which an annual update must be given, using the format provided by RVO.nl.

Throughout the implementation period RVO.nl may, at its own initiative, contact any of the partners in the PPP to request information about the project.

As part of its annual report on the monitoring indicators the grant recipient must report on the outcomes of a sustainability check, giving information on the functioning of capital goods installed or rehabilitated as part of the project. If these capital goods are no longer fully functional the PPP must carry out an analysis of the causes and draw up a management response. The intervention strategy will also need to be adapted to ensure a lasting restoration of functionality. The grant amount may be adjusted if any or all of the capital goods are not fully operational at the end of the project period.

For projects with a total budget of more than €5 million the results achieved must be evaluated by an independent party. The costs of this external evaluation must be included in the project budget. The final draft report and the final report must be submitted to RVO.nl in due course. An external evaluator must also be involved in drawing up the monitoring and evaluation plan for the project.

#### **Sustainability compact:**

A signed sustainability compact must be submitted to RVO.nl on completion of the project. Its aim is to guarantee the full and lasting functionality of the products and services delivered by the project. The compact must in any case be signed by the lead party and the interested parties in relation to the products and services. The grant recipient must report annually on progress concerning the sustainability compact. The sustainability compact must be based on the guidelines provided by the RVO.nl (see: <http://english.rvo.nl/FDW>).

#### **International standards:**

The grant recipient must implement the project in accordance with the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work.

#### **Tax avoidance:**

Project partners must not make use of artificial schemes to make their profits appear lower or reduce the amount of withholding tax payable in connection with the project. An artificial scheme is any legal scheme that is wholly or partly aimed at avoiding tax.

### 3.8.2 Prepayment and determining the grant amount

#### **Preparatory phase:**

Completion of the preparatory phase is essential to the further implementation of the project. Failure to complete the preparatory phase in a timely manner may have implications for the continued payment of the grant: the grant decision may be amended or even withdrawn.

#### **Prepayments:**

The grant decision will specify a prepayment schedule. The sum of all prepayments cannot exceed 90% of the grant awarded.

The grant decision will specify that after the completion and approval of the project's preparatory phase, prepayments will be made in phases, once every three months. RVO.nl may decide to depart from this payment schedule, either at the request of the PPP or at its own initiative, for example if progress on the project is lagging behind.

#### **Determining the definitive grant amount:**

The applicant must submit the final narrative and financial reports, as well as a request to fix the definitive grant amount within six months of completing the activities. These must be drawn up in accordance with the models provided. RVO.nl will determine the definitive amount of the grant within 13 weeks. An on-site inspection may form part of its assessment, in which case RVO.nl may extend the time limit to 22 weeks.

#### **Subsequent information:**

RVO.nl can request that the applicant supply additional information about the project's impact even after the definitive grant amount has been fixed.

### ***Part 4: FDW vouchers***

#### ***4.1 Objective***

To support the development of initiatives for an FDW project grant, organisations can, under certain conditions, apply to RVO.nl for a grant in the form of a voucher. This voucher can be used to hire an organisation or expert to deliver a certain service or product, which can then redeem the voucher with RVO.nl after delivery.

The voucher may be used to acquire relevant knowledge for drawing up an FDW grant application. It may also be used to hire third parties to help develop parts of the intervention strategy, for instance the business case or a pro-poor, sustainability or gender analysis and strategy.

FDW vouchers may not however be used to hire a third party to draft all or part of an FDW grant application.

Organisations that redeem an FDW voucher with RVO.nl may not be a project partner in the grant application to which the voucher is connected.

#### ***4.2 Target group***

Only NGOs and small enterprises that are members of a potential PPP can apply for a voucher.

Vouchers can only be redeemed by organisations that possess legal personality.

### **4.3 Application**

Applications for vouchers must be submitted using the form provided and accompanied by the documents specified in it. RVO.nl must receive the application on 8 December 2017 at the latest.

RVO.nl will assess the application against the conditions and the assessment criterion (see below), and will decide on the application within two weeks. If the decision is positive, the applicant will receive a voucher.

### **4.4 Allocation of resources**

Applications will be assessed and vouchers awarded in the order in which the applications are received. If multiple applications are received on the same day and awarding grants to all of them would lead to the grant ceiling being exceeded, lots will be drawn to determine the order in which vouchers are awarded.

#### 4.4.1 Conditions

To be eligible for a voucher, applicants must meet the following conditions:

- The service or product for which the voucher is requested must be in line with the objective of the FDW voucher scheme.
- The voucher must be requested in support of an FDW grant application, for which a concept note has already been submitted to RVO.nl and on which RVO.nl has issued an advice. The FDW policy framework describes this procedure (see <http://english.rvo.nl/fdw>).
- For each FDW proposal to be developed, no more than two vouchers with a combined maximum value of €10,000 will be granted. The value of a voucher will be equal to or lower than the amount quoted by the service provider.
- The applicant must establish satisfactorily that the product or service that is wholly or partly financed with the voucher can be completed and incorporated into the FDW proposal before the deadline for submitting applications.
- All work on the product or service must be carried out after the voucher has been awarded.

#### 4.4.2 Assessment criterion

The voucher must be used to support a promising FDW proposal. To ensure this is the case the proposal being developed will be assessed against the criteria for FDW grants.

#### 4.4.3 Redeeming vouchers

- After the product or service has been delivered by the service provider and accepted by the applicant, the applicant will give the voucher to the provider, who can redeem it with RVO.nl until 5 March 2018, using the form available at <http://english.rvo.nl/fdw>.
- An organisation may redeem up to 10 vouchers per calendar year.

## Appendix 1: List of countries

This list is based on the Dutch Good Growth Fund (DGGF) country list. As was the case for the DRIVE programme, FDW III is not open to projects in Eritrea, Gambia, Yemen or Zimbabwe. However, unlike DRIVE, this grant programme is open to projects in Benin, Burundi, Libya, South Sudan and Suriname, provided the following conditions are met:

- Partnerships may only work with subnational authorities and/or parastatals.
- Grants may not flow through the government, i.e. the government may not be the lead party.
- International trips or scholarships for government officials may not be funded.

For all countries applies that good checks and balances regarding (anti)corruption must be in place and that project interventions should directly benefit the local population (target group). For Benin, Burundi, Suriname, South Sudan and Libya, these conditions are stressed.

- |                                    |               |                            |
|------------------------------------|---------------|----------------------------|
| - Afghanistan*                     | - Guinea      | - Pakistan                 |
| - Algeria                          | - Haiti       | - Palestinian Territories* |
| - Angola                           | - India       | - Peru                     |
| - Armenia                          | - Indonesia*  | - Philippines              |
| - Bangladesh*                      | - Jordan      | - Rwanda*                  |
| - Benin*                           | - Kenya*      | - Sierra Leone             |
| - Bhutan                           | - Kosovo      | - São Tomé and Príncipe    |
| - Bolivia                          | - Laos        | - Senegal                  |
| - Burkina Faso                     | - Lebanon     | - Somalia                  |
| - Burundi*                         | - Liberia     | - South Africa             |
| - Cabo Verde                       | - Libya       | - South Sudan*             |
| - Cambodia                         | - Madagascar  | - Sri Lanka                |
| - Chad                             | - Malawi      | - Suriname                 |
| - Colombia                         | - Mali*       | - Tanzania                 |
| - Côte d'Ivoire                    | - Moldova     | - Togo                     |
| - Democratic Republic of the Congo | - Mongolia    | - Tunisia                  |
| - Djibouti                         | - Morocco     | - Uganda*                  |
| - Egypt                            | - Mozambique* | - Vietnam                  |
| - Ethiopia*                        | - Myanmar     | - Zambia                   |
| - Georgia                          | - Nepal       |                            |
| - Ghana*                           | - Nicaragua   |                            |
| - Guatemala                        | - Niger       |                            |
|                                    | - Nigeria     |                            |

Fifty (50) bonus points will be awarded for projects in the 14 development cooperation partner countries (excluding Yemen) and economic focus countries (marked \*)



## Annex 2: Mandatory indicators FDW

Indicator	Unit	Specification
<b>General</b>		
People trained	#	Defined by type and topic of training Disaggregated by gender, vulnerable groups and location
Direct jobs created	#	Disaggregated by gender, vulnerable groups and location
<b>Efficient use of water (e.g. in agriculture)</b>		
Yearly agricultural yield of main crops	kg/ha	
Water productivity: crop yield per unit water.	Kg/m <sup>3</sup>	
<b>Integrated water resource management and safe delta's</b>		
Ecological and/or socio-economically sustainable river basin/delta plans	#	Defined by type and geographical level of plans
People targeted in IWRM/ safe delta' management projects	#	Defined by the total of beneficiaries disaggregated by type of water management program Disaggregated by gender, vulnerable groups and location
<b>Water access, sanitation and hygiene (WASH); waste water and solid waste</b>		
New and/or improved sustainable water services and/or facilities	#	Total amount of water services and/or facilities
	#	Total number of people with access to water services and/or facilities Disaggregated by gender, vulnerable groups, location and entity
	#	Total number of people that use water services and/or facilities Disaggregated by gender, vulnerable groups, location and entity
New and/or improved sustainable sanitation services and/or facilities	#	Total amount of sanitation facilities and/or service
	#	Total number of people that use sanitation services and/or facilities Disaggregated by gender, vulnerable groups, location and entity
	#	Total number of people with access to sanitation services and/or facilities Disaggregated by gender, vulnerable groups, location and entity
New and/or improved waste management facilities and/or services	#	Total amount of waste management facilities and/or services
	#	Total number of households that use waste management services and/or facilities Disaggregated by gender, vulnerable groups, location and entity
		Total number of households with access to waste management services Disaggregated by gender, vulnerable groups, location and entity
People reached with hygiene education and/or social marketing programmes	#	Disaggregated by gender, vulnerable groups and location

### Guidance notes on mandatory indicators

#### General

- The data gathered on the compulsory indicators is used by the Ministry of Foreign Affairs to track progress- and report on its policy priorities.
- The compulsory indicators constitute part of the overall, more detailed monitoring and (annual) reporting framework of the project.
- Monitoring of the compulsory indicators will be reported on a yearly basis with the Annual Progress Report
- The annual reporting format provides further opportunity to report on progress on other not compulsory, sustainability and/or qualitative indicators.
- Thematic indicators are compulsory if applicable in relation to the focus of the project.
- Required unit of measurement and data disaggregation on gender, location, vulnerable groups and entity are also compulsory.
- Disaggregation by vulnerable groups include the poor and other socially or economically marginalised groups in society. This is often context specific to the project. A definition is taken up in the FDWIII glossery.

- Disaggregation by location is distinguished by rural or urban
- Disaggregation by entity is distinguished by households/public or private institution (e.g. schools, clinics), public facilities (e.g. communal latrines).
- General indicator on people trained is defined by, type and topic of training and distinguished by academic/masters, vocational/ special course, practical/ on-the-job/ hands-on. The topic is usually context specific.
- General indicator on jobs created consists of the direct jobs that are generated and supported by the project at both output (direct project result) and outcome (short-term effect within project term) level.

#### Specific

- Theme specific sustainable river basin/delta type of plans includes e.g. water allocation, flow management, coastal defense and is described in more detail with annual reporting. The geographical level is the administrative or physical region covered by the project.
- Annual reporting on the functionality of hardware installed during the project is also compulsory. For further guidance on this and other sustainability indicators see the FDWIII sustainability framework (FIETS kader).

### **Appendix 3: Sustainability framework (FIETS kader)**

Available at the RVO.nl website: [www.english.rvo.nl/fdw](http://www.english.rvo.nl/fdw)