

Order of the Minister for Foreign Trade and Development Cooperation of 28 July 2023 2023, no. 2023.15652-30, laying down administrative rules and ceilings for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Ukraine Partnership Facility)

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 articles 5.1 and 7.2 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 articles 5.1 and 7.2 of the Ministry of Foreign Affairs Grant Regulations 2006 with a view to subsidising activities that will contribute to the recovery and reconstruction of Ukraine from the date on which this Order enters into force up to and including 31 December 2025.

Article 2

1. Grant applications under the Ukraine Partnership Facility may be submitted from 11 September 2023 until 15:00 CET on 31 December 2023.
2. Grant applications under the Ukraine Partnership Facility must be submitted using the application form made available by the Minister and must be accompanied by the documents stipulated in that form.¹

Article 3

A ceiling of €25 million applies to grants awarded under the Ukraine Partnership Facility grant programme from the date on which this Order enters into force up to and including 31 December 2025.

Article 4

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 2026, with the proviso that it continues to apply to applications submitted and grants awarded prior to that date.

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

The Minister for Foreign Trade and Development Cooperation,
legally represented in this matter by
the Deputy Director-General for International Cooperation,

Steven Collet

¹ <https://english.rvo.nl/subsidies-programmes/ukraine-partnership-facility-upf>

Annexe

1. Background

Ukraine has faced severe hardship since the Russian invasion began. It is desperately in need of support in many areas, including agriculture, water and healthcare. The Netherlands can be of particular assistance to Ukraine in all three of these sectors.

To enable businesses and civil society organisations to provide a demand-driven contribution to the recovery and reconstruction of Ukraine, the Minister for Foreign Trade and Development Cooperation decided to develop the Ukraine Partnership Facility grant programme (hereafter: 'the grant programme').

Through the grant programme, the minister intends to provide resources for partnership projects involving businesses and civil society organisations that can contribute to the sustainable recovery of Ukraine's economy and society. Emergency humanitarian aid falls outside the scope of this programme. Activities must fall into one of the sectors named above, and concern projects that would otherwise be impossible due to market failure. Where possible, projects should contribute to improving the position of vulnerable groups such as women and young people.

2. Implementing organisation

The Netherlands Enterprise Agency (RVO), an agency of the Ministry of Economic Affairs and Climate Policy, will implement this grant programme on behalf of the Minister for Foreign Trade and Development Cooperation on the basis of a mandate issued to it by the Minister.

3. Definitions

The following definitions are used in the grant programme.

- *Civil society organisation*: a non-profit organisation that is not connected to a government organisation either de facto or under its constitution, which serves a public interest and possesses legal personality under civil law in the country of its registration, and is registered as such. It must not have been established by a government organisation, or must have become fully autonomous from the government organisation that established it;
- *Minister*: the Minister for Foreign Trade and Development Cooperation;
- *Business*: a legal person that engages in economic activity and is not a civil society organisation; economic activity is defined as any activity in which goods or services are offered on the market;
- *Partnership*: a contractual collaboration without legal personality whose partners each have legal personality under civil law, that is aimed at achieving common objectives by carrying out activities, such that each partner delivers part of the necessary input and bears part of the accompanying risks;
- *Lead party*: the 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 grant-funded activities and compliance with the obligations in respect of the grant.

4. Ukraine Partnership Facility grant programme

4.1 Objective

The objective of the grant programme is to contribute to repairing damage caused by Russia's invasion of Ukraine and to reconstruction of and/or sustainable economic development in the agricultural, water and healthcare sectors.

4.2 Parties that may be eligible for a grant

Grants in this programme are intended for partnerships, represented by a lead party that submits the application for a project.

The partners and partnership must meet the following requirements:

- Each partner is a civil society organisation or a business.

- The partnership consists of no fewer than two and no more than six partners, at least one of which is a Ukraine-based organisation with knowledge of the local context.
- Each partner has legal personality under civil law.
- Each partner has sufficient expertise in the area of the activities it intends to carry out under the partnership.
- Each partner has sufficient capacity to carry out its activities under the partnership.
- The contributions of all partners together must be necessary to attain the objective of the activities for which a grant is being requested.
- The partnership must have been established prior to submission of the application.

The lead party is a business or civil society organisation, either with its registered office

- in the Netherlands, or
- with its registered office in another country and a branch or permanent establishment in the Netherlands.

The partners must have adopted an integrity policy. They must also have procedures in place to implement this policy within their own organisations. This integrity policy and these procedures should serve to prevent as far as possible any serious forms of inappropriate behaviour, including sexual misconduct, towards employees and other individuals during the implementation of the proposed activities by the partners and other parties they involve in the activities, and in the event of such incidents ensure that they are investigated and appropriate measures are taken to put an end as promptly as possible to the misconduct or inappropriate behaviour and mitigate the consequences. These procedures must be structured in a way that guarantees prompt reporting of any such incidents to RVO.

4.3 Recommendation

If a lead party is considering submitting a grant application on behalf of a partnership, it is required to request a recommendation from RVO based on a quick scan submitted for that purpose.² The recommendation is issued by an RVO adviser to the lead party. The recommendation is non-binding, and it is up to the lead party to decide whether or not to submit an application. A lead party that does decide to submit an application must still demonstrate that the partnership meets the qualifying criteria for a grant.

As a request for a recommendation on the basis of a quick scan takes up to six weeks to process, requests must be submitted at least six weeks before the application deadline for a round.

4.4 Eligible activities

To qualify for a grant, the application must concern a systematic, comprehensive approach to activities ('project') that contribute to the objective set out in section 4.1, namely to repairing damage caused by Russia's invasion of Ukraine and reconstruction and/or sustainable economic development in the agricultural, water or healthcare sector. This could entail restoring the supply of drinking water, providing necessary healthcare, improving food security or creating jobs or conditions that are favourable for local businesses and/or entrepreneurship.

Activities must address needs at local level in Ukraine and be aimed at improving living conditions for local communities.

Activities are not eligible for a grant if:

- they already receive grant funding or a contribution directly from the Ministry of Foreign Affairs budget;
- they could be commercially funded;
- they entail the provision of humanitarian assistance.

4.5 Duration of activities

Activities for which a grant is requested should have a minimum duration of six months and a maximum duration of four years. Activities must start within two months of the grant award.

² <https://english.rvo.nl/subsidies-programmes/ukraine-partnership-facility-upf>

4.6 Size of the grant

The minimum grant amount is €500,000 and the maximum grant amount per application is €5,000,000. A grant may cover 100% of eligible costs.

5. Eligible costs

5.1 Principles

In calculating the eligible costs for a grant, the following principles apply:

- costs must be reasonable, logical and necessary for carrying out the activities for which the grant is applied for, with no reasonable expectation of funding from other sources;³
- the activities must, by their nature, be suitable for the partner incurring the costs;
- costs must be directly related to carrying out the activities;
- only costs incurred after the application is submitted are eligible for a grant;
- internal costs are eligible without mark-up;
- costs will be compared with local standards and assessed for reasonableness;
- grant funds may be used to pay no more than 10% of costs for project management and coordination, up to a maximum of €100,000.

5.2 Eligible costs

The following costs to be incurred by the partners are eligible for a grant:

- a. Staff costs: the number of hours worked by people directly involved with the eligible activities, multiplied by €87.50, which should include both direct wage costs and associated indirect costs up to a maximum of €700 a day. Notwithstanding this fixed hourly rate, the hourly rate for staff of partners working abroad will be established in line with local standards, to a maximum of the aforementioned fixed hourly rate.
- b. Depreciation of assets within the duration of activities, with the exception of land and existing buildings. The basis for determining depreciation is the purchase price – taking any residual value into account – plus any adjustment costs. If assets (with the exception of land and existing buildings) will be transferred to an organisation in Ukraine after the duration of activities, the cost price of these assets can be included under eligible costs.
- c. Third party costs: costs payable to third parties, supported by an invoice.
- d. Travel costs: international travel costs and regional travel costs outside the Netherlands based on economy class fares.
- e. Subsistence costs: the maximum reimbursement is the number of nights multiplied by the UN Daily Subsistence Allowance rates in effect on the project starting date.⁴

5.3 Non-eligible costs

The following costs are in any event not eligible:

- costs associated with developing, preparing or submitting the application;
- value-added tax (VAT), in so far as this is not a cost item;
- financing costs and interest payments;
- costs resulting from inflation and exchange rate fluctuations;
- costs of product development;
- costs of registering and maintaining intellectual property rights.

6. Application

6.1 Requirements

Before submitting their grant application, an applicant must ask RVO to issue a recommendation based on a quick scan, as described in section 4.4.

Applications must be submitted using the form supplied to potential applicants by RVO for this purpose and accompanied by the documents specified in it, in the format prescribed by RVO.⁵

The application must in any event include:

³ See also article 14 of the Ministry of Foreign Affairs Grants Decree.

⁴ <https://icsc.un.org/home/dailysubsistence>

⁵ <https://english.rvo.nl/subsidies-programmes/ukraine-partnership-facility-upf>

- the reference number of the recommendation issued by RVO;
- partner forms;
- a project plan that includes and explains at least the following:
 - o a description of the activities;
 - o the aim of the project, including its contribution to the objective of the grant programme, namely repairing damage caused by Russia's invasion of Ukraine and reconstruction and/or sustainable economic development in the agricultural, water and healthcare sectors;
 - o how the activities correspond to need at local level in Ukraine and contribute to improving living conditions for the local population, with particular attention for women and/or marginalised groups;
 - o how activities correspond to Ukraine's needs, including reconstruction and recovery needs;
 - o how the partners will work together in the partnership;
 - o which local parties (beneficiaries) will receive knowledge and/or goods;
 - o if applicable, how goods will be transferred to local parties and follow-up assistance organised;
 - o how partners will be able to carry out the project in Ukraine in a situation complicated by war;
 - o timetable;
 - o a risk analysis comprising a summary of risks and mitigating measures;
- a budget showing total project costs per partner and including a liquidity forecast;
- a statement affirming that the project could not be commercially funded;
- a signed agreement guaranteeing the participation of the partners in carrying out the activities, the distribution of roles and their compliance with the agreements reached, as well as their compliance with the obligations incurred under the grant decision.

The partners must also declare that they are aware of and will comply with the OECD Guidelines⁶ and that they are aware of the FMO exclusion list and will not engage in any activities on that list.⁷ The IFC Performance Standards also apply. The partners must declare that they are aware of and endorse these standards. The partners must immediately notify RVO of any facts or circumstances that indicate breaches of these standards.

6.2 Opportunity for supplementation

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 accordance with Section 4:5 of the General Administrative Law Act. In this case, the date and time of receipt of the application will be the date and time on which the supplement was received. This will increase the likelihood of rejection due to exhaustion of available resources.

Additionally, the shorter the time remaining between submission of the application and the deadline, the greater the risk that, if the application is incomplete, the Minister will not use their 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. This may result in rejection of the application.

Moreover, incomplete or insufficiently substantiated applications (in whole or in part) may be rejected on the grounds of failure to adequately satisfy the requirements and criteria.

When completing the form, it is not sufficient to refer for the sake of brevity to other parts of the application, websites or annexes, unless the application form states that this is wholly or partly acceptable. Incomplete applications may be rejected.

7. Assessment of applications and allocation of resources

⁶ <https://www.oecdguidelines.nl>

⁷ <https://www.fmo.nl/exclusion-list>

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 under this grant programme. Applications will be assessed in accordance with the above legislation and pursuant to the requirements set out in this grant programme.

Applications will be assessed in the order in which they are received. When it becomes likely that funds will be exhausted based on the assessment of previously received applications, the processing of applications received from that point on will be suspended. If it emerges that applications submitted earlier have been rejected, the processing of applications will be resumed, in the order in which they were received.

To be eligible for a grant, applications must satisfy the requirements above, especially those set out in sections 4 to 6. Only applications that meet those requirements will proceed to an assessment of their quality based on the criteria set out below. A points system is used for assessing applications on the basis of the applicable criteria. Eligibility for a grant will be assessed on the basis of quality, with a minimum number of points required per criterion and a total of 60 points required for the application to be considered acceptable.

The following criteria apply.

Criteria	Maximum points
1. Alignment with local needs and priorities (minimum of 20 points)	
1.1. The project addresses the needs of Ukraine and is aligned with the policy and priorities of the Ukrainian government with regard to recovery, reconstruction and/or sustainable economic growth.	15
1.2. The project corresponds with the broader intervention strategy of international organisations active in Ukraine, including the World Bank, United Nations and European Bank for Reconstruction and Development.	5
1.3. The project will transfer substantial knowledge, capacity and/or goods to local parties.	12
2. Results and impact (minimum of 25 points)	
2.1. The project contributes to improving the living conditions of the target group in Ukraine, particularly vulnerable groups such as women and young people.	15
2.2. The project contributes to creating (or creating enabling conditions for) sustainable economic development/growth in the target area in Ukraine.	15
2.3. The project will have a sustainable impact after its completion.	8
2.4. The project has a positive impact on sustainability, environmental improvement and/or mitigation of carbon emissions.	5
3. Action plan and efficiency (minimum of 15 points)	
3.1. The project is cost-efficient in terms of the balance between the eligible costs and the envisaged development objectives and risks.	15
3.2. The project plan is SMART (specific, measurable, achievable, realistic and time-related); objectives are realistic and the partnership has demonstrable experience with similar projects.	10
Total points (minimum of 60, maximum of 100)	100

In aid of its assessment, RVO may undertake action to verify any assumptions or statements made in the application. To this end, it may collect any information needed to properly assess the quality of the application.

RVO may also consult external experts during the substantive assessment procedure. The embassy in Kyiv will always be asked to take part in the assessment of all applications.

8. Grounds for rejection

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 the provisions of this grant programme or if the resources available are insufficient.

9. Impact of war

If an ongoing project is hindered by the Russian invasion, so that it suffers damage or cannot be fully completed, the grant recipient will report this in accordance with the terms of the grant award. The grant recipient will then consult RVO to jointly seek out a reasonable solution. This could entail suspending the project temporarily until the situation improves, definitively ending the project or taking another course of action. If the decision is taken to definitively suspend the project, the unused portion of the grant will be repaid. If the grant recipient wishes to continue the project but will incur higher costs due to the effects of war, it can submit (until the end of the submission period) an application for a top-up to the previously awarded grant, if funds are still available under the grant ceiling. This application will be assessed as part of this grant programme. The grant recipient bears responsibility for security risks in Ukraine.⁸

10. Oversight

RVO will carry out random checks to assess the proper use of grant funds, checking regularity and efficiency under the terms of the grant decision.

11. Obligations

The grant decision will set out obligations tied to the grant, including an obligation to notify the Minister of facts and circumstances that may have a significant impact on the grant, such as the applicant's temporary or complete inability to implement the activities for which a grant is awarded (see also section 9), and obligations to submit accountability reports, including interim and final narrative and financial reports as set out in the International Aid Transparency Initiative (IATI).⁹

It will also forbid the grant recipient and the primary supplier from using child and/or forced labour.¹⁰ The grant recipient must also immediately notify RVO of any facts or circumstances that would suggest these organisations are using child and/or forced labour.

12. Administrative burden

A test based on a standard cost model has been carried out in the interests of accountability for the administrative burden that the applicant will face, from drafting and submitting the application to the management phase, the determining of the definitive grant amount, and any objection and review procedures. The calculation shows that the administrative burden expressed as a percentage of the total available grant budget is 1.57%.

⁸ <https://www.nederlandwereldwijd.nl/reisadvies/oekraine>

⁹ <https://projects.rvo.nl/iati-portals>

¹⁰ Any form of labour that the International Labour Organization seeks to prevent with the Forced Labour Convention, 1930 (no. 29), the Abolition of Forced Labour Convention, 1957 (No. 105) or the Minimum Age Convention, 1973 (No. 138).