



3RD FUNDING ROUND

GRANT
AWARD
GUIDELINES

GRANT AWARD GUIDELINES

These Guidelines govern (i) the establishment and conduct of the Expert Council comprised of independent experts appointed by PMI (“**Expert Council**”), which will select the Applications for the award of grants by PMI (Section I. below) and (ii) the procedure for the award of grants by Philip Morris Products S.A. (“**PMI**”) under the PMI IMPACT initiative (Section II. below).

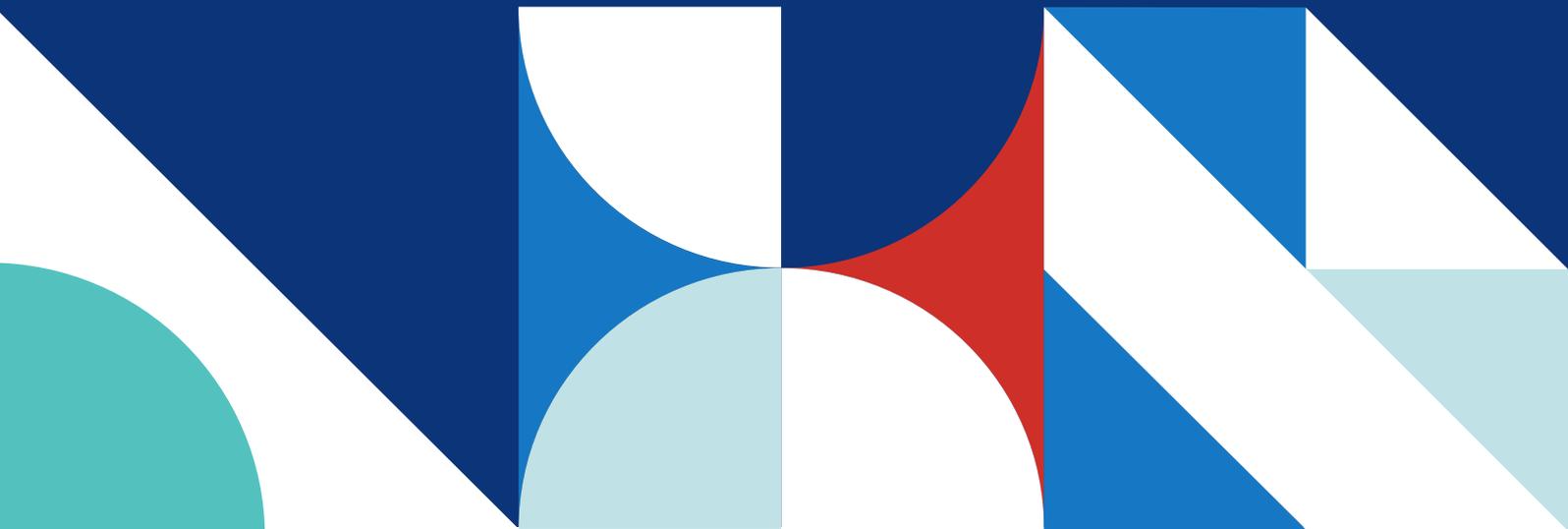
An “**Application**” means an application for a Grant under PMI IMPACT.

An “**Applicant**” is an organization applying for a Grant.

A “**Grant**” is a monetary amount payable by PMI under PMI IMPACT to a successful Applicant, to be spent exclusively on its Project under the terms set out in a grant agreement between PMI and an Applicant (“**Grant Agreement**”).

A “**Project**” means the project proposed to be carried out by an Applicant with a Grant, as well as the project awarded a Grant under a Grant Agreement between PMI and the Applicant.

Any undefined terms used in these Grant Award Guidelines have the meanings described in the [Application Terms and Funding Rules](#) published on the [PMI IMPACT website](#).



I. EXPERT COUNCIL: ESTABLISHMENT AND CONDUCT

Expert Council membership

The Expert Council will include at least 4 Experts. PMI will select and appoint the Experts based on their skills, experience, knowledge and other criteria relevant to PMI IMPACT. PMI will consider all recommendations for new Experts from existing Experts.

In carrying out their tasks, the Experts shall have full independence. The Experts shall exercise objectivity, impartiality, sound judgment and integrity when making their decisions, and properly and prudently use the information they acquire while acting as Experts.

The Experts will be appointed for one Funding Round and may be re-appointed by PMI any number of times, each time for another Funding Round. A Funding Round typically covers the period during which the Expert Council participates in the review and selection of a set of Applications for the award of Grants by PMI, and the implementation period of the Projects. If an Expert decides to leave the Expert Council, PMI will appoint another Expert based on the criteria above, taking into account the recommendations of the remaining Experts.

The Experts will be entitled to a fixed *per diem* fee for each day they spend on Expert Council matters, including time spent on travel, plus reasonable travel and accommodation expenses. Reasonable *per diem* fees, commensurate with the stature of Experts, will be the same for all Experts, and not contingent on the substance of the decisions they make in selecting Applications.

The task of serving as members of the Expert Council is personal to the Experts and may not be assigned by them to other persons. However, the Experts may have assistants who provide them with technical assistance to perform their tasks.

Secretary and PMI's Anti-Illicit Resource

The Expert Council will be assisted by a **Secretary** appointed by PMI whose role is described below. The Secretary will attend Expert Council meetings to record decisions, take minutes and handle procedural questions of the meetings, but may not participate in the discussion regarding assessment or scoring of Applications or in any vote.

Given PMI's in-depth knowledge of and experience in fighting the illegal tobacco trade, PMI will appoint one of its employees to be an Anti-Illicit Trade Resource ("**PMI's Anti-Illicit Trade Resource**") to provide additional materials and information on illegal trade to Experts. PMI's Anti-Illicit Trade Resource may attend Expert Council meetings and provide his/her input on any Application. PMI's Anti-Illicit Trade Resource may delegate his/her task to other PMI staff who have expertise to provide input on any Application, for example, to provide input on the technical aspects of an Application or particulars of illegal trade in a specific geographic location. Experts will be under no obligation to take PMI's Anti-Illicit Trade Resource's input into account in their assessment.

Neither the Secretary nor PMI's Anti-Illicit Resource nor any of his/her delegates will have a vote in deciding which Applications are selected by the Expert Council.

Neither the Secretary nor PMI's Anti-Illicit Resource or any of his/her delegates can have a Conflict of interest with respect to any Applications. If either has a Conflict of interest, PMI will appoint another person who does not have a Conflict of interest with respect to any Applications, to fulfill their role for the Grant award procedure.

In addition, PMI will make available one or more of the employees of the PMI IMPACT project office (the "**Project Office**") to provide assistance to the Expert Council, Secretary, and PMI's Anti-Illicit Trade Resource, and answer the questions of the Expert Council regarding the findings of due diligence checks conducted by PMI on Applicants and Applications, and the selection made by PMI on Applications.

Review meetings

The Expert Council will meet in person at least once during each Funding Round, to review and select the Applications for the award of Grants by PMI.

In exceptional cases, an Expert may participate in a meeting by telephone or video conference. If an Expert cannot attend the meeting of the Expert Council to review and provide his/her input regarding Applications, the Secretary will record the outcome of the meeting based on the inputs received from the other Experts who participated in the meeting, provided more than half of the number of Experts have submitted their inputs.

The Project Office will arrange for the meetings to be held on dates and, if applicable, in locations convenient to the Experts.

During the meetings to review Applications, the Expert Council and PMI may discuss topics related to PMI IMPACT, including the themes of and changes to subsequent Funding Rounds, the progress and/or results of the Projects awarded Grants in the prior or current Funding Round.

Minutes of review meetings

Following each review meeting, the Secretary will provide the Experts with a draft of the minutes of the meeting. The minutes shall include a list of the Experts present, record whether any Experts declared Conflicts of interest and decisions made by the Expert Council. Within an agreed time after receipt of these minutes, Experts should inform the Secretary of any comments or questions they may have on the minutes, or approve them. If any Experts propose corrections to the minutes, the Secretary will ask the other Experts if they agree with such corrections. The Expert Council's decisions regarding proposed corrections will be made by consensus, and formal voting will take place only at the request of the Secretary when it has not been possible for the Expert Council to reach a consensus.

Independence and Impartiality; Declaration regarding Conflicts of Interest

When reviewing each Application, the Experts shall check if they have an actual, potential or apparent Conflict of interest. If they do, they must declare it to the Secretary and withdraw from participating in the review process with regard to the respective Application.

A “**Conflict of interest**” is a situation in which an Expert's objectivity in making decisions could, in the opinion of a reasonable person, be impaired by his/her personal interest. Personal interest can arise from many types of relationships, including family or political ties, financial investments, and personal interactions. Conflicts of interest with regard to the PMI IMPACT Grant Award Procedure may, for example, arise due to ties or relationships between the Expert and Applicants, or because of the subject matter of Applications.

The Secretary will open each meeting of the Expert Council intended to review Applications with a reminder to the Experts of the importance of their obligations of independence and impartiality, and will ask each of them to sign a declaration regarding Conflicts of interest in the form attached as **Annex 1**.

II. PMI IMPACT: GRANT AWARD PROCEDURE

The procedure for awarding Grants comprises the following stages (see more details below):

A. Submission of Applications under the PMI IMPACT Initiative

PMI calls for Applications; Public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations, identified through the exploratory stage described in Section 3 of the Applications Terms and Funding Rules of the Third Funding Round, are invited by the project office of PMI IMPACT to submit an Application.

B. Due Diligence Checks and Pre-Selection of Applications by PMI

PMI conducts Due Diligence checks on Applicants and Applications to ensure that they are complete and meet the applicable requirements; PMI pre-selects Applications to be submitted to the Expert Council.

C. Review of Pre-Selected Applications and Selection by the Expert Council

Following stage B above, the Expert Council reviews and selects Applications for the award of Grants by PMI.

D. The Expert Council and PMI – Joint Consultation

For Applications that the Expert Council preliminary selected for rejection under Section II. Stage C. above, the Expert Council and PMI shall conduct a joint consultation to reassess the merits of such Applications and determine whether an unanimous decision may be reached in the selection of those Applications for the award of a Grant.

E. Applications not selected by the Expert Council

PMI may decide to use its discretionary right to award exceptionally a Grant to one or more Applicant(s) whose Application have not been selected for the award of a Grant by the Expert Council.

F. Award of Grants

PMI informs unsuccessful Applicants that their Applications have not been selected for the award of Grants and invites successful Applicants to enter into Grant Agreements with PMI; PMI awards Grants under Grant Agreements between PMI and successful Applicants and publishes the results of the Grant award procedure on the PMI IMPACT website.

More details on each stage are provided further below in this Grant Award Guidelines.

Due diligence checks

“Due Diligence” is described in the Application Terms and Funding Rules published on the PMI IMPACT website.

PMI will conduct Due Diligence checks on Applicants during Stage B as described above.

PMI will prepare for the Experts a list of Applications for which the Due Diligence checks yielded concerns and share its due diligence concerns and the issues identified. Experts will be able to express and discuss with PMI and other Experts their views on (i) these Applications and potential Due Diligence grounds for their rejection or (ii) their Due Diligence related concerns on the other Applications.

At any time during or after the Grant award procedure, PMI may reject an Application if it learns of circumstances requiring the rejection of that Application based on Due Diligence grounds. In this case, PMI will immediately notify the Expert Council and provide a short summary describing the rationale for such rejection.

Here, in more detail, are the stages of the Grant Award Procedure:

A. Submission of Applications under the PMI IMPACT Initiative

PMI publishes a call for Applications on the PMI IMPACT website. Public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations, identified through the exploratory stage described in Section 3 of the Applications Terms and Funding Rules of the Third Funding Round, are invited by the project office of PMI IMPACT to submit an Application.

The invitation to submit an Application to PMI IMPACT will provide access to a secured on-line platform where Applicant can find the Application form and the relevant templates to complete and upload to the platform in order to complete the submission.

In its Third Funding Round, the Applicants can apply under the PMI IMPACT following one of the three deadlines for submission of Applications¹. The call for Applications remains open until the third submission deadline.

- **The first submission deadline: September 15, 2021, 23h59 CET.**
- **The second submission deadline: February 15, 2022, 23h59 CET.**
- **The third submission deadline: August 15, 2022, 23h59 CET.**

The submission deadline for the Application means that the Applicant has completed the process of submission of the Application through the online platform. To confirm a successful receipt of the submitted Application by PMI IMPACT, a notification is sent to the Applicant.

Following the first submission deadline, the Applications, submitted by September 15, 2021, 23h59 CET, will follow the Grant award procedure. It will take approximately 4 months for the Grant award procedure to be completed.

Following the second submission deadline, the Applications, submitted after September 15, 2021 and by February 15, 2022, 23h59 CET, will follow the second cycle of the Grant award procedure. It will take approximately 4 months for the Grant award procedure to be completed.

Following the third submission deadline, the Applications, submitted after February 15, 2022 and by August 15, 2022, 23h59 CET, will follow the second cycle of the Grant award procedure. It will take approximately 4 months for the Grant award procedure to be completed.

B. Due Diligence Checks and Pre-Selection of Applications by PMI

Following each submission deadline, PMI conducts Due Diligence checks on Applicants and Applications to ensure that they are complete and meet the applicable requirements. PMI will make substantive assessment of each Application and pre-select Applications to be submitted to the Expert Council. PMI will apply the Evaluation and scoring criteria, as described in **Annex 2**.

PMI will meet to conduct a substantive assessment and pre-select Applications following each deadline for submission of Applications.

C. Review of Pre-Selected Applications and Selection by the Expert Council

After PMI shares the Pre-Selected Applications with the Experts, they will review and make individual substantive assessments of each Application, awarding each one with separate scores for each criterion, according to the Evaluation and Scoring Criteria described in **Annex 2**. The Experts shall share a record of these scores with the Secretary in preparation for the Grant award meeting, but shall not exchange scores with other Experts nor, as a general rule, consult with other Experts at this stage of the review process.

¹The deadlines for submissions of Applications are indicative and might be subject to change by PMI. Please visit www.pmi-impact.com for updates.

The Expert Council will meet for a Grant award meeting following each deadline for submitting Applications. At the Grant award meeting, the Expert Council will review and select Applications for the award of Grants by PMI. The Expert Council may decide to open deliberations on that Application in order to reach consensus.

D. The Expert Council and PMI – Joint Consultation

Prior to the final selection and for each Application that the Expert Council preliminary selected for rejection under Stage C. immediately above, the Expert Council (or a delegate(s) if appropriate) and PMI shall conduct a joint consultation to reassess the merits of such Applications and determine whether an unanimous decision may be reached in the selection of those Applications for the award of a Grant. For the purposes of reaching the unanimous decision, the Expert Council and PMI shall appoint one representative each. The Secretary will record the decision made for each Application brought to the joint consultation of the Expert Council and PMI.

E. Applications not selected by the Expert Council

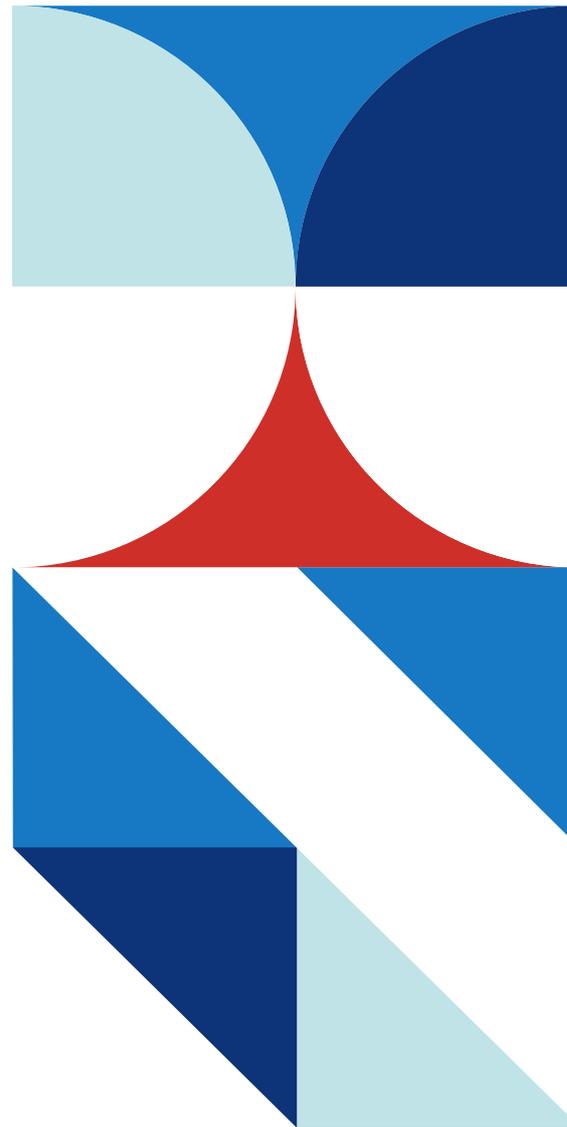
PMI may decide to use its discretionary right to award exceptionally a Grant to one or more Applicant(s) whose Application has not been selected by the Expert Council.

F. Award of Grants

PMI will inform unsuccessful Applicants that their Applications have not been selected for the award of Grants and invite successful Applicants to enter into a Grant Agreement with PMI.

Grants will be considered awarded only upon signature of Grant Agreements by PMI and successful Applicants. The Expert Council and individual Experts will not be parties to these agreements and will have no liability to Applicants under or in relation to the agreements.

PMI will publish on the PMI IMPACT website the results of each Grant award procedure.



ANNEX 1

Expert's Declaration Regarding Conflicts of Interest

I,

confirm that at the meeting to review PMI IMPACT Applications held on

:

Tick one of two boxes whichever apply:

I believe I have no actual, potential or apparent Conflict of interest with respect to any of the Applications. I agree to declare any Conflict of interest of which I may become aware during the meeting with respect to any Applications.

I have one or more actual, potential or apparent Conflicts of interest with respect to the Applications, but I declared these to the Secretary and I will not participate in the review process of the Applications concerned. I agree to declare any Conflict of interest of which I may become aware during the meeting with respect to any other Applications.

Applications and Conflicts of interest shall have the meanings set out in these Grant Award Guidelines.

Signature:

Date

ANNEX 2

Evaluation and scoring criteria

1. Potential for lasting impact

Sub-Criteria	Description	Scoring (whole number only are allowed)	Stage of the Grant Award Procedure the Sub-Criteria is applied
1.1	Extent to which the Project aims at practical and tangible outcomes. Potential of planned outcomes to generate positive changes	from 1 to 5	Stage B, C
1.2	Potential for the outcomes to be adopted, or to be used or to be streamlined by stakeholders into existing practices. Extent to which the Project deliverables are the actual solution to a problem (or it is part of a bigger project and thus, the issue might not be addressed)	from 1 to 5	Stage C
1.3	Potential of the dissemination and communication measures. Extent to which the Project promotes public and private partnership and integrates such cross sectorial collaboration in its implementation	from 1 to 5	Stage C

2. Relevance and coherence

Sub-Criteria	Description	Scoring (whole number only are allowed)	Stage of the Grant Award Procedure the Sub-Criteria is applied
2.1	Extent to which the Project corresponds to the theme and the selected topic of the Third Funding Round of PMI IMPACT; and coherent with PMI's mission and its anti-illicit trade programs	from 1 to 5	Stage B, C
2.2	Extent to which the Project responds to the needs of the target groups (beneficiaries, stakeholders)	from 1 to 5	Stage C
2.3	Extent to which the Project is coherent with local policies and/or regulations, and contributes to a more effective regulation and/or enforcement	from 1 to 5	Stage C

3. Formulation and design

Sub-Criteria	Description	Scoring (whole number only are allowed)	Stage of the Grant Award Procedure the Sub-Criteria is applied
3.1	Extent to which inputs, outputs and outcomes are clearly defined, logically related and credible. Relevance of the achievement indicators identified.	from 1 to 5	Stage C
3.2	Extent to which the Project identifies risks factors and mitigation measures	from 1 to 5	Stage C
3.3	Adequacy of the budget	from 1 to 5	Stage B, C

4. Feasibility

Sub-Criteria	Description	Scoring (whole number only are allowed)	Stage of the Grant Award Procedure the Sub-Criteria is applied
4.1	Extent to which the Application is complete, succinct, and precise, and relates to the core institutional or business activities of the Applicant, its past experience	from 1 to 5	Stage C
4.2	Extent to which the Applicant has the necessary implementing capacity (i.e., capacity of the Applicant to deliver what it says; how realistic is the commitment).	from 1 to 5	Stage B, C
4.3	Extent to which stakeholders demonstrate an effective commitment/buy-in	from 1 to 5	Stage C

For scoring, whole numbers only are allowed.

1 – the lowest score – the Project demonstrates poor rapport to the respective sub-criterion. The criterion is inadequately addressed or there are significant weaknesses.

5 – the highest score – the Project demonstrates strong rapport to the respective criterion. The Application successfully addresses all relevant aspects of the sub-criterion; any shortcomings are minor.



3RD FUNDING ROUND

GRANT
AWARD
GUIDELINES

