

LECTURE 4. GRANT FUNDING, DONOR PROGRAMMES AND BUILDING AN INTERNATIONAL CONSORTIUM

Lecture plan

1. Sources of funding for international projects: EU programmes, international organisations, donor foundations, diplomatic missions.
2. Searching for calls and analysing calls for project proposals: objective, priorities, eligibility criteria, award criteria, budgetary conditions.
3. Partnership and consortium: the roles of the coordinator, beneficiaries, associated and affiliated organisations.
4. Preparing partnership documents: mandate letter, letter of intent, declaration of honour, consortium agreement.
5. Strategic relevance, financial efficiency, transparency and accountability of an international project.
6. Ethics, academic integrity, conflict of interest and the principles of good governance in grant projects.

1. Sources of funding for international projects: EU programmes, international organisations, donor foundations, diplomatic missions

The system of international grant funding is multi-layered and encompasses several categories of donor, each with its own priorities, procedures and volumes of funding.

1) European Union programmes. Funded from the EU budget (the Multiannual Financial Framework) and administered by the European Commission and its executive agencies:

- Horizon Europe — the framework programme for research and innovation;
- Erasmus+ — the programme for education, training, youth and sport;
- Interreg / Programmes for cross-border, transnational and interregional cooperation;
- Creative Europe — the programme supporting the cultural and creative sectors;
- EU4Business, Single Market Programme — programmes supporting small and medium-sized enterprises;
- Neighbourhood, Development and International Cooperation Instrument — Global Europe (NDICI) — the instrument for external assistance and cooperation with third countries.

2) International financial institutions. The World Bank, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the International Monetary Fund — provide mainly loan financing and funding for major infrastructure and reform projects, as well as technical-assistance grants.

3) Development agencies and donor foundations. Bilateral development agencies of individual states (USAID — United States, GIZ and KfW — Germany, SIDA — Sweden,

Norad — Norway), together with independent foundations (the European Endowment for Democracy, the member foundations of the Open Society Foundations network, the National Endowment for Democracy), fund development, democratisation and institutional-capacity-building projects.

4) Diplomatic missions and embassies. Small Grants Programmes administered by the embassies of individual states are, as a rule, characterised by a simplified application procedure and relatively modest amounts of funding, aimed at local initiatives.

5) International non-governmental organisations and networks. These act simultaneously as donors (through subgranting) and as potential consortium partners.

2. Searching for calls and analysing calls for project proposals: objective, priorities, eligibility criteria, award criteria, budgetary conditions

2.1. Sources for searching for calls

Systematic searching for grant opportunities is carried out through the official donor portals: the Funding & Tenders Portal (the single EU portal for all directly managed programmes), the official websites of EU executive agencies (EACEA, CINEA, HaDEA, REA), the National Contact Points of individual programmes, the portals of Interreg programmes, as well as specialised aggregators of grant opportunities and the mailing lists of relevant associations and networks.

2.2. The structure of a Call for Proposals

Every call for proposals generally contains the following mandatory elements, analysis of which is the first step in deciding whether to submit an application:

- the call objective (call objective) and the expected results at programme level;
- thematic priorities (topics) — the specific areas within which applications are accepted;
- eligibility criteria (eligibility criteria) — requirements concerning the status of the applicant and partners (type of organisation, country of registration), the minimum number of partners and participating countries, project duration, and the size of the grant requested;
- award criteria (award criteria) and their weighting in the overall assessment (examined in detail in Topic 3, Section 5);
- budgetary conditions — the overall budget of the call, the maximum grant amount per project, the co-financing rate, and eligible and ineligible expenditure items;
- procedural requirements — the submission deadline, the language of the application, the submission format, and the need for prior registration of the participant (Participant Identification Code, PIC — for EU programmes).

2.3. Analytical profile of a call

Before deciding to develop an application, it is advisable to prepare a brief analytical profile of the call that summarises the parameters set out above and contains a preliminary self-assessment of how far the applicant's institutional capacity meets the requirements of the call,

together with an indicative level of competition (the success rate of previous rounds of the call, where such data have been published by the donor).

3. Partnership and consortium: roles of the coordinator, beneficiaries, associated and affiliated organisations

A **consortium** is a contractual grouping of legally independent organisations that jointly submit a project proposal and, if it is approved, jointly implement the project in accordance with the grant agreement concluded with the donor.

3.1. Roles of consortium participants

- **Coordinator (Coordinator / Lead Beneficiary / Lead Applicant)** — the organisation that represents the consortium in its relations with the donor, signs the grant agreement on behalf of all participants, distributes funding among the partners, consolidates reporting, and bears heightened contractual and administrative responsibility for the project.
- **Beneficiaries / partners (Beneficiaries / Co-applicants / Partners)** — organisations that are party to the grant agreement alongside the coordinator, receive their share of funding directly in accordance with the budget allocated to them, and are responsible for carrying out the work packages assigned to them.
- **Affiliated entities (Affiliated Entities / Linked Third Parties)** — organisations legally linked to one of the beneficiaries (through a structural, capital or administrative link), whose costs may be recognised as eligible within the project provided they are included in the application.
- **Associated partners (Associated Partners)** — entities that join in the implementation of the project without receiving direct funding from the donor, providing expert support, access to target groups, infrastructure or political support for the initiative; their participation is confirmed by a letter of intent.
- **Subcontractors (Subcontractors)** — third parties engaged by beneficiaries to carry out clearly defined tasks on a contractual (commercial) basis, within the limits set by the donor.

3.2. Principles for building a consortium

The formation of an effective consortium rests on the principles of complementarity (the mutual complementarity of partners' competencies), geographical and sectoral balance (in accordance with the requirements of the specific call regarding the minimum number of participating countries), prior experience of cooperation (which reduces the transaction costs of coordination), and a clear division of roles, established already at the application stage.

4. Preparing partnership documents: mandate letter, letter of intent, declaration of honour, consortium agreement

Building a consortium is accompanied by the preparation of a package of partnership documents, each performing a specific legal and organisational function.

Mandate Letter (Mandate Letter / Letter of Mandate). A document by which each partner beneficiary authorises the coordinator to represent the consortium in its relations with the donor, to sign the grant agreement on behalf of the partners, and to receive and distribute the grant funds. It is submitted together with the application or at the stage of signing the grant agreement.

Letter of Intent / Letter of Support. A document by which an associated partner or other stakeholder confirms its intention to join in the implementation of the project in a particular capacity (without beneficiary status), or expresses support for the project initiative; it strengthens the application by demonstrating wider recognition of its relevance.

Declaration of Honour. An official statement by the applicant (and/or partners) confirming compliance with the eligibility criteria and the absence of grounds for exclusion (exclusion criteria) — in particular, the absence of convictions for fraud, corruption or participation in a criminal organisation, of conflicts of interest, and of outstanding tax and social-security liabilities, as well as confirming the accuracy of the information provided in the application.

Consortium Agreement (Consortium Agreement / Partnership Agreement). An internal contract between the consortium's participants, concluded (as a rule, before the grant agreement with the donor is signed, or shortly afterwards) and governing: the allocation of intellectual-property rights, the internal distribution of the budget and the arrangements for financial transfers, decision-making procedures and the resolution of disputes within the consortium, the partners' responsibilities towards one another, and the procedure for a partner's withdrawal from, or replacement within, the consortium. Unlike the grant agreement (which governs the relationship between the “consortium” and the “donor”), the consortium agreement governs the relationship between “partner” and “partner” and, as a rule, is not submitted to the donor, although its existence is frequently a mandatory condition of the grant agreement.

5. Strategic relevance, financial efficiency, transparency and accountability of an international project

Strategic relevance is assessed in terms of the project's alignment not only with the donor's priorities (examined in Lecture 2, Section 6) but also with the applicant organisation's own development strategy, the existence of a long-term vision for the use of the project's results, and the project's potential to serve as a foundation for further initiatives (the portfolio effect, examined in Lecture 1, Section 2).

Financial efficiency presupposes a justified relationship between the volume of resources deployed in the project and the results achieved, the avoidance of excessive funding for particular items, and a rational distribution of costs among work packages in accordance with their actual workload.

Transparency is realised through open procurement procedures within the project, the availability of information on progress to stakeholders (with the exception of sensitive information), and compliance with the donor's visibility requirements (logos, funding acknowledgement) on all materials produced under the project.

Accountability is a set of mechanisms that enable the donor, auditors and other authorised bodies to verify that the actual use of funds corresponds to the stated objectives, including the maintenance of an audit trail, the retention of supporting documents for the period specified in the grant agreement (usually several years after the project ends), and readiness for on-the-spot checks.

These four principles are interrelated components of the sound management of a grant project and are examined in greater depth in Topic 6 (“Financial Management, Budgeting and Administration of International Projects”).

6. Ethics, academic integrity, conflict of interest and the principles of good governance in grant projects

Ethics in grant activity. The implementation of an international project requires compliance with general ethical principles (respect for the dignity of research participants or target groups, non-discrimination, voluntary and informed consent where human respondents are involved), as well as with sector-specific codes of ethics applicable to the particular type of activity (research ethics, journalistic ethics, social-work ethics).

Academic integrity. In projects involving research, analytical or publication activity, compliance with the principles of academic integrity is mandatory: correct citation of sources, avoidance of academic plagiarism, self-plagiarism, fabrication and falsification of data, and fair allocation of authorship among consortium participants in accordance with their actual contribution.

Conflict of interest. A situation in which the personal, financial, family or other private interests of a person involved in decision-making within the project (in particular, in the process of evaluating applications, procurement or staff selection) may affect, or may reasonably appear to affect, the objectivity of that person's performance of their duties. Managing a conflict of interest involves its timely declaration, the recusal of the person concerned from the decision in question, and the documentation of the measures taken.

Principles of good governance. Good governance in a grant project rests on the principles of the rule of law, accountability, transparency, stakeholder participation in decision-making, efficiency and effectiveness in the use of resources, and non-discrimination and equal opportunity. Compliance with these principles is not only an ethical but also a formal contractual obligation under the grant agreement, breach of which may result in financial corrections, suspension of funding, or the inclusion of the organisation in the European Commission's Early Detection and Exclusion System (EDES).

Self-check questions

1. What categories of donor of international projects can you name, and how do their funding priorities differ?
2. What mandatory elements does a typical call for project proposals contain?

3. How does an associated partner differ from a beneficiary (partner) of a consortium in terms of the scope of rights and obligations?
4. What function does the Consortium Agreement perform, as distinct from the grant agreement?
5. Give an example of a conflict-of-interest situation in the process of evaluating grant applications and explain the mechanism for resolving it.
6. What consequences might an organisation face for breaching the principles of transparency and accountability within an EU grant project?

Recommended reading

1. EU Grants: Rules for Participation and dissemination. Regulation (EU) 2021/695 and the relevant sectoral regulations.
2. Horizon Europe Programme Guide. European Commission, Directorate-General for Research and Innovation.
3. Model Grant Agreement (Multi-beneficiary General MGA). European Commission, Funding & Tenders Portal.
4. DAC Principles for Effective Aid. Organisation for Economic Co-operation and Development (OECD).
5. Erasmus+ Programme Guide. European Education and Culture Executive Agency.