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**DIGITAL, INNOVATION, AND GREEN TECHNOLOGY PROJECT   
(DIGIT PROJECT)**

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**REPUBLIC OF CROATIA**

**MINISTRY OF SCIENCE, EDUCATION AND YOUTH**

Donje Svetice 38, Zagreb 10 000, Croatia

**DIGITAL, INNOVATION, AND GREEN TECHNOLOGY PROJECT (DIGIT PROJECT)**

IBRD LOAN NO. 9558-HR

PROJECT ID: P180755



**Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project**

**CALL FOR PROPOSALS**

**“PROFESSIONALIZATION OF RESEARCH CENTERS”**

CALL REFERENCE NUMBER: DIGIT.1.2.03

June 2025

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**Abbreviations and Acronyms**

|  |  |
| --- | --- |
| AI | Artificial intelligence |
| CITES | Convention on International Trade in Endangered Species of Wild Fauna and Flora |
| DIGIT | Digital, Innovation, and Green Technology Project |
| E&S | Environmental and Social |
| EC | Evaluation Committee |
| ESCP | Environmental and Social Commitment Plan |
| EHSG | Environment, Health and Safety Guidelines |
| ESCOP | Environmental and Social Code of Practice |
| ESF | Environmental and Social Framework |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ESSs | Environmental and Social Standards |
| ESSQ | Environmental and Social Screening Questionnaire |
| EU | European Union |
| EUR | Euro (currency) |
| GIIP | Good International Industrial Practice |
| GOM | Grant Operations Manual |
| GRM | Grievance Redress Mechanism |
| IBRD | International Bank for Reconstruction and Development |
| IFC | International Finance Corporation |
| MSEY | Ministry of Science, Education and Youth |
| OG | Official Gazette |
| PIU | Project Implementation Unit |
| SEP | Stakeholder Engagement Plan |
| TA | technical assistance |
| ToR | Terms of Reference |
| US$ | United States dollar |
| VAT | Value added tax |
| WB | World Bank |

# General requirements for grants

The purpose of the general requirements for grants is to provide clear guidelines and standards to ensure that grant for projects under the DIGIT Project are used effectively and efficiently. This section outlines the conditionsrelated to exclusion situations, ineligible activities and eligibility of costs, compliance with horizontal principles, environmental and social management goals, and ethical standards, all of which must be strictly adhered to by all projects.

## Exclusion situation

Under this Call for proposal (hereafter: Call), grant cannot be awarded to:

* An applicant that is not a Croatian public higher education institution or public research institute, conducting research activities, as demonstrated in its statute or other relevant legal act;
* An applicant who has not returned funds as per the decision of the competent authority, including cases where a refund has been requested due to previously received aid being declared unlawful or incompatible with the applicable regulations;
* If the applicant or a person legally authorized to represent the applicant (persons who are members of the administrative, management, or supervisory body or have the authority to represent, make decisions, or supervise the economic entity) has been finally convicted of any of the following criminal offenses or equivalent offenses according to the laws of the country of the registered office or the country of which the person authorized to represent them is a citizen:
  + Participation in a criminal organization, based on Article 328 (criminal association) and Article 329 (commission of a criminal offense within a criminal association) of the Criminal Code (Official Gazette (OG) 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24), Article 333 (association for the commission of criminal offenses) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
  + Terrorism or criminal offenses related to terrorist activities, based on Article 97 (terrorism), Article 99 (public incitement to terrorism), Article 100 (recruitment for terrorism), Article 101 (training for terrorism), Article 101.a (travel for terrorism purposes), and Article 102 (terrorist association) of the Criminal Code (OG 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24) and Article 169 (terrorism), Article 169.a (public incitement to terrorism), and Article 169.b (recruitment and training for terrorism) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
  + Money laundering or terrorist financing, based on Article 98 (terrorism financing) and Article 265 (money laundering) of the Criminal Code (OG 125/2011, 144/2012, 56/2015, 61/2015, 101/2017, 118/2018, 126/19, 84/21, 114/22, 114/23, 36/24) and Article 279 (money laundering) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
  + Child labor or other forms of human trafficking, based on Article 106 (human trafficking) of the Criminal Code (OG 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24) and Article 175 (human trafficking and slavery) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
  + Corruption, based on Article 252 (bribery in business operations), Article 253 (bribery in business operations), Article 254 (abuse in public procurement procedures), Article 291 (abuse of position and authority), Article 292 (illegal favoring), Article 293 (acceptance of bribes), Article 294 (offering of bribes), Article 295 (trading in influence), and Article 296 (offering bribes for trading in influence) of the Criminal Code (OG 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24) and Article 294.a (acceptance of bribes in business operations), Article 294.b (offering bribes in business operations), Article 337 (abuse of position and authority), Article 338 (abuse of performing duties of state authority), Article 343 (illegal mediation), Article 347 (acceptance of bribes), and Article 348 (offering bribes) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
  + Fraud, based on Article 236 (fraud), Article 247 (fraud in business operations), Article 256 (tax or customs evasion), and Article 258 (subsidy fraud) of the Criminal Code (OG 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24) and Article 224 (fraud), Article 293 (fraud in business operations), and Article 286 (tax and other levies evasion) of the Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
* An applicant in case the applicant or a person legally authorized to represent the applicant has been found guilty of a serious professional misconduct;
* An applicant who knew or should have known that they were in a conflict of interest in the subject grant award procedure;
* An applicant who has not paid salaries to employees, made contributions for mandatory insurance (particularly health or pension), or paid taxes in accordance with regulations;
* An applicant who has provided false information within the project proposal.

## Ineligible activities

The following activities are ineligible and will not be financed by projects:

A. Activities listed in the International Finance Corporation (IFC) Exclusion list:

* Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls, wildlife or products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and other listed on the IFC exclusion list (as follows);
* Production or trade in weapons and munitions;
* Production or trade in alcoholic beverages (excluding beer and wine);
* Production or trade in tobacco;
* Gambling, casinos and equivalent enterprises;
* Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where considers the radioactive source to be trivial and/or adequately shielded;
* Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%;
* Drift net fishing in the marine environment using nets in excess of 2.5 km in length;
* Production or activities involving harmful or exploitative forms of forced labor/harmful child labor;
* Commercial logging operations for use in primary tropical moist forest;
* Production or trade in wood or other forestry products other than from sustainably managed forests;
* Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products;
* Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples (if applicable);
* Activities that might cause land acquisition or involuntary resettlement will not be eligible for financing.

B. Other ineligible activities related to the DIGIT Project:

* Activities involving consumption of fossil fuels, including innovation with potential lock in effects and entrapment risk;
* Activities within the framework of the EU emissions trading system (ETS) that achieve the predicted emissions of greenhouse gases that are not lower than the relevant reference values;
* Activities related to waste disposal sites, incinerators and facilities for mechanical biological treatment;
* Activities resulting in long-term waste disposal that harms the environment;
* Activities rated with substantial or high environmental and social (E&S) risk according to World Bank (WB) E&S policies;
* Purchase of large quantities of chemicals and hazardous materials (including agents, gases, equipment, liquids, etc.);
* Procurement of pesticides;
* Activities that include: testing on animals (with exception of insects, small planktonic crustaceans Daphnia and the like), collecting samples from animals or humans, procuring/working on samples of animal or human tissue/cells/other body materials, for which the risk has been assessed as high or substantial by a subsequent E&S screening procedure; high and substantial risks, among others, include:
  + conducting a clinical study using pharmaceuticals, biologicals, radiopharmaceuticals, or advanced therapy medicinal products,
  + invasive techniques (e.g. surgical or medical interventions, invasive studies on the brain, TMS etc.),
  + activities involving children (or other persons unable to give consent),
  + activities involving human stem cells, embryonic stem cells (hESCs) and human embryos (hEs) and other human fetal or embryonic tissues or cells,
  + activities intended to modify the genetic make-up of human beings that could make such changes heritable,
  + in vitro cultivation of human tissues and organs (bio-printing),
  + creation of human-animal hybrid organisms (chimeras), etc.;
* Laboratories with biosafety level 3 (BSL-3) and 4 (BSL-4);
* Maritime industry (except maritime transport-research related to small vessels).

## Horizontal principles

Applicants are obliged to comply with legal provisions, which represent the minimum requirements for the implementation of horizontal policies. By respecting these legal provisions, the project remains neutral regarding horizontal policies, and the associated expenditures and activities will not be considered as a contribution to horizontal policies, but as a fulfillment of a legal obligation. If the project contains additional activities with the prescribed minimum compliance with legal provisions, then the project promotes horizontal policies. The following horizontal principles will be considered:

* **Sustainable development** - the DIGIT Project encourages the application of sustainability principles in all aspects of project implementation. Applicants are expected to consider the most sustainable and nature-friendly use of all resources planned for implementing projects. Sustainable development also implies the dissemination of materials, printouts, meetings, and modes of communication. The applicants are encouraged to use quality-related and lifecycle-based criteria when planning activities to minimize negative effects on the environment. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovative solutions should be taken into account. Projects need to explain how they will prevent or mitigate any negative impacts. Projects with a direct negative impact on the environment and sustainable development will not be funded.
* **Equal opportunities and non-discrimination** - as a general principle, all projects are expected to integrate these horizontal issues into their activities or, at minimum, to consider the project’s impact on them. Projects with a direct negative impact on equal opportunities and non-discrimination will not be approved.
* **Gender equality** - beyond the general principle of non-discrimination, the DIGIT Project grant scheme places special emphasis on gender equality. Projects that negatively impact gender equality will not be approved.

## Environmental and social management goals

The aim is to ensure that the both people and the environment are protected from potential adverse impacts during all phases of project implementation by supporting "green, clean, resilient" paths. This is achieved by ensuring the that project implementation of projects is in accordance complies with the operational policies and guidelines of the World Bank, including the World Bank Environment, Health and Safety Guidelines (EHSG), World Bank Environmental and Social Standards (ESSs), Good International Industrial Practice (GIIP) and applicable national environmental and social legislation protection by following the adopted Environmental and Social Management Framework (ESMF).

The following environmental and social standards (ESSs) relevant for the project are:

* ESS1 Assessment and Management of Environmental and Social Risks and Impacts;
* ESS2 Labor and Working Conditions;
* ESS3 Resource Efficiency and Pollution Prevention and Management;
* ESS4 Community Health and Safety;
* ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources;
* ESS8 Cultural Heritage;
* ESS10 Stakeholder Engagement and Information Disclosure.

Only projects for which funds are available after the evaluation process must undergo environmental and social due diligence. This includes screening and assessment in compliance with the ESMF, and consequently, Environmental and Social Framework (ESF). The process integrates stakeholder engagement activities including consultation and feedback, following the process described below to:

* identify risks associated with specific projects,
* screen out any substantial and high-risk activity,
* identify potential impacts and define measures aimed to prevent or minimize negative impacts, and
* determine the type of management instrument required to meet the project standards (Environmental and Social Management Plan (ESMP), ESMP Checklist, Environmental and Social Code of Practice (ESCOP)), or confirm if no management instrument is required.

**Project E&S screening and risk classification**

Projects for which funds are available after the evaluation process is completed (including eligibility check according to Exclusion list) will be required to complete an Environmental and Social Screening Questionnaire (ESSQ) (Annex V. of the Guidelines for Applicants), prepared by the applicant.

The ESSQ will be reviewed by the MSEY/PIU’s E&S specialists and approved by the WB to evaluate the activities in terms of compliance with E&S standards, as well as to determine the level of potential risk. The findings of this evaluation will be documented in a Screening Report (part of ESSQ which will be filled-out by MSEY/PIU’s E&S specialists).

If the results of E&S risk assessment indicate that there are no potential significant adverse effects, no further assessment is required.

If the ESSQ results indicate the need for specific Environmental and Social (E&S) instruments (for low to moderate risk), the applicant will be responsible for preparing the required documentation (such as the ESCOP, ESMP Checklist or ESMP) with guidance from PIU E&S specialists.The final version of the document will then be harmonized by the PIU E&S specialists in collaboration with WB experts before the award decision is made.

Project activities with substantial and high risk for E&S will not be funded.

For projects that require further assessment and for which an appropriate E&S instrument should be prepared (with low to moderate risk), the applicant/beneficiary is required to follow the step-by-step processes outlined below:

* **STEP 1: Preparation and disclosure of E&S instrument (before Grant Agreement signing):**

Based on the Screening Report and if applicable, E&S instruments (ESCOP/ESMP Checklist/ESMP) will be prepared. The applicant must organize a , public consultation process on these instruments to enable stakeholders´ feedback. The instruments will be must be prepared by the applicant, reviewed by the MSEY/PIU E&S specialists, approved by the WB, publicly disclosed and finalized before the Grant Agreement signing. Such Cconsultations can may take be in the form of public hearing, direct engagement, focus group discussions and/or other fit-for-purpose formats. Where applicable, Stakeholder engagement action plans will be prepared, publicly consulted, and implemented. Measures as a resultarising from stakeholder engagement and consultations will be implemented as a part of the ES instrument and /or project implementation, where appropriate.

* **STEP 2: Integration of E&S instrument in tender documentation (during project implementation)**

E&S instrument (ESCoP/ESMP Checklist/ESMP) needs tomust be included incorporated into the bidding procedure of for services, and goods (as applicable). and Tthe final version needs must to be integrated into tender documentation and into the contracts for their execution to be signed with the selected service providers and goods suppliers.

* **STEP 3: Implementation, project supervision, monitoring and reporting (during project implementation)**

The provider or supplier is responsible for the applicable implementation of E&S instrument (ESCoP/ESMP Checklist/ESMP), including the defined mitigation measures and monitoring plan, as well as any subsequent corrective measures prescribed by the PIU and WB. Implementation of particular community safety and occupational health and safety (OHS) measures that are related to usage period, safety of staff, emergency preparedness, waste management, and others defined in the Environmental and Social Commitment Plan (ESCP) is the responsibility of project beneficiaries as will be defined in the E&S instruments. Reporting for projects is responsibility of the beneficiaries and will be carried out as defined in the relevant E&S instrument (ESCOP/ESMP Checklist/ESMP). The MSEY/PIU shall confirm the overall compliance with the environmental and social management, including overseeing any remedial measures in case gaps are identified.

The following figure provides an overview of the project E&S screening and risk classification.

*Figure 1. Project E&S screening and risk classification*

Detailed E&S review procedures can be consulted in the DIGIT Project ESMF. The Stakeholder Engagement Plan (SEP), as an instrument defining planned stakeholder consultation and engagement process for the project, as well as the grievance mechanism for people to raise any concerns about the project activities, has been prepared, and it will be updated periodically as necessary.

**Environmental and social review of TA**

Technical assistance (TA) financed under the project will also be subject to E&S screening and reviews of terms of references (ToRs), outputs, and other relevant documents, to ensure no adverse downstream impacts, in accordance with the E&S review procedures outlined in the Project ESMF.

Specific steps to be taken include:

1. Define the type and scope of TA: clarify whether the TA involves activities such as designing digital platforms/systems, supporting policy, regulatory, or legal reforms, human and institutional capacity building, future investment planning, or project-specific tasks (e.g., feasibility studies, detailed designs) etc.
2. Screen for potential environmental and social risks: social exclusion, data privacy and securitiy, labor and working conditions, community health and safety, future physical infrastructure etc.
3. Categorize TA by risk: assign a risk level based on the TA’s potential influence on future actions, sensitivity of the context and the potential E&S footprint of services it helps develop.
4. Embed ESF requirements in ToRs: ensure that ToRs include Risk analysis for downstream E&S impacts, attention to digital inclusion, accessibility, and human rights, commitment to consultation and stakeholder engagement, requirements for data protection assessments, and screening of any future investments or systems supported by the TA .
5. Determine E&S instruments (if needed): depending on the risk level.
6. Review and record keeping: the WB will review and clear the ToRs and any proposed E&S instruments, screening will be documented as part of the Environmental and Social Commitment Plan (ESCP).

## Ethics

Every project funded by the DIGIT Project, as well as all service providers and goods suppliers engaged in projects, is obligated to respect and implement the Code of Ethics for the preparation and implementation of the projects funded by the Digital, Innovation, and Green Technology Project (DIGIT Project)[[1]](#footnote-2) (hereafter: Code of Ethics).

The Code of Ethics is aimed at ensuring that all the research and innovation activities under the DIGIT Project comply with applicable EU regulations and international laws, as well as with the following core science & research ethical principles:

1. **Honesty:** ensure honesty in all forms of scientific communication with colleagues, sponsors, and the public.
2. **Objectivity:** avoid bias in all aspects of research.
3. **Integrity:** maintain consistency of thought and action.
4. **Carefulness:** avoid errors or negligence at all times.
5. **Openness:** share information about your research and be open to criticism and new ideas.
6. **Transparency:** disclose all the necessary information needed to evaluate your research.
7. **Accountability:** be responsible for all concerns related to your research.
8. **Intellectual property:** avoid plagiarism, give proper credit to all contributions in your research and honor all forms of intellectual property.
9. **Confidentiality:** protect and safeguard all confidential information recorded in your research.
10. **Responsible publication:** publish for the sole reason of advancing the knowledge in your field.
11. **Responsible mentoring:** help and mentor other researchers and promote their welfare.
12. **Respect for colleagues:** respect and treat all your colleagues fairly.
13. **Social responsibility:** aim to promote social good through your research.
14. **Non-discrimination:** avoid discrimination in all forms against colleagues.
15. **Competence:** improve your competence and promote the competence of science as a whole.
16. **Legality:** obey all relevant laws and policies.
17. **Animal care:** respect and care for all animal species. Causing pain and discomfort to animals shall be avoided.
18. **Human subjects' protection:** respect human dignity and take special precautions wherever needed.
19. **Effectiveness:** put all efforts to reach set objectives.
20. **Efficiency:** achieve more output with less input.
21. **Economy:** put all due efforts into saving the grant funds.

While creating many opportunities AI raises profound ethical concerns. Therefore, all ethics principles mentioned above need special attention from applicants and beneficiaries while using or developing AI systems in their projects. Also, it is necessary to align with and build upon relevant EU legislation such as the Artificial Intelligence Act (Regulation (EU) 2024/1689) and corresponding guidelines, and the Organisation for Economic Co-operation and Development (OECD) AI Guiding Principles: <https://www.oecd.org/en/topics/ai-principles.html>.

Projects must be prepared and implemented in accordance with these ethical principles. The applicants must confirm in the application (Annex II. Declaration by the Applicant) that they are familiar with the ethical principles of this document and must undertake to act in accordance with them. The EU codes of ethics for research and development should also be considered.

During the implementation of procedures for the procurement of goods and services, the beneficiaries must inform bidders about the obligation to implement the Code of Ethics, and the bidders must confirm that they accept to implement the same, while sub-contractors will confirm the same to the bidders. During the implementation of the project, contracted entities and sub-contractors are obliged to act in accordance with ethical principles.

Emphasizing open science, the DIGIT Project places significant importance on the principle of open access. The beneficiaries under the DIGIT Project are expected to adhere to the commitment of providing unrestricted access to the published outcomes of their research, encompassing peer-reviewed articles and monographs.

Furthermore, the DIGIT Project advocates for open access to research data, considering it a fundamental principle. Offering free online access to all such materials is the most efficient means of ensuring that the results of its funded research are readily available, readable, and can serve as a foundation for subsequent research and development. Beneficiaries of grant must guarantee open access to all peer-reviewed scientific publications linked to their outcomes.

It is also mandatory for the beneficiaries to establish a Grievance Redress Mechanism (GRM) for their project, by providing an e-mail & post address where complaints, comments and/or suggestions could be sent by the interested public, either groups or individuals. The beneficiaries must report the established GRMs to the GRM of the DIGIT Project (e-mail: [grmdigit@mzom.hr](mailto:grmdigit@mzom.hr)). The beneficiary must publish the e-mail & post address of his own GRM on the website. Information on such received complaints, comments, and suggestions should be archived in a logical framework database and reported to the DIGIT Project GRM together with information on the measures taken following to received complaints, comments and/or suggestions.

The grievances related to misconduct on the Code of Ethics will be taken further in the Ethics review procedure that focuses on the following four key areas:

* Standard setting through the design and stewardship of ethical policy, practices, decisions, and behavior, while ensuring public confidence;
* Outreach and training to strengthen World Bank Group values, foster a culture of respect and integrity, and build bridges between scientific research and practice in ethical development;
* Advice to applicants by sharing ethics expertise and spotting trends - providing counsel on conflicts of interest and compliance-related issues as needed;
* Addressing misconduct by reviewing concerns, recommending actions, and facilitating resolutions.

The consequences for ethics protocol violations can include the following:

* Project suspension or termination: Immediate suspension or termination of the project and funding. Also, termination of the beneficiary's contract with the contracted parties is included.
* Legal actions: Possible legal actions against the individual or organization responsible.
* Financial penalties: Requirement to return funds received, along with possible fines.
* Reputational damage: Public disclosure of the violation, which may result in reputational harm to the individual or organization.
* Future ineligibility: Barring the individual or organization from applying for future funding under the DIGIT Project.

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# Grant award process

This section provides information on the submission of project proposals, the stages of the evaluation process, and the Grant Agreement signing procedures.

The process from submission to Grant Agreement signing is shown in the following chart.

*Figure 2. Grant award process*

**

## Submission of project proposals

The project proposals must be submitted online via the application portal eDIGIT available on the website <https://digit.mzom.hr/>. Applicants must complete and submit the documentation as described in Section 11 of the Guidelines for Applicants.

The application form is available in an online format. Applicants must complete all required fields directly in the portal, ensuring that each section is completed in accordance with the provided guidelines. A detailed overview of the information required in the online application form can be found in Annex IV. Application form of the Guidelines for Applicants. All required supporting documents must be summitted through the eDIGIT portal.

## Assessment process

The assessment will be conducted by the Evaluation Committee (EC). The evaluation of project proposals will be completed within 45 days following the closing of the Call. The project proposals will be evaluated based on the following criteria, and an Award decision will be made for the highest-ranked projects within the Call budget allocation.

The assessment process is structured as follows:

**1. Administrative check**

The process starts with the administrative check, during which the following criteria will be assessed with a “yes” or “no” response to the criteria listed below.

Table 1. Criteria for the administrative check

|  |  |
| --- | --- |
| Criteria for administrative check | Assessment (Yes/No) |
| The project proposal has been submitted through the eDIGIT portal, and all required fields have been completed. |  |
| The project proposal has been submitted by an authorized person on behalf of the applicant organization or the project manager employed at the applicant organization. |  |
| The application form has been filled in English and in Latin script. All required documentation has been submitted in the prescribed language, as stated in the Guidelines for Applicants. |  |
| The application includes a Declaration by the Applicant (completed, signed and stamped), in accordance with the provided template. |  |
| The application includes Business Development Plan for the Research Center, in accordance with the provided content (in .pdf). |  |

If the assessment is “no” for any of the above criteria (where applicable, even after requesting clarification), **the application will be rejected**.

**2. Eligibility check of the applicant, the project, and activities**

The purpose of eligibility check is to verify the compliance of the applicant, the project, and the project proposal activities with the eligibility criteria for each of the specified categories, as defined in the documentation of this Call for proposals.

The assessment includes providing “yes” or “no” response to the criteria listed below.

Table 2. Eligibility of the applicant

|  |  |
| --- | --- |
| Criteria for eligibility check | Assessment (Yes/No) |
| Eligibility of the applicant | |
| The applicant satisfies the eligibility criteria related to their status, as defined in the Call.  *Source of verification: Application form, register held by the MSEY, statute or other legal act that is publicly available.* |  |
| The applicant or their legal representative is not in any exclusion situations listed in Section 1.1 of Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project.  *Source of verification: Declaration by the Applicant.* |  |

Table 3. Eligibility of the project and activities

|  |  |
| --- | --- |
| Criteria for eligibility check | Assessment (Yes/No) |
| Eligibility of the project and activities | |
| The project proposal aligns with the objective outlined in the Call and contributes to the results framework, with all mandatory indicators included and defined in accordance with the defined requirements of the Call.  *Source of verification: Application form* *and Business Development Plan* |  |
| The project proposal will be implemented in the eligible location (Croatia) regardless of any travel abroad.  *Source of verification: Application form* *and Business Development Plan* |  |
| The applicant confirmed in their Declaration that:   * the project is implemented independently by the applicant as defined in Section 5 of the Guidelines for Applicants * the project proposal is not physically or financially completed, nor will the project be completed before the signing of the Grant Agreement; * the project proposal is ready for the start of the activities, with an anticipated duration of up to 36 months, ensuring that all activities and payments are completed by October 31, 2028; * the project proposal respects the principle of non-cumulativeness, i.e. it does not constitute double financing.   *Source of verification: Application form, Declaration by the Applicant, as applicable* |  |
| The project proposal does not include any of the activities listed in Section 1.2. (Exclusion list) of Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project.  *Source of verification: Application form and supporting documentation, as applicable* |  |
| The project proposal is eligible with regard to the horizontal principles and ethical standards outlined in sections 1.3 and 1.5 of Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project.  *Source of verification: Application form and supporting documentation, as applicable* |  |
| The project proposal complies to the environmental and social conditions outlined in Section 1.4 of Annex I. Conditions for the preparation and implementation of projects under the DIGIT Project.  Note: The final determination of compliance with environmental and social conditions is made after the quality assessment stage.  *Source of verification: Application form, Environmental and social screening questionnaire (ESSQ), E&S instruments (if applicable), and other relevant documents, as applicable* |  |

The assessment will be conducted by the EC. If the assessment is “no” for any of the above criteria, **the application will automatically be rejected**.

**3. Quality assessment of the application**

A quality assessment of the project proposal will be conducted for all projects that pass the administrative and eligibility checks.

The quality assessment of applications will be based on three main selection criteria: (i) Excellence, (ii) Potential, and (iii) Feasibility. Projects will be evaluated according to the criteria and sub-criteria as described in the tables below.

Table 4. Quality assessment of the Business Development Plan for Research Center

|  |  |  |
| --- | --- | --- |
| Excellence | | |
| Sub-criteria | **Description** | **Points (max 20)** |
| Clarity, relevance & ambition of problem analysis & Intervention logic | This criterion assesses how clearly the project identifies relevant challenges (e.g., underutilized infrastructure, weak private-sector collaboration) and articulates a logical pathway from proposed activities to the expected results. It evaluates the use of baseline data (e.g., infrastructure utilization rates, partnership gaps) to contextualize the problem. The project must justify how well the proposed interventions (e.g., optimized management protocols, digital tools, new hirings, etc.) will effectively bridge the gap between the current state and desired outcomes. The project’s contribution to relevant national& EU strategies will be evaluated, particularly in the context of strengthening the position of the Centre within the European ecosystem. | 5 x 2 = 10 |
| Adoption of advanced processes & tools for better accessibility of equipment and services | This criterion evaluates the expected integration/improvement of innovative management practices (including digital tools) aimed at optimizing infrastructure utilization and strengthening the commercialization of research results (e.g. technology transfer, IP licensing, etc.). Proposals must demonstrate how these tools and methods are intended to enhance operational efficiency, reduce costs, or improve accessibility of equipment, resources and services. | 5 |
| Collaboration and partnership development | This criterion evaluates the quality and credibility of the applicant’s approach to fostering meaningful and sustainable partnerships with enterprises, research institutions, and international collaborators. It places particular emphasis on driving behavioral change by improving communication, building mutual trust, and aligning interests between stakeholders. Proposals must demonstrate how these changes will enhance collaboration practices, leading to stronger interdisciplinary outcomes and better commercialization of research results.  The assessment considers concrete actions aimed at establishing or strengthening partnerships, such as joint R&D initiatives, service agreements, networking events, or partnership platforms, that actively promote knowledge sharing, transparency, and long-term engagement. By fostering trust and improving communication channels, the project should create an environment in which stakeholders can work collaboratively to achieve shared goals in research commercialization and infrastructure optimization. | 5 |
| Potential | | |
| Sub-criteria | **Description** | **Points (max 20)** |
| Magnitude of expected change | This criterion assesses the scale and significance of the expected change resulting from the proposed activities. It evaluates how effectively the project quantifies its potential impact using specific metrics and benchmarks. The focus is on the size of the target group affected, the proportion of that group benefiting, and the importance of those benefits. Proposals must provide baseline data and clearly define measurable outcomes (e.g., increased infrastructure utilization, improved private-sector engagement). | 5 x 2 = 10 |
| Potential of exploitation of current resources and results | This criterion evaluates the extent to which the project leverages existing institutional resources (e.g., knowledge, data, technologies, IPR, equipment) and maximizes the use of research results to create tangible and intangible value. It assesses how effectively the proposal identifies and prioritizes key exploitable resources and results, as well as its strategies for their effective utilization during and after the project. The evaluation focuses on the potential for further development and commercialization. | 5 |
| Long-term sustainability | This criterion evaluates the likelihood that improvements achieved through the project will continue beyond its duration. It examines strategies for ensuring long-term benefits, including knowledge transfer, capacity building, financial planning, employee strategy and alignment with broader organizational goals. Proposals must demonstrate how they will maintain infrastructure enhancements and partnerships over time, leveraging diversified funding streams or institutional frameworks. | 5 |

|  |  |  |
| --- | --- | --- |
| Feasibility | | |
| Sub-criteria | **Description** | **Points (max 20)** |
| Implementation capacity and expertise | This criterion evaluates the applicant’s ability to successfully implement the proposed activities based on their organizational capacity, track record, and expertise. It assesses whether the applicant has sufficient resources, qualified personnel, and partnerships to achieve the project objectives. Proposals should provide evidence of institutional readiness, including past experience with similar projects, access to specialized knowledge, and organizational structures that support effective project execution. | 5 x 2 = 10 |
| Risk management | This criterion assesses the identification of potential risks that could affect project success and the robustness of mitigation strategies. Proposals must outline key risks related to technical challenges, financial constraints, stakeholder engagement, etc. The assessment also takes into account contingency plans for addressing these risks. | 5 |
| Feasibility of workplan with proposed budget | This criterion evaluates the clarity, practicality, and reality of the proposed workplan. It assesses whether the timeline, milestones, and deliverables are well-defined and achievable within the project duration and planned budget. Proposals must demonstrate alignment between activities, objectives and budget while ensuring efficient use of resources. The evaluation also considers how well the workplan accounts for dependencies between tasks and external factors. It must be clear that the ratio between personnel and other costs is realistic and justified in light of the proposed activities, and that the overall financial planning demonstrates a rational and efficient use of resources. | 5 |

The quality of project proposals will be evaluated based on the published criteria, assigning a score from 0 to 5. Fractional scores, such as 1.5 or 2.5, may also be awarded when deemed appropriate and justified. If a project proposal scores 0 for any sub-criterion, it is automatically rejected from further evaluation. For certain sub-criteria, a weighting factor of 2 will be applied, as specified in Table 4. To proceed to the eligibility of costs and budget cleaning stage, the project proposal must achieve a minimum total score 36 out of 60 points. Only shortlisted projects, selected based on their score and available budget allocation, will advance to this stage.

Project proposals will be ranked according to their final scores. In the event of a tie, the project with the higher score in the “Excellence” criterion will be given preference. If a tie persists, the ranking will be determined by the score under the “Potential” criterion, followed by the “Feasibility” criterion. If the proposals remain equally ranked, priority will be given to the proposal submitted earlier through the eDIGIT portal will be given priority.

**4. Eligibility of costs, and budget cleaning**

Cost eligibility verification involves reviewing the project budget and comparing proposed cost items against the eligibility criteria specified in the Call. The budget cleaning process includes excluding costs that are deemed ineligible, not aligned with the project’s objectives, or unrealistic in their amount. Each criterion in the table is assessed with a “Yes” or “No” response. If certain costs are found ineligible, they will be removed during the budget cleaning process. However, if the exclusion of ineligible costs affects the project’s purpose and objectives or causes the project to no longer meet the financial eligibility criteria, the project may need to be excluded from further consideration.

Table 5. Eligibility of costs, and budget cleaning

|  |  |
| --- | --- |
| Criteria for eligibility check | Assessment (Yes/No) |
| Eligibility of the costs | |
| The costs listed in the project proposal and budget are eligible, as defined in the Call for proposals. |  |
| The costs are determined in accordance with the purpose of the project, and their amounts are proportionate to the project's purpose and based on realistic prices. |  |
| After the process of verifying the eligibility of costs, and if necessary, excluding ineligible costs, the purpose and goal of the project remain unquestioned (if applicable). |  |
| After verifying the eligibility of costs, and if necessary, excluding ineligible costs, the project proposal still meets the eligibility criteria related to the eligible grant amount and budget structure. |  |

**5. E&S screening and risk assessment**

Before adopting an Award decision on funding, applicants (upon the MSEY’s request) must prepare and submit Environmental and social screening questionnaire (ESSQ) (Annex V. of the Guidelines for Applicants). Only low and moderate risk activities can be eligible for financing/awarded. If the ESSQ results indicate the need for specific E&S instruments, the applicant will be responsible for preparing the required documentation (such as the ESMP, ESMP Checklist, ESCOP) before the Award decision on funding is made. Failure to submit any of the required documents will result in the application being automatically rejected, and an Award decision on funding will not be adopted.

## Grant Agreement signing

Following an Award decision, the MSEY/PIU extends an invitation to the applicant to sign the Grant Agreement. After agreeing to the terms of the Grant Agreement (Annex A. of this document), the MSEY signs the Grant Agreement with the beneficiary.

# Procedures of project implementation management

This section provides information about monitoring during project implementation, procurement, payments, and disbursements of project funds, information and visibility measures, and grant refunds.

## Monitoring during project implementation

After the signing of the Grant Agreement, the MSEY monitors whether the project is on track to achieve the established goals and results, whether it is implemented following the Grant Agreement, and the fulfillment of indicators.

The monitoring process includes activities such as:

* review and approval of the procurement plan (and modification, if any);
* review and approval of the requests for advance payments (if any);
* review and approval of the semi-annual and final reports;
* preparation of addendums to the Grant Agreement (if any);
* verification of compliance with rules on sustainable development, and requirements related to equal opportunities and non-discrimination;
* review and verification of compliance with WB ESF;
* verification of compliance with rules on information and visibility (publicity); and
* on-site visits.

The MSEY/PIU will monitor overall project progress, including the monitoring of any irregularities.

## Procurement

The beneficiary that is subject to the Croatian Law on Public Procurement applies the Law on Public Procurement (OG 120/16, 114/22) and all applicable regulations arising, as well as changes to the procurement procedures within the project.

During project implementation, the beneficiary must comply with the procurement procedures. The beneficiary is obliged to carry out procurement procedures in accordance with all the principles and rules established in this document.

All procurement procedures carried out within the framework of the notified project, and before the date of entry into force of the Grant Agreement, must also be carried out in accordance with the principles and rules prescribed in this document, in order to be considered acceptable.

In accordance with the Procurement Regulations (par. 5.4 c.) and the Loan Agreement, the World Bank requires compliance with its Anti-Corruption Guidelines, including the Bank’s right to sanction, inspect, and audit. Bidders/Proposers must submit a signed acceptance at the time of bidding, confirming adherence to these guidelines, which will be incorporated into any resulting contract. The form of Letter of Acceptance of the World Bank’s Anti-Corruption Guidelines and Sanctions Framework is included in Annex III. this document.

The MSEY/PIU will provide the Bank with the list of contractors/suppliers and subcontractors/sub-suppliers under these contracts so that the Bank can ensure that the firms chosen are not and were not at the time of contract award or signing on the WB’s List of Debarred Firms. Contracts awarded to firms debarred or suspended by the WB (or those that include debarred or suspended subcontractors/sub-suppliers) will not be eligible for the WB’s financing.

The beneficiaries have obligations concerning the implementation of procurement procedures within the project. The first obligation is to conduct a procurement plan (Annex C. of this document). The procurement plan contains information on all planned procurements within each project, i.e. those that are related to eligible costs as stated in each grant agreement. The procurement plan review process includes, among other things, control that:

* the planned procurement value and the procurement subject correspond to the project budget and the provisions of the Grant Agreement;
* all necessary procurements resulting from the project, regardless of the estimated value, are included in the procurement plan;
* are the planned procurement start dates realistic and in line with the project implementation period;
* there is sufficient justification for the chosen procurement procedure and that the procurement procedure was correctly chosen.

The beneficiaries are obliged to inform the MSEY about any changes to the procurement plan.

## Reporting, on-site visits and record keeping

During the execution of the Grant Agreement, the beneficiary submits the following reports to the MSEY: semi-annual (progress) reports and final report. The request for interim payment is part of semi-annual (progress) report, while the request for final payment is part of final report. Request for advance payment can be submitted after the signing of the Grant Agreement and is not part of the reports. The beneficiary shall use report templates and request form for advance payment provided by the MSEY. E&S compliance reporting will be conducted in accordance with Environmental and Social Commitment Plan (ESCP) requirements and ESMF guidelines. The reports should contain a summary of complaints or suggestions received through the GRM, along with details of their resolution. Additionally, the reports should include information on stakeholder engagement and information disclosure.

**Request for advance payment**

The beneficiary has the right to claim an advance payment as it is specified in the Grant Agreement. Upon receipt of the request for advance payment, the MSEY will assess the request and inform the beneficiary about the results. If the request is approved, an advance payment will be prepared. In case of rejection of the request, the beneficiary will be provided with an explanation.

**Semi-annual (progress) reports and final report**

The beneficiary is required to report on the project’s implementation status (narrative part) and incurred eligible costs within the deadlines specified in the Grant Agreement. These reports include semi-annual (progress) reports and a final report.

The MSEY conducts the control of the reports.

All the costs must be made in accordance with the rules on eligibility and must follow national legislation and rules for audit. All the supporting documents that justify the occurrence of the costs, for example, procurement contracts (goods and services) (and amendments, if any) with invoices from suppliers and providers, acceptance certificates, lists and other documents proving the acceptability of costs (proof of publicity activities (articles, photos, etc.), list of participants, studies, certificates, etc.), must be kept on file. These documents are not required to be submitted, unless explicitly asked for, except for timesheets and payslip document which must be provided for control within each report. Supporting documents for new employment(s) (contract, salary decision, etc.) must be submitted within the first progress report.

For the final report, beneficiaries will need to provide evidence that the activities and outcomes foreseen in their application and BDP have been completed in a full and satisfactory manner.

**On-site visits**

On-site visits include verification of project activities and costs for which, in addition to administrative verification, it is also possible to verify the progress of physical indicators. Performing on-site visits depends on the nature of the project, the amount of financial support, the level of risk, and the comprehensiveness of the administrative check.

The goal of on-site visits is to check the reality of the project, i.e. the costs and deliveries, and to obtain information that supports the conclusions of the administrative check, i.e. to provide a guarantee of the regularity and legality of the costs.

Through the project (after 6th, 18th, 24th and 36th month of implementation), an on-site visit will be organized by an expert appointed by MSEY. The purpose of these visits is to assess the project's progress and the implementation of the Business Development Plan, with particular focus on the achievement of planned results, realisation of key activities, and overall management of the Research Center. Based on the findings of these visits, recommendations may be provided, and, if necessary, adjustments to the Business Development Plan may be requested to ensure the fulfilment of project objectives and the sustainability of results.

**Record keeping**

For the purpose of project revision and controls after projects completion, beneficiaries are obliged to keep original documents related to project expenses and implementation of activities for at least five years following the final payment, except for documents that have to be kept for longer period according to national legislation.

## Payments of project funds

Payments are made by the MSEY on the basis of an approved beneficiary's requests for an advance, interim and final payment.

**Advance payment**

After the Grant Agreement is signed, the beneficiary may request an advance payment of up to 30% of the total grant amount. The advance payment will be made following approval of the request and no later than 30 days from the date of approval. The MSEY reserves the right to approve or deny the request, and if denied, an explanation will be provided. The advance payment must be justified by the final payment.

**Interim payments**

Interim payments are issued following the approval of semi-annual (progress) reports. These payments will be made within 30 days of the report’s approval. Beneficiaries are required to submit semi-annual (progress) reports within 15 days after the end of each six-month period, counting from the date the Grant Agreement was signed.

The requested payments must align with the approved budget plan, supported with relevant documentation and approved by the MSEY/PIU. The beneficiary claims actual costs. For this Call, only the reimbursement method can be used.

Reimbursement method: Reimbursement of conducted payments can be made only after the beneficiary submits a payment request with proof that all stated payments, specifically regarding salaries, have been executed.

**Final payment**

The final report has to be submitted within 30 days from the end of the project implementation period. The final payment will be made following approval of the final report and no later than 30 days from the date of approval. Final payment can also only be paid using the reimbursement method. The amount of the final payment will depend on the remaining amount for financing with regard to the realized eligible costs, and as recorded in the final report. In the event that the project’s realized eligible costs are lower than the payments made so far, the MSEY will request the return of the unused funds.

All payments shall be made from MSEY to beneficiary’s bank account or to designated account that will be used exclusively for financing the activities stipulated in the Grant Agreement.

Commitments and payments will be carried out in euros (EUR).

**Accounting policies**

The documentation for all financial transactions from grant must be kept by beneficiary in accordance with the requirements of the national legislation and will reflect proper identification of costs.

The costs must be determinable, verifiable and recorded in the accounting records of the beneficiary, and must be determined in accordance with the applicable accounting standards and the usual accounting practice.

The beneficiary is obliged to ensure that the requests for advance, interim and final payment and other financial data related to the project can be easily and accurately reconciled with his accounting records.

**Audit and control**

The MSEY/PIU can hire an independent audit company that will review the implementation of grant-related procedures.

The beneficiary must enable MSEY/PIU and other authorized auditors/external persons to carry out the necessary controls by reviewing documents, making copies of those documents or performing on-site visits, monitoring project implementation and carrying out a full audit procedure, if necessary, based on accompanying documents for invoices, accounting records and any other documents relevant to project financing.

## Information and visibility of project and dissemination of results

The beneficiaries must undertake measures (e.g. announcements and press releases, notice boards, stickers, promotional material, etc.) to inform the public that the projects are financed through the Loan Agreement (Loan No. 9558-HR) for the Digital, Innovation, and Green Technology Project (DIGIT Project).

The beneficiaries undertake to respond to the invitation of the MSEY/PIU to participate in organized information and visibility events. The MSEY/PIU will inform the beneficiaries about organized information and visibility events in a timely manner, no later than seven days before the scheduled date.

Depending on applicability, the results of the project should be communicated through various platforms to ensure maximum outreach and impact:

* Conferences: Presenting results at national and international conferences can facilitate networking with other stakeholders, allowing for valuable feedback and collaborations that may enhance the project's reach and applicability.
* Publications: Publishing results in academic journals, especially peer-reviewed ones, ensures credibility and broad dissemination within the scientific community, influencing future research and practices.
* Public access repositories: Placing research outcomes in public access repositories makes them accessible to a wider audience, adhering to open science principles and enhancing transparency and reproducibility.
* Free and open source computer programs: If applicable, releasing any developed software or algorithms as free and open source can foster a community of users and developers who can further refine and expand upon the project's technological outputs.
* Newspapers, TV, or other media: The beneficiary must report any public presentation of the project and its results in newspapers, TV, or other media outlets as part of the semi-annual (progress) reports and the final report.

These dissemination strategies ensure that the project's impacts are widely understood and accessible, contributing to knowledge expansion and practical application in related fields.

## Grant refunds

The MSEY may suspend or terminate the right of the beneficiary to use the proceeds of the grant or obtain a refund of all or part of the withdrawn grant amount if the beneficiary’s fails to perform any of its obligations under the Grant Agreement.

# Annexes

## Annex A. Template of a Grant Agreement

**GRANT AGREEMENT**

**[*reference number of the Grant Agreement*]**

**[*Name of the Project*]**

**CALL FOR PROPOSALS**

**“PROFESSIONALIZATION OF RESEARCH CENTERS”**

**Reference of the Call: DIGIT.1.2.03**

**Name of the Program**: **Professionalization of Research Centers Program**

**Ministry of Science, Education and Youth** (hereinafter: MSEY) as the authority responsible for the implementation of the Digital, Innovation, and Green Technology Project (hereinafter: DIGIT Project), OIB: 49508397045, Donje Svetice 38, 10 000 Zagreb,

and

**BENEFICIARY**

*<Full official name, OIB and address of the Beneficiary>*

*<financial institution holding the Beneficiary bank account and bank account number>*

(hereinafter: Beneficiary)

(hereinafter: Contracting Parties) have agreed as follows:

**Purpose**

**Article 1.**

1. The purpose of this Grant Agreement (hereinafter: Agreement) is to award grant to the Beneficiary for the purpose of implementing the Project <Project name> (hereinafter: Project) described in Annex I. Application form of this Agreement (hereinafter: Annex I.).
2. Grant is awarded to the Beneficiary in accordance with the conditions set forth in this Agreement, including the Grant Operations Manual dated May 23, 2024 and published at: https://mzom.gov.hr, as set forth in the Loan Agreement (Loan No. 9558-HR) between the Republic of Croatia and the International Bank for Reconstruction and Development (WB or World Bank) for the Digital, Innovation, and Green Technology Project (DIGIT Project). The Beneficiary hereby declares that he has taken full note of the terms of the Agreement, and that he has understood and accepted them.
3. The Beneficiary undertakes to implement the Project in accordance with the description and scope of the Project as specified in the terms of this Agreement and Annex I., and any approved subsequent amendments to the Agreement.

**Rights of the MSEY**

**Article 2.**

1. The MSEY may suspend or terminate the right of the Beneficiary to use the proceeds of the Grant, or obtain a refund of all advances that have not been used for eligible expenditures or any part of the amount of the Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under this Grant Agreement.

**Implementation of the Project**

**Article 3.**

1. This Agreement takes effect on the day it is signed by the last Contracting Party and is effective until all the rights and obligations of the Contracting Parties have been fulfilled, or until the date of termination of the Agreement.
2. The Project implementation period is from <…> to <…>.
3. The period of eligibility for Project costs is from <…> to <…>, unless an extension is communicated in writing to the Beneficiary by the MSEY.
4. The Beneficiary can use only the reimbursement method to claim expenses.
5. The Beneficiary undertakes to:
   * 1. carry out the Project in accordance with the Call for proposals Professionalization of research centers - DIGIT.1.2.03 (hereafter: Call), with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards (including any documents required under the Environmental and Social Management Framework) and practices satisfactory to the WB, including in accordance with the applicable provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grant”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016, and without limitation the World Bank’s right to sanction and the World Bank’s inspection and audit rights;
     2. submit to the MSEY regular reports (progress reports and final report) and, upon a request by MSEY or the WB, ad hoc reports on the implementation of the Project, achievement of indicators, horizontal issues or other information necessary for reporting or implementation;
     3. procure the goods, works and services to be financed out of the Grant in accordance with the provisions of the Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project which is part of the Call;
     4. maintain policies and procedures adequate to enable it to monitor the progress of the Project and the achievement of its objectives;
     5. (a) maintain a financial management system and prepare financial statements (if any) in accordance with consistently applied accounting standards, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (b) at the WB’s or the MSEY’s request, have such financial statements audited by independent auditors acceptable to the WB and promptly furnish the statements as so audited to the MSEY and the WB; and
     6. prepare and furnish to the MSEY and the WB all such information as the MSEY and the WB shall reasonably request relating to the foregoing.
6. The Beneficiary may lose the right to grant, that is, the MSEY may terminate the Agreement with the Beneficiary if the Beneficiary's actions or failure to act did not result in reimbursement of funds based on the Agreement, within seven (7) months from the date of its signing.
7. Amendments to the Agreement agreed upon by all Contracting Parties are compiled in the form of a written addendum to the Agreement, which is signed by all Contracting Parties. The Agreement cannot be modified for a purpose or with an effect that would call into question the conditions of eligibility and the contribution to achieving the project's objectives, and that would affect significant changes within the evaluation process that was carried out, as well as compliance with the principle of equal treatment.

**Grant amount and arrangement of payments**

**Article 4.**

1. The total value of the Project is determined in the amount of EUR <...>.
2. The total eligible costs of the Project amount to EUR <…>, as set out in Annex I.
3. As part of the Project, eligible costs are those costs approved by the MSEY as part of the Call.
4. Grant is awarded in the amount of EUR <...>, which is the highest possible amount of financing of the total determined value of the eligible costs of the Project specified in paragraph 2. of this article.
5. The Beneficiary is obliged to provide funds to cover costs that are subsequently determined to be ineligible.
6. The Beneficiary has the right to request for advance payment. The total amount of the advance is 30% of the approved grant.
7. Interim payments shall be made following the approval of project semi-annual reports (progress reports) and no later than 30 days from the date of approval. Reports should be submitted within 15 days from the end of every six months from the conclusion of this Agreement.
8. The final report has to be submitted within 30 days from the end of the project implementation period. The final payment will be made following approval of the final report and no later than one month from the date of approval. The amount of the final payment will depend on the remaining amount for financing with regard to the realized eligible costs, and as recorded in the final report. In the event that the project’s realized eligible costs are lower than the payments made so far, the MSEY will request the return of the unused funds.
9. If the Beneficiary does not act in accordance with the decision ordering the return of funds, and/or the Beneficiary's bank account is blocked due to forced collection of claims, further payments to the Beneficiary are suspended.

**Ineligible costs**

**Article 5.**

1. Ineligible costs are all expenses listed as ineligible in the evaluation of the acceptability of expenditures within Call, including all expenses that are not consistent with the terms and conditions of this Agreement.

**Project assets management and contract transfer**

**Article 6.**

1. The property acquired in the Project must be used in accordance with the description of the Project contained in Annex I. of this Agreement and in accordance with the durability requirements.

**Other conditions**

**Article 7.**

1. The Beneficiary is obliged to keep documentation related to the Project for five (5) years after the final payment.
2. The Beneficiary is obliged to achieve the indicators specified in Annex I. of this Agreement.
3. The Beneficiary undertakes upon completion and within five (5) years after the implementation of the projects to participate in surveys and to give consent for the use of collected data to evaluate the impact of the implementation.
4. MSEY can check the accuracy of the data specified in the Project proposal at any stage of the Project implementation.
5. Financial corrections related to the non-achievement of the indicators as listed in Annex I. of this Agreement will not be applied if they were achieved due to the occurrence of force majeure, socio-economic or environmental factors, i.e., the occurrence of important changes in economic or environmental conditions in the country, which affected achievement of Project indicators. The competent authority evaluates each specific case and determines the realization of the mentioned factors, as well as the possibility of achieving the given indicators.
6. MSEY and the WB can perform monitoring visits (on-site visits). The MSEY and the WB shall notify the Beneficiary in advance about the monitoring visit. Monitoring visits will typically include a review of Project implementation (e.g. procedures, milestones with measurable results, timelines, tasks, agreements, policies, and financial documentation, etc.) as well as in-person meetings with relevant project team members. At the end of each monitoring visit, the MSEY will discuss findings from the meeting with relevant project team members and clarify which corrective actions to pursue after the visit, if any. If the monitoring visit has identified any concerns, the Beneficiary will be required to correct these deficiencies within the agreed timelines. Further payments shall depend on the severity of the problem, and it will be suspended until the deficiencies are corrected. Nonetheless, the MSEY and the WB reserves the right to conduct ad hoc monitoring visits, if deemed necessary.

**Communication of the contracting parties**

**Article 8.**

1. The Beneficiary and the MSEY use e-mail communication during implementation and the defined reporting period after the implementation of the Project. In every type of communication-related to this Agreement, the reference number of the Agreement (Project code) is indicated.

**Annexes**

**Article 9.**

1. The following annexes are an integral part of the Agreement, and the Contracting Parties hereby confirm that they have understood and, by signing the Agreement, accept them:
2. Annex I. Application form
3. Annex II. Declaration by the Applicant
4. Annex III. Conditions for the preparation and implementation of projects within the DIGIT Project.
5. <Annex IV. Business Development Plan for Research Center

**Final provisions**

**Article 10.**

1. This Agreement is made in two identical copies, each with the power of the original, of which each Contracting Party retains one copy.

|  |  |  |  |
| --- | --- | --- | --- |
| **For the Ministry of Science, Education and Youth** | | **For the Beneficiary** | |
| Name |  | Name: |  |
| Function |  | Function: |  |
| Signature |  | Signature: |  |
| Date  Class:  Registry number: |  | Date: |  |

## Annex B. Letter of Acceptance of the World Bank’s Anticorruption Guidelines and Sanctions Framework

**LETTER OF ACCEPTANCE OF THE WORLD BANK’S ANTICORRUPTION GUIDELINES AND SANCTIONS FRAMEWORK**[[2]](#footnote-3)

Date:

Contract # \_\_\_\_\_\_\_\_\_

Contract Description:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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To: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We, along with our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not) consultants and personnel, acknowledge and agree to abide by the World Bank’s policy regarding Fraud and Corruption (corrupt, fraudulent, collusive, coercive, and obstructive practices), as set out and defined in the World Bank’s Anti-Corruption Guidelines[[3]](#footnote-4) in connection with the procurement and execution of the contract described above (“the Contract”), including any amendments thereto.

We declare and warrant that we, along our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not), consultants and personnel, are not subject to, and are not controlled by any entity or individual that is subject to, a temporary suspension, early temporary suspension, or debarment imposed by a member of the World Bank Group, including, inter alia, a cross-debarment imposed by the World Bank Group as agreed with other international financial institutions (including multilateral development banks), or through the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement.

We confirm our understanding of the consequences of not complying with the World Bank’s Anti-Corruption Guidelines, which may include sanctions, pursuant to the Bank’s Anti-Corruption Guidelines and in accordance with its prevailing sanctions policies and procedures as set forth in the Bank’s Sanctions Framework. This may include a public declaration of ineligibility, either indefinitely or for a stated period of time, (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;[[4]](#footnote-5) (ii) to be a nominated[[5]](#footnote-6) sub-contractor, sub-consultant, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project.

We understand that we may be declared ineligible as set out above upon:

1. completion of World Bank Group sanctions proceedings according to its prevailing sanctions procedures;
2. cross-debarment as agreed with other international financial institutions (including multilateral development banks);
3. the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement; or
4. temporary suspension or early temporary suspension in connection with an ongoing World Bank Group sanctions proceeding.]

We shall permit, and shall cause our sub-contractors, sub-consultants, agents (whether declared or not), personnel, consultants, service providers or suppliers, to permit the Bank to inspect[[6]](#footnote-7) all accounts, records, and other documents relating to the procurement process and/or Contract execution , and to have them audited by auditors appointed by the Bank.

We agree to preserve all accounts, records, and other documents (whether in hard copy or electronic format) related to the procurement and execution of the Contract.

Name of the Contractor:

Name of the person duly authorized to sign the Contract: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title of the person signing the Letter:

## Annex C. Procurement plan



1. Code of ethics, [link](https://digit.mzom.hr/en/about-digit-project/documents-and-acts/) [↑](#footnote-ref-2)
2. Drafting note: This document shall be signed by the contractor/consultant/supplier and maintained by the Borrower in the project files. [↑](#footnote-ref-3)
3. *Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development Loans and the International Development Agency Credits and Grants*, dated October 15, 2006, and revised in January 2011 and July 2016, as they may be revised from time to time. [↑](#footnote-ref-4)
4. For the avoidance of doubt, a sanctioned party’s ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification or initial selection), expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract. [↑](#footnote-ref-5)
5. A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the bidding document) is one which has been: (i) included by the bidder in its pre-qualification or initial selection application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower. [↑](#footnote-ref-6)
6. Inspections in this context are usually investigative (i.e., forensic) in nature: they involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data, and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third-party verification of information. [↑](#footnote-ref-7)