Order of the Minister for Foreign Trade and Development of 16 August 2024, no. BZ2404502, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Ukraine Partnership Facility 2024)

The Minister for Foreign Trade and Development,

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 for activities that 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 2024 may be submitted from 30 October 2024, 00:01 CET to 30 January 2025, 23:59 CET.
2. Grant applications under the Ukraine Partnership Facility 2024 must be submitted using the application form made available by the Minister and must be accompanied by the documents stipulated in that form.[[1]](#footnote-2)

**Article 3**

A ceiling of €32.5 million applies to grants awarded under the Ukraine Partnership Facility 2024 from the date on which this Order enters into force up to and including 31 December 2025.

**Article 4**

The Order of the Minister for Foreign Trade and Development Cooperation of 28 July 2023, Min-BuZa.2023.15652-30, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs Grant Regulations 2006 (Ukraine Partnership Facility)[[2]](#footnote-3) is repealed, with the proviso that it continues to apply to grants awarded pursuant to it.

**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 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.

Wilfred S. Collet
Deputy Director-General for International Cooperation
For the Minister for Foreign Trade and Development

**ANNEXE**

**1. Background**

Ukraine has faced severe hardship since the Russian invasion began and its needs continue to grow. According to the updated Rapid Damage and Needs Assessment (RDNA3), published in early 2024 by the Ukrainian government, the World Bank and the European Commission, the total cost of reconstruction is estimated to now be 20% higher than a year earlier. Since then, Russia’s large-scale attacks have continued, causing ever more damage. Ukraine is desperately in need of support in many areas.

Given the enormous extent of Ukraine’s needs, it is crucial to support the private sector in contributing to sustainable recovery, thus alleviating the pressure on the public sector. In 2023 the Minister for Foreign Trade and Development Cooperation established the Ukraine Partnership Facility (‘the grant programme’) to enable businesses and civil society organisations to provide a demand-driven contribution to the recovery and reconstruction of Ukraine. There has been one funding round and the grant ceiling for that round was reached in spring 2024. Based on experiences with the funding round and the subsequent desired modifications, and in view of the ongoing, unabated need for support, the Minister for Foreign Trade and Development (‘the Minister’) has decided to launch a new funding round under a modified grant programme.

Through the grant programme, the Minister is providing resources for projects by partnerships involving businesses and civil society organisations, that can contribute to reconstruction in Ukraine and the sustainable recovery of its economy and society. Emergency humanitarian aid falls outside the scope of this programme. Grants are intended for activities in at least one of the following sectors: agriculture, water, healthcare, sustainable energy and circular construction. These are sectors in which Ukraine’s needs are urgent and where the Netherlands can offer added value. The projects in question are ones that would otherwise be impossible due to market failure.

The grant programme is intended for projects that pursue specific and measurable final outcomes. In other words, feasibility studies, pilot projects and projects with experimental technologies are not eligible for a grant. The projects must also lead to broader economic and social development locally. They must have a sustained positive effect on the local community or a group of businesses and civil society organisations, rather than one business or civil society organisation exclusively. Examples are projects that create local jobs, that enhance the employability (knowledge and skills, mental and physical health) of people in Ukraine, or that contribute to the reconstruction of facilities damaged or destroyed by the war. Where possible, projects should also help improve the position of vulnerable groups such as women and young people.

The grant programme’s scope has been expanded and now also includes the circular construction and sustainable energy sectors.

Circular construction projects must be aimed at the development, use or reuse of buildings, areas or infrastructure, and achieve this without unnecessarily depleting natural resources, polluting the environment or damaging ecosystems. The construction methods used must be economically sound and contribute to the current and future wellbeing of people and animals.

Sustainable energy projects must be aimed at enhancing decentralised energy generation capacity, energy efficiency and/or energy storage, and must focus on renewable technologies (including green gas). These solutions cannot immediately replace Ukraine’s centralised energy system, but they can have positive effects in the short term and thus be a valuable addition to the country's existing energy system.

Dutch businesses have a lot of experience in the sectors targeted by the grant programme. Facilitating these businesses so that they can make a long-term contribution is considered an important means of achieving the programme's objectives.

**2. Implementing organisation**

The Netherlands Enterprise Agency (RVO), an agency of the Ministry of Economic Affairs, will implement this grant programme on behalf of the Minister on the basis of a mandate issued to it by the Minister.

**3. Definitions**

The following definitions are used in this grant programme:

* *Economic activity*: any activity in which goods or services are offered on a market;
* *Group*: an economic unit in which the following entities form a single organisation:

a. an entity with legal personality governed by private law that directly or indirectly

1o has issued more than half of the capital to,

2o is a fully liable partner of, or

3o has a controlling interest in one or more legal persons, and

1. the latter legal person/persons;
* *Tax group*: a group of businesses seen as one business for tax purposes;
* *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;
* *Business*: a legal person that engages in economic activity and is not a civil society organisation;
* *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:* member of the partnership that 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.

**4. Ukraine Partnership Facility 2024**

**4.1 Objective**

The objective of the grant programme is to support businesses, including Dutch businesses, in contributing to reconstruction efforts in Ukraine and to the sustainable recovery of its economy and society, with a focus on the following sectors: agriculture, water, healthcare, sustainable energy and circular construction.

**4.2 Parties that may be eligible for a grant**

Ukraine Partnership Facility 2024 grants 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 either a business or a civil society organisation.
* The partnership consists of no fewer than two and no more than six partners, at least one of which is an organisation registered in Ukraine that has knowledge of the local context, and at least one which is a business that has its registered office in the Netherlands.
* Each partner has legal personality under civil law.
* Each partner has demonstrable expertise relating to the type of activities it intends to carry out under the partnership. This means each partner must have at least two years’ experience, gained within the last 10 years, with the implementation of activities in the sector on which the project for which grant funding is sought focuses.
* Each partner can demonstrate that it has sufficient capacity to carry out its activities under the partnership and can guarantee that this capacity is structural.
* Each partner is necessary to attain the objective of the activities for which grant funding is sought, by fulfilling a clear and significant role within the partnership.
* Each partner must have been established before 15 August 2023.
* The partnership must have been established prior to submission of the application.

Partnerships that can demonstrate that they have collaborated successfully in the past will be awarded a higher score than newly established partnerships (see section 7).

The lead party is a business or civil society organisation with its registered office in the Netherlands. The lead party must also:

* have a total staff establishment of at least 3 FTEs. In the case of a group or tax group, this threshold applies to the whole group or tax group;
* have at least two years’ experience, gained within the last 10 years, with activities in Ukraine;
* be capable of adequate financial management in order to ensure effective and efficient implementation of the activities;
* be financially stable and demonstrate its capacity to finance the own contribution (by providing the most recent half-yearly figures, comprising a balance sheet and profit and loss account).

If the lead party does not have at least two years’ experience in Ukraine then, in demonstrating and assessing this experience, it may also refer to experience gained by members of its staff in a previous role with another organisation.

The requirement to demonstrate financial stability and the capacity to finance the own contribution also applies to the other partners.

The lead party must demonstrate that it and each of the other partners have adopted an integrity policy and introduced procedures to apply that policy within their organisation. 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 or 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 Eligible activities**

To be eligible for a grant, the application must concern a systematic, comprehensive approach made up of activities aimed at a common objective (‘project’). The project

* pursues the objective set out in section 4.1, namely to contribute to reconstruction efforts in Ukraine and to the sustainable recovery of its economy and society, with a focus on the agriculture, water, healthcare, sustainable energy and/or circular construction sector (e.g. providing access to drinking water or essential healthcare, generating sustainable energy, improving food security or creating favourable conditions for local businesses and/or entrepreneurship);
* must address needs at local level in Ukraine; and
* must 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;
* could be commercially funded;
* are based on experimental technologies; or
* entail the provision of emergency humanitarian aid.

**4.4 Duration of activities**

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

**4.5 Size of the grant**

Grants will be awarded for no more than 95% of the eligible costs. The minimum grant amount per application is €500,000 and the maximum is €4,000,000.

Each partner or, if applicable, the group or tax group of which it is a part is eligible for a Ukraine Partnership Facility 2024 grant for no more than two projects, irrespective of whether it or the group/tax group is lead party or co-applicant in these applications. If a partner, either independently or as a legal person in a group/tax group, is a lead party/applicant in two applications that have already been awarded grants, all subsequent applications from partnerships involving that partner or legal person in the group/tax group will be rejected.

The portion of the costs not covered by the grant must be funded from the partners’ own contribution (own resources or resources obtained from third parties). The partners contributing financially to the project must demonstrate their financial capacity by providing two annual accounts and the most recent half-yearly figures.

**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;[[3]](#footnote-4)
* costs must, by their nature, be suitable for the partner incurring them;
* costs must be directly related to carrying out the activities. Contingency costs are not eligible for grant funding;
* 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;
* costs relating to project management and coordination may not exceed 10% of the total eligible costs.

**5.2 Eligible costs**

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

1. 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.
2. 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 project ends, the cost price of these assets can be included under eligible costs.
3. Third party costs: costs payable to third parties, supported by an invoice.
4. Travel costs: international travel costs and regional travel costs outside the Netherlands based on economy class fares.
5. subsistence costs: the maximum reimbursement is the number of nights multiplied by the List of rates for subsistence costs on official trips abroad ((‘Tarieflijst verblijfkosten buitenlandse dienstreizen’) as at 1 January 2024.[[4]](#footnote-5)

**5.3 Costs not eligible for a grant**

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 purchasing land and existing buildings;
* costs of registering and maintaining intellectual property rights;
* contingencies.

**6. Application**

**6.1 Requirements**

Applications must be submitted using the form supplied by RVO for this purpose. The form must be accompanied by the documents specified in it, in the format prescribed by RVO. The documents must be supplied in Dutch or English.

The application must in any event include:

* Signed partner forms for each partner.
* A project plan that includes and explains at least the following:
* a comprehensive description of the activities;
* a description of the baseline situation before the commencement of activities;
* the project’s intended results in relation to the grant programme’s objective: to contribute to reconstruction efforts in Ukraine and to the sustainable recovery of its economy and society, with a focus on the agriculture, water, healthcare, sustainable energy and/or circular construction sector. Emergency humanitarian aid falls outside the scope of this programme;
* the project’s scope;
* how the activities correspond to needs at local level in Ukraine and contribute to the Ukrainian government’s policy/priorities and/or the intervention strategy of international organisations with regard to reconstruction;
* how the activities will contribute to the sustainable recovery of Ukraine’s economy and society, in terms of improving living conditions for local communities – with special attention for vulnerable groups, and women and young people in particular;
* the broader economic and social effects in the longer term;
* how the partners will work together in the partnership;
* the cooperation with and among the main stakeholders;
* which local parties (beneficiaries) will receive knowledge and/or goods, and what their role in and contribution to the project consists of;
* if applicable, how goods will be transferred to local parties and follow-up assistance organised, and how will the project’s impact be sustained over the longer term;
* how partners will be able to carry out the project in Ukraine in a situation complicated by war;
* a risk analysis comprising a summary of the main risks and mitigating measures. Such risks may include:
* risks of implementing the project in the context of war;
* non-compliance with the OECD Guidelines on responsible business conduct;[[5]](#footnote-6)
* financial risks associated with implementation;
* safety and security risks;
* other risks.
* A budget showing total project costs, and each partner’s share towards the 5% own contribution.
* A liquidity forecast for each partner and time period (preferably quarterly).
* For the lead party: the two most recent annual accounts and the most recent half-yearly figures (balance sheet and profit and loss account). If the partnership is financing the 5% own contribution from the partners’ own funds, each of the partners concerned must supply these documents. If it can be demonstrated that annual accounts are available for only one year, this may be supplied together with the most recent half-yearly figures.
* A statement affirming that the project could not be commercially funded.
* A statement that the partners’ hourly rates or other budget items do not include a mark-up.
* 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 Guidelines[[6]](#footnote-7) and that they are aware of the FMO exclusion list and will not engage in any activities on that list.[[7]](#footnote-8) 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 filling in 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**

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, based on the date and time on which the application is considered complete or the last possible supplement is received (see section 6.2). 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 any applications submitted earlier are rejected, the processing of applications will be resumed in the order in which they were received.

To be considered for a grant, applications must in any case satisfy the requirements set out in sections 4 to 6 above. 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 qualitative criteria. Applications must be of sufficient quality in order to be eligible for a Ukraine Partnership Facility 2024 grant. This means they must attain a minimum number of points per criterion (divided into sub-criteria) and at least 65 points in total.

These criteria are as follows:

|  |  |
| --- | --- |
| **Criteria** | **Maximum attainable points** |
| **1. Alignment with local needs and priorities (minimum of 20 points)** |
| 1.1. (a) The project addresses the needs of Ukraine and (b) is aligned with the policy and priorities of the Ukrainian government with regard to reconstruction and the sustainable recovery of Ukraine’s economy and society. | 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 creating (or creating enabling conditions for) long-term economic development/growth in Ukraine. | 15 |
| 2.2. The project contributes to improving the living conditions of the target group in Ukraine, particularly vulnerable groups such as women and young people. | 10 |
| 2.3. The project’s impact will be sustained after its completion. | 8 |
| 2.4. The project will have positive effects on sustainability, environmental improvement and/or mitigation of carbon emissions. | 5 |
| **3. Action plan and efficiency (minimum of 20 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. (a) The project plan is SMART (specific, measurable, achievable, realistic and time-related); (b) objectives are realistic and concrete; (c) the partnership has demonstrable experience with similar projects; and (d) the partners can demonstrate that they have collaborated successfully in the past.  | 10 |
| 3.3. An analysis has been carried out that (a) identifies risks to achieving the envisaged project results; and (b) specifies how these risks will be mitigated. | 5 |
| **Total points (minimum of 65, maximum of 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 obtain the 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 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, such 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, any unused portion of prepayments received must 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 if the grant ceiling has not yet been reached. This application will be assessed as part of this grant programme. The grant recipient bears responsibility for security risks in Ukraine.[[8]](#footnote-9)

**10. Monitoring**

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. In addition, an audit will have to be carried out by an external auditor to establish the definitive grant amount.

**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 (and an audit opinion drawn up by an independent external auditor, for determining the definitive grant amount) as set out in the International Aid Transparency Initiative (IATI).[[9]](#footnote-10)

It will also forbid the grant recipient and the primary supplier from using child and/or forced labour.[[10]](#footnote-11) 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 5%.

1. https://english.rvo.nl/subsidies-programmes/ukraine-partnership-facility-upf. [↑](#footnote-ref-2)
2. Government Gazette 2023, no. 22147. [↑](#footnote-ref-3)
3. See also article 14 of the Ministry of Foreign Affairs Grants Decree. [↑](#footnote-ref-4)
4. Appendix 8 of the collective labour agreement for central government (CAO Rijk), https://www.caorijk.nl/cao-rijk/bijlage-8. [↑](#footnote-ref-5)
5. The CSR Risk Checker tool can be used to gain insight into the risks your international activities may be exposed to: https://www.mvorisicochecker.nl/en/check-your-risks/how-do-you-start [↑](#footnote-ref-6)
6. https://www.oecdguidelines.nl/oecd-guidelines/all-about-the-oecd-general-information. [↑](#footnote-ref-7)
7. https://www.fmo-im.nl/en/exclusion-list. [↑](#footnote-ref-8)
8. https://www.nederlandwereldwijd.nl/reisadvies/oekraine. [↑](#footnote-ref-9)
9. https://projects.rvo.nl/iati-portals/. [↑](#footnote-ref-10)
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). [↑](#footnote-ref-11)